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COMDTNOTE 7100  
19 OCT 06

COMMANDANT NOTICE 7100

CANCELLED: 18 OCT 07

Sub: CH-3 TO FINANCIAL RESOURCE MANAGEMENT MANUAL (FRMM),  
COMDTINST M7100.3C

Ref: (a) Financial Resource Management Manual (FRMM), COMDTINST M7100.3C

1. PURPOSE. This Notice promulgates Change 3 to reference (a), developing new policy and updating existing ones in order to comply with current laws and regulations.
2. ACTION. Area and district commanders, commanders of maintenance and logistics commands, commanding officers of Headquarters units, assistant commandants for directorates, Judge Advocate General, and special staff offices at Headquarters shall ensure compliance with the provisions of this Notice. Internet release authorized.
3. DIRECTIVES AFFECTED. None.
4. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS. Environmental considerations were examined in the development of this Notice and have been determined to be not applicable.
5. SUMMARY OF CHANGES.
  - a. Chapter 3 (Funds Control) has been rewritten in order to meet OMB requirements.
  - b. Sections 5.E.1 and 5.E.2 have been revised to identify administrative commitments, establish legal obligations, and delegate personnel responsibilities over funding activities to ensure proper internal controls.
  - c. Section 7.I has been added to implement Intra-governmental Payment and Collection (IPAC) procedures initiated through the Treasury-based IPAC system in order to reconcile transactions involving exchanges of goods and services incurred between different government agencies.

**DISTRIBUTION-SDL No. 145**

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z
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NON-STANDARD DISTRIBUTION:

COMDTNOTE 7100

d. Section 8.B.2 has been revised to identify the responsibilities of the Office of Procurement Management (CG-85) over procurement of goods and services.

**Note:** Although designated as part of CH-3, Sections 2.I through 2.K.2 do not contain any new material. These sections were formerly included in Chapter 3 as Sections 3.C.11, 3.G, and 3.H. They were appended to Chapter 2 when Chapter 3 was revised.

6. PROCEDURES. Remove and insert the following pages:

<u>Remove</u>	<u>Insert</u>
iii to viii	iii to viii
xi to xii	xi to xii
2-43 to 2-89	2-43 to 2-91
Chapter 3	Chapter 3
5-9 to 5-32	5-9 to 5-32
7-67 to 7-68	7-67 to 7-72
8-3 to 8-12	8-3 to 8-12

7. FORMS/REPORTS. None.

RDML ROBERT S. BRANHAM /s/  
Assistant Commandant for Planning, Resources, and  
Procurement and Acting Chief Financial Officer

Encl.: CH-3 Financial Resource Management Manual (FRMM), COMDTINST M7100.3C

# FINANCIAL RESOURCE MANAGEMENT MANUAL

## Table of Contents

Chapter 2. Coast Guard Funding Authority and Structure	
2.F.32 Returned Items.....	2-35
2.F.33 Excess, Obsolete and Unserviceable (EOU) Inventory .....	2-36
2.F.34 Reporting .....	2-37
2.F.35 Capital Position Report.....	2-39
2.F.36 Capital Available For Procurement .....	2-40
2.F.37 Unfilled Customer Orders.....	2-41
2.F.38 Supply Fund Inventory Report .....	2-41
2.G AC&I Project Identification System.....	2-43
2.G.1 AFC-72 Retired Pay.....	2-43
2.G.2 AFC-73 Retired Medical.....	2-43
2.H Transfers.....	2-43
2.H.1 Refunds .....	2-44
2.H.2 Reimbursements.....	2-44
2.I The Investment Board .....	2-44
2.I.1 The Resource Group.....	2-44
2.J Headquarters Unit – Executive Officers .....	2-44
2.J.1 Headquarters Unit – Financial Management Staff .....	2-45
2.K Field Unit – Commanding Officers .....	2-45
2.K.1 Field Unit – Executive Officers .....	2-45
2.K.2 Field Unit – Financial Managers.....	2-45
Encl 2-1 AFC-01 Military Pay/CG-83.....	2-47
Encl 2-2 AFC-08 Civilian Pay /CG-83.....	2-49
Encl 2-3 AFC-20 Permanent Change of Station (PCS).....	2-51
Encl 2-4 AFC-30 Operating and Maintenance/ CG-83 .....	2-52
Encl 2-4.1 AFC-30 "T" Training .....	2-61
Encl 2-4.2 AFC-30 "C" Compliance .....	2-62
Encl 2-5 AFC-38 Industrial Support Activity Revolving Fund/ G- SLP.....	2-64
Encl 2-6 AFC-40 Chief of Staff Administrative/ CG-83.....	2-65
Encl 2-7 AFC-41 Aeronautical Engineering/G-SEA.....	2-66
Encl 2-8 AFC-42 Command, Control, Communications and Electronics/CG-64.....	2-69
Encl 2-9 AFC-43 Civil Engineering/ G-SEC.....	2-73
Encl 2-9.1 Real Property Facility.....	2-77
Encl 2-10 AFC-45 Naval Engineering/ G-SEN.....	2-78
Encl 2-10.1 G-SEN Oversight .....	2-80
Encl 2-11 AFC-56 Training/ G-WTT .....	2-81
Encl 2-12 AFC-57 Medical/ G-WRP.....	2-83
Encl 2-13 AFC -72 Retired Pay/G-WPM .....	2-85
Encl 2-14 AFC -73 Retired Medical/G-WKH.....	2-86
Encl 2-15 AFC-75 Reimbursements/Fund Programs .....	2-87
Encl 2-16 AFC-77, AFC-80, AFC-88 Reimbursable .....	2-88
Encl 2-17 AFC-90, AFC-94, AFC-97, AFC-98 .....	2-90

# FINANCIAL RESOURCE MANAGEMENT MANUAL

## Table of Contents

Chapter 3. Funds Control	
3.A Purpose.....	3-1
3.A.1 Policy Review .....	3-1
3.B Authority for Funds Control.....	3-1
3.C Scope of Funds Control.....	3-2
3.D Definitions, Terminology, and Concepts .....	3-2
3.E Anti-Deficiency Act .....	3-3
3.E.1 Actions Prohibited – Statutory Violations.....	3-3
3.E.2 Non-Statutory Violations.....	3-4
3.E.3 Penalties.....	3-5
3.E.4 Reporting Violations .....	3-5
3.F Apportionments .....	3-6
3.F.1 Apportionment Procedures .....	3-6
3.F.2 Anticipated Reimbursements.....	3-6
3.F.3 Deficiency Apportionments.....	3-7
3.G Policy on Allotments and Sub-allotments.....	3-7
3.G.1 Procedures.....	3-8
3.G.2 Restrictions.....	3-8
3.H Responsibility and Functions of Individuals.....	3-8
3.H.1 Commandant (G-C).....	3-8
3.H.2 Chief of Staff (G-CCS) .....	3-8
3.H.3 Asst. Commandant for Planning, Resources & Procurement / CFO (CG-8/8d)...	3-9
3.H.4 Resource Management (CG-83) .....	3-9
3.H.5 Financial Policy & Systems (CG-84).....	3-10
3.H.6 Procurement Management (CG-85).....	3-11
3.H.7 Budget Execution Division (CG-831) / Appropriations Manager .....	3-11
3.H.8 Allowance Managers.....	3-12
3.H.9 Administrative Target Unit Officers .....	3-14
3.H.10 Program Element Managers.....	3-15
Encl. 3-1 Allowance Managers.....	3-18

# FINANCIAL RESOURCE MANAGEMENT MANUAL

## Table of Contents

Chapter 4. Budget Formulation	
4.A The Stages and Format of the Budget - Budget Cycle.....	4-1
4.A.1 Budget Format.....	4-2
4.A.2 Congressional Stage.....	4-2
4.A.3 OPSTAGE Budget.....	4-3
4.B Public Disclosure.....	4-3
4.B.1 Release or Withholding of Information .....	4-3
4.B.2 Question on Public Disclosure.....	4-3
4.C DHS and OMB Stage Budgets -Relation to Forecast Stage.....	4-3
4.C.1 Budget Preparation Guidelines.....	4-3
4.C.2 Receipt of Allowances and Appeal .....	4-4
4.C.3 Relation to DHS Stage .....	4-4
4.D Congressional Stage Budget - President's Budget.....	4-4
4.D.1 Preparation and Submission.....	4-4
4.D.2 Funding, Military Strength and Student Load Authorization .....	4-5
4.D.3 Selected Reserve Strength.....	4-5
4.D.4 Congressional Committee Review.....	4-5
4.E Operating Stage -Overview .....	4-7
4.E.1 OPSTAGE Financial Plans.....	4-7
4.E.2 OPSTAGE .....	4-8
4.E.3 Other Appropriation Financial Plans.....	4-10
4.F ATU Budget Procedures - General.....	4-10
4.F.1 Schedule of Submission/Annual Headquarters Guidance .....	4-10
4.F.2 Preparation of Estimates/ATU Estimates .....	4-12
4.G RT Appropriation Financial Plans -Schedule for Submission.....	4-15
4.G.1 General Guidance.....	4-15
4.G.2 Preparation of Estimates - ISC/MLC Requests.....	4-15
4.G.3 Appeals.....	4-16
4.H Standard Personnel Costs (SPC) - Discussion .....	4-16
4.H.1 SPC Categories .....	4-16
4.H.2 Personnel Salary Costs.....	4-17
4.H.3 Distribution .....	4-17
4.H.4 Estimates .....	4-18
4.I Function of the Coast Guard Research and Development (R&D) Program.....	4-19
4.J Research, Development, Testing and Evaluation (RDT&E) Appropriation.....	4-19
4.J.1 Exploit Emerging Technologies.....	4-19
4.J.2 R&D Investment Portfolio Process .....	4-20
4.J.3 New Product Gating Process (NPG) .....	4-20
4.J.4 R&D New Procedures for Selecting and Requesting Projects.....	4-21

# FINANCIAL RESOURCE MANAGEMENT MANUAL

## Table of Contents

Chapter 5. Budget Execution	
5.A Continuing Resolution - General .....	5-1
5.A.1 Funding Levels.....	5-1
5.A.2 Additional Guidance .....	5-1
5.A.3 Government Shutdown .....	5-1
5.B Apportionment Process .....	5-1
5.B.1 Apportionment Time Periods.....	5-2
5.B.2 Apportionment Supporting Financial Plans .....	5-2
5.B.3 Reapportionment .....	5-2
5.B.4 Deficiency Apportionments .....	5-3
5.B.5 Deferrals .....	5-3
5.B.6 Rescissions .....	5-3
5.C Appropriations - General Rules.....	5-4
5.C.1 Appropriations Applications .....	5-4
5.C.2 Expense .....	5-4
5.C.3 Appropriations and Obligations .....	5-4
5.C.4 Specific vs. General Appropriations .....	5-4
5.C.5 Two Appropriations for Same Purpose.....	5-5
5.C.6 Time and the “Bona Fide Needs” Rule .....	5-5
5.C.7 Congressionally Directed Projects .....	5-5
5.C.8 Execution Proposal Procedures.....	5-5
5.D Statutory and Administrative Ceilings - Ceilings in the Authorization Process.....	5-6
5.D.1 Civilian Employment Ceilings.....	5-6
5.D.2 Cash Outlay Ceilings .....	5-7
5.D.3 Other Ceilings in Appropriation Language - Passenger Vehicles .....	5-7
5.D.4 Ceilings in DOD Appropriation Language - Dependent Schooling Overseas.....	5-8
5.D.5 Federal Debt Ceiling Restrictions .....	5-8
5.D.6 Travel and Other Ceilings .....	5-8
5.E Key Terminology.....	5-8
5.E.1 Administrative Commitments .....	5-9
5.E.2 Legal Obligations .....	5-10
5.F Anti-Deficiency Act Violations - Over Obligation of Funds Prohibited.....	5-10
5.F.1 Exceeding Target Reporting.....	5-12
5.F.2 Anti-Deficiency Violations Reporting.....	5-12
5.G Reports - Reports of Budget Execution .....	5-13
5.G.1 Program Element Status.....	5-13
5.G.2 Other Reports .....	5-13
5.H Control Of Year End Spending.....	5-13

# FINANCIAL RESOURCE MANAGEMENT MANUAL

## Table of Contents

Chapter 5. Budget Execution	
5.I Reimbursable and Refund Programs - Purpose.....	5-13
5.I.1 Reimbursable Agreements - Policies.....	5-14
5.I.2 Preparation and Coordination of Agreements.....	5-17
5.I.3 Reimbursement to the OE Appropriation.....	5-17
5.I.4 Reimbursements to Other Appropriations.....	5-20
5.I.5 Financing and Billing Arrangements.....	5-21
5.I.6 Distribution of Agreements.....	5-23
5.I.7 Revisions and Amendments.....	5-23
5.I.8 Refund Program - Policies.....	5-23
5.I.9 Refund Program Procedures/Military Pay and Allowances.....	5-24
5.J Operating Expenses - Military and Civilian Pay/General.....	5-25
5.J.1 Upgrade of Civilian Positions.....	5-25
5.J.2 Overtime for Civilian Employees - Classified Employees- OE.....	5-25
5.J.3 Non-Pay Cost Of Living (COL) Funding.....	5-26
5.J.4 Adjustments to Initial Funding -Purpose.....	5-27
5.J.5 Financial Plan Adjustment Authority.....	5-28
5.J.6 Adjustments Between a Target.....	5-28
5.J.7 ATU Funding Adjustments/New Initiatives or Requirements.....	5-29
5.J.8 Adjustments Between ATUs.....	5-29
5.J.9 Target Modification.....	5-30
5.J.10 Additional Funds Requirements.....	5-30
5.J.11 Permanently Switching Funds.....	5-31
5.J.12 Transfer of Units Between Districts.....	5-32
5.J.13 Reporting Excess Funds in OE.....	5-32
5.J.14 Carryover Criteria/Execution of the Financial Plan.....	5-32
5.J.15 Report of Un-obligated Balances.....	5-34
5.J.16 Operating Expense Closeout.....	5-34
5.J.17 Review Status of AFC Accounts.....	5-35
5.K Use of OE Funds.....	5-35
5.K.1 Awards and Recognition.....	5-36
5.K.2 Bottled Water.....	5-42
5.K.3 Business Cards or Information Cards.....	5-42
5.K.4 Cable/Satellite TV Service.....	5-43
5.K.5 Change of Command Expenses.....	5-44
5.K.6 Chaplain Support.....	5-44

# FINANCIAL RESOURCE MANAGEMENT MANUAL

## Table of Contents

Chapter 5. Budget Execution	
5.K.7 Coffee Mess, Picnic Supplies and Equipment .....	5-45
5.K.8 Conference Planning .....	5-45
5.K.9 Emergency Evacuation Funds.....	5-46
5.K.10 Flowers.....	5-47
5.K.11 Food -Refreshments .....	5-48
5.K.12 Federal Executive Board.....	5-52
5.K.13 Gifts.....	5-52
5.K.14 Insurance .....	5-52
5.K.15 Lease of Real Property .....	5-53
5.K.16 Luggage.....	5-53
5.K.17 Mascots .....	5-54
5.K.18 Membership Fees .....	5-54
5.K.19 Military Exchange Facilities as Sources of Supply .....	5-55
5.K.20 Organizational Clothing.....	5-55
5.K.21 Personal Expenses and Furnishings .....	5-56
5.K.22 Promotional Items .....	5-56
5.K.23 Recreational Memberships.....	5-57
5.K.24 Retirement Issues .....	5-57
5.K.25 Savings Bonds.....	5-57
5.K.26 Seasonal Decorations .....	5-57
5.K.27 Traditional Ceremonies.....	5-57
5.L Research, Development, Test and Evaluation -OPSTAGE Financial Plans .....	5-59
5.L.1 Administration of RDT&E Funds .....	5-59
5.L.2 Authorized Uses of RDT&E Funds.....	5-59
5.L.3 RDT&E Funding Responsibilities.....	5-62
5.L.4 Project Targets.....	5-63
5.L.5 Funding Basis for RDT&E Projects.....	5-64
5.L.6 Refunds.....	5-64
5.M Acquisition, Construction, and Improvements (AC&I) -Purpose.....	5-64
5.M.1 AC&I Appropriation .....	5-65
5.M.2 AC&I Category .....	5-65
5.M.3 General AC&I Terms .....	5-65
5.M.4 AC&I Work Categories.....	5-66



# FINANCIAL RESOURCE MANAGEMENT MANUAL

## Table of Contents

Chapter 7. Accounting Policies and Standards	
7.B.1 References .....	7-31
7.B.2 Type of Operating Materials and Supplies.....	7-31
7.B.3 Operating Material and Supplies (OM&S) .....	7-31
7.B.4 Responsibilities -Office of Financial Policy and Systems, Systems Management Division (CG-841).....	7-32
7.B.5 Reporting Operating Materials and Supplies .....	7-33
7.C Financial Policy For OM&S Materials and Supplies.....	7-36
7.C.1 References .....	7-36
7.C.2 Policy - Consumption Method of Accounting .....	7-36
7.D Financial Policy For Supply and Yard Fund Inventory .....	7-38
7.D.1 References.....	7-38
7.D.2 Inventory/Policy.....	7-38
7.D.3 Inventory Control Points Responsibilities .....	7-39
7.D.4 Inventory Other than Fuel at ICP's .....	7-39
7.E Financial Policy for Environmental Liabilities .....	7-42
7.E.1 References .....	7-42
7.E.2 Definitions - Cleanup Costs .....	7-42
7.E.3 Policy.....	7-43
7.F Financial Policy for Accounts Receivable.....	7-44
7.F.1 References.....	7-44
7.F.2 Definitions - Accounts Receivable .....	7-45
7.F.3 Office of Financial Systems (CG-84).....	7-46
7.F.4 Policy –Receivable Recognition.....	7-48
7.G Accounting For Coast Guard Internal Use Software .....	7-52
7.G.1 Definitions-Capital Software Project.....	7-52
7.G.2 Responsibilities - Office of Financial Systems (CG-84) .....	7-53
7.G.3 Specific Capitalization Guidance.....	7-58
7.H Financial Policy for Deferred Maintenance .....	7-60
7.H.1 References.....	7-61
7.H.2 Deferred Maintenance Reporting Responsibilities .....	7-61
7.H.3 Methodology for Aviation (AFC-41) Depot Level Deferred Maintenance.....	7-62
7.H.4 Methodology for Electronics (AFC-42) Depot Level Deferred Maintenance....	7-64
7.H.5 Methodology for Shore Facility (AFC-43) Depot Level Deferred Maintenance .....	7-65
7.H.6 Methodology for Naval (AFC-45) Depot Level Deferred Maintenance .....	7-66
7.I Intra-governmental Payment and Collection (IPAC).....	7-68
7.I.1 CG Contracting Officer (KO) Responsibility.....	7-69
7.I.2 IPAC Procedures .....	7-70

# FINANCIAL RESOURCE MANAGEMENT MANUAL

## Table of Contents

Chapter 8. Coast Guard Financial and Mixed Systems	
8.A Introduction -Purpose.....	8-1
8.A.1 Background - External Requirements .....	8-1
8.B Responsibilities- Assistant Commandant For Planning, Resources, and Procurement (CG-8).....	8-2
8.B.1 Office of Financial Policy and Systems (CG-84).....	8-2
8.B.2 Chief, Office of Procurement Management (CG-85).....	8-4
8.B.3 U. S. Coast Guard Finance Center .....	8-5
8.B.4 U.S Coast Guard Training Center Petaluma .....	8-6
8.B.5 U.S Coast Guard Training Center Yorktown.....	8-6
8.C Responsibilities Assistant Commandant (CG-6)/Chief Information Officer (G-CIO).....	8-6
8.C.1 Chief, Office of Computer Systems (CG-63) .....	8-7
8.C.2 Chief, Office of Information Technology Architecture (CG-6B).....	8-7
8.D CFO and CIO Cooperation .....	8-8
8.E Responsibilities Headquarters, Area, and District Programs .....	8-8
8.E.1 All Coast Guard Units .....	8-9
8.F Financial and Mixed Requirements - Mandatory Use.....	8-9
8.F.1 FPD Authorized For Service-Wide Use .....	8-9
8.F.2 Inventory of Finance and Procurement Systems .....	8-10
8.F.3 Data Entry Transmission .....	8-11
8.F.4 Commercial Of the Shelf-Government Off the Shelf COTS/GOTS.....	8-11
8.F.5 Standards Products.....	8-11
8. F.6 New or Changing Requirements for a New System and or Design Modification.....	8-11
8. F.7 Comparability and Consistency.....	8-12
8. F.8 Integrated Financial Management Systems.....	8-12
8.F.9 U. S. Government Standard General Ledger at the Transaction Level .....	8-13
8.F.10 Federal Accounting Standards.....	8-13
8.F.11 Financial Reporting .....	8-13
8.F.12 Budget Reporting.....	8-13
8. F.13 Functional Requirements.....	8-13
8.F.14 Computer Security Act Requirements .....	8-14
8.F.15 Documentation.....	8-14
8. F.16 Internal Controls .....	8-14
8. F.17 Training and User Support.....	8-14
8.F.18 Licenses .....	8-15

# COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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## 2.G AC&I Project Identification System

AC&I projects are numbered to coincide with the appropriate AC&I program areas (budget activities) designated as follows:

MAJOR ACTIVITY TITLE NUMBER	FISCAL ACTIVITY	PROJECT YEAR	MAJOR
		<u>(NOTE 1)</u>	<u>(NOTE 2)</u>
0	X	XX	Administrative Expenses
1	X	XX	Vessels
2	X	XX	Aircraft
3	X	XX	Shore Facilities Pollution Control, and Navigational Aids
4	X	XX	Electronics & Other
5	X		Deepwater Equipment
6	X	XX	Reimbursable Projects

**Notes:**

1. Second digit indicates the last fiscal year (FY) in which funds can be obligated.
2. Third and fourth digits indicate the specific project serial number.

### 2.G.1 AFC-72 Retired Pay

Compensation and entitlements for Coast Guard retirees.

### 2.G.2 AFC-73 Retired Medical

Medical expenses to support health care for Coast Guard retired members and their dependents.

## 2.H Transfers

A transfer is the shifting of funds **between** appropriations. The basic rule with respect to transfers is: Transfer is prohibited without statutory authority. Two exceptions to this rule are refunds and reimbursements.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **2.H.1 Refunds**

Government Accounting Office (GAO) and OMB identify refund transactions as bookkeeping adjustments to correct errors such as overpayments and incorrect disbursements and to fund common services provided by one appropriation to another.

### **2.H.2 Reimbursements**

Reimbursement transactions are repayment for commodities or services provided by one agency or appropriation to another that is authorized by law to be credited directly to specific appropriation and fund accounts.

### **2.I The Investment Board**

The purpose of the Investment Board is to provide G-CCS and CG-8 with sound and reliable information on matters relating to resource allocation. The board looks at a wide variety of issues, from budget year priorities to current year targets and projected deficiencies in a given appropriation, and makes recommendations to G-CCS.

### **2.I.1 The Resource Group**

The primary role of the Resource Group is to act as an advisory body to the Investment Board concerning the prioritization of all investments, divestment and research alternatives. In doing so, the Resource Group must make significant contributions to Coast Guard planning. The Resource Group shall provide the following deliverables to the Investment Board:

1. Prioritization list of all investment, divestment, and research alternatives.
2. Recommended Proposed Reduction List with the prioritized alternatives.
3. Validated Agency Capital Plan.
4. Prioritized list of OPSTAGE requests.
5. Recommended OPSTAGE budget.

### **2.J Headquarters Unit – Executive Officers**

The Executive Officer/Deputy Director of a Headquarters unit, under the direction of the Unit Commanding Officer, supervises and coordinates the budgetary program of the unit, ensures the efficient management and use of unit funds, and makes recommendations to the Unit Commanding Officer when program adjustments are necessary to ensure effective use of those funds. This individual shall serve as chairperson of the Budget Review Board.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **2.J.1 Headquarters Unit – Financial Management Staff**

Organization of Headquarters units varies widely; however, each should have a designated financial management staff. This staff is responsible for coordinating all aspects of the unit's budget process, including the issuance of funding targets to subordinate units and staffs, and developing directives and other guidance to foster good stewardship over the funds provided. If the mission of the unit makes it impractical to assign one individual as an overall unit financial officer, financial management duties and responsibilities shall be clearly outlined in unit directives.

### **2.K Field Unit – Commanding Officers**

As the end user of funding provided to the administrative operating target at an area, MLC, or district unit, the individual Unit Commanding Officer is responsible for the efficient and economical expenditure of available funds to carry out the unit's mission. The Unit Commanding Officer must ensure that the unit's funds are used only for the purposes for which they were provided and in accordance with established laws, rules, and regulations.

### **2.K.1 Field Unit – Executive Officers**

The Executive Officer, Deputy Commander, or Executive Petty Officer (under the direction of the Officer in Charge) supervises and coordinates the budgetary program of the unit, ensures the efficient management and use of unit funds, and makes recommendations to the Unit Commanding Officer or Officer in Charge when program adjustments are necessary to ensure effective use of those funds.

### **2.K.2 Field Unit – Financial Managers**

Unit Commanding Officers shall designate personnel to administer unit funding. This individual will be responsible for coordinating all aspects of the unit's budget process, including the issuance of unit funding targets to subordinate staff, and developing directives and other guidance to foster good stewardship over the funds provided. If the mission of the unit makes it impractical to assign one individual as an overall unit financial officer, then financial management duties and responsibilities shall be clearly outlined in unit directives.

In order to enhance the effective use of AFC-30 (Operating and Maintenance) funds and allow Unit Commanding Officers more flexibility to manage recurring expenses,

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**2.K.2**  
**Field Unit –**  
**Financial Managers**  
(Continued)

funds are passed to the lowest level bearing both the operational and funding responsibility. In general, all funds should be programmed to the unit level with only a small contingency.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-1 AFC-01 Military Pay/CG-83**

Compensation, subsistence rations, entitlements, special, and incentive pay for active duty, and cadets

#### 1. Chargeable Expenses

- a. Basic pay.
- b. Subsistence, housing, cost-of-living and clothing allowances (includes clothing-in-kind).
- c. Special and incentive pays (e.g., career sea pay, Hazardous Duty Incentive Pay (HDIP), Aviation Career Incentive Pay (ACIP), responsibility pay, diving duty pay).
- d. Separation allowances including unused accrued leave, and severance pay.
- e. Employer's contribution for benefits including Federal Social Security Insurance Tax (FICA).
- f. Reenlistment bonus payments and cash awards for beneficial suggestions.
- g. Family and unaccompanied personnel leased housing, including rent and utilities.
- h. Net value of Coast Guard Supply Fund subsistence provisions consumed by Coast Guard dining facilities.
- i. Subsistence furnished to enlisted members by another service dining facility and subsistence expense for Coast Guard Auxiliary members.
- j. Death gratuities.
- k. Cost of educating dependant children for members serving in foreign countries.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-1**  
**AFC-01 Military**  
**Pay/ CG-83**  
(Continued)

2. Redistributed Cost - Military pay and allowances are first charged to AFC-01. Under the intra-Coast Guard refund program, costs are marked for redistribution as follows:
  - a. Gross pay and allowances accruing to members performing work that will subsequently be reimbursed by another appropriation, or government agency, will be subsequently charged to AFC-77.
  - b. Gross pay and allowances accruing to industrial personnel at the Coast Guard Yard will be subsequently charged to the Yard Fund.
  - c. Gross pay and allowances accruing to members engaged in AC&I, EC&R, RDT&E, BS or RT programs will be subsequently charged to the respective appropriation.
  - d. Accrued mileage allowance that is not credited to a member's pay account and for which travel must be performed prior to payment will be subsequently charged to AFC-20.
3. Expenses Not Chargeable to AFC-01
  - a. Miscellaneous ordinary recruiting expenses other than occasional meals for applicants for enlistment are chargeable to AFC-30.
  - b. Inactive duty for training (IDT) drill pay, annual training pay and allowances (ADT-AT), short-term active duty special work for the reserve component (ADSW-RC) pay and allowances, and other training duty (ADT-OTD) pay and allowances.



## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-2**  
**AFC-08**  
**Civilian Pay /CG-83**

Compensation, benefits and costs associated with civilian Working Capital Funds, Permanent Change of Station (PCS) and reimbursable positions in the Coast Guard.

1. Chargeable Expenses

- a. Regular pay, overtime pay, lump sum terminal leave, holiday pay, Sunday premium pay, hazardous duty pay, night work differentials, post differentials, cost-of-living allowances for permanent and temporary employees in full-time, part-time and intermittent employment categories. Disability retirees are included.
- b. Special Act Performance awards, on the spot cash, SES bonuses, Presidential rank award and awards associated with gains sharing efforts.
- c. Employer's contribution for benefits including FICA, health insurance plans, retirement plans, life insurance plans, and unemployment compensation.
- d. Severance pay and uniform allowances.
- e. Civilian Working Capital Fund and related cost.
- f. Compensation and benefits for all OE funded civilian employees, including non-ceiling employees (e.g., cooperative education students, student aids, summer aids, and federal junior fellows) and employees not otherwise covered by other appropriations.
- g. Federal employees compensation charges covering compensation costs for injuries and deaths.
- h. AFC-08 pays for personnel costs not specifically funded by other appropriations.

2. Expenses Not Chargeable to AFC-08

- a. Compensation and benefits accruing to civilians engaged in AC&I, EC&R, RDT&E and RT programs are charged to the respective appropriation.

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-2**  
**AFC-08**  
**Civilian Pay /CG-83**  
(Continued)

- b. Compensation and benefits accruing to industrial personnel at the Coast Guard Yard are charged to the Yard Fund.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-3 AFC-20 Permanent Change of Station (PCS)**

Travel and transportation expenses incident to PCS orders for military personnel and their dependents.

1. Chargeable Expenses
  - a. Mileage or transportation-in-kind and per diem furnished to military members and their dependents for travel incident to PCS orders including recall to active duty from retirement status, call to extended active duty (EAD) from reserve status ADSW for over 139 days, and retirement orders.
  - b. Temporary lodging allowance (TLA)/expense (TLE) and dislocation allowance (DLA) paid to military members.
  - c. Transportation and storage of household goods, motor vehicles, and house trailers furnished to military members.
  - d. Miscellaneous reimbursable expenses for military personnel incident to PCS travel as authorized by the Joint Federal Travel Regulation (JFTR).
  - e. Mileage allowance or transportation-in-kind furnished upon separation.
  - f. PCS-related travel and transportation expenses of personnel in connection with AC&I or RDT&E are charged to the respective appropriation.
2. Expenses Not Chargeable to AFC-20
  - a. Civilian employee relocation entitlements are funded and expensed through AFC-08.
  - b. Travel and transportation expenses of personnel on assignment to, or in connection with, work that will be reimbursed by another government agency or appropriation are charged to AFC-77 or AFC-94.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-4 AFC-30 Operating and Maintenance/ CG-83**

General operating and unit level maintenance expenses. Expenses in support of the Coast Guard Exchange System (CGES) and Morale, Well-Being and Recreation Activities (MWR) programs are defined in the Coast Guard Non-Appropriated Fund Activities Manual, COMDTINST M7010.5 (series) and the Coast Guard Morale, Well-Being and Recreation Manual, COMDTINST M1710.13 (series).

In order to maximize the effective use of AFC-30 funds and allow unit commanders maximum flexibility for the management of normal recurring expenses, funds are passed to the lowest level bearing both the operational and funding responsibility. In general, all funds should be programmed to the unit level with only a small contingency. Maintenance of large contingency accounts fosters a dependency on the contingency and leads to inefficiency in spending patterns, usually displayed in excessive fourth quarter expenditures.

#### 1. Chargeable Expenses

- a. All direct, indirect, and overhead costs, not chargeable to another category, associated with aircraft depot level logistics support. Training and associated travel required to acquire or retain knowledge/skill necessary for an authorized billet or position at AR&SC is considered a direct overhead cost.
- b. Temporary Duty (TD) and TAD travel for administrative purposes (except AFC-41, 42, 43 and 45 project-related travel or operational purposes).
- c. TAD travel expenses of personnel in connection with effectiveness and compliance review visits, and integrated logistics support projects.
- d. Pay, allowances, awards, and employer's contributions and reservists on active duty for special work in support of the active component (ADSW-AC) not chargeable to a more specific account. Awards to military and civilian personnel as permitted by Chapter 5, Section K of this Manual.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-4**  
**AFC-30 Operating**  
**and Maintenance/**  
**CG-83**  
(Continued)

- e. Transportation (shipping) expenses of Automated Data Processing (ADP) or training equipment.
- f. Vehicles in support operation shall be purchased with AFC-30 funds. This includes all passenger vehicles and trucks supporting operations other than the Civil Engineering Program ( i.e., directly supporting facility maintenance activities).
- g. Transportation (shipping) expenses, except for items procured with other AFC's or the Supply Fund. Includes shipping of Type I, II, and IV aeronautical material from AR&SC or other repair sites to an air station for end use or stock.
- h. GSA vehicle damage repairs or loss reimbursement.
- i. Leased communication circuits, communications services and expenses.
- j. Utility services except those charged to AFC-01 for the Coast Guard leased housing program.
- k. All energy and energy efficiency retrofit projects of \$75,000 or less approved for Headquarters funding through the Facility Energy Efficiency Fund (FEEF).
- l. Rental of property and equipment.
- m. Purchase and maintenance of equipment not within the scope of another AFC.
- n. Subsistence and clothing for rescued persons at sea.
- o. Expenses incident to seized property including aircrafts.
- p. Repair of private auxiliary aircrafts damaged while operating under Coast Guard orders, or reimbursement to Auxiliarists for such repairs.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

---

**Encl 2-4**  
**AFC-30 Operating**  
**and Maintenance/**  
**CG-83**

(Continued)

- q. Household Effects (HHE) claims against the Coast Guard (e.g., damages during government-ordered moves or damages while occupying government-owned/leased quarters).
- r. Expenses for the operation of district mobile training teams.
- s. General services for recurring maintenance and repair of shore structures and facilities, cutters, electronics equipment installations, small craft, vehicles, ordnance equipment, recreation equipment, and certain ATON.
- t. All Standard Support Level (SSL) boat expenses, regardless of amount, accept those involving fire, flooding, grounding and collision damage or costs above the Engineering Change Request (ECR) cutoff limit.
- u. Hull, Mechanical and Electrical (HM&E) ECRs and modifications to standard boats costing less than \$500 per boat.
- v. Procurement of vessels, floating dry docks, boat trailers, barges, and houseboats that are under the AC&I threshold.
- w. Routine unit level services, supplies and materials for repair, maintenance and operation of cutters and small boats as delineated by the appropriate CCMPs (Cutter Class Maintenance Plan) and/or CASREP (Casualty Report) levels.
- x. Buoy- related expenses for routine procurement, outfitting, installation, and maintenance (including costs of chain and sinkers), not part of a Waterways AC&I Project. Consumable materials for installation, maintenance and repair of fixed ATON structures, including day board fabrication, ATON signal equipment, solar panels, and primary and secondary batteries (does not include piles and towers used by ATON Teams or Construction/Buoy Tenders).

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-4 AFC-30 Operating and Maintenance/ CG-83**

(Continued)

- y. Materials, services, and replacement systems, not designated for procurement by AFC-43, required for routine maintenance and repair of unmanned ATON.
- z. Purchase costs, contracted maintenance costs, corrective maintenance, repair, modification, or replacement of non-consumable Marine Environmental Protection (MEP) response equipment (e.g. Vessel of Opportunity Skimming System (VOSS), non-fixed Spilled Oil Recovery System (SORS) equipment, off-shore boom, temporary oil storage devices, off-loading systems, if not qualified to be recovered from the responsible party or the oil pollution fund.
- aa. Spare parts, consumables, and non-contracted maintenance for MEP response equipment, if not qualified to be recovered from the responsible party or the oil pollution fund.
- ab. Repair and maintenance of aviation ground support equipment, ground and ship-based command, control, communications and electronics equipment systems, including communications equipment and ATON, used to support aircraft operations, when not meeting the criteria for funding under AFC-42.
- ac. Local service contracts for calibration (includes CO Preventive/Planned Maintenance System (PMS) and corrective maintenance within the unit's capability) and minor repair of electronics equipment and special tools. Unit level maintenance and spare parts (ERPAL) for electronics equipment.
- ad. Maintenance of towers not meeting the criteria for funding from AFC-42 or AFC-43.
- ae. Morale equipment, memberships (in the name of the unit) at local commercial athletic facilities where approved and services per the Coast Guard Morale, Well-Being and Recreation Manual, COMDTINST M1710.13 (series).

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-4**  
**AFC-30 Operating**  
**and Maintenance/**  
**CG-83**  
(Continued)

- af. Cost of ceremonies (except those related to other appropriations) and cultural awareness programs (See chapter 5, section K of this Manual).
- ag. Membership fees for the Coast Guard (See chapter 5, section K of this Manual).
- ah. Seasonal decorations, which are not for personal use and are nonsectarian (See chapter 5, section K of this Manual).
- ai. Refreshments and food as permitted by chapter 5, section K of this Manual.
- aj. Organizational and personal protective clothing, as well as flight clothing and survival equipment (See chapter 5, section K of this Manual and V-6 to Supply Policy and Procedures Manual (SPPM), COMDTINST M4400.19 (series)).
- ak. Coast Guard uniforms for Navy chaplains on duty with the Coast Guard (See enclosure V-6 to Supply Policy and Procedures Manual (SPPM), COMDTINST M4400.19 (series)).
- al. Administrative expenses associated with command religious activities.
- am. Miscellaneous administrative expenses (e.g., paper, pens, floppy disks, binders, toner, ribbons, markers, etc.).
- an. Printing and reproduction expenses.
- ao. All medical and dental supplies, equipment maintenance and equipment less than \$500 to support sick bay operations. (A sick bay is a medical facility, afloat or ashore, with at least one permanently assigned health services technician, but no medical doctor.) (See enclosure 2-12, AFC-57 guidance of this Manual).
- ap. Housekeeping and maintenance supplies, materials, and services.



## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-4**  
**AFC-30 Operating**  
**and Maintenance/**  
**CG-83**  
(Continued)

- aq. Un-vouchered expenditures for confidential investigations.
- ar. All furnishings and office labor saving devices regardless of cost, except furnishings provided by an AC&I project (See Civil Engineering Manual, COMDTINST M11000.11 (series) and chapters 5 and 7). This also includes furnishings for Coast Guard Flag and Command Quarters in accordance with the Coast Guard Housing Manual, COMDTINST M11101.13 (series).
- as. Procurement, installation and maintenance of general-purpose information resources management (IRM) hardware and software, except if required for a specific 4X project, part of a C<sup>4</sup> system, or qualifies for AC&I.
- at. ADP services, including timesharing, development of software, systems analyst and/or programming services, and system operation maintenance.
- au. Logistics studies.
- av. Interservice Support Agreements (ISSA) in connection with logistics activities.
- aw. Configuration management project expenses not qualifying for AC&I funding (See chapter 5, section M of this Manual).
- ax. Purchase and/or installation of logistics related ADP hardware/software, except within the AC&I criteria (See chapter 5, section M of this Manual).
- ay. Accessory surcharges and credit allowances for retail stock losses applied to materials issued to the Coast Guard by DLA, GSA and OGA when the cost of material is chargeable to the OE appropriation and the Supply Fund.
- az. Adjustments to the Supply Fund inventory accounts as prescribed in the Supply Policy and Procedures Manual (SPPM), COMDTINST M4400.19 (series).

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-4 AFC-30 Operating and Maintenance/ CG-83**

(Continued)

- ba. Reimbursements to the Supply Fund for Coast Guard dining facilities (CGDF) for spoiled goods, deficits, etc., that the CGDF cannot reasonably accommodate.
- bb. Interest penalties for AFC-30 funded goods/services.
- bc. DELPHI and CGOF chargeback's.
- bd. Consulting services not related to a specific AFC project or another appropriation.
- be. Moving costs for non-PCS intra-district government ordered moves.
- bf. Type III and V aeronautical material only as defined in Coast Guard 298 that do not meet specific AFC-41 thresholds/requirements.
- bg. All aircraft landing fees.
- bh. Deployable rescue equipment.
- bi. Credit card and traveler's check fees associated with the Cash Management System.
- bj. Procurement, transportation, and maintenance of ammunition, pyrotechnics, and other munitions necessary to meet requirements that are not Navy funded.
- bk. Procurement, transportation, maintenance and repair of small arms, small arms spare parts, line throwing equipment, accessories, and maintenance supplies.
- bl. Service, supplies and materials required for design, modification, installation, removal, and maintenance of Navy supported combat systems and components not Navy funded or funded under AFC-30 or AFC-45.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-4**  
**AFC-30 Operating**  
**and Maintenance/**  
**CG-83**  
(Continued)

- bm. Plaques, medals, trophies, badges, and similar items that acknowledge individuals and organizations, which significantly contribute to Coast Guard programs, missions, or operations, including state and local governments and commercial and nonprofit organizations, including reasonable expenses of ceremony and presentation, in accordance with 14 U.S.C. § 93(w) and the limitations as set forth in this Manual (See Chapter 5, Section K of this Manual).
  - bn. Service, supplies, and equipment for armory and range support directly related to small arms training.
  - bo. Travel and expenses associated with: small arms training for all regular and reserve Coast Guard members, competitive gunnery and small arms shooting programs, ordnance program compliance inspections and oversight.
  - bp. TD and TAD travel expenses, tuition, books and related costs for military and civilian personnel attending training with the exception of professional certifications and training which is funded by COMDT through separate HQ allocations, such as service wide class "C", tuition assistance, and advanced education. A list of courses, which shall not be funded by AFC-30, can be found in the Class Convening Schedule For Coast Guard Class "A" and "C" Resident, and Exportable Training Courses, COMDTNOTE 1540 and on the Training Quota Management's web site.
  - bq. Non-recurring shore maintenance, repairs, and in-kind replacements, and alterations of real property facilities under \$5,000 (if project costs exceed this it shall be funded with AFC-43).
2. Not Chargeable to AFC-30
- a. TD and TAD travel expenses for AFC-41, 42, 43, and 45 project related travel.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-4**  
**AFC-30 Operating**  
**and Maintenance/**  
**CG-83**  
(Continued)

- b. Travel expenses or tuition for military and civilian personnel attending Service-wide Class “C” training. A list of courses, which shall not be funded by AFC-30, can be found in the Class Convening Schedule For Coast Guard Class “A” and “C” Resident, and Exportable Training Courses, COMDTNOTE 1540 and on the Training Quota Management’s web site. All travel expenses, tuition, books and related cost for which funding is otherwise provided by COMDT through AFC-56 or AFC-30 “T”.
- c. All travel expenses, tuition, books and related cost for which funding is otherwise provided by COMDT through AFC-56 or AFC-30 “T”. This includes tuition assistance and advanced education.
- d. TD and TAD travel expenses, tuition, books and related cost for military and civilian personnel attending training for professional certifications (i.e. Bar exam, PDH, or CEU requirements). See Comp. Gen. Decisions B-185341 and B-187525.
- e. TD and TAD travel expenses of personnel on assignment, or connected with work, which will be reimbursed by another appropriation or government agency.
- f. TD and TAD travel expenses of personnel assigned to G-WTR performing duty in connection with the Reserve Training Program (RT appropriation).
- g. TD and TAD travel expenses of personnel performing duty in connection with AC&I, RDT&E or EC&R projects. (AC&I, RDT&E, or EC&R appropriations).
- h. Medical and dental supplies/consumables, equipment maintenance and equipment with an acquisition cost of \$500 or more in support of Coast Guard clinics
- i. Wage grade overtime related to AFC-41, 42, 43, and 45 projects.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-4.1 AFC-30 "T" Training**

Travel, per diem and tuition for formal training intended for field execution of training, which is not approved nor funded through the Class Convening Schedule For Coast Guard Class "A" and "C" Resident, and Exportable Training Courses, COMDTNOTE 1540. AFC-30"T" is AFC-56 which has been converted to AFC-30 to facilitate further transfer to the field and Headquarters units.

#### 1. Chargeable Expenses

- a. Travel and per diem for civilian and military personnel, reserve members on Active Duty (AD) or Extended Active Duty (EAD), and Auxiliary.
- b. Tuition and course material for TAD training.
- c. TD and TAD travel expenses, tuition, books and related costs for military and civilian personnel attending training with the exception of professional certifications and training which is funded by COMDT through separate Headquarter allocations, such as Service-wide class "C", tuition assistance, and advanced education. A list of courses, which shall not be funded by AFC-30, can be found in the Class Convening Schedule For Coast Guard Class "A" and "C" Resident, and Exportable Training Courses, COMDTNOTE 1540 and on the Training Quota Management's web site.

#### 2. Expenses Not Chargeable to AFC-30

- a. Field AFC-30 "T" training funds shall not be used to obtain training which is approved and funded in the Class Convening Schedule For Coast Guard Class "A" and "C" Resident, and Exportable Training Courses, COMDTNOTE 1540, including formal courses, exportable (road show), resident, commercial and other government sources. Refer to the Class Convening Schedule For Coast Guard Class "A" and "C" Resident, and Exportable Training Courses, COMDTNOTE 1540 to identify all courses that are approved as Class "C" and which cannot be funded with these funds. Pending final outcome of the travel decision.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-4.1** **AFC-30 "T" Training** (Continued)

- b. Training aids, services, supplies and equipment.
- c. Printing of training publications and manuals or production of training films, videos, etc.
- d. Travel and per diem for training of more than 20 weeks duration.

### **Encl 2-4.2** **AFC-30 "C"** **Compliance**

AFC-30 "C" includes activities funded with unit level AFC-30 funds and previously funded EC&R Compliance activities. To eliminate concerns on funding environmental compliance activities from both OE and EC&R, the day-to-day compliance activities have been transferred from the EC&R, including 30 civil engineering compliance billets. This transfer accounts for the activities that have been and continue to be supported by the civil engineering program.

Costs associated with the development of policy and procedures to address compliance activities generated by units in the course of day-to-day operations to ensure compliance with all federal, state, and local environmental laws, regulations, and requirements.

Expenses include all administrative costs to accomplish the compliance activity and to establish internal processes and controls to ensure compliance.

#### 1. Chargeable Expenses

- a. Administrative costs to accomplish compliance activity include surveys, unit specific plans, internal and external reporting requirements, inspections, permits and fees, travel material and supplies, and printing.
- b. Activities that require a facility to establish internal processes and controls that are incorporated into the daily activities of operating the facility to ensure environmental compliance. These activities include the following:
  - Air Emissions Management
  - Cultural Resource Management
  - Hazardous Materials Management

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-4.2**

**AFC-30 “C”**

**Compliance** (Continued)

- Hazardous Waste Management
  - Natural Resources Management
  - Pollution Prevention and Waste Minimization
  - Environmental noise
  - Pesticide Management
  - Petroleum, Oil, and Lubricant (POL) Management
  - Solid Waste Management
  - Storage Tanks Management
  - Wastewater Management
  - Water Quality Management
  - Environmental Compliance Evaluations (ECE)
  - Environmental Management Systems (EMS)
- c. Plans and permits not requiring a professional engineer approval and/or signature.

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-5  
AFC-38 Industrial  
Support Activity  
Revolving Fund/  
G- SLP**

All travel, material and applicable labor cost transactions involved in completing an Industrial Service Order (ISO).

1. Chargeable Expenses
  - a. Transactions for AFC-30 and AFC-4X funded ISOs, include all travel, material, and wage board direct overtime labor costs.
  - b. Transactions for AFC-77, AC&I, and EC&R funded ISOs, include all travel, material; all wage board direct labor costs and a share of the industrial support activity's overhead expenses, including indirect labor.
2. Expenses Not Chargeable Directly to AFC-38
  - a. Funds not obligated via an approved ISO.
  - b. Units not designated as Industrial Support Activities are not authorized to charge to AFC-38. These activities are designated in the Industrial Management Manual, COMDTINST M5240.1 (series).



## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-6**  
**AFC-40 Chief of Staff**  
**Administrative/**  
**CG-83**

Funds for transfer to other control accounts for projects or expenses approved by G-CCS.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-7**  
**AFC-41 Aeronautical**  
**Engineering/G-SEA**

General expenses incurred in the aviation program.

1. Chargeable Expenses

- a. Materials, services, and supplies necessary for the modification, repair and intermediate or depot level maintenance and other depot level logistics support of aircraft and aircraft equipment including avionics.
- b. Issuance of AFC-41 field stock inventory and inventory turn-ins as specified in Coast Guard-298.
- c. Aeronautical engineering contractual services (e.g., technical services).
- d. Transportation costs for the shipment of aircraft, or aeronautical material/equipment procured with AFC-41.
- e. Procurement of aircraft ground handling and support equipment.
- f. Depot level maintenance expenses incurred in support of the Naval Engineering Logistics Support Program.
- g. All direct, indirect and overhead costs, not chargeable to another category, associated with aircraft depot level logistics support. Training and associated travel required to acquire or retain knowledge/skill necessary for and authorized billet or position at ARSC is considered a direct overhead cost.
- h. Type III and V aeronautical material and consumable supplies when directly associated with AFC-41 funded depot level logistics support.
- i. Calibration and minor repair of equipment and special tools directly associated with AFC-41 funded depot level logistics support.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-7**  
**AFC-41 Aeronautical**  
**Engineering/G-SEA**  
(Continued)

- j. Repair and maintenance of ground support equipment required for AFC-41 funded depot level aircraft maintenance.
  - k. Interest penalties for AFC-41 funded goods/services.
2. Expenses Not Chargeable to AFC-41
- a. Civilian payroll, and wage grade expenses in support of the AFC-41 Depot Level Logistics Support Program.
  - b. Type III and V aeronautical material and consumable supplies not directly associated with AFC-41 depot level logistics (AFC-30).
  - c. Local service contracts for calibration and minor repair of equipment and special tools not directly associated with AFC-41 funded depot level logistics support (AFC-30).
  - d. Repair and maintenance of ground support equipment except equipment required for AFC-41 funded depot level aircraft maintenance (AFC-30).
  - e. Purchase and restoration of flight clothing and survival equipment (AFC-30).
  - f. Costs of deployable rescue equipment, shelving and rescue equipment other than for flight crew survival (AFC-30).
  - g. Repair of private auxiliary aircraft, damaged while operating under Coast Guard orders, or reimbursement to Auxiliarists for such repairs (AFC-30).

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-7**  
**AFC-41 Aeronautical**  
**Engineering/G-SEA**  
(Continued)

- h. Expenses incident to seized aircrafts and cost of all aircraft landing fees (AFC-30).
- i. Costs of ground and ship-based electronics equipment including communications equipment and ATON used to support aircraft operations (AFC-42/30).

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-8  
AFC-42 Command,  
Control,  
Communications and  
Electronics/CG-64**

Procurement, replacement, installation, major maintenance and system support expenses of standard electronic navigation, command and control (C<sup>2</sup>) and communications systems.

1. Chargeable Expenses

- a. Procurement, replacement, installation, major maintenance, and system support of standard electronic navigation systems. This includes support of electronic components of transmitting systems, receivers, and monitor systems. The electronic components include cabling and/or wireless communication equipment that is an integral part of the system, and associated computer hardware and software. These systems are those contained in the Federal Radionavigation Plan (e.g., LORAN, Differential Global Positioning System, etc.).
- b. Procurement, replacement, installation (including start-up costs), major maintenance, and support for standard command and control (C<sup>2</sup>) systems on boats, cutters, and shore facilities. This includes cabling and/or wireless communication equipment that is an integral part of the system. Examples of these systems are radar integrated C<sup>2</sup> systems such as SCCS, VTS and radar systems.
- c. Procurement, replacement, installation (including start-up costs), major maintenance, and support of standard communications systems. This includes installed cabling and/or wireless communication equipment that is an integral part of the system and associated computer hardware and software. These systems include data communications systems private branch exchanges (PBX), telephone switch equipment, video and (SI) teleconferencing, and radio communications systems.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-8**  
**AFC-42 Command,**  
**Control,**  
**Communications and**  
**Electronics/CG-64**  
(Continued)

- d. Procurement, replacement, and installation, of all nonstructural antennas for radio transmission purposes (e.g., VHF, HF). This includes all communications antennas and all non-ordnance surface and air search radar antennas. This does not include antennas for MWR purposes, such as television satellite dish antennas, which may be authorized with AFC-30 funds.
  - e. TD and TAD expenses in direct support of AFC-42 Depot Level Logistics Support Program.
  - f. Transportation costs of material and equipment procured with AFC-42.
  - g. Interest penalties for AFC-42 goods/services.
2. Expenses Not Chargeable to AFC-42
- a. Procurement, replacement, installation, maintenance, and support of nonstandard electronics equipment. (This does not preclude using AFC-42 funds for procuring nonstandard equipment needed to support a specific AFC-42 project, for example to purchase prototype equipment to plan a system replacement).
  - b. Procurement, installation, and maintenance of general purpose, office automation hardware and software, which are not an integral part of an AFC-42 supported system.
  - c. Procurement, replacement, installation, maintenance, and support of nonstandard computer hardware and software. (This does not preclude using AFC-42 funds for procuring nonstandard hardware and software needed to support a specific AFC-42 project).
  - d. Leased communications circuits (AFC-30).
  - e. Electronics systems for MWR use (AFC-30, NAF).

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-8**  
**AFC-42 Command,**  
**Control,**  
**Communications and**  
**Electronics/CG-64**  
(Continued)

- f. Modifications to shore facilities and vessel structures necessary to accommodate the installation of electronic equipment. This includes items such as conduit, cable pathways, bulkhead penetration, foundations for equipment and antennas, etc. "Major modifications" include modifications, which meet the AFC-43 threshold, or are defined as AFC-45 program manager expenses in the cutter class maintenance plans. (AFC-43 and AFC-45).
- g. Routine services, supplies and materials, including transportation costs, used for minor electronic maintenance, and repairs (AFC-30).
- h. Procurement, installation and maintenance of towers and structural antennas (e.g., supporting structural platforms, energized guyed towers with ground systems, etc.).
- i. Procurement, installation, and major maintenance of computer systems that are an integral part of facilities or systems. Shore facility examples are fire detection and environmental control systems that are part of a structure. Shipboard examples include cabling that is part of an AFC-45 supported systems such as the gyro or IC system.
- j. Routine minor maintenance and OEs for computer systems that are an integral part of facilities or systems (AFC-30).
- k. Administrative TD and TAD expenses not specifically related to an AFC-42 project Depot Level Logistics Support Program (AFC-30).

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-8.a  
Definitions - Standard  
Equipment and  
Systems**

Standard equipment and enterprise systems are defined as those fielded with a Commandant approved Electronic Integrated Logistic Support Plan (EILSP) and for which recurring support has been provided through the AFC-42 Program.

**Encl 2-8.b  
Major Maintenance**

Major Maintenance includes depot level maintenance, overhauls and other maintenance, which exceeds unit capability.

**Encl 2-8.c  
Minor Maintenance**

Minor maintenance includes Coast Guard PMS and corrective maintenance within the unit's capability.

**Encl 2-8.d  
Cabling**

Cabling includes signal-carrying twisted-pair wires, coaxial cable, fiber-optic cable, and waveguides.



## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-9 AFC-43 Civil Engineering/ G-SEC**

Depot level maintenance expenses incurred in support of the civil engineering logistics support program.

The Civil Engineering logistics support program is responsible for non-recurring major maintenance repair and rebuilding of real property facilities within the Coast Guard to ensure attainment of the maximum service life and its intended purpose. This includes expenses associated with the program that has a unit cost over \$5,000, unless otherwise noted. This excludes expenses that may include a level of minor improvements (below the AC&I threshold) to accomplish an objective.

1. Chargeable Expenses
  - a. Maintenance and repair work to minimize deterioration, avoid service failures (utility system repairs, roof replacements, paving, and structural inspections), higher long-term maintenance costs and loss of design useful life.
  - b. Maintenance and repair to address health and safety discrepancies.
  - c. Maintenance and scheduled dredging at Coast Guard owned facilities.
  - d. Building retrofits resulting from technological advances, seismic reinforcements, Uniformed Federal Accessibility Standards, etc.
  - e. Replacement of an element within a real property facility of comparable capacity and capability.
  - f. Restoration of a real property facility to a condition that ensures the facility reaches the end of its useful life.
  - g. Demolition or removal of a portion or all of a real property facility.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-9**  
**AFC-43 Civil**  
**Engineering/**  
**G-SEC**  
(Continued)

- h. Procurement of ATON piles and towers.
- i. Procurement of new Coast Guard wide short range ATON hardware and spare parts for modernization (unit cost may fall under the \$5,000 threshold).
- j. Procurement of prototype ATON hardware or new commercially available short range ATON hardware for field-tests not within the RDT&E appropriation.
- k. Procurement, installation, and maintenance of towers and structural antennas (e.g., supporting structural platforms, energized guyed towers with ground plane systems, etc.).
- l. A&E design work associated with an AFC-43 project.
- m. Maintenance, repairs, replacement, and upgrades of underground storage tanks (USTs) except when work is required solely to meet environmental regulations.
- n. Civil engineering projects at government facilities housing CGES are limited to:
  - 1. Correcting a safety related code deficiency or a handicap-access requirement except when resulting from a CGES change of use for space.
  - 2. Maintaining structural integrity, building envelope, building wide utility systems, and supporting infrastructure except for CGES facilities constructed or procured with non-appropriated funds.
  - 3. Civil engineering projects (not related to a CGES initiative) involving a government facility partially occupied by a CGES tenant, may include work to restore the area to pre-construction condition when the non-CGES project affects the occupied space.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-9**  
**AFC-43 Civil**  
**Engineering/**  
**G-SEC**  
(Continued)

- o. Transportation costs of material and equipment procured with AFC-43.
  - p. TD and TAD expenses in direct support of AFC-43 projects.
  - q. Interest penalties for AFC-43 materials and services.
  - r. Procurement, maintenance, and repair of equipment required for AFC-43 shore facility maintenance activities.
2. Expenses Not Chargeable to AFC-43
- a. Service, supplies and materials used for routine recurring repairs and maintenance of shore structures and facilities with project cost less than or equal to \$5,000 (AFC-30).
  - b. All furnishings and office labor saving devices regardless of cost (AFC-30).
  - c. Rental expenses of passenger vehicles, trucks and other transportation equipment (AFC-30).
  - d. Claims against the Coast Guard for loss or damage to GSA vehicles (AFC-30).
  - e. Buoy-related expenses related to procurement, outfitting, installation, and maintenance (including costs of chain and sinkers). Consumable materials for installation, maintenance and repair of fixed ATON structures, including day board fabrication ATON signal equipment, solar panels, and primary and secondary batteries, (but not including piles and towers used by ATON Teams or Construction/Buoy Tenders) (AFC-30).

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-9**  
**AFC-43 Civil**  
**Engineering/**  
**G-SEC**  
(Continued)

- f. Replacement, cleaning and repair and modification of MEP response equipment, spare parts, and consumables are charged only to AFC-30, if not qualified to be recovered from the responsible party or the oil pollution fund. MEP equipment procurement, replacement and repair are charged to AFC-30 when used for government facility and government vessel pollution response or pollution readiness under "GPA-90" legislation.
- g. Environmental cleanup or restoration projects shall be funded from the EC&R appropriation (See chapter 5 of this Manual).
- h. Procurement and installation of non-structural antennas (AFC-30).
- i. Procurement and installation of cabling that connects Coast Guard purchased telecommunications equipment with other Coast Guard purchased telecommunications equipment (e.g., computers, phones, PA systems). Procurement and installation of cable television systems. Any work on leased antennas (AFC-30).
- j. Any non-salary direct costs (e.g., A/E fees, travel, printing, mailing of bid packages), associated with the design/construction of a CGES project, unless as previously allowed as defined.
- k. CCTV systems, and other non-fire detection/suppression systems, that send signals of threats to contents/mission of a particular space (e.g., disbursing space alarm, hangar deck motion sensors) that are not integral components of a shore facility driven by building codes or required for utilities supporting general occupancy.
- l. Procurement and maintenance of vehicles in support of operations shall be AFC-30 funded. This includes all passenger vehicles and trucks supporting operations unless required for shore facility maintenance activities.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-9**  
**AFC-43 Civil**  
**Engineering/**  
**G-SEC**  
(Continued)

- m. Routine preventive maintenance and base operation services to real property facilities which include but are not limited to: interior decorating activities (i.e., carpeting, interior painting, and window treatments, except when work is performed in conjunction with an AFC-43 major renovation project); snow removal; routine/recurring lawn and gardening services; janitorial services; food services; pest control services; etc (AFC-30).
- n. Administrative TD and TAD expense not specifically related to an AFC-43 Depot Level Logistics Support Program (AFC-30).
- o. Procurement maintenance and repair of equipment in support of operations shall be AFC-30 funded, unless required for shore facility maintenance activities.

**Encl 2-9.1**  
**Real Property Facility**

A real property facility includes buildings, structures, grounds, roads, runways, utilities, piers, fixed ATON (ashore and offshore); major non-consumable equipment used to support the shore maintenance plant (e.g., generators, compressors, concrete mixtures, truck cranes); underground storage tanks; non-consumable ATON equipment in lighthouses and lighted ranges (light and sound signals, and power systems); Coast Guard-owned housing; MWR facilities, CGES facilities; and the purchase of non-GSA vehicles to support the maintenance of the shore plant, such as trucks and special purpose motorized equipment (i.e. cranes, fire trucks, lifts, etc.).

**Encl. 2-9.1.a**  
**Major Maintenance**

Major Maintenance includes depot level maintenance, overhauls and other maintenance, which exceeds unit capability.

**Encl. 2-9.1.b**  
**Minor Maintenance**

Minor maintenance includes Coast Guard PMS and corrective maintenance within the unit's capability.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-10 AFC-45 Naval Engineering/ G-SEN**

General expenses related to inventory, repair, alteration, modification, engineering design services in support of naval engineering.

1. Chargeable Expenses
  - a. Travel expenses of military members from shipyard to homeport and return as authorized in 37 U.S.C. 406b.
  - b. TD and TAD expenses in direct support of AFC-45 projects.
  - c. Hull Mechanical and Electrical (HM&E) engineering change requests to standard boats (ECRs) in excess of \$500 per boat.
  - d. General engineering design and contractual services related to vessels, floating dry docks, barges, and houseboats.
  - e. Procurement of major equipment used for maintenance, repair, and alteration of vessels, barges, houseboats, and floating dry docks that also includes propulsion, ordnance systems, and equipment and systems such as generators, fire fighting systems and equipment, damage control systems, and equipment, etc.
  - f. Services, supplies and major equipment for the installation, alteration, modification and overhaul of ordnance systems on board cutters.
  - g. Materials and services in response to casualty reports (CASREPS) in excess of the prescribed cutoff level.
  - h. Maintenance delineated in the appropriate Cutter Class Maintenance Plans (CCMPs) as promulgated by the responsible MLC.
  - i. Restoration and repair of standard support level (SSL) boats resulting from fire, flooding, collision, and grounding.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-10**  
**AFC-45 - Naval**  
**Engineering/**  
**G-SEN**  
(Continued)

- j. Contract messing and berthing costs for eligible crewmembers displaced from their vessel due to repair or rehabilitation during vessel availability.
  - k. Interest payments for AFC-45 goods/services.
2. Expenses Not Chargeable to AFC-45
- a. Routine unit level services, supplies and materials for repair, maintenance and operation of cutters and small boats as delineated by the appropriate CCMPs and/or CASREP levels (AFC-30).
  - b. TAD travel expenses in connection with maintenance of boat buildings (AFC-30).
  - c. Administrative and TAD expenses not specifically related to an AFC-45 Depot Level Logistics Support Program (AFC-30).
  - d. Transportation expenses of small boats including shipment or trans-shipment of fuel, material and equipment to Coast Guard floating units as well as shipment from floating units (AFC-30).
  - e. Expenses incident to seized vessels (AFC-30).
  - f. HM&E alterations and modifications, less than \$500, to standard support level (SSL) boats (AFC-30).
  - g. All items required initially to complete the hull allowances of new boats, barges and houseboats (AFC-30).
  - h. Procurement, installation, overhauls, replacement of electronic equipment on vessels, floating dry docks, barges, and houseboats (AFC-30, AFC-42).
  - i. Procurement of vessels, floating dry docks, boat trailers, barges, and houseboats (AC&I, AFC-30).

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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### **Encl 2-10.1 G-SEN Oversight**

- a. G-SEN will ensure that the CASREP cutoff levels and CCMPs within the same cutter class are identical between the two MLCs.
- b. Any fund source changes to the CASREP cutoff levels or the CCMPs shall be made with the concurrence of G-SEN and the AFC-30 funds manager, Office of Financial Management (CG-83).



## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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### **Encl 2-11 AFC-56 Training/ G-WTT**

Travel and per diem for formal training performed as TAD, and tuition for such training. This includes funding for:

- a. Accession training, e.g., Officer Candidate School (OCS), Direct Commission Officer (DCO), “A” School, and recruit training for Coast Guard officers to become aviators.
  - b. Advanced education, i.e., full time tuition and associated travel costs.
  - c. Tuition assistance, i.e., partial reimbursement of tuition costs for off-duty education.
  - d. Class “C” training including funding for services wide advanced specialized training.
1. Chargeable Expenses
    - a. Travel and per diem for civilian and military personnel, reserve members on AD or EAD and Auxiliarists.
    - b. Tuition and course material for TAD training. (Books and material required for course completion are authorized for enlisted members).
    - c. Specified fees for advance education.
  2. Expenses Not Chargeable to AFC-56
    - a. Training aids, services, supplies and equipment.
    - b. Printing of training publications and manuals or production of training films, videos, etc.
    - c. Conferences, seminars and symposiums (AFC-30).

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-11**  
**AFC-56 Training/  
G-WTT** (Continued)

- d. Travel and per diem for schools of more than 20 weeks duration.
- e. Books, some fees, thesis preparation supplies, course materials and any other non-tuition items are not authorized for officers or civilians in the Advanced Education Program (See G-WTT for a complete listing of authorized fees).

**Encl 2-11.a**  
**Major Maintenance**

Major Maintenance includes depot level maintenance, overhauls and other maintenance, which exceeds unit capability.

**Encl 2-11.b**  
**Minor Maintenance**

Minor maintenance includes Coast Guard PMS and corrective maintenance within the unit's capability.

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-12  
AFC-57 Medical/  
G-WRP**

General expenses to support health care of military members and their dependents.

1. Chargeable Expenses
  - a. Medical, dental, laboratory, and pharmaceutical equipment and supplies specifically used to support the health care program at Coast Guard.
  - b. Federal and non-federal medical and dental services provided to authorized beneficiaries.
  - c. MLC procurement of medical, dental and laboratory equipment with a line cost of \$1501.00 or greater for Coast Guard clinics with \$501.00 or greater for Coast Guard sickbays.
  - d. Clinic procurement of medical, dental, and laboratory equipment with a line item cost of \$1500.00 or less, and \$500.00 or less for Coast Guard sickbays.
  - e. Maintenance and repair of equipment purchased with AFC-57 funds.
  - f. Transportation of supplies and equipment purchased with AFC-57 funds.
  - g. Procurement of medical and dental reference materials authorized by the Health Services Allowance Lists, and patient preventive medicine educational pamphlets.
  - h. Mental health assessments to determine clinical diagnosis, screening, intervention and counseling services related to family violence intervention in accordance with Family Advocacy Program, COMDTINST 1750.7 (series), and Management of Family Advocacy and Special Needs Cases, COMDTINST 1754.12 (series). All other counseling services will be funded out of AFC-30.

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-12**  
**AFC-57 Medical/  
G-WRP**  
(Continued)

2. Expenses Not Chargeable to AFC-57
  - a. Services, supplies and equipment for administrative or operational support (e.g., building maintenance and repair, utilities, laundry, housekeeping and administrative supplies, etc.) of the health care program (AFC-30).
  - b. Furnishing, fixtures and equipment (e.g., waiting room and office furniture, wall hanging, office labor saving devices, ADP equipment, etc.) (AFC-30).
  - c. Travel and transportation cost for Coast Guard members to receive medical and dental healthcare (AFC-30).

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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### **Encl 2-13 AFC -72 Retired Pay/G-WPM**

Payroll expenditures for retired pay military members of the Coast Guard.

1. Chargeable Expenses
  - a. Retired Pay
  - b. Survivor Benefits
  - c. Limited income for widows
  - d. Transfer fund from AFC-72 to AFC-73 to pay for medical expenditures for Coast Guard retirees.
2. Redistributed Cost
  - a. Funds can be transferred from AFC-72 to AFC-73 to pay for medical expenditures for Coast Guard retirees.
  - b. Funds can be transferred from AFC-73 to AFC-57 to cover medical care expenditures for Coast Guard retirees, retired dependents, survivors, and widows received at Coast Guard.

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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### **Encl 2-14 AFC -73 Retired Medical/G-WKH**

Medical care expenditures for Coast Guard retirees, widows, and survivors entitled to medical care.

1. Chargeable Expenses
  - a. Payment of DOD Military Treatment Facility bills for treatment of Coast Guard related beneficiaries.
  - b. Payment of TRICARE charges for treatment of Coast Guard retired beneficiaries.
  - c. Payment of eyewear fabrication for Coast Guard retirees.
  - d. Payment of medical care expenses for retired members from the former Light House Service.
2. Redistributed Costs
  - a. Funds can be transferred from AFC-73 to AFC-72 to pay for payroll expenses for Coast Guard retirees.
  - b. Funds can be transferred from AFC-73 to AFC-57 to cover medical care expenditures for Coast Guard retirees, retired dependents, survivors, and widows.

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-15  
AFC-75  
Reimbursements/Fund  
Programs**

This AFC is a “contra” reimbursable account. It allows tracking of reimbursable obligations and is administered by CG-83. No funds are executed within AFC-75 and no program element is permitted to carry a negative balance.

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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### **Encl 2-16 AFC-77, AFC-80, AFC-88 Reimbursable**

#### **AFC - 77 Reimbursable Field Execution Accounts**

Funds O&M purchases made at ATU and field level with Headquarters (CG-83) managed reimbursable budget authority.

Created in FY99, AFC 77 includes all Headquarters reimbursable O&M funds that were previously distributed to AFC-30 and AFC-4X. The former practice caused reimbursable funds to be mixed with appropriated funds, making it difficult to separate reimbursable funds for enforcement of travel ceilings, obligation targets, and reprogramming guidelines. O&M (AFC-30 & AFC-4X) purchases made with Headquarters reimbursable funds can be made from AFC-77, through the use of agreements established by ATUs or field units.

### **Encl 2-16.a AFC-77 General Guidance**

AFC-77 accounts will generally be used at the ATU level and above. The only exceptions are ATUs that are inventory control points not using Finance and Procurement Desktop (FPD) and Coast Guard Oracles Financial (CGOF) and field units tasked with executing reimbursable funds on a regular basis. ATUs that receive Headquarters reimbursable funds should have their authorized budget officer contact the Finance Center (FINCEN) to establish new AFC-77 program elements. Reimbursable funds distributed to AFC-77 should be obligated and expended from AFC-77 to the greatest extent possible. However, ATUs are authorized to transfer or variance AFC-77 reimbursable funds into field unit's AFC-30 or AFC-4X accounts. This should only be done for field units for whom the management of an additional program element would provide a substantial workload. There may be other instances where the former practice of distributing the funds to AFC-30 and AFC-4X will still be necessary. ATUs should notify the appropriate AFC program manager to gain authorization before proceeding with these types of transactions.



## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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### **Encl 2-16.b AFC-77 Funds Transfer Authorization (FTA)/Change in Financial Plan (CIFP) Policy**

Any changes from the initial OPSTAGE AFC-77 distributions require an FTA or CIFP as follows: FTAs will be used whenever a Headquarters program, ATU or field unit transfers AFC-77 funds to another Headquarters program, ATU or field unit AFC-77 account.

### **Encl 2-16.c AFC-77 Accounting Control**

CG-83 will closely monitor the transfer and execution of all AFC-77 reimbursable funds. Since these funds are being received and executed under the authority of the Economy Act, it is vital that they are tracked and executed for their intended purpose and within the appropriate time frame. AFC-77 funds may not be used to augment a Headquarters program, ATU, or field unit normal O&M AFC-30 and AFC-4X accounts for purposes outside those specifically stipulated by the originator in the Military Interservice Purchase Report (MIPR), reimbursable agreement, Memo of Understanding (MOU) or Memo of Agreement (MOA). CG-83 will review and approve all CIFPs requesting the transfer of AFC-77 funds to other AFCs. AFC-77 one-year funds expire at the close of the fiscal year and are no longer available for new obligations. Prior to the close of the fiscal year, Headquarters program managers and ATUs may recover AFC-77 multi-year/no-year funds for carryover into the next fiscal year.

### **Encl 2-16.d AFC-80 Reimbursements**

General account used for establishing and identifying reimbursable agreements. The sole purpose of AFC-80 is to accept funds in the Coast Guard accounting system for reimbursable work for other government agencies and non-government entities in accordance with specific legislative authority. AFC-80 is managed and controlled by CG-83.

## COAST GUARD FUNDING AUTHORITY AND STRUCTURE

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**Encl 2-17  
AFC-90, AFC-94,  
AFC-97, AFC-98  
AFC-90 Reserve  
Training Program  
Expense/G-WTR**

1. Chargeable Expenses – AFC-90
  - a. Drill program support, including regularly scheduled IDT, and Readiness Management Periods (RMP).
  - b. Continuing training, including active duty for training that satisfies the annual training requirement (ADT-AT) and other training duty (ADT-OTD). OTD is defined as training that will lead to qualification, certification, or other structured formal training.
  - c. Active duty other than training, including active duty for special work in support of the reserve component (ADSW-RC).
  - d. Maritime Academy Reserve Training (MARTP) trainees. G-M reimburses these costs to RT annually.
  - e. Administrative costs in direct support of the reserve program.
  - f. Reserve personnel organizational clothing, personal safety and protective gear, and personal-issue gear.
  - g. Training costs for Reserve – unique items (e.g. development PS3 correspondence course).
  - h. Recruiting costs for Reserve – unique items for recruiting (e.g., posters or Reserve pamphlets).
2. Expenses Not Chargeable To Reserve Training Accounts
  - a. Active Duty Special Work in support of the Active Component (ADSW-AC). (Old Temac)
  - b. Extended Active Duty (EAD)
  - c. Unit equipment or OE funds.

## **COAST GUARD FUNDING AUTHORITY AND STRUCTURE**

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**Encl 2-17.a**  
**AFC-94 Reserve**  
**Reimbursable**  
**Program**

1. Chargeable Expenses
  - a. Pay and allowances for reservists performing drills (IDT), annual training (ADT-AT), or active duty special work (ADSW-RC) for Selective Services System, DOD or other agencies.

**Encl 2-17.b**  
**AFC-97 Reserve**  
**Refund Program**

1. Chargeable Expenses
  - a. Personnel Support Costs - Reserve (PSCR)  
Adjusted SPC is provided for selective reserves drilling at active duty commands to offset integration.
  - b. Long-term active duty for special work in support of the reserve program (ADSW-RC). Pay and allowances for reserve personnel on active duty more than 139 days funded to AFC-01.

**Encl 2-17.c**  
**AFC-98 Civilian Pay**  
**Reserve/CG-83**

1. Chargeable expenses
  - a. Charges for civilian pay for personnel assigned to Reserve Training funded positions

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## **FUNDS CONTROL**

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### **3.A Purpose**

This section prescribes funds control procedures to follow in the execution of the budget. It includes an administrative control of funds policy which provides the procedures designed to restrict, to the amount available, obligations and expenditures against each appropriation account. This restricts both obligations and expenditures from each appropriation to the lower of the amount apportioned by the Office of Management and Budget (OMB) or the amount available for obligation or expenditure in the appropriation (i.e., automatic apportionments including continuing resolutions). This will enable G-CCS to determine responsibility for preventing the over-obligation and over-disbursement of appropriations and other administrative subdivisions of funds. Finally, this section provides the policy for dealing with violations of the Anti-Deficiency Act as well as any administrative violations of limitations imposed by the Coast Guard, including reporting requirements.

### **3.A.1 Policy Review**

Per OMB requirements, the following situations specifically trigger review of this policy:

1. OMB, GAO, FASAB, or the Department of Homeland Security (DHS) issues revised guidance on budget execution;
2. The Coast Guard is reorganized;
3. Staff members violate the Anti-Deficiency Act;
4. GAO, FASAB, or another Federal Government regulatory agency issues new regulations.

Any changes to this chapter of the FRMM (Funds Control), with the exception of any enclosures, require OMB approval.

### **3.B Authority for Funds Control**

Statutory authority for the policies in this section is provided in the following regulations:

1. 31 U.S.C., Money and Finance:
  - a. Sections 1341-1342, 1349-1351, 1511-1519, Anti-Deficiency Act, as amended.
  - b. Sections 1101, 1104-1108, 3324 (part of the Budget and Accounting Act, 1921, as amended).
  - c. Sections 1501-1502 (part of the Supplemental Appropriations Act of 1950).

## FUNDS CONTROL

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### **3.B Authority for Funds Control** (continued)

- d. Sections 1112, 1531, 3511-3512, 3524 (part of the Budget and Accounting Procedures Act of 1950).
2. 2 U. S. C. 681-688 Public Law 93-344, Title X.
3. OMB Circular No. A-11 and related guidelines.
4. DHS Delegation Number: 0160.1.

### **3.C Scope of Funds Control**

All Coast Guard entities that execute budget authority are subject to the provisions of this section.

### **3.D Definitions, Terminology, and Concepts**

All definitions, terminology, and concepts in OMB Circular A-11 apply.

1. Budget Authority – At the beginning of each fiscal year, OMB apportions unexpired funds with annual, multi-year, and no-year (until expended) availability. OMB may apportion these funds by quarter (category A); projects, activities, or a combination of these (category B); or for future use (category C). The Coast Guard must establish plans to ensure that obligations do not exceed these apportionments.
2. Appropriation – A provision of law authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.
3. Apportionment – A distribution made by OMB of amounts available for obligation in an appropriation or fund account into amounts available for specified time periods, programs, activities, projects, objects, or any combination of these. The apportioned amount limits the obligations that may be incurred. An apportionment may be further subdivided by an agency into allotments, sub-allotments, and allocations.
4. Deficiency apportionment – An apportionment that anticipates the need for a supplemental appropriation.
5. Allotment and sub-allotment – The formal administrative division of an appropriation representing the authority delegated by G-CCS to incur obligations within a specified amount pursuant to OMB apportionment or reapportionment action or other statutory authority making funds available for obligation. Sub-allotments are those allotments that are

## FUNDS CONTROL

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### **3.D Definitions, Terminology, and Concepts**

(continued)

apportioned quarterly, earmarks in law and all remaining allotments. The incurring of obligations in excess of the amount specified in an allotment or sub-allotment is a violation of the Anti-Deficiency Act.

6. Allowances – Allotments and sub-allotments of an appropriation may be further divided into administrative subdivisions called allowances. “Allowance” is the general term for any distribution below the allotment/sub-allotment level (e.g., AFC, Project, ATU, and Program Element (PE) distributions). These distributions of funds below the allotment and sub-allotment level will be considered resource distributions and will not be considered for purposes of determining violations of the Anti-Deficiency Act, unless they result in the incurring of obligations or expenditures in excess of the amount specified in the allotment or sub-allotment.
7. Allowance Fund Code (AFC) – Subdivisions for the Operating Expense, Reserve Training, and Retired Pay appropriations.
8. Projects – Subdivisions for all other General Appropriations.

### **3.E Anti-Deficiency Act**

Personnel authorized to administer and control funds are responsible for seeing that funds expended or obligated do not exceed the amount allotted to them. This requirement is specifically spelled out by law and requires reporting action, as well as corrective action, in the event of a violation.

The Anti-Deficiency Act applies to expired and closed, as well as current, appropriations. Any obligation or expenditure associated with a FY appropriation is charged against the current FY funds and will cause an Anti-Deficiency Act violation if the obligations/expenditures or accumulated obligations exceed the total budgetary resources or the amount apportioned, whichever is less.

#### **3.E.1 Actions Prohibited – Statutory Violations**

It is important for all Coast Guard personnel with budget authority and all financial management supporting staff to recognize the importance of preventing violations of the Anti-Deficiency Act.

A violation will occur if an employee of the Coast Guard makes or authorizes an expenditure or creates or authorizes an obligation against any funds in excess of the amount available

## FUNDS CONTROL

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### **3.E.1 Actions Prohibited – Statutory Violations** (continued)

in a designated allotment or sub-allotment. For example, multiple purchase orders that obligate one million and one dollars for an allotment that was apportioned for only one million dollars will result in a violation.

Violations also include obligations or expenditures in excess of a congressionally-imposed limitation contained in an authorization or appropriation act restricting the amount for a particular program or activity. For example, purchasing six vehicles in a fiscal year will result in a violation if the original appropriation directed the Coast Guard to purchase no more than five vehicles.

The law applies to direct allotments and sub-allotments, as well as to appropriation totals, apportionments, and reapportionments.

Statutory requirements are as follows:

1. 31 U.S.C. §1341(a)(1) “An officer or employee of the United States Government ... may not:
  - a. make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.
  - b. involve the government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law.”
2. 31 U.S.C. §1342 “An officer or employee of the United States Government may not accept voluntary services for the government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property.”
3. 31 U.S.C. §1517(a) “An officer or employee of the United States Government ... may not make or authorize an expenditure or obligation exceeding:
  - a. an apportionment.
  - b. the amount permitted by regulations prescribed under section 1514(a) of this title.”

### **3.E.2 Non-Statutory Violations**

Violation of Coast Guard-approved funds distribution plans will be reported to the appropriations manager setting forth the same information as required for a statutory violation. Procedures for allowance managers, ATUs, and program



## FUNDS CONTROL

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### **3.E.2 Non-Statutory Violations** (continued)

elements to report over-obligation or over-expenditure of their accounts are provided in Chapter 5. Over-obligation of a fund can result in administrative discipline. It is important for all financial managers to recognize that over-obligation or over-expenditure of an allowance, ATU, or program element's funds will result in a violation of the Act if it results in over-obligation or over-expenditure of an allotment or sub-allotment.

### **3.E.3 Penalties**

The Anti-Deficiency Act provides that any officer or employee of the United States who violates the prohibitions of 31 U.S.C. §1341(a), 1342, or 1517 will be subject to appropriate administrative discipline. Administrative discipline may consist of:

1. A letter of reprimand or censure for the official personnel record of the officer or employee;
2. Unsatisfactory performance rating;
3. Transfer to another position;
4. Suspension from duty without pay;
5. Removal from office.

In addition, 31 U.S.C. §1350 provides that “An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1341(a) or 1342 of this title shall be fined not more than \$5,000, imprisoned for not more than two years, or both.”

### **3.E.4 Reporting Violations**

Anti-Deficiency Act violations must be reported to the President, the Congress, and the Comptroller General through the DHS Secretary and the Director of OMB. The Commandant shall report the violation immediately after it has been established that a violation has occurred. A sample transmittal letter of the format that must be followed is provided in Section 145 of OMB Circular A-11.

All violations must be reported immediately upon discovery. Any individual with knowledge of a possible violation has the responsibility to report it. Action taken to correct the cause of a violation does not eliminate the requirement to report it. Any employee of the Coast Guard having knowledge of an apparent violation shall be responsible for initiating a written report

## **FUNDS CONTROL**

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### **3.E.4 Reporting Violations** (continued)

through the appropriate channels. In all instances the report from the field shall be addressed to the fund manager with copies to G-CCS and CG-8 (as the CFO). CG-83 will immediately initiate an investigation to determine if, in fact, a violation did occur.

### **3.F Apportionments**

Funds appropriated by Congress will not be available for allotment or obligation until after they have been approved by OMB through an apportionment. The apportionment of funds is required for all unexpired budgetary resources including appropriated funds, reimbursements, estimated carryover amounts, and recoveries of prior-year obligations.

#### **3.F 1 Apportionment Procedures**

Any appropriation or fund which is apportioned may be subdivided administratively within the limits of such apportionments. Apportionment procedures are intended to:

1. Prevent obligation or expenditure of funds in a manner which would require a deficiency or supplemental appropriation;
2. Achieve the most effective and economical use of funds made available.

G-CCS has overall responsibility for requesting apportionment from OMB. However, this responsibility is normally delegated to CG-83. Guidelines for requesting apportionment from OMB are contained in OMB Circular A-11.

Additional guidance on the apportionment process, covering apportionment action in connection with supplemental, reprogramming, and transfer between accounts, is included in Chapter 5 of this Manual.

#### **3.F.2 Anticipated Reimbursements**

The system of apportionment provided by OMB Circular A-11 permits the inclusion of anticipated reimbursements from other government agencies or the public in determining the amounts available for apportionment. Once an apportionment is established, anticipated reimbursements will not be allotted unless there is reasonable assurance that such items will be collected. Furthermore, even though these estimates have been apportioned and allotted, they will not be considered budgetary resources available for obligation unless they meet one of the following criteria:

1. Valid orders between federal entities, including written

## FUNDS CONTROL

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### 3.F.2

#### **Anticipated Reimbursements**

(continued)

agreements, have been received.

2. Accounts receivable has been earned based on goods or services furnished to federal entities.
3. In the case of orders from the public, advance payment has been received, unless such receipt has been exempted by law.

All officials who receive allotments containing estimated reimbursements or other anticipated amounts must maintain constant and careful oversight to ensure that these reimbursements and other income are earned as planned. Appropriate action must be taken, including funding adjustments or reapportionment, if actual earnings are less than anticipated.

Proper procedures for including anticipated budgetary resources on SF132 and SF133 are included in OMB Circular A-11.

### 3.F.3

#### **Deficiency Apportionments**

Apportionments that anticipate the need for a deficiency appropriation or a supplemental under 31 U.S.C. 1515 will be specifically identified on the apportionment request, as discussed in OMB Circular A-11 section 120.41.

To qualify as a deficiency apportionment, the request must be required by:

1. Laws enacted subsequent to the transmittal of the annual budget for the year to Congress;
2. Emergencies involving human life, the protection of property, or the immediate welfare of individuals; or
3. Specific authorization by law.

The approval of a deficiency apportionment by OMB and its transmittal to Congress merely notifies the Congress. It does not authorize the use of any amounts not yet provided.

### 3.G

#### **Policy on Allotments and Sub-allotments**

The Coast Guard will assign allotments for each appropriation listed in Section 3.H.7. OMB Circular A-11 requires that separate allotments or sub-allotments be designated, at the highest possible level, within an appropriation that legally establishes limits (i.e., earmarks in law) on the amount of funds the Coast Guard can spend on specific projects. Additionally, quarterly apportionments are required to be designated as allotments or sub-allotments separately from annual apportionments.

## **FUNDS CONTROL**

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### **3.G.1 Procedures**

G-CCS will issue a formal document to distribute allotments and sub-allotments. This will normally be done in the Final Budget Stage Financial Plan (EXSTAGE), COMDT NOTICE 7132. At a minimum, the formal documentation will contain:

1. The amount available;
2. The funding source (e.g., appropriations, reimbursements);
3. The time period of availability;
4. The position title of the official responsible for managing the allotment and any limitations;
5. Justification for changes in allotments. Note: In some cases, changes in allotments will create the need for a reapportionment, which requires OMB approval.

### **3.G.2 Restrictions**

The following restrictions apply to allotments:

1. The sum of allotment amounts issued shall not exceed the apportionment, including any applicable footnotes.
2. The sum of sub-allotment amounts shall not exceed the allotment amount.
3. Allotments or other administrative subdivisions shall be fixed in amount and only changed when authorized by G-CCS.
4. Congressional restrictions contained in the appropriation will be enforced.

### **3.H Responsibility and Functions of Individuals**

This section identifies those individuals or positions responsible under the Anti-Deficiency Act for all Coast Guard funds, and also their function within the budget execution process.

#### **3.H.1 Commandant (G-C)**

The Commandant has overall responsibility for proper funds control and the reporting of violations of such controls. This includes reporting to the President and Congress, via DHS, any violation of the Anti-Deficiency Act.

#### **3.H.2 Chief of Staff (G-CCS)**

G-CCS has been delegated by the Commandant as the authority for allotting all Coast Guard funds. G-CCS will formally describe all allotments and sub-allotments annually via the budget execution stage financial plan. G-CCS also establishes

## FUNDS CONTROL

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**3.H.2**  
**Chief of Staff**  
**(G-CCS)**  
(continued)

the system for administration and control of funds by designation of appropriation managers and allowance managers or other delegations of authority as specified by this Manual. G-CCS is responsible for ensuring that controls are in place so that appropriations and apportionments are not over-obligated.

**3.H.3**  
**Asst. Commandant**  
**for Planning,**  
**Resources &**  
**Procurement / CFO**  
**(CG-8/8d)**

CG-8, assisted by the Chief Financial Officer (CFO), handles the day-to-day management of appropriated funds, and is responsible for the following:

1. Maintaining oversight of all appropriated funds and reporting their status directly to G-CCS;
2. Providing policy and direction for financial management personnel, programs, systems, activities, operations, and reporting;
3. Ensuring effective implementation of Coast Guard financial management policy, procedures, and internal controls, including the establishment of appropriate funds control limits in the Core Accounting System and the accurate entry of obligating documents and/or expenditure documents into the Core Accounting System;
4. Identifying, reporting, and following up on violations of the Anti-Deficiency Act and any administrative violations.

**3.H.4**  
**Resource**  
**Management**  
**(CG-83)**

CG-83 assists CG-8 through the oversight of all Coast Guard appropriations. Funds control responsibilities for CG-83 are as follows:

1. Establishing, implementing, and managing Coast Guard funds control policies;
2. Transmitting requests to OMB for apportionment and reapportionment of appropriated and other funds;
3. Overseeing the Appropriation Manager;
4. Immediately initiating an investigation upon report of a possible Anti-Deficiency Act violation.

## FUNDS CONTROL

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### **3.H.5 Financial Policy & Systems (CG-84)**

CG-84 is the Coast Guard official responsible for the following:

1. Overseeing Coast Guard internal control policies, including funds control;
2. Ensuring that the Core Accounting System supports the Coast Guard's funds control policy. The Core Accounting System should provide for:
  - a. Recording all financial transactions affecting: apportionments; reapportionments; allotments; agency restrictions; financial plans; program operating plans; obligations and expenditures; as well as anticipated, earned, and collected reimbursements;
  - b. Preparing and reconciling financial reports that display cumulative obligations, and the remaining unobligated balance by appropriation and allotment, and cumulative obligations by budget activity and object class;
3. Ensuring that Coast Guard financial managers and the supporting workforce are adequately trained in the use of the Coast Guard designated financial accounting system.

CG-84 shall coordinate closely with the following units that carry out accounting functions in support of the financial management program of the Coast Guard:

1. Finance Center (FINCEN);
2. Coast Guard Yard;
3. Aircraft, Repair and Supply Center;
4. Personnel Service Center;
5. National Financial Center (civilian pay);
6. Engineering Logistics Command (ELC);
7. National Pollution Funds Center (NPFC);
8. Uniform Distribution Center.

CG-84 also provides direct oversight of FINCEN, which is responsible for coordinating all Coast Guard accounting information. Furthermore, FINCEN provides direct, day-to-day vouchering (bill paying) and accounting support for the

## **FUNDS CONTROL**

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**3.H.5**  
**Financial Policy &  
Systems**  
**(CG-84)**  
(continued)

vast majority of Coast Guard units and staffs. FINCEN is responsible for establishing policies and procedures to carry out these functions. Policies and procedures related to these functions promulgated by FINCEN apply to the entire Coast Guard.

**3.H.6**  
**Procurement  
Management**  
**(CG-85)**

CG-85 is responsible for ensuring that the Coast Guard procurement program supports funds control through the accurate and timely recording of obligations resulting from the issuance of contracts, purchase orders, and Military Interdepartmental Purchase Requests (MIPRs) (document types 23, 24, and 28, respectively). Coast Guard Contracting Officers are to ensure that adequate funding is available before signing any contractual document.

**3.H.7**  
**Budget Execution  
Division (CG-831) /  
Appropriations  
Manager**

CG-831 serves as the Coast Guard's Appropriations Manager and is responsible for providing oversight of the following appropriations and funds:

1. Operating Expense (OE);
2. Acquisition, Construction and Improvements (AC&I);
3. Research, Development, Test & Evaluation (RDT&E);
4. Environmental Compliance and Restoration (EC&R);
5. Alteration of Bridges (AB);
6. Reserve Training (RT);
7. Retired Pay (RP);
8. Supply Fund;
9. Gift Fund;
10. Yard Fund;
11. Cadet Fund;
12. Commissary Stores Surcharge Fund;
13. Oil Spill Liability Trust Fund (OSLTF);
14. Boat Safety Account (BS);
15. Medicare-Eligible Retiree's Healthcare Fund (MERHCF).

The Appropriation Manager's responsibilities include:

1. Properly distributing funds to allowance managers at the levels specified in the Appropriation Committee

## FUNDS CONTROL

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**3.H.7**  
**Budget Execution**  
**Division (CG-831) /**  
**Appropriations**  
**Manager**  
(continued)

- reports, within the limitations of apportionments or reapportionments approved by OMB and in accordance with G-CCS' distribution plan;
2. Ensuring that Allowance Managers (Project & AFC Managers) do not allow obligations and expenditures to exceed the amount available in the appropriation account;
  3. Verifying that the allotment and sub-allotment of funds are at the highest level practical;
  4. Ensuring that all OMB apportionments are properly entered into the Core Accounting System;
  5. Developing apportionment schedules for submission to OMB and developing secondary financial plans for orderly and systematic execution of the approved financial plan and apportionment;
  6. Determining when transfers between fund accounts require submission of a reprogramming to OMB and the Appropriation Committees;
  7. Ensuring that reimbursable agreements are properly executed and that costs are recovered;
  8. Evaluating actual closeout results against the resource/allowance manager's closeout projections, and taking corrective action where necessary;
  9. Ensuring that disbursements from cancelled accounts (i.e., unobligated funds for antecedent liabilities) do not exceed one percent of the appropriation pursuant to 31 U.S.C 1553(b);
  10. Managing funds that have expired for obligation purposes.

**3.H.8**  
**Allowance Managers**

The majority of Allowance Managers are Assistant Commandants for Headquarters Directorates; those Directorates responsible for AFCs and/or Projects. However, allowance managers for certain revolving accounts are assigned to the Commanding Officer of the Coast Guard Yard, the Superintendent of the Coast Guard Academy, and the Director of the National Pollution Funds Center. These managers are responsible for managing funds distributed by appropriation managers within the approved Coast Guard financial plan. Subsidiary divisions of allowances are distributed to ATU Officers and Program Element Managers. Therefore, Allowance Managers can also be ATU Officers or Program



## FUNDS CONTROL

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### 3.H.8

#### Allowance Managers

(continued)

Element managers.

The Allowance Managers have a shared responsibility with the applicable Appropriation Manager to ensure that obligations do not exceed the amount available to prevent violations of the Anti-Deficiency Act. Allowance funding levels distributed by the Appropriation Manager shall not be exceeded without CG-83 approval.

Although Allowance Managers are assisted by staff with responsibility for day-to-day management, overall responsibility for management of allowances cannot be delegated.

Allowance Managers are designated as AFC Managers for the Operating Expense, Reserve Training, and Retired Pay appropriations, and as Resource Managers for all other appropriations.

Resource managers for revolving funds are also considered allowance managers and are subject to the same requirements and responsibilities.

Enclosure 3-1 lists designated Allowance managers.

Whether it is the management of widely-distributed funds, as is the case with training funds (AFC-56), or centrally- managed funds, as with military pay (AFC-01), AFC Managers and Resource Managers have the following responsibilities:

1. Determining the distribution of funds within the AFC or project, and establishing guidance for users;
2. Tracking the flow of funds into and out of the account and among ATUs;
3. Tracking obligations against planned amounts for the entire account to ensure compliance with allowance or project funding levels;
4. Monitoring the status of accounts, adjusting resources as necessary, and staying within funding limits;
5. Ensuring compliance with spend down rates;
6. Reporting accurate closeout positions for the entire account to the Appropriations Manager;
7. Reserving adequate unobligated funds to cover upward adjustment of obligations (i.e., booking antecedent liabilities) associated with expired appropriations;
8. Conducting post fiscal-year review of all closeout results for comparison to reported closeout projections.

## FUNDS CONTROL

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### 3.H.8

#### Allowance Managers

(continued)

- Taking appropriate follow-up action where necessary;
9. Managing funds that have expired for obligation purposes;
  10. Balancing resources to adjust for surpluses/shortfalls in respective accounts.

### 3.H.9

#### Administrative Target Unit Officers

ATU officers are Assistant Commandants of Headquarters Directorates, Area Commanders, Maintenance and Logistics Commanders, District Commanders, and Headquarters units Commanding Officers/Directors/Superintendents where there is a primary responsibility for managing a target received from an Allowance Manager. Although ATU Officers are assisted by staff with responsibility for day-to-day account management, overall responsibility for target allowances received **cannot be delegated**.

The target provided by the Allowance Manager cannot be exceeded. If needed, the ATU officer will contact the appropriate Allowance Manager for additional funding.

Allowance managers that do not assign targets to ATU officers are responsible for performing all ATU functions and duties in this section.

The ATU is authorized to further divide a target for control by staff elements and units supported by the ATU. These staff elements and units supported by the ATU officer are designated as program elements.

ATU officers employ comptrollers, budget officers, and other financial management experts to act as the principal financial management advisor for the ATU, coordinating all aspects of the budget process including the issuance of funding targets to units and staffs. However, the ATU officer is ultimately responsible to Allowance Managers for management of the funds trusted to his or her control.

Other duties of the ATU Officer include:

1. Maintaining awareness of funding and specific requirements from Congress, G-CCS, appropriation managers, allowance managers, and reimbursable customers;
2. Coordinating all phases of the fiscal year budget model update and distribution processes;
3. Tracking obligations against plans and changes in funding levels for each program element. This includes

## FUNDS CONTROL

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### 3.H.9

#### Administrative

#### Target Unit Officers

(continued)

- adjusting program element budgetary resources to meet ATU goals;
4. Ensuring sound program element management, including ensuring that program element status (PES) is reconciled as required by current Coast Guard guidance;
  5. Ensuring that program elements stringently adhere to UDO policy and procedures contained in this Manual;
  6. Comparing budgeted versus actual expenditures and evaluating variances;
  7. Explaining the full costs of the ATU's facilities;
  8. Adjusting resources at closeout, including intra-AFC adjustments, to meet ATU goals; providing surplus funds to, or requesting additional funds from, AFC managers. However, AFC Managers are not authorized to make inter-AFC adjustments;
  9. Coordinating with allowance managers to ensure that unobligated funds are adequate to cover antecedent liabilities;
  10. Reporting closeout position to AFC managers and conducting post fiscal-year review of closeout results for comparison with reported closeout projections for each Program Element. Taking corrective action as necessary;
  11. Managing funds that have expired for obligation purposes;
  12. In some instances, for example when an ATU Officer manages an appropriation (e.g., a Trust Fund), ensuring that reimbursable agreements are properly executed and that costs are recovered;
  13. Coordinating periodic reviews of outstanding administrative commitments of funds for currency and validity and to identify potential errors or discrepancies.

### 3.H.10

#### Program Element Managers

All funds are executed out of program elements. Program Element Managers are personnel to whom the Allowance manager or ATU officer has delegated authority to control funds provided.

Program Element Managers may be assisted by individuals who are staff-trained in financial management. However, the Program Element Manager is directly accountable for funds

## FUNDS CONTROL

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**3.H.10**  
**Program Element**  
**Managers**  
(continued)

trusted to his or her control.

Specific responsibilities include:

1. Knowledge of funding approved and distributed to the program elements;
2. Developing and maintaining a spend plan for funding received;
3. Ensuring proper use of accounting classification codes;
4. Maintaining and reconciling an up-to-date ledger using the designated CG financial management system for all transactions associated with the program element;
5. Ensuring that reconciliation of financial management system ledgers is performed in accordance with current Coast Guard guidance;
6. Identifying PES errors, analyzing for causes, seeking solutions, and forwarding for action;
7. Ensuring transmittal of all receiving reports for goods and services;
8. Comparing budgeted versus actual expenditures and evaluating all variances each fiscal year;
9. Using historic obligation data and new requirements, developing and submitting budget needs to the ATU officer's or allowance manager's budget officer or comptroller;
10. Ensuring that obligations can be traced to specific cost objects (i.e. end items) so that accurate capitalizations can occur;
11. Reconciling and correcting PES reports after the obligation authority for these funds expires and until the account is closed;
12. Reviewing all outstanding administrative commitments of funds monthly for currency and validity, and to identify potential errors or discrepancies;
13. Adhering to the Coast Guard UDO policy and procedures including:
  - a. Maintaining source document files for all obligations and procurements that are still valid;
  - b. Reviewing and validating all open obligations for all entrusted program elements of expired and

## FUNDS CONTROL

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**3.H.10**  
**Program Element**  
**Managers**  
(continued)

- unexpired appropriations;
- c. For all open obligations that are either no longer valid or are in error, taking corrective action to de-obligate open obligations, or contacting FINCEN in resolving the error. Before proceeding with a decision to de-obligate funds, the Program Element Manager shall coordinate such action with the Contracting Officer.

## FUNDS CONTROL

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### Encl. 3-1 Allowance Managers

1. The Operating Expenses (OE) appropriation is divided into the following allowances with corresponding allowance managers:

<b>AFC</b>	<b>OE Allowance</b>	<b>Allowance Manager</b>
AFC-01	Military Pay	CG-833
AFC-08	Civilian Pay	CG-833
AFC-20	Permanent Change of Station (PCS)	CG-1012
AFC-30	Operating and Maintenance	CG-832
AFC-34	Training and Recruiting	CG-832
AFC-36	Central Accounts	CG-832
AFC-38	Industrial Support Revolving Fund	CG-483
AFC-40	Chief of Staff Administrative	CG-831
AFC-41	Aeronautical Engineering	CG-483
AFC-42	Telecommunications	CG-6R
AFC-43	Civil Engineering	CG-483
AFC-45	Naval Engineering	CG-483
AFC-56	Training	CG-1012
AFC-57	Medical	CG-1012

2. Reimbursable funding is divided into the following allowances with corresponding allowance managers:

<b>AFC</b>	<b>Reimbursable Allowance</b>	<b>Allowance Manager</b>
AFC-75	Reimbursables – Refund	FINCEN
AFC-77	Headquarters Reimbursables	CG-831
AFC-80	Reimbursables	CG-831
AFC-88	Reimbursables Special Purpose Account	CG-831

## FUNDS CONTROL

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3. The Retired Pay (RP) appropriation is divided into the following allowances with corresponding allowance managers:

AFC	RP Allowance	Allowance Manager
AFC-72	Retired Pay	CG-833
AFC-73	Retired Health Care Matters	CG-1012

4. The Reserve Training (RT) appropriation is divided into the following allowances with corresponding allowance managers:

AFC	RT Allowance	Allowance Manager
AFC-90	Reserve Training Program Expense	CG-131
AFC-94	Reserve Reimbursable Program	CG-131
AFC-97	Reserve Refund Program	CG-131
AFC-98	Civilian Pay Reserve	CG-131

5. The Acquisition, Construction, and Improvements (AC&I) appropriation is divided into the following categories with corresponding allowance managers:

AC&I Project	Allowance Manager
Vessels & Critical Infrastructure	G-A-1c
Aircraft	G-A, CG-4, G-DRM, G-R
Integrated Deepwater System	G-DRM
Other Equipment	G-A, CG-4, CG-6, G-R
Shore Facilities and Aids to Navigation	CG-483
Personnel and Related Support	CG-831

**Note:** AC&I project accounts are often divided into smaller sub-projects. When this occurs there will be a project officer for each sub-project under the oversight of CG-831.

## FUNDS CONTROL

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6. Other appropriations are assigned allowance managers as follows:

Appropriation	Allowance Manager
RDT&E	CG-66
EC&R	CG-443
Alteration of Bridges	G-PRP-2
Boating Safety	G-PRP-2

7. Revolving Accounts are assigned allowance managers as follows:

Revolving Account	Allowance Manager
Gift Fund	CG-843
Yard Fund	Commanding Officer, CG Yard
Cadet Fund	Superintendent, CGA

The Supply Fund has four sub-divisions, managed by the following allowance managers:

Supply Fund	Allowance Manager
Fuel	CG-832
Uniforms	CG-1221
Commissary	CG-1111
Operation & Maintenance	CG-483

8. Trust Fund(s) are assigned allowance managers as follows:

Trust Fund	Allowance Manager
Oil Spill Liability Trust Fund (OSLTF)	NPFC



## BUDGET EXECUTION

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### **5.E** **Key Terminology** (Continued)

3. “Expenditure” - A payment made to liquidate an obligation.
4. “Available balance” - The remaining un-obligated funds.

### **5.E.1** **Administrative** **Commitments**

Administrative commitments are procurement requests (PRs), contracts pending award by a contracting officer, or Interservice Support Agreements (ISSAs) and Military Interdepartmental Purchase Requests (MIPRs) that have been issued by a contracting officer and are awaiting acceptance by the servicing agency.

Commitments begin at the time that an administrative action occurs toward an obligating event, such as the funding of a purchase request incidental to the award of a contract. This action, in effect, “ties up” funding, even though there is no legal obligation. Commitments are not legal obligations and therefore count as un-obligated balances in monthly reports to OMB.

Personnel authorized to administer and control funds are responsible for ensuring that commitments are kept to a minimum. Old commitments that have not been executed in a timely fashion shall be de-obligated. Commitments that have not been converted into Government obligations in the form of purchase orders or contracts, or Inter-Service Support Agreements (ISSAs) and Military Interdepartmental Purchase Requests (MIPRs) that have not been accepted by a servicing agency by the end of the fiscal year when such funds expire, shall be de-committed. PRs that have been automatically de-committed should be reviewed by the funds manager for continued requirements validation prior to re-issuance of the PR, or reprogramming of the funding.

Personnel authorized to administer and control funds shall review all commitments monthly for currency, validity, and to identify potential errors or discrepancies. This review shall be closely coordinated with the requirements office, the servicing contracting office, and the servicing agency, as appropriate.

It is the requiring unit’s responsibility to contact the appropriate Contracting Officer to ensure that a contract/purchase order/MIPR is in place (funds are obligated) prior to the end of the fiscal year.

## BUDGET EXECUTION

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### **5.E.2 Legal Obligations**

The formal award of a purchase order, requisition, or contract represents a legal obligation. Sometimes the award is “subject to availability of funds” in which case the obligation is deferred until the funds are available.

Accrual accounts must be established for expenses incurred where no invoices were submitted or no funds were available. Examples of these expenses are travel, salaries and wages, telephone services, and utilities. The accrual expenses are estimated based on prior year’s experience.

### **5.F Anti-Deficiency Act Violations - Over Obligation of Funds Prohibited**

Personnel authorized to administer and control funds are responsible for seeing that funds expended or obligated do not exceed the amount allotted to them. This requirement is specifically spelled out by law and requires reporting action, as well as corrective action, in the event of a violation. Statutory requirements are as follows:

- a. 31 U.S.C. §1341(a)(1) “An officer or employee of the United States Government ... may not:
  - (1) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.
  - (2) involve the government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law.”
- b. 31-U.S.C. §1342 “An officer or employee of the United States Government may not accept voluntary services for the government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property. ”
- c. 31-U.S.C. §1350 “An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1341(a) or 1342 of this title shall be fined not more than \$5,000, imprisoned for not more than two years, or both.”

## BUDGET EXECUTION

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### **5.F Anti-Deficiency Act Violations - Over Obligation of Funds Prohibited**

(Continued)

- d. 31-U.S.C. §1351 “If an officer or employee of an executive agency violates section 1341(a) or 1342 of this title, the head of the agency shall report immediately to the President and Congress all relevant facts and a statement of actions taken.”
- e. 31-U.S.C. §1513(d) “An appropriation apportioned under this subchapter may be divided and subdivided administratively within the limits of the apportionment.”
- f. 31-U.S.C. §1513(d) “The head of each executive agency shall prescribe by regulation a system of administrative control not inconsistent with accounting procedures prescribed under law. The system shall be designed to:
  - (1) Restrict obligations or expenditures from each appropriation to the amount of apportionments or reapportionments of the appropriation.
  - (2) Enable the official or the head of the executive agency to fix responsibility for an obligation or expenditure exceeding an apportionment or reapportionment.”
- g. 31-U.S.C. §1517(a) “An officer or employee of the United States Government ... may not make or authorize an expenditure or obligation exceeding:
  - (1) An apportionment.
  - (2) The amount permitted by regulations prescribed under section 1514(a) of this title.”
- h. 31-U.S.C. §1517(b) “If an officer or employee of an executive agency violates subsection (a) of this section, the head of the executive agency shall report immediately to the President and Congress all relevant facts and a statement of actions taken.”
- i. 31-U.S.C. §1517(a), 1517(b), 1351 of the law apply to direct allotments as well as to appropriation totals, apportionments, and reapportionments. It does not apply to AFC’s and targets.

## BUDGET EXECUTION

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### **5.F.1 Exceeding Target Reporting**

When obligations incurred exceed the annual target and local actions to reduce obligations are insufficient, the financial manager of the target unit is responsible for prompt reporting to the appropriation manager. The unit financial manager will prepare the report immediately after it has been established that this condition exists. Temporarily exceeding administrative operating or project targets, while necessitating disciplinary action if the circumstances warrant, may not constitute a violation of the Anti-Deficiency Act.

#### **5.F.1.a Financial Manager Prepares the Report**

The financial manager of the target unit shall prepare the report on the basis of accounting records and documents on file at the ATU. The report will include:

1. A description of the administrative operating or project target.
2. Related details and the amount involved.
3. An explanation of all pertinent facts concerning the excess and the principal reason or cause.
4. A statement on the adequacy of the control system or recommendations for changing the control system.

### **5.F.2 Anti-Deficiency Violations Reporting**

It shall be the primary responsibility of CG-8 to initiate written reports to Congress of actual violations of the Anti-Deficiency Act, except for the Yard and the Cadet Funds. The Comptrollers of the Yard and Academy shall initiate reports on the Yard and Cadet Funds, respectively. However, any employee of the Coast Guard having knowledge of an apparent violation shall be responsible for initiating a written report through the appropriate channels. In all instances the report from the field shall be addressed to the fund manager with copies to G-CCS, and CG-8 (as the CFO). The appropriation manager will immediately initiate an investigation to determine if, in fact, a violation did occur. A description of fund violations and the external reporting requirements are contained in paragraph S. Department of Transportation Order 2700.7 (series). The Commandant shall report to the Secretary, through the Assistant Secretary for Administration, **immediately** after it has been established that a violation has occurred and shall also send a copy of the report to the Assistant Secretary for Budget and Programs.

## BUDGET EXECUTION

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### **5.G Reports - Reports of Budget Execution**

FINCEN shall prepare the monthly “Report of Budget Execution” (SF-133), with copies sent to CG-83, and CG-84 within 20 days of the end of the month, as required by OMB Circular A-11.

#### **5.G.1 Program Element Status**

FINCEN provides Program Element Status (PES) reports to all program element managers. It is the responsibility of the ATUs to insure that their respective accounts are reconciled against the PES reports within one week of receiving the reports.

#### **5.G.2 Other Reports**

FINCEN also prepares regular reports for CG-83 on the status of all AFCs and each ATU. CG-83 reviews these reports, and communicates directly with those ATUs whose reports show a significant variance from prescribed policy, historic trends or spending plans. CG-83 monitors the status of accounts by AFC, ATU and appropriation for five years after an appropriation expires; letter reports are sent to those ATU/AFC managers who are significantly over or under obligated.

### **5.H Control Of Year End Spending**

Year round management of funds is an essential element of good financial management. The tendency to make large year-end procurements is not only an indication of poor or mismanagement of funds, but a poor reflection on the Coast Guard and funds manager as well. The following policy is intended to minimize funding of low priority projects or buildups of inventories solely to prevent expiration of funds.

Obligations for the fourth quarter of the fiscal year shall not normally exceed obligations for the third quarter. Exceptions to this general rule include: procurements required to accomplish an essential program objective, seasonal requirements, or restoration of a program, which has slipped behind schedule. Care and timeliness in obligation, reprogramming, and releasing of funds will ensure effective use of funds.

### **5.I Reimbursable and Refund Programs – Purpose**

This section establishes the policy relating to intra-governmental and other reimbursable programs covering goods and services **provided by** the Coast Guard to other DHS elements, federal agencies and non-federal activities. This section does not apply to instances where the Coast Guard **procures** goods or services from other federal agencies. Such situations involve procurement actions, and

## BUDGET EXECUTION

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### 5.I Reimbursable and Refund Programs – Purpose (Continued)

will be processed through procurement channels because they involve the obligation of funds, which may only be done by individuals having contracting authority.

- a. The Economy Act (31 U.S.C. § 1535) provides that any agency, if funds are available and if it is determined to be in the interests of the government, may place orders with another agency for materials, supplies, equipment, work or services of any kind and shall pay promptly to such agency upon written request.
- b. Title 14, United States Code states, “The Coast Guard may, when so requested by proper authority, utilize its personnel and facilities to assist any federal agency, state territory, possession, or political subdivision thereof, or the District of Columbia, to perform any activity for which such personnel and facilities are especially qualified. The Commandant may prescribe conditions, including reimbursement, under which personnel and facilities may be provided under this subsection.”
- c. Generally, when the assistance rendered falls within the specific functional responsibilities of the Coast Guard, the services are performed without charge. **Note:** the authority only applies to cooperation with other governmental agencies, state or federal and not to private organizations. Written agreements with foreign governments or international organizations must be processed through a duly appointed representative of the Department of State and coordinated with the Coast Guard's International Affairs Staff (G-CI).

### 5.I.1 Reimbursable Agreements – Policies

Program managers shall establish reimbursable programs on the basis of written agreements prepared prior to providing goods and services. However, in emergency situations, the Coast Guard may perform work in the absence of a signed agreement, provided the program manager negotiates a written agreement as soon as possible. Such written agreements are also required for all reimbursable activities performed for other DHS operating agencies; however, reimbursable activities are not applicable to general working agreements or orders placed with the DHS Working Capital Fund.

## BUDGET EXECUTION

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### 5.I.1

#### **Reimbursable Agreements – Policies**

(Continued)

Agreements shall meet the following conditions:

- a. The nature of the reimbursable work shall be consistent with the purpose and policies of the Coast Guard.
- b. Program managers shall negotiate reimbursable agreements within the framework of the Coast Guard's appropriations structure.

### 5.I.1.a

#### **Finance Services**

Program managers will finance services rendered and goods furnished from reimbursable appropriations subject to reimbursement for both federal and non-federal activities, unless circumstances warrant financing through advance of funds. To the extent authorized by law, they will apply the same method of financing to non-federal activities; however, program managers shall require advances in instances where there is any doubt concerning the collectability of the reimbursable charges.

### 5.I.1.b

#### **Reimbursable Work / Intrinsic Value**

The nature of the reimbursable work must have intrinsic value to the Coast Guard at least equivalent to that which Coast Guard appropriations would otherwise be used. In this respect, it should be kept in mind that diversion for reimbursable work may deny the use of those personnel or resources for Coast Guard work.

### 5.I.1.c

#### **Procedures**

The Coast Guard receives reimbursable agreements in various forms, including Military Interdepartmental Requests (MIPRs), Interdepartmental Procurement Requests (IPRs), MOUs and MOAs. Reimbursable agreements impacting all appropriations other than the OE appropriation must be approved by CG-83.

Reimbursable agreements impacting the OE appropriation will be processed as follows:

1. Reimbursables less than \$100k in value may be accepted by the ATU commander and processed directly through FINCEN. FINCEN will provide CG-83 with monthly reports of reimbursable agreements processed directly between ATUs and FINCEN.

## BUDGET EXECUTION

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### 5.I.1.c

#### Procedures

(Continued)

2. Headquarters programs and units shall process all reimbursables through CG-83.
3. All reimbursables over \$100k shall be routed through the applicable Headquarters program and CG-83 for approval.

### 5.I.1.d

#### Recovery of Costs

It is federal policy to recover all costs incurred in furnishing goods or services applicable to the reimbursable agreement. The cost computation shall cover direct and indirect costs incurred in carrying out the activity. Agreements with non-federal government organizations shall be written to include costs and charges for space, depreciation and interest; however, agreements with federal government organizations shall not include space, depreciation, and interest costs. Where personnel are provided on a reimbursable basis, the reimbursable agreement shall provide funding sufficient to cover costs for the personnel directly authorized for the program as well as indirect personnel needed for pipeline billets (training, personnel in transit, etc.) to support the reimbursable program. These costs are the SPC computed and published by CG-83.

### 5.I.1.e

#### Identification of Costs

Program managers shall identify costs wherever possible through the accounting system. Where the accounting system is not readily adaptable to identifying costs, program managers shall establish a simplified procedure to identify costs. They shall avoid excessive details and unnecessary refinements in the accounting records. For example, program managers may use a factor to recover indirect costs when that factor in this notice is the current overhead rate, which represents the relationship of support to operating programs.

Program managers approximate what the costs would be under a formal system. Commandant Notice 7310 (series) contains standard rates for major types of units and other miscellaneous equipment, which are to be used in computing reimbursable charges. Managers using this notice shall apply it to recover the administrative overhead costs attributable to the direct services provided. In cases where personnel are provided on a reimbursable basis, the sponsoring activity shall provide funding in an amount equal to the SPC.



## **BUDGET EXECUTION**

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### **5.I.1.f Waiver of Costs**

Program managers shall not waive the costs of providing goods and services except as authorized by law. Only officials authorized to approve reimbursable agreements have the authority to waive costs. Waivers may be granted under the following conditions:

1. Collection costs would be an unduly large part of the funds from the receiving activity.
2. The furnishing of the service without charge would be an appropriate courtesy to a foreign country or international organization; or comparable costs are on a reciprocal basis with a foreign country.
3. Comparable costs are on a reciprocal basis; or
4. The services provided are clearly to the benefit of the Coast Guard mission.

### **5.I.2 Preparation and Coordination of Agreements**

All Coast Guard reimbursable agreements will be guided by DHS Interim Management Directive (IMB) 0710. Program managers preparing reimbursable agreements should use DHS Form 710-1 (11-03), DHS Reimbursable Agreement. Program managers may use a letter or MOU, but such documents must contain essentially the same information as the DHS Form 710-1 (11-03). However, program managers should use DHS Form 710-1 (11-03) as a fact sheet in instances where a letter or memorandum is used. Reimbursable agreements prepared by a party other than the Coast Guard may be made using other forms as long as they contain essentially the same information as the DHS Form 710-1 (11-03).

### **5.I.2.a Draft and Clearance**

Cognizant headquarters offices are responsible for conducting negotiations and drafting proposed agreements.

### **5.I.3 Reimbursement to the OE Appropriation**

Generally, the reimbursable programs, which are carried out under the OE appropriation, are those concerned with the operation or maintenance of facilities, which are of benefit to another agency. Maintenance of Navy-owned equipment on Coast Guard units is one example.

## BUDGET EXECUTION

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### **5.I.3.a Sponsoring Agencies**

Each reimbursable account prior to distribution of the draft OPSTAGE sponsoring agencies develops reimbursable programs through conferences and individual discussions followed by correspondence to fix decisions, agreements and estimates of costs. Finally, a sponsoring agency would forward an IPR or the equivalent to the Coast Guard. The Coast Guard must return the IPR showing signed acceptance under the conditions and amount stated. The process of developing and inaugurating these programs or changes in programs generally require extensive staff coordination to ensure that cognizant offices are kept aware of the negotiating process. Toward this end, responsibilities at Headquarters for negotiating and managing the several reimbursable programs are assigned on the following basis.

### **5.I.3.a.(1) Established Operating Programs**

Established operating programs carried out from year to year, which involve AFC managers in different offices. The program manager will assume responsibility for drafting correspondence external to the Coast Guard via CG-8.

### **5.I.3.a.(2) Operating/Support Program Managers**

Operating/Support Program Managers responsible for the reimbursable programs shall identify and develop base level resources and provide guidance to the ATU. The ATUs shall in turn submit detailed funding requests for the reimbursable field programs per the Planning and Programming Manual - Volume II (Field Planning Manual), COMDTINST M16010.6

### **5.I.3.a.(3) The Budget Office**

CG-83 shall solicit both quarterly and annual AFC distributions for each reimbursable account prior to distribution of the OPSTAGE draft in the Spring and again prior to the approval of the final OPSTAGE. CG-83 will publish the specific amounts in the OPSTAGE financial plan.

### **5.I.3.a.(4) Program Mangers of Established Operating Programs**

Program managers of established operating programs that are carried out from year to year, involving only one AFC manager, such as medical supplies and maintenance of Navy-owned electronic equipment, have the responsibility for drafting correspondence external to the Coast Guard relative to funds or other requirements.

## BUDGET EXECUTION

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### **5.I.3.a.(5) Interdepartmental Procurement Requests**

The office having primary responsibility for onetime programs requiring engineering evaluation, such as Loran-C evaluations, or joint oceanographic surveys, will assume responsibility for drafting correspondence external to the Coast Guard relative to funds or other requirements.

Programs receiving IPR advanced billing reimbursable agreements from other agencies, which indicate the work requested of the Coast Guard and funds available for such work, should transmit them to CG-83. CG-83 will verify the request against previous correspondence, coordinate with other offices concerned to adjust the financial plan, accept the work order for the Coast Guard, and furnish copies of correspondence with the signed IPE agreement to permit the rendering of proper bills to the requesting agency. It is the responsibility of the Headquarters program or Headquarters unit to return copies of the accepted agreements to the external parties and initiate any CIFPs necessary to execute the agreement.

### **5.I.3.b Cost Estimates**

When cost estimates have been agreed on, they are consolidated by CG-83, and the appropriation manager adds an estimate for anticipated, yet unconfirmed reimbursements. The total estimated reimbursement to OE is entered in the OMB Stage budget as a separate item from the direct appropriation requested from Congress. CG-83 revises this estimate at the Congressional and OPSTAGE. **Note:** that the estimated reimbursable program shown in the budget document does not have to be justified in that document, since it is not in itself a request for funds. The reimbursable funds are justified in the sponsoring agencies' budgets.

### **5.I.3.c Budget Office Reimbursement**

CG-83 distributes most of the OE reimbursements to the regular OE AFC's, which will incur expenses in carrying out the reimbursable programs. Program managers must submit a CIFP reflecting an AFC distribution when they establish a new reimbursable program. When AFC managers are advised of their allocations and are requested to recommend the quarterly apportionments of these funds, they are dealing with their total allocations including reimbursements, which will remain at the AFC-80 level. The apportionment request

## BUDGET EXECUTION

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### **5.I.3.c Budget Office Reimbursement** (Continued)

submitted to OMB by CG-83 does not specifically itemize or identify the reimbursable portion of the quarterly apportionments. The appropriation manager must approve all reimbursable CIFP's. A copy of the signed, accepted reimbursable agreement or purchase request must be on file in CG-83 and must accompany the CIFP. Program managers will provide a copy of the approved CIFP with supporting justification to CG-83.

### **5.I.3.d Reimbursement to AFC-80**

Obligation authority to finance reimbursable work for other government agencies and non-government entities is requested and received from OMB during the apportionment process. Once approved by OMB, these funds are set up in AFC-80 in the amount of the anticipated annual reimbursement. Unlike other AFCs, AFC-77 does not consist of direct appropriated funds. Rather, they contain the value of anticipated or actual reimbursement for work authorized to be done for others on a reimbursable basis.

### **5.I.4 Reimbursements to Other Appropriations**

The reimbursable programs under the AC&I appropriation usually involve the construction of facilities for the benefit of other agencies and the application of proceeds from the sale of personal property to acquire its replacement. RDT&E reimbursements usually represent cooperative research programs involving government or nonprofit civil agencies.

### **5.I.4.a AC&I Reimbursements**

CG-83 develops estimates for reimbursable programs under the AC&I appropriation. These estimates are included in the OMB stage of the budget as a separate item from the direct appropriation request. CG-83 revises these estimates as required at subsequent budget stages. Like the OE reimbursement, the AC&I reimbursement is not justified in the Coast Guard budget since it is not a request for appropriations. Estimates for RDT&E are handled in a similar fashion.

### **5.I.4.b Research and Development Staff**

The Research and Development Staff (CG-66) for RDT&E and CG-83 for AC&I, maintain the reimbursable programs as separate projects. Accordingly, the office developing a reimbursable agreement under these appropriations prepares a financial plan and quarterly obligation schedule for each reimbursable project. From these schedules, CG-83 prepares the apportionment request for submission to the OMB. Directly appropriated funds and reimbursable funds are both listed on the apportionment request, as separate line items.

## BUDGET EXECUTION

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### **5.I.4.c Establishing Accounts**

CG-83 establishes an account for the total amount of reimbursement expected throughout the year for each appropriation, titled "anticipated reimbursements." CG-83 provides project account numbers for each reimbursable agreement. To establish separate project accounts from which obligations may be made, CG-83 prepares a CIFP (CG-3319) showing an amount to be decreased in the "anticipated reimbursements" account and increased under the reimbursable project account. CG-83 must approve all reimbursable CIFP's. A copy of the signed, accepted reimbursable agreement or purchase request must accompany the CIFP.

### **5.I.5 Financing and Billing Arrangements**

In order to assure that the agreement is in sufficient detail for the accounting office to perform the billing, the agreement shall:

- a. Identify the accounting office serving the performing activity as the billing office.
- b. Contain a "BILL TO" address in sufficient detail to provide the accounting office with an address to which a bill may be sent for collection.
- c. Indicate the specific goods or services to be furnished.
- d. Identify the charges, the method of computation, the billing period, and the estimated cost.
- e. Establish beginning and ending dates.
- f. Provide for an advance of funds.
- g. Identify the documentation required by the user agency as a condition of payment.
- h. Establish the activity responsible for the accomplishment of the project.
- i. In the event multiple items are to be furnished, the agreement should provide for separate identification of each item.

## BUDGET EXECUTION

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### **5.I.5.a In Doubt of Paying Ability**

Whenever the performing activity intends to fund a program on a reimbursable basis and doubts the paying ability of the ordering activity (non-federal organization), they will indicate on the agreement that an advance of funds is necessary for the entire cost of the project. An advance installment basis of payments may also be satisfactory depending on the circumstances.

### **5.I.5.b Agreements Between DHS and Operating Elements**

Agreements between DHS and operating elements are normally done on a reimbursable basis. Activities entering into agreements are encouraged to obtain assistance from their accounting and budget offices to establish a mutually acceptable and simple arrangement.

### **5.I.5.c Performing Activity**

The performing activity shall furnish its accounting office the following information and documentation:

1. A listing of all organizations authorized to provide goods and services under the specific agreement. Performing activities must list the applicable agreement number and the name and telephone number of the project officer of the performing activity.
2. Lead and collateral organizations will prepare and furnish cost estimates to the appropriate accounting office. These estimates shall include but are not limited to lists of such items as number of work hours, kinds of contractual services, purchases of equipment, and identification of each element of overhead.
3. During the course of the agreement, the performing activity shall review all documentation developed by it or furnished by collateral organizations prior to submission to the accounting office to ensure that reference to the agreement number is included.
4. Notification in writing, within ten workdays after completion of work, that the terms of the agreement have been satisfied. If feasible, this notification shall be furnished concurrently with the submission of the final documentation.

## BUDGET EXECUTION

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### **5.I.5.c** **Performing Activity** (Continued)

5. The accounting office of the performing activity shall develop and assign numbers to the agreements. Assignment of numbers shall be performed after the agreement is signed and prior to the distribution of the agreements. A consecutive numbering system is required.
6. The accounting office of the performing activity will expedite final billings, including any adjustments necessary to conform to the terms of the agreement, and collections. It will be the responsibility of the performing activity to notify its accounting office and furnish documentation immediately upon completion of work.

### **5.I.6** **Distribution of** **Agreements**

In addition to local distribution of agreements, program manager will forward executed copies to CG-83, and FINCEN (OGQ).

### **5.I.7** **Revisions and** **Amendments**

Sponsoring agencies will prepare written amendments to agreements if there are any changes in the goods and services provided. The nature of the changes should be explained in detail. Program managers will prepare CIFPs to reflect any changes in the amount of the agreement.

The agreement shall specify a date of expiration, or indicate that it remains effective indefinitely. In either case, program managers in conjunction with CG-83 will reexamine reimbursable agreements every five years and renegotiate as required any changes necessary to ensure their accuracy.

### **5.I.8** **Refund Program -** **Policies**

Each appropriation shall provide funds to cover all costs (including pay, allowances and certain related support costs) generated by its operations. **"Cross subsidizing" of one appropriation by another is strictly prohibited.**

### **5.I.8.a** **Fully Fund Coast** **Guard Facilities**

Coast Guard appropriations will fully fund Coast Guard facilities, in support of that appropriation, such as the RDT&E appropriation support of the R&D Center.

## BUDGET EXECUTION

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### **5.I.8.b Appropriations Fund Coast Guard Facilities**

Appropriations will fund Coast Guard facilities, which are committed to support two or more appropriations (such as the training center) according to their proportional use of the facility. Affected appropriation managers will negotiate the basis of the funding split. Parties to this agreement will review and renegotiate it every two years as necessary.

### **5.I.8.c Charges**

The OE, AC&I, RT, EC&R, BS and RDT&E budgets shall include funds for the pay, allowances and the related personnel support costs of personnel assigned to authorized billets/positions of that appropriation. Where possible these costs shall be charged directly to the cognizant appropriation.

### **5.I.8.d Intra-Coast Guard Refund Account**

When a direct charge is not possible, a refund to the OE appropriation is executed through the Intra-Coast Guard Refund Account. Unless actual costs can be determined, program managers will base personnel estimates on the SPC, or other similar methods. Appropriation managers shall make onetime nonrecurring refunds equal to the applicable SPC for newly acquired billets/positions.

### **5.I.9 Refund Program Procedures/Military Pay and Allowances**

FINCEN will charge all non-industrial military pay and allowances to the OE appropriation (AFC-01).

AC&I, EC&R, BS, RT and RDT&E shall refund pay and allowances equal to the average SPC for each authorized billet plus an amount equal to the estimated cost of subsequent pay raises not included in the SPC. Normally, OMB will not allow a supplemental appropriation for subsequent pay raises. Nevertheless, appropriation managers shall make refunds to AFC-01 equal to the SPC for each authorized billet plus the cost of subsequent actual pay raises not included in the SPC. Appropriation managers shall prorate funding according to the cost of part year billets.

### **5.I.9.a Civilian Salaries**

FINCEN charges the salaries of civilian personnel directly to the applicable appropriation and no refund is required.

### **5.I.9.b Personnel Support Costs (PSC)**

The AC&I, RT, EC&R, and RDT&E appropriations shall fund personnel related support costs for permanent change of station travel, operating and maintenance support and training on the basis of published SPC. SPC costs shall be reimbursed annually to AFC-20, AFC-30, AFC-56, and AFC-57 for each authorized billet and position except where the parent appropriation will make direct payments for support costs. In this case, when specific items within the SPCs do not apply



## BUDGET EXECUTION

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### **5.I.9.b Personnel Support Costs (PSC)** (Continued)

for particular units or categories of personnel, the amount of the refund will be adjusted to account for direct payments as mutually agreed upon by the cognizant appropriation managers. The RT appropriation shall base the PSC costs on current fiscal year refund agreement. Contact the program manager for the current agreement.

### **5.I.9.c Documentation**

CG-83 will show the required amounts for pay and allowances and related personnel support costs in the refund section of the OPSTAGE financial plan. When the level of the refund program changes during the fiscal year due to changes in SPCs or changes in authorized billet levels, the refunding appropriation manager shall initiate a CIFP reflecting the proper funds distribution. CIFPs, which affect any refund allotment fund control (AFC) accounts, must be routed through CG-83 in addition to the affected appropriation and AFC managers.

CG-83 reviews all CIFPs to ensure consistency between the refunding and OE appropriations financial plans.

Program managers should complete the refund process as soon as costs are determined but not later than the end of the second quarter for pay and allowance (SPC) funds.

### **5.J Operating Expenses - Military and Civilian Pay/General**

No funds are provided directly to ATUs for AFC-01, Military Pay and Allowances; AFC-08, Civilian Salaried Personnel; or AFC-98, Reserve Program Civilian Personnel (or multi-year appropriation pay accounts). Funding for military personnel is handled through the Pay and Personnel Center.

### **5.J.1 Upgrade of Civilian Positions**

ATUs desiring to upgrade a civilian position are required to provide recurring funds to the AFC-08 account to cover the increased costs resulting from the upgrade. The upgrade will be approved only after these additional funds have been provided. This upgrade policy does not apply to Headquarters mandated civilian position upgrades.

### **5.J.2 Overtime for Civilian Employees - Classified Employees- OE**

Overtime for civilian employees is authorized and administered in accordance with the criteria set forth in Management of Civilian Overtime, COMDTINST 12550.4 (series). ATUs must comply, and CG-831 will review other personnel directives subject to an overall annual monetary limitation for those employees funded from AFC-08 as prescribed in Management of Civilian Overtime,

## BUDGET EXECUTION

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- 5.J.2  
Overtime for Civilian  
Employees - Classified  
Employees- OE  
(Continued)** COMDTINST 12550.4 (series). ATUs must comply with annual AFC-08 overtime ceilings; failure to comply will subject an ATU to a withdrawal or reduction of OE funds. Additional guidance on administration of civilian overtime is provided in Commandant Publication P12000.2 (series), Civilian Personnel Guides for Supervisors.
- 5.J.2.a  
Wage Grade Board  
Employees -OE** All funding (pay, benefits and overtime) for civilian wage grade employees is centralized in AFC-08. Any “on budge” increases or decreases to wage grade funds reflected in AFC-08 are included in the wage grade funding provided each ATU. When an ATU exceeds the total allocated wage grade funding, regardless of the level of FTE consumed, additional funding must come from the ATU's operating funds base.
- 5.J.2.b  
AC&I Funded  
Employees** Overtime for civilian employees whose salaries are charged to AC&I Administrative Expenses Funds are subject to the limitations in Management of Civilian Overtime, COMDTINST 12550.4 (series).
- 5.J.2.c  
RT and RDT&E  
Funded Employees** Overtime for civilian employees whose salaries are charged to RT and RDT&E, must be approved by G-WTR and Assistant Commandant for Command, Control, Communications, Computers, and Information Technology respectively.
- 5.J.2.d  
Yard Fund Employees** Overtime for civilian employees funded by the Yard Fund shall be approved by the commanding officer, Coast Guard Yard.
- 5.J.3  
Non-Pay Cost Of  
Living (COL)  
Funding** Non-pay COL funds are received in appropriations from Congress to cover price increases affecting non-pay items. These funds are provided to fund increased costs of current operation. Increases above these amounts must be absorbed from available funds. COL is computed by applying the Bureau of Labor statistics index measuring the cost of federal goods and services to the non-pay portion of the Coast Guard OE appropriation.
- 5.J.3.a  
Cost of Living Funds** COL funds must be carefully matched with price increases over the long term. There have been fiscal years when no price increases were incurred for such items as fuel and TAD, followed by years when price increases for these items far exceeded the annual COL funding level. COL funds should be managed over the multi-year period to allow for these fluctuations. Further, AFC managers should note that the

## BUDGET EXECUTION

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### **5.J.3.a** **Cost of Living Funds** (Continued)

index is a "market-basket" measurement such that higher inflationary increases in certain commodities are offset by below average increases in others.

COL funds are not intended for and should not be used to fund new or expanded programs of a recurring nature.

### **5.J.4** **Adjustments to Initial** **Funding – Purpose**

It is normal and appropriate that during the course of a fiscal year or project life, circumstances change or more information becomes available, necessitating a change in the initial distribution of funds made by OPSTAGE and subsequent source of funds.

Procedures and approval authority for adjustments to initial funding have been developed in an attempt to balance the need for centralized oversight and decentralized management. Within the OE appropriation, there are two types of adjustments to initial funding:

- a. The first type of adjusting document is a CIFP. A CIFP is used to shift funds between two or more AFCs. An example would be funds earmarked for electronic support in AFC-42 that needs to be shifted to AFC-30 to support an AFC-30 funded electronics support contract. Enclosure (5-1) provides the signature authorities necessary to approve a CIFP.
- b. The second type of adjusting document is a FTA, which distributes funds from one ATU or account to another within an AFC. For instance, if supplemental AFC-30 funds were to be provided by a Headquarters office to a district for cleanup after a hurricane, the transfer would be accomplished with a FTA. Both CIFP's and FTAs can be executed on a recurring basis, in which case they are annualized into the funding base of the ATUs/AFC's involved.

CG-83 is responsible for final processing of FTAs. FTAs are processed using the Automated Funds transfer System (AFTS). Prior to submission to CG-83, it is the responsibility of the originating office to have on file the proper approval/signatures of all offices affected allowing for electronic processing. By placing a person's name on the automated funds transfer entry, the initiating office is indicating that the person has approved the funds transfer.

## BUDGET EXECUTION

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### **5.J.4 Adjustments to Initial Funding – Purpose** (Continued)

After all approvals are received, forward the fund transfer request to CG-832 for processing. Upon completion of processing, copies of the completed FTA will be electronically sent to all programs providing and receiving funds. All email users will inform CG-832 of any changes to their respective mail center names.

All center administrators should set up an electronic mailbox named APTS/"center name". CG-832 sponsors an AFTS Users Guide (See this publication or contact CG-832 for additional information).

### **5.J.5 Financial Plan Adjustment Authority**

The approved OPSTAGE financial plan forms the basis for the Coast Guard's annual obligation plan. The OPSTAGE reflects the Commandant's resource allocation decisions from the budget formulation stage, endorsement of these decisions by DHS and OMB in the budget submission process, and approval by the President and Congress through enactment of appropriations. Changes to the OPSTAGE must be consistent with these decisions. Significant changes in scope or cancellation of a program, project or activity require approval from the Commandant and in some instances, concurrence by Congress. In addition, funds for certain programs or projects are "earmarked" by Congress and cannot be reprogrammed without specific, advance approval. Transfer authorization procedures, designed to provide a framework for making changes to the OPSTAGE financial plan, are intended to provide internal flexibility while responding to external constraints.

### **5.J.6 Adjustments Between a Target**

OE financial plan funds are allocated by AFC in the OPSTAGE and are summarized by office in an annual Source of Funds. The appropriation manager must approve all transfers between AFCs. In general, the AFC manager reviews transfers between program elements within the same AFC.

Recurring and nonrecurring adjustments are to be submitted by program managers to CG-83, on a CIFP (CG-3319) via the relevant appropriations manager for annotation of serial number and approval. A copy of the approved form shall be forwarded by CG-83 to CG-82.

## BUDGET EXECUTION

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### **5.J.7 ATU Funding Adjustments/New Initiatives or Requirements**

New initiatives or requirements should be funded by analyzing current spend plans, reprioritizing activities and reallocating funds from within the ATU's base whenever possible. Contingency funds should be used solely for unanticipated requirements.

### **5.J.7.a Additional AFC-30 Funding**

If additional AFC-30 funding is required to continue reasonable operations, the necessary amount can only be obtained by adjusting annual spend plans and/or using funds from other AFCs. These efforts should be coordinated with the responsible AFC or the appropriation manager. Only after all funds available to the target unit have been critically examined, should a request for additional funds be made to Headquarters. Enclosure (5-2) is a sample-funding request.

### **5.J.7.b Coordination**

Appropriation managers will coordinate correspondence from areas, MLCs, districts and Headquarters units involving the management or adequacy of funds. Offices to whom correspondence is referred will coordinate the appropriate reply, which will be routed for signature to the appropriation manager or designee. Where a request for funds is granted, the reply should take the form of a FTA. It is expected that the reply will be released within 10 working days after receipt by the action office. Types of requests include the following:

1. Appeals to Initial Target - A full detailed analysis and response should be prepared for each appeal.
2. Letter Requests for Additional Funds - The appropriation manager will forward these letters to the action office for preparation of a letter response and/or FTA.
3. Message Requests for Additional Funds - All message requests for funds will be sent for action to the appropriation manager. The cognizant AFC and program manager will receive an information copy.

### **5.J.8 Adjustments Between ATUs**

During the fiscal year, changed conditions may require fund transfers between different ATUs. Shifts between ATUs and recurring base changes between all AFCs (except intra-Coast Guard refund and reimbursables) shall be processed as described below.

## BUDGET EXECUTION

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### **5.J.8.a Transfers Between ATUs If Between AFCs**

The requester on a CIFP, if between AFCs, shall originate transfers between ATUs. The CIFP must display the approval of all AFC managers involved and shall be submitted with full justifications (background documentation and references) to CG-83. CIFPs that do not clearly provide full justification will be returned to the originator for resubmission.

The target manager releasing the funds shall submit a memo to the AFC manager requesting the transfer of funds.

### **5.J.8.b Minimum Field Requests**

District and MLC ATUs will absorb fund requirements under \$500. Headquarters will normally not process requests for amounts below this amount unless the ATU fully justifies the need and an inability to absorb that amount.

### **5.J.9 Target Modification**

Target Modification Preparation. Headquarters divisions desiring to adjust field targets shall complete Form CGHQ-3200, Financial Transfer Authority (FTA), and route it to the AFC manager(s).

### **5.J.9.a Target Modification Restrictions**

Frequent modification of field targets is discouraged. Maximum distribution of available funds after publication of the final OPSTAGE financial plan should result in minimum follow-on adjustment.

### **5.J.9.b Minimum Target Modification**

The minimum target modification that will be processed is \$500. AFC managers may accumulate adjustments for lesser amounts and issue one consolidated FTA.

### **5.J.9.c Alternatives to FTAs**

Administrative alternatives to FTAs should be used in lieu of frequent target adjustments. For example, assignment of a travel order number chargeable to a Headquarters account is a less complex procedure than issuance of a FTA to accomplish the same objective.

### **5.J.10 Additional Funds Requirements**

When a requirement for additional funds in an ATU arises because of emergencies or program changes, the following actions shall be taken in sequence.

### **5.J.10.a Adjust Financial Plans**

Review the elements or programs under the ATU in which a change in requirements arise and, if possible, rearrange priorities for accomplishment. This review and realignment should first be made within the AFC.

## BUDGET EXECUTION

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### **5.J.10.b Variance Funds Between AFCs**

If funds are not available within the AFC, the ATU budget officer, based upon guidance from the Budget Review Board, shall review and recommend revisions to programs within other AFCs. The ATU must request authorization from the AFC and appropriation managers to variance between AFCs. All variances will be effected via a CIFP approved as outlined earlier in this section.

### **5.J.10.c Un-funded OE Requirements Under \$10,000**

ATU budgets have expanded in size to the point that un-funded OE requirements up to \$10,000 can and should be absorbed in the current year within available funds at the district. Therefore, funding requests submitted to Headquarters under \$10,000 in each OE AFC will not be processed. For Headquarters ATUs, requirements up to \$5,000 can and should be absorbed in the current year within available funds at the Headquarters unit.

### **5.J.10.d Fund Requests to Headquarters**

If a review indicates that no items can be deferred or reduced in scope, the ATU may request additional funds from the cognizant program manager. A program manager who is unable to fund the request from within the existing funding base will seek the funding from G-CCS.

### **5.J.11 Permanently Switching Funds**

Although the vast majority of adjustments between AFCs are non-recurring, occasions may arise when it is desirable to permanently change the method of supporting a program by permanently switching funds between AFCs.

### **5.J.11.a Recurring Base Changes**

Such a recurring base change between AFCs will be treated as a non-recurring change during the current fiscal year. A letter shall be sent to the appropriation manager outlining the reasons for the recommended adjustment. If approved, the appropriation manager will respond accordingly, by issuing a CIFP and annualizing the change in the following year's Final OPSTAGE.

## BUDGET EXECUTION

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### **5.J.12 Transfer of Units Between Districts**

When operating units are permanently transferred, ATUs should take the following action to permit adjustment of allotted fund:

- a. Action by Losing ATU- Determine the amount of un-obligated funds remaining in the current year and the annualized amount for operation and maintenance of the unit being transferred. Submit a letter to CG-83, via the gaining ATU (with an information copy to the cognizant Headquarters program manager), stating the amount of funds available for release by AFC and quarter.
- b. Action by Gaining ATU - Endorse letter from the losing administrative target unit indicating the sufficiency of the proposed funds transfer, both current year and annualized. CG-83 will adjust targeted funds of losing and gaining ATUs based upon this letter after consultation with appropriate Headquarters AFC and program managers.

### **5.J.13 Reporting Excess Funds in OE**

Operating/Support managers responsible for executing specific line items in the OPSTAGE financial plan shall immediately inform the appropriation manager of any circumstances precluding total obligation of available funds for the project in the current fiscal year. The appropriation manager will inform CG-8 and G-CCS that funds cannot be obligated within the appropriation.

### **5.J.14 Carryover Criteria / Execution of the Financial Plan**

It is important that financial plans be executed to meet obligation criteria. Not meeting the quarterly obligation target reflects poorly on sound management. Not meeting the obligation criteria at the end of the third quarter places a large burden on the procurement system, increases the possibility the funds will not be obligated before the end of the fiscal year, and may violate section 5.H. which requires that fourth quarter obligations not exceed obligations for the third quarter.



## ACCOUNTING POLICIES AND STANDARDS

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### 7.H.6 Methodology for Naval (AFC-45) Depot Level Deferred Maintenance (Continued)

3. The average recent cost of base contract work for similar vessels; and
  4. The average cost of contract work for items above and beyond the base contract items. Ideally, this average will be derived from at least two similar contracts in the current year, but if necessary current year and previous year contracts may be used to develop a more representative average.
- b. **Financially Slipped Emergency Repairs** - The value of emergency shipyard or dockside work that is needed and is not funded as of the last day of the fiscal year. An emergency shipyard or dockside availability is a maintenance event that was not programmed but which arose from an event reported in a category three or category four equipment casualty report. The value of these repairs will be estimated using labor and material cost worksheets, current comparable contract prices or supported by other professional costing methods.
- c. **Financially Slipped Inventory Reorders** - The value of programmed inventory reorders that are needed, but have not been issued as of the last day of the fiscal year. Inventory reorders are needed when an inventory item falls below the programmed reorder point. The value of these orders will be estimated using the current cost of reordering the economic order quantity of the item.
- d. **Financially Slipped Inventory Repairs** - The value of repairs that are needed to restore a sufficient number of broken or worn repairable inventory items to bring repairable inventory to the programmed stock level, but have not been funded for repair as of the last day of the fiscal year. The value of these repairs will be estimated by using the best available current comparable costs.

## ACCOUNTING POLICIES AND STANDARDS

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### **7.H.6 Methodology for Naval (AFC-45) Depot Level Deferred Maintenance** (Continued)

- e. **Financially Slipped Depot Level Projects** - The value of depot level maintenance projects in the Naval Engineering Planned Obligation Program (POP) that are required to maintain serviceability in accordance with Naval Engineering Manual, M9000.6 (series), but were not funded as of the last day of the fiscal year. This explicitly excludes projects that are material enhancements that extend the capacity, capability, or useful life of the vessel. The value of these repairs will be estimated using labor and material cost worksheets, current comparable contract prices or supported by other professional costing methods.

### **7.I Intra-governmental Payment and Collection (IPAC)**

Intra-governmental Payment and Collection (IPAC) transactions consist of payments or collections initiated through the Treasury-based IPAC system to settle the exchange of goods and services between different government agencies. The primary purpose of the IPAC application is to provide a standardized interagency fund transfer mechanism for Federal Program Agencies (FPAs). IPAC facilitates the intra-governmental transfer of funds, with descriptive data from one FPA to another. To meet the President's directives, IPAC should be utilized as the method of settling all intergovernmental transactions. This will minimize the need for issuing checks to other government agencies in order to settle obligations.

The IPAC process only pertains to the movement of funds between government agencies, not to private vendors. Any government agency with access to the IPAC system can initiate payments, collections, or adjustments.

The IPAC system processes cash disbursements and cash collections between government agencies; however, adjustments can only be made by the agency that received the IPAC transaction. The transaction is only available for adjustment for ninety days. After that time the IPAC transaction must be charged back to the originating agency.

## ACCOUNTING POLICIES AND STANDARDS

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### 7.I

#### **Intra-governmental Payment and Collection (IPAC)**

(Continued)

#### **Effect of IPAC on Accounting Records:**

When other government agencies initiate a collection from the Coast Guard's Agency Location Code (ALC), the transaction will be recorded on the Coast Guard's accounting records as a credit to cash. Conversely, when the Coast Guard initiates a collection from another agency's ALC, the transaction will be recorded as a debit to cash.

When other government agencies initiate a payment to the Coast Guard's ALC, the transaction will be recorded as a debit to cash. Conversely, when the Coast Guard initiates a payment to another agency's ALC, the transaction will be recorded as a credit to cash.

### 7.I.1

#### **CG Contracting Officer (KO) Responsibility**

Contracting Officers (KOs) must include in documents authorizing inter-agency procurements all information necessary for their accounting and reconciliation within IPAC. To accomplish this, KOs must ensure that Military Interdepartmental Purchase Requests (MIPRs) supporting such transactions include all necessary data for IPAC processing, as discussed more fully below. In addition, the authorizing documents should indicate that the obligation will be settled through the use of IPAC processing.

To minimize confusion, the normal procedure will be to follow the contracting document guidelines pertaining to payment. However, in the absence of such guidelines, the performing agency will initiate the IPAC collection after approval has been received from the KO. Initiating IPAC payments to the performing agency is useful in cases where charges need to be reviewed and/or approved prior to the transfer of funds. Whether the performing agency is to initiate an IPAC collection, or the Coast Guard is to initiate an IPAC payment, the procedure should be clearly stated in the authorizing document.

The authorizing document should state that the KO shall receive and approve a copy of the vendor's invoice prior to the processing of the IPAC collection by a performing agency, or the IPAC payment by a receiving agency. If the authorizing document states that the receiving agency (Coast Guard) is to initiate the IPAC payment, the approved bill must be stamped "US Coast Guard to Initiate IPAC Payment" and sent to the Coast Guard

## ACCOUNTING POLICIES AND STANDARDS

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### 7.I.1 CG Contracting Officer (KO) Responsibility (Continued)

Finance Center. The Coast Guard Finance Center's ALC (70060000) must also be provided on the authorizing document for those documents to be paid from Coast Guard funds.

Any documents which pertain to the IPAC process should be forwarded to:

Commanding Officer (OGQ)

Coast Guard Finance Center

1430A Kristina Way

Chesapeake, VA 23326

This address should also be included on the authorizing document.

### 7.I.2 IPAC Procedures

All incoming IPACs undergo a daily quality review process. Any IPAC that does not meet the following criteria will be immediately charged back to the initiating agency.

1. **For IPAC charges pertaining to MIPRs (Military Interdepartmental Purchase Requests, Coast Guard Document Type 28):**
  - a. The Purchase Order Number Field must contain the Authorizing Document Number. For MIPRs, this would be the HSCG number located in Block No. 5.
  - b. The Invoice Number Field must contain the initiating agency's invoice number for the collection being initiated on the IPAC.
  - c. The Obligating Document Number Field must contain the Control Symbol No. located in Block No. 3 of the MIPR.
  - d. The Transaction Contact Field must contain the Point of Contact for the initiating agency.
  - e. The Contact Phone Number Field must contain the phone number of the Point of Contact for the initiating agency.
  - f. The Transaction Description Field must contain the Accounting Line located in Block No. 14 on the MIPR. This Field must also contain the Accounting Classification Reference Number (ACRN) for Department of Defense Charges.

## ACCOUNTING POLICIES AND STANDARDS

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### 7.I.2 IPAC Procedures (Continued)

If the IPAC is for services rendered to the Coast Guard, this field must contain the dates of service for the IPAC being initiated.

2. **For IPAC charges pertaining to Travel (Coast Guard Document Type 11):**
  - a. The Purchase Order Number Field must contain the Travel Order Document Number.
  - b. The Transaction Contact Field must contain the Point of Contact for the initiating agency.
  - c. The Contact Phone Number Field must contain the phone number of the Point of Contact for the initiating agency.
  - d. The Transaction Description Field must contain the Coast Guard member's name, Employee ID or SSN, and the Accounting Line located in Block No. 15 on the Travel Voucher.
3. **For IPAC charges pertaining to PCS Travel (Coast Guard Document Type 12):**
  - a. The Purchase Order Number Field must contain the Travel Order Document Number.
  - b. The Transaction Contact Field must contain the Point of Contact for the initiating agency.
  - c. The Contact Phone Number Field must contain the phone number of the Point of Contact for the initiating agency.
  - d. The Transaction Description Field must contain the Coast Guard Member's name, Employee ID or SSN, and the Accounting Line located in Block No. 15 on the Travel Voucher.
4. **For IPAC charges pertaining to Government Bills of Laden (GBL) used for Transportation (Coast Guard Document Type 15):**
  - a. The Purchase Order Number Field must contain the GBL Number.
  - b. The Transaction Contact Field must contain the Point of Contact for the initiating agency.
  - c. The Contact Phone Number Field must contain the phone number of the Point of Contact for the initiating agency.

## ACCOUNTING POLICIES AND STANDARDS

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### 7.I.2

#### IPAC Procedures

(Continued)

- d. The Transaction Description Field must contain the Carrier Bill Number, the Coast Guard member's name, Employee ID or SSN, and the Accounting Line located in Block No. 12 on the U. S. Governmental Bill of Lading.
5. **For IPAC charges pertaining to Household Goods Shipments (Coast Guard Document Type 17):**
    - a. The Purchase Order Number Field must contain the Purchase Order Number.
    - b. The Invoice Number Field must contain the Invoice Number.
    - c. The Transaction Contact Field must contain the Point of Contact for the initiating agency.
    - d. The Contact Phone Number Field must contain the phone number of the Point of Contact for the initiating agency.
    - e. The Transaction Description Field must contain the Contract Number, the Coast Guard member's name, Employee ID or SSN, and the Accounting Line located in Block No. 9 on the Order for Supplies and Services.
  6. **For IPAC charges pertaining to Non-temporary Storage of Household Goods (Coast Guard Document Type 17):**
    - a. The Purchase Order Number Field must contain the TSO Number.
    - b. The Invoice Number Field must contain the Invoice Number.
    - c. The Transaction Contact Field must contain the Point of Contact for the initiating agency.
    - d. The Contact Phone Number Field must contain the phone number of the Point of Contact for the initiating agency.
    - e. The Transaction Description Field must contain the Coast Guard member's name, Employee ID or SSN.

## COAST GUARD FINANCIAL AND MIXED SYSTEMS

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### **8.B.1 Office of Financial Policy and Systems (CG-84) (Continued)**

- financial and mixed systems) for use in the Coast Guard.
- d. Provides security certification/accreditation status of all systems defined in subparagraphs B.b, B.c, and B.d to Chief, Office of Information Management.
  - e. Ensures Financial and Procurement systems are in compliance with the Coast Guard IT architecture.
  - f. Maintains program management responsibility for the support of Finance and Procurement systems as designated including (FPD).
  - g. Determines initial Finance and Procurement system site certification requirements (e.g., FPD) for newly established operating facilities and final finance records disposition for decommissioned or disestablished Operating Facility Change Orders (OFCO's).
  - h. Reviews and approves annual Statements of Work (SOW) for enhancements/revisions and coordinate development efforts for Finance and Procurement systems including FPD.
  - i. Ensures internal control systems risk assessments are conducted in accordance with applicable directives, e.g. Management Accountability and Control, COMDTINST M5700.9 (series).
  - j. Directs the maintenance of the Procurement Management Data Interchange Standard (PMDIS) in conjunction with other directorates and commands.
  - k. Ensures human factors engineering and accessibility standards are established for Finance and Procurement systems; e.g., computer monitors must be large enough to accommodate the viewing of financial spreadsheet and other information.
  - l. Maintains the Financial Management Systems Inventory (FMSI) database for all Coast Guard financial and mixed systems.
  - m. Prepares feeder system security assurance assessments.

## COAST GUARD FINANCIAL AND MIXED SYSTEMS

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### **8.B.2 Chief, Office of Procurement Management (CG-85)**

- a. Facilitates the procurement of goods and services for the Coast Guard. Develops, coordinates, and administers the Coast Guard procurement program, assuring compliance with applicable procurement laws, regulations, and policies in all Coast Guard acquisitions activities.
- b. Serves as the program sponsor for electronic acquisitions systems such as Contract Information Management Systems (CIMS), and promotes technology for electronic government-wide systems such as Department of Labor Online Wage Determinations (DOLS) and Contractor Performance System (CPS).
- c. Serves as the training manager/coordinator for CIMS.
- d. Develops, implements, oversees, and evaluates requirements for procurement-related automated systems such as FPD, Fleet Logistics Systems, and CIMS.
- e. Develops and implements Coast Guard-wide policies for the timely processing of commitments into legal obligations, consistent with current Federal Acquisition Regulation requirements. Through appropriate management reporting tools, ensures field compliance with established standards for the processing of purchase requests into legal obligations.
- f. Oversees and monitors field procurement activities to ensure that automated systems for the processing of procurement actions are being fully and properly utilized. Establishes, implements, and manages necessary enforcement actions to ensure compliance.
- g. Actively assists Program Element Managers with the de-obligation of funds that are identified as no longer needed for their original purpose; and with any other error or issue requiring a Contracting Officer's involvement. Ensures that copies of all contracts, modifications, or other obligation documents are provided to Program Element Managers when requested.



## COAST GUARD FINANCIAL AND MIXED SYSTEMS

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### **8.B.3 U. S. Coast Guard Finance Center**

- a. Serves as the data center for Finance and Procurement information for the Coast Guard.
- b. Serves as conduit/contact point to the U. S. Treasury (unless waived).
- c. Unless otherwise mandated, serves as PKI (digital signature) public key control center.
- d. Serves as central bill paying and financial accounting center.
- e. Manages Finance and Procurement system hotlines (e.g., FPD hotline) and tracks call information for management review and improvement opportunities.
- f. Manages the use of data telecommunications networks by Finance and Procurement systems (e.g., provides guidance on the use of FPD).
- g. Maintains processes to receive and act on reports of discrepancies concerning Finance and Procurement data. Standards for responding shall be developed, and published on their web site and followed by FINCEN.
- h. Monitors and reports to CG-84 on the performance of Finance and Procurement systems (e.g., accuracy, timeliness of FPD).
- i. Develops, publishes, implements and conducts Finance and Procurement system certifications and re-certifications in accordance with best business and security practices (e.g., FPD certifications). Maintains a current list of all certified sites along with designated site administrators (e.g., FPD sites).
- j. Establishes the standards for the Unit Approved Plan (UAP).
- k. Provides on-site field support to Finance and Procurement systems, as necessary, to resolve technical issues that cannot be resolved through the use of hotlines. On-site visits are subject to available funding.
- l. In coordination with CG-85, manages quotas for Finance and Procurement system resident courses.

## COAST GUARD FINANCIAL AND MIXED SYSTEMS

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### **8.B.3** **U.S. Coast Guard** **Finance Center** (Continued)

- m. Provides training instructors for FPD resident training held at Yorktown Training Center (YTC).
- n. During financial or mixed financial application migration, coordinates field units' migration training in conjunction with CG-84.
- o. Maintains financial or mixed financial "Help Files" available to users at the application level and through the application web pages.

### **8.B.4** **U.S Coast Guard** **Training Center** **Petaluma**

Subject to the availability of funding, shall:

- a. Conducts the FPD basic training course.
- b. Integrates FPD basic curriculum and other courses as needed (i.e., Oracle training -Assets, etc.) into the SK "A" school curriculum.

### **8.B.5** **U.S Coast Guard** **Training Center** **Yorktown**

Subject to the availability of funding, shall provide a training classroom for FPD resident training delivery.

### **8.C** **Responsibilities** **Assistant** **Commandant** **(CG-6)/Chief** **Information Officer** **(G-CIO)**

- 1. Develops and maintains the IT vision and strategy for the Coast Guard.
- 2. Builds and fosters partnerships throughout the organization to ensure all Coast Guard IT investments support business processes and mission outcomes.
- 3. Develops and implements IT standards, methods and policies for the Coast Guard.
- 4. Final approval authority for all IT systems and projects. Responsible for oversight of IT investment and review process.
- 5. Central authority over IT systems architecture and development, with program managers executing IT development funds. Certifies key decisions for all major IT acquisitions. Oversees the development and

## COAST GUARD FINANCIAL AND MIXED SYSTEMS

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### 8.C

#### **Responsibilities**

#### **Assistant**

#### **Commandant**

#### **(CG-6)/Chief**

#### **Information Officer**

#### **(G-CIO)**

(Continued)

deployment of Coast Guard-wide IT systems.

Coordinates pre-acquisition development of IT systems.

6. Advises senior management on whether to modify and/or terminate IT projects.
7. Monitors and evaluates the performance of information systems on the basis of specific IT performance measures and their linkages to Coast Guard outcome measures.
8. Develops and administers service-wide information life-cycle management policies/procedures, to include the creation, use, maintenance, and disposition of records.
9. Develops and administers the Coast Guard Information System Security Program Element of the USCG Security Program. Provides policy guidance for Coast Guard Automated Information System (AIS) security.
10. Chairs the Information Technology Management Board.
11. Through the Research Development and Technology Management program, select, develop and manage technology based solutions for operational, logistical, and management challenges.

### 8.C.1

#### **Chief, Office of**

#### **Computer Systems**

#### **(CG-63)**

- a. Coordinates with CG-65 to ensure systems have security certifications.
- b. Reviews and evaluates all Automated Information System (AIS) proposals. For financial/mixed systems, work with CG-84 to review RFAM/financial/mixed related AIS proposals prior to approval by the CIO.

### 8.C.2

#### **Chief, Office of**

#### **Information**

#### **Technology**

#### **Architecture**

#### **(CG-6B)**

- a. Establishes and maintains Coast Guard IT architecture with input from IT program managers.
- b. Monitors configuration management/release control on all systems.

## COAST GUARD FINANCIAL AND MIXED SYSTEMS

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### **8.D CFO and CIO Cooperation**

The CFO Act of 1990 and the Clinger Cohen Act outline the requirements for cooperation between the CFO and CIO.

The CFO and CIO shall work together (under the direction of the agency head) and establish policies and procedures to ensure that:

1. Accounting, financial, and asset management systems of the executive agency are designed, developed, maintained, and used effectively to provide financial or program performance data for financial statements of the executive agency;
2. Financial and related program performance data are provided on a reliable, consistent, and timely basis to executive agency financial management systems; and
3. Financial statements support:
  - a. Assessments and revisions of mission related processes and administrative processes of the executive agency; and
  - b. Performance measurement of the performance of investments made by the agency in information systems.

### **8.E Responsibilities Headquarters, Area, and District Programs**

1. Uses CG-8 authorized Finance and Procurement systems to conduct business functions.
2. Cooperates with CG-84 and CG-85 to provide timely information as required to respond to various external sources including Q&A's from Congress and data calls from DOT and the OMB.
3. Provides information as required to maintain the Financial Management System Inventory.
4. Ensures that all personnel follow FINCEN Standard Operating Procedures (SOP).

## COAST GUARD FINANCIAL AND MIXED SYSTEMS

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### 8.E.1

#### All Coast Guard Units

- a. Uses approved Finance and Procurement systems to conduct business.
- b. Uses the Microcomputer Allowance List (MAL) as a guide to determine the quantity of SWS equipment necessary to create, store, and transmit Finance and Procurement data.
- c. Requests training necessary to maintain adequate minimum expertise.
- d. Performs reconciliation's of unit records with Finance and Procurement systems in accordance with FINCEN and other applicable SOP's. Promptly reports all errors to FINCEN for resolution.
- e. For FPD, weekly reconciliation is required. Reconciles on behalf of units or staff elements for which they have a transmission responsibility; or ensure that reconciliation's and error reports are submitted by subordinate units. Establish adequate operating procedures for subordinate units in accordance with FINCEN SOP; and all operating procedures and instructions.

### 8.F

#### Financial and Mixed Requirements - Mandatory Use

Finance and Procurement functions shall be carried out using systems approved by the Director of Finance and Procurement (CG-8). Use of CG-8 approved systems is mandatory unless specifically waived in writing.

### 8.F.1

#### FPD Authorized For Service-Wide Use

FPD is the only procurement and fund management software package authorized for service-wide use. **FPD** is the Coast Guard Standard Workstation III compatible version and includes enhanced simplified acquisition and funds management capabilities. Reimbursement from the Federal Emergency Management Agency (FEMA), COMDTINST 7300.8 is hereby cancelled and is replaced by the requirements/responsibilities listed in this chapter.

## COAST GUARD FINANCIAL AND MIXED SYSTEMS

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- 8.F.1.a  
Oracle Fixed Assets** Oracle Fixed Assets is the only authorized asset management system for the Coast Guard. This system shall be used for budget model allocation purposes (e.g., measurements of buildings from this system shall be used for allocating AFC 30 funds for the district budget model).
- 8.F.1.b  
Contract  
Information  
Management  
System** CIMS once deployed, shall be the only authorized formal contracting system.
- 8.F.1.c  
ORACLE Projects** ORACLE Projects is the only authorized cost tracking and billing system for Work-In-Process (WIP).
- 8.F.1.d  
ORACLE Project  
Accounting**
1. This module is used individually within some Coast Guard units to share daily business intelligence with relevant project stakeholders through an integrated, collaborative system built using a common data repository.
  2. The identifying number for real property in the Oracle Asset System. This consists of the OPFAC site and Real Property Facility Number (RPFN).
- 8.F.1.e  
Financial and  
Mixed Systems** Financial and mixed systems authorized for use within the Coast Guard shall be published on the Assistant Commandant for Planning, Resources, and Procurement web site.
- 8.F.2  
Inventory of  
Finance and  
Procurement  
Systems** The OMB Circular A-127 requires the Coast Guard to yearly update the inventory of existing and proposed financial management systems. This information is necessary to complete the CFO five year Financial Management Plan and to manage Finance and Procurement systems. Financial management systems shall be included in the Coast Guard's information systems inventory following the information system inventory policies established in OMB Circular A-130. All cognizant program managers shall provide information to CG-84 to maintain this inventory. This database shall be used to prepare various reports and answer various data calls.

## COAST GUARD FINANCIAL AND MIXED SYSTEMS

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### **8.F.3 Data Entry Transmission**

Efficient and effective management of Finance and Procurement requires the electronic transmission of data between many different people. Critical elements of this are digital signature and electronic commerce. Best practices use of digital signature and electronic commerce capabilities shall be built into all financial and mixed systems. Finance and Procurement data shall be entered/captured electronically one time at the source. From then on it shall be moved electronically with minimal intervention. This makes the use of a standard system essential in order to reduce data entry and other redundancies and therefore control costs.

### **8.F.4 Commercial Of the Shelf-Government Off the Shelf COTS/GOTS**

Coast Guard personnel shall use of COTS/GOTS financial and mixed financial systems and shall develop systems only when a COTS solution is unavailable. Where practical, business processes shall generally be changed to accommodate the COTS/GOTS system. Coast Guard personnel shall not customize COTS/GOTS beyond that authorized by the vendor; e.g., ORACLE extensions are allowed but changes to code are not. Changing code in COTS/GOTS products limits the ability to upgrade packages in the future. As a result, costs and time needed to maintain systems, quickly becomes prohibitive. Financial and Procurement systems shall be upgraded so as to never become more than two versions behind the latest release of the COTS/GOTS products.

### **8.F.5 Standards Products**

To minimize costs of financial and mixed systems the Coast Guard shall use a standard database and standard suite of applications for financial and mixed systems. The standard product line (e.g., ORACLE) shall be published on the Finance and Procurement Directorate web site.

### **8.F.6 New or Changing Requirements for a New System and or Design Modification**

Coast Guard units that have a design modification or a new requirement for a financial or mixed system shall submit their requirement to CG-84 for review. CG-84 shall review these requirements in conjunction with the RFAM external requirements and work with the submitting office to develop a timely, cost effective solution to the requirement. CG-84 will render a decision on changes to financial requirements within 10 working days. On-going maintenance to financial or mixed systems such as changes to payroll entitlements do not require approval by CG-84. First consideration shall be given to modifying existing systems to meet the new needs. The most costly solution is frequently the development of a new system. This alternative shall be pursued only if it makes sound business sense.

### **8.F.7 Comparability and Consistency**

The design of the financial management systems shall be in conformance with the guidelines of JFMIP and reflect an agency-wide financial information classification structure that is consistent with the United States Government Standard General Ledger, which provides for tracking of specific program expenditures, and covers financial and financially related information. Financial management systems' designs shall support agency budget, accounting and financial management reporting processes by providing consistent information for budget formulation, budget execution, programmatic and financial management, performance measurement and financial statement preparation.

### **8.F.8 Integrated Financial Management Systems**

Financial management systems shall be designed to provide for effective and efficient interrelationship between software, hardware, personnel, procedures, controls, and data contained within the systems. Specific guidance on these requirements is included in U.S. Coast Guard Common Operating Environment (USCG COE), COMDTINST 5230.59 (series) and CG Data Element Naming Standards, COMDTINST 5230.42 (series). In doing so, they shall have the following characteristics:

- a. Common Data Elements
- b. Common Transaction Processing
- c. Consistent Internal Controls
- d. Efficient Transaction Entry: Wherever appropriate, data needed by the systems to support financial functions shall be entered only once and other parts of the system shall be updated through electronic means consistent with the timing requirements of normal business/transaction cycles.

### **8.F.8.a Systems That Do Not Interface With FPD**

Program managers sponsoring existing systems, which do not interface with FPD and which create obligations or result in the recording of direct charges on unit Program Element Status (PES) **shall have electronic transfer of data to FPD as part of any system upgrades.** Any such upgrades shall be reviewed by CG-8 prior to development.