
INTELLIGENCE COMMUNITY DIRECTIVE

NUMBER 104



BUDGETING FOR INTELLIGENCE PROGRAMS

(EFFECTIVE: MAY 17, 2006)

A. AUTHORITY: The National Security Act of 1947, as amended; the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004; Executive Order 12333, as amended.

B. PURPOSE: This Intelligence Community (IC) directive (ICD) establishes overall policy guidance regarding the Director of National Intelligence (DNI) statutory responsibility to present an annual consolidated National Intelligence Program (NIP) budget to the President for approval. This directive will be supplemented by detailed procedures for these activities. This ICD rescinds Director of Central Intelligence Directive 4/1, "Intelligence Programs and Budgets."

C. APPLICABILITY: This ICD applies to the IC, as defined by the National Security Act of 1947, as amended, and other departments or agencies that may be designated by the President, or designated jointly by the DNI and the head of the department or agency concerned, as an element of the IC.

D. POLICY

1. **National Intelligence Program:** The composition of the NIP will reflect the National Intelligence Strategy's priorities and vision for the IC. The development and execution of the NIP will be accomplished through an agile process that employs many analytic processes: strategic and performance planning, program evaluation and assessment, budgeting, cost estimating, and acquisition and financial analysis. The Deputy Director of National Intelligence for Management (DDNI/M) will establish this process and assist the DNI in his mandate to ensure that adequate funding requirements are articulated to the President and Congress to

sustain critical existing capabilities and to identify and implement required future capabilities. Fundamental to success will be the ability to gain early insight into potential gaps in current and future programs; to plan for and integrate future intelligence capabilities; to reduce or eliminate funding for low-priority programs or unnecessary redundancies; to reprogram and transfer resources to meet new or emerging requirements; and to ensure effective program implementation and execution. IC elements will provide the DDNI/M with all information necessary to manage the development and execution of the NIP.

2. **Military Intelligence Program (MIP):** In accordance with the IRTPA, the Chief Financial Officer (CFO) shall serve as the DDNI/M's agent to exercise the DNI's authority to participate in the development and oversight of the annual budget for the MIP by the Secretary of Defense.

E. STRATEGIC AND PERFORMANCE PLANNING

1. The DNI's National Intelligence Strategy (NIS) is the foundation document for budget decisions. This strategy is implemented through a series of strategic plans designed to integrate the IC as a unified enterprise. Strategic plans, annual performance plans and budgets, and annual performance reports create a recurring cycle of reporting, planning, and executing. Budget proposals for the individual agencies and offices in the community will be evaluated in light of the DNI's strategy and will be approved by the DNI according to the extent to which these proposals help achieve those strategic objectives and support customer needs.

2. The DNI will produce an IC-wide annual performance plan that defines target levels of performance against goals and informs decisions on resource allocation of finite resources against the priorities identified in the DNI NIS and strategic plans. IC components will align their programs with the NIS strategic objectives through their annual performance plans. The IC will incrementally implement "performance budgeting," which will fully integrate the current performance plans with budget submissions and justify resources and activities based on past and/or projected performance in support of strategic objectives and goals.

3. The DDNI/M will conduct quarterly performance reviews to assess progress against the NIS. All NIP managers will prepare annual performance plans and reports for DNI approval consistent with the NIS and the IC-wide performance plans. These reviews support an annual DNI report that details the fiscal year program performance of the overall IC and individual programs.

F. NIP BUDGET PREPARATION

1. All NIP managers are charged with the effective and efficient preparation of NIP budget proposals for their elements of the NIP. The NIP managers shall:

- a. Develop and submit NIP budget proposals that respond to all guidance issued by the DNI and the national intelligence priorities established in accordance with National Security Presidential Directive 26.
- b. Submit a budget that is executable without additional resources.
- c. Meet the deadlines for submission of all budget- and performance-related materials.
- d. Consult with the other NIP managers, the DDNI/M, the DDNI for Collection, the DDNI for Analysis, the DDNI for Customer Outcomes, the National Counterterrorism Center, the National Counterproliferation Center, the National Counterintelligence Executive, the Associate DNI for Science and Technology, the Associate DNI and Chief Information Officer, and any other currently assigned mission managers, as appropriate, while developing proposals within their areas of responsibility.
- e. Budget major acquisition programs to an Independent Cost Estimate endorsed by DDNI/M. In the rare instances where an exception might be warranted, the DDNI/M shall be consulted in advance prior to submission of the budget proposal.

G. BUDGET MANAGEMENT

1. The DNI, with the approval of the Director, Office of Management and Budget (OMB), shall direct the apportionment of funds to departments and the Central Intelligence Agency (CIA). The allocation and allotment of NIP funds are directed through the heads of the departments containing agencies or organizations within the IC, and through the Director of CIA, and shall be allotted in full and executed without change except in accordance with procedures published separately for reprogramming and transfer of funds. The heads of the departments containing agencies or organizations within the IC shall make the allotments without delay.
2. The DDNI/M will conduct periodic reviews of NIP and MIP budget execution, working cooperatively with the affected department or agency to ensure appropriate and efficient expenditure of intelligence resources.

H. REPROGRAMMING AND TRANSFERS

1. NIP funds may be transferred or reprogrammed only in accordance with procedures promulgated pursuant to this directive. Existing procedures will continue to apply until revised or rescinded.
2. The CFO is the DNI's agent for consultations with the Department of Defense on proposals to reprogram MIP funds. This consultation will be accomplished in accordance with jointly developed procedures.

I. COORDINATION

The NIP managers shall:

1. Provide the DNI any requested information for the purposes of developing or determining the NIP budget, monitoring the implementation and execution of the NIP, and supporting DNI evaluation and assessment of any IC program, project, or activity.
2. Submit all NIP budget-related materials to the Office of the DNI for review and clearance prior to transmittal to OMB, congressional committees, individual members of Congress, congressional staffs, or the media. Budget-related materials include: correspondence to appropriations or authorization committees; testimony; congressional budget justification books; congressionally mandated reports; appropriations transfers and reprogramming actions; congressional appeal materials; proposed press releases; and similar materials, as requested.
3. Keep the DNI's Office of Legislative Affairs and CFO fully and currently informed of all congressional interest in their respective programs.
4. Develop supporting plans, policies, and procedures to ensure compliance with DNI guidance and this directive.

J. EFFECTIVE DATE: This ICD becomes effective on the date of signature.



Director of National Intelligence

5/17/2006

Date