



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
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COMPTROLLER  
(Program/Budget)

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
BUDGET, OFFICE OF THE ASSISTANT SECRETARY  
OF THE ARMY (FINANCIAL MANAGEMENT AND  
COMPTROLLER)

DIRECTOR, OFFICE OF BUDGET/FISCAL  
MANAGEMENT, OFFICE OF THE ASSISTANT  
SECRETARY OF THE NAVY (FINANCIAL  
MANAGEMENT AND COMPTROLLER)  
DEPUTY ASSISTANT SECRETARY (BUDGET), OFFICE  
OF THE ASSISTANT SECRETARY OF THE AIR FORCE  
(FINANCIAL MANAGEMENT AND COMPTROLLER)  
DEPUTY ASSISTANT SECRETARY (HEALTH BUDGETS  
AND FINANCIAL POLICY), OFFICE OF THE  
ASSISTANT SECRETARY OF DEFENSE (HEALTH  
AFFAIRS)  
CHIEF OF STAFF, OFFICE OF THE INSPECTOR GENERAL  
OF THE DEPARTMENT OF DEFENSE  
COMPTROLLERS OF THE DEFENSE AGENCIES  
COMPTROLLERS OF THE DOD FIELD ACTIVITIES

SUBJECT: Guidance for Title 10 USC 2853 Notifications – Authorized Cost and Scope of  
Work Variations Related to the FY 2011 Military Construction Authorizations and  
Appropriations

This memorandum provides the guidance regarding the application of Authorized Cost  
and Scope of Work Variations (Title 10 U.S.C. 2853) to the Military Construction  
Authorizations and Appropriations in FY 2011. It explains which baseline to use for calculating  
cost and scope changes.

The Department of Defense and Full-Year Continuing Appropriations Act, 2011, (Public  
Law 112-10, Div. B) provided less funding than the amount requested in the FY 2011  
President's Budget and authorized in the FY 2011 National Defense Authorization Act (NDAA).  
The Department reevaluated the FY 2011 program and assessed the impact of the lower funding  
levels. On June 29, 2011, the Department submitted a spend plan to Congress identifying the  
projects to be funded at a level of detail below the account level as required by section 2001 of  
Public Law 112-10.

The following guidance is provided for applying the reporting requirements specified in  
Title 10 USC 2853 to the baseline established by the spend plan:

- Subsection 2853(a) requires the Secretary concerned to notify Congress when the cost  
authorized for a military construction project or for the construction, improvement, and  
acquisition of a military family housing project is *increased or decreased by more than*

**25 percent of the amount appropriated** for such project or **200 percent of the minor construction project ceiling** specified in Title 10 Section 2805(a)(1). For military construction projects authorized in Division B of the FY 2011 NDAA, **the amounts identified in the spend plan for each project will serve as the basis for this calculation.**

- Subsection 2853(b)(1) requires the Secretary concerned to notify Congress when the **scope of work** for a military construction or family housing projects are **reduced by more than 25 percent as outlined in the justification data provided to Congress with the President's Budget.** DoD Components will continue to base scope reduction reporting on the justification material submitted with the FY 2011 President's Budget.

Cost variation notices provided pursuant to subsection 2853(a), as well as reprogrammings under Volume 3 of the DoD Financial Management Regulation, will be based on amounts set forth in the spending plan, whereas scope reductions pursuant to subsection 2853(b)(1) are based on NDAA authorizations. Please direct any questions on this matter to Mr. Steven Birk, (703) 693-7336.



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Deputy Comptroller