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Financial Management

**AIR FORCE RECRUITING SERVICE (AFRS)
BUDGET AND FINANCIAL MANAGEMENT**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements AFPD 65-6, *Budget*. It sets up Air Force budget management requirements and procedures prescribed in AFI 65-601, Volume 1, *Budget Guidance and Procedures*, and AFI 65-601, Volume 2, *Budget Management for Operations*; and it describes the financial management process as it applies to AFRS. Use this instruction with the Financial Management Training Guide (published every 2 years by HQ AFRS/FM). This publication replaces guidance in AETCI 65-601, *Recruiting Service Budget and Financial Budget*, 1 January 2000.

The reporting requirements in this instruction, paragraph 10.1.4, are exempt from licensing in accordance with AFI 33-324, *The Information Collections and Reports Management Program; Controlling Internal, Public, and Interagency Air Force Information Collections*, paragraphs 2.11.7 and 2.11.11. Maintain and dispose of records created as a result of processes prescribed in this publication in accordance with AFMAN 37-139, *Records Disposition Schedule* (will become AFMAN 33-322, Volume 4). This publication does not apply to Air National Guard and Air Force Reserve Command units. See Attachment 1 for a glossary of references and supporting information.

1. Group and Squadron Participatory Financial Management. Financial management, a function of command, is decentralized to the maximum extent possible. As a rule, financial responsibility is delegated to managers who have control and knowledge of day-to-day operations of their functional areas. The primary goal of participatory financial management is to ensure effective use of Air Force resources. Key command staff and functional area managers are included in attaining this goal. Each group or squadron financial management team is made up of the following:

1.1. Commander - chairman.

1.2. Operations flight commander - member.

1.3. Superintendent - member.

- 1.4. Support flight commander - member.
- 1.5. Flight Commander, Officer Accessions Flight - member.
- 1.6. First sergeant - member.
- 1.7. Financial analyst - recorder.

2. Financial Management Board (FMB). The FMB is a vital part of the overall management process. It is a means for organizational personnel to voice their financial needs and help manage their unit's financial resources. More importantly, through the FMB, the commander can make decisions about competing interests for limited financial resources. Commanders at each echelon of AFRS management appoint FMB members by memorandum.

2.1. The FMB meets at least once each quarter. Commanders may call for additional meetings as needed.

2.1.1. The financial analyst provides agendas to FMB members before meetings, and prepares and maintains meeting minutes.

2.1.2. Out-of-cycle FMB action items (for example, commander-approved reprogramming, emergency purchases, etc.) must be briefed at the next FMB.

2.2. The commander chairs the FMB, and ensures financial management team members attend or are represented.

2.3. The principal duties and responsibilities of FMB members are:

2.3.1. Develop, review, and approve requirements for inclusion in the annual financial plan (FP).

2.3.2. Review fund distributions received from HQ AFRS and ensure distribution is based on priorities of the organization. Identify programs to be deferred, reduced, eliminated, or moved to the unfunded portion of the operating budget until additional funding is received.

2.3.3. Review and approve target adjustments or reprogramming, and prioritize unfunded requirements submitted to HQ AFRS.

2.3.4. Provide funds on a priority-funding basis to guarantee mission accomplishment while ensuring there is a balanced distribution of funds to all activities.

2.3.5. Maintain a current priority listing of unfunded requirements.

3. Responsibilities:

3.1. Commander. Each commander is responsible for developing meaningful plans and carrying them out effectively. The commander also:

3.1.1. Sets the tone and encourages and demonstrates the effective use of resources in daily activities and decisions.

3.1.2. Supports the participatory financial management philosophy, and encourages all assigned personnel to be actively involved in the resource management process.

3.1.3. Considers all resource demands, and ensures the financial program is balanced and prioritized.

3.1.4. Takes part in reviewing all of the unit's financial programs.

3.1.5. Ensures valid unfunded requirements are communicated to HQ AFRS.

3.2. Flight Commander, Recruiting Support Division (RSX). Each RSX is responsible for financial management, and ensures financial management continuity in the absence of the financial analyst or resource advisor (RA). Appointment the backup to the financial analyst in writing and document all training.

3.3. Financial Analyst. The financial analyst:

3.3.1. Performs a wide range of accounting tasks in support of operating budgets maintained by the unit. Refers to the Financial Management, Squadron and Group Field Training Guides for specific guidance.

3.3.2. Along with this instruction, maintains or has reasonable access to the following publications, including MAJCOM and host-base supplements (as applicable):

3.3.2.1. AFI 65-601, Volume 1.

3.3.2.2. AFI 65-601, Volume 2.

3.3.2.3. AFI 34-201, *Use of Nonappropriated Funds (NAFS)* (for the isolated unit fund custodian).

3.3.2.4. *Interim Guidance on Procedures for Administrative Control of Appropriations and Funds Made available to the Department of the Air Force* (formerly DFAS-DE 7200.1-R and AFR 177-16).

3.3.2.5. DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*.

3.3.2.6. DFAS-DE 7010.2-R, *Commercial Transactions at Base Level*.

3.3.2.7. *Interim Guidance on Procedures For Travel Accounting Operation* (formerly DFAS-DE 7010.3-R and AFR 177-103).

3.3.2.8. Joint Travel Regulation (JTR), Volume 1, *Uniformed Service Members*.

4. Fiscal Control of Appropriations. Procedures for Administrative Control of Appropriations and Funds (Interim guidance made available to the Department of the Air Force. It prescribes Air Force policies for controlling appropriated funds.). Each commander must:

- 4.1. Enforce the financial discipline associated with limitations on the amount of funds available for obligation and expenditure.
- 4.2. Determine individual responsibility for violations.
- 4.3. Provide for the submission of reports of violations.
- 4.4. Require appropriate administrative disciplinary action.

5. Financial Plan (FP) Overview. The primary means of communicating mission funding requirements to higher headquarters is through the FP. Each year HQ AFRS tasks recruiting groups and squadrons to prepare a comprehensive document outlining specific budget requirements, priorities, and deficiencies resulting from underfunding. The FP is a look ahead to the needs for the next fiscal year. HQ AFRS will provide specific preparation guidance each fiscal year. Following are some general characteristics of a FP:

5.1. The Call. A memorandum from HQ AFRS requesting submission of a FP. The call contains guidelines, detailed instructions, assumptions, and samples for preparing the FP. It provides due dates, specific formats, and exhibits to be included. The call is normally sent out to recruiting groups and squadrons after initial distribution.

5.2. The Commander's Statement. Summarizes mission objectives, addresses unique problems, and discusses the impact of funding limitations. This statement gives the commander an opportunity to address concerns about proposed funding, mission changes, or any other factors affecting unit financial requirements.

5.3. Computation and Narrative Justification. Provides the substance for reviewers to draw conclusions and make decisions concerning the budget request. The narrative is the heart of the FP. Justifications should be concise, informative, and factual.

6. Effective FP Preparation. The FP should be regarded primarily as a spending plan for the coming fiscal year. When properly completed, the FP contains 3 years of operating plans and supporting financial data, that is, the FP year, current fiscal year, and prior fiscal year. New plans must be developed for each successive year to ensure mission accomplishment in constantly changing recruiting and funding environments. These plans must be represented in the FP.

7. Approved Funding Programs. After the President has signed the DoD Appropriations and Authorizations Act, HQ AETC makes funds available to HQ AFRS. Approved funding is received by the program element (PE) and represents approved programs.

8. Funding Documents. HQ AFRS/FM issues an Operating Budget Allowance Document (OBAD) to each recruiting group and squadron. The OBAD sets overall funding limits, line item limitations, and establishes management controls for special interest areas. The annual obligation authority on the Operating Budget Ledger/Allotment Ledger (OBL/AL) must agree with the OBAD.

8.1. Limitations. The OBAD is a control device. The amounts indicated on the OBAD cannot be exceeded without prior approval of the issuing authority. OBADs may contain specific limitations.

8.1.1. Specific administrative limitations set amounts that cannot be exceeded without prior approval of the issuing authority. Limitations are subject to change each fiscal year. If an administrative limitation is exceeded, it must be reported to the issuing authority (HQ AFRS/FM).

8.2. Procedures for Administrative Control of Appropriations and Funds Made Available to the Department of the Air Force (DFAS-DE/Air Force Interim Guidance). All personnel who commit or obligate government funds must read and be familiar with this publication. Commanders should ensure all personnel are made aware of their responsibilities under this publication by means of an annual briefing.

9. Distribution of Funding. In keeping with Air Force policy, funds will be distributed to the lowest organizational level where significant management control exists. This should be designated by an RC/CC code.

9.1. Reprogramming Policy. HQ AFRS has a liberal reprogramming policy. This allows commanders maximum flexibility consistent with overall program objectives of the Air Force and legal limitations. Funding guidelines are usually issued each year with initial OBADs.

9.2. Annual and Quarterly Targets. Expense targets are representative dollar values of resources needed to perform a mission. Once targets are established, they should remain relatively stable. Do not change targets simply to align costs. Targets serve as guides for the consumption of resources, measure the progress and effectiveness of the plan, and control how overall operating budgets are managed.

10. Budget Execution. After annual funding has been received and distributed, budget execution (the systematic consumption of approved programs) begins. Financial managers have a key role in ensuring approved programs are used for intended purposes.

10.1. Budgetary and Financial Management Controls:

10.1.1. Decentralized budgeting greatly assists in efficient spending.

10.1.2. The accounting system for operations provides an integrated funds management and reporting system with up-to-date status and account balances. Some of the products are:

10.1.2.1. Budget system reports, including open document list (ODL), selective transaction history listing (STHL), and OBL/AL.

10.1.2.2. Support system reports, including the Standard Base Supply System and civilian personnel cost reporting.

10.1.3. Committee management (FMBs) to ensure all mission and support needs are prioritized and receive adequate attention.

10.1.4. Reporting to HQ AFRS/FM to allow for the reporting of progress or problems relating to budget execution. Required reports are as follows:

10.1.4.1. The unit budget status report (UBSR) is submitted monthly to HQ AFRS/FM. The UBSR consolidates HQ AFRS monthly requirements into one report and consists of the following:

10.1.4.1.1. Detailed obligation data by PE and element or expense identification code (EEIC), and current targets for prior fiscal years for operations and maintenance (O&M) and military family housing (MFH) funding.

10.1.4.1.2. Manually tracked data for government purchase card (GPC) expenses and major programs within each unit.

10.1.4.1.3. The unfunded requirements section of the UBSR identifies funding shortfalls for that unit on a monthly basis.

10.1.4.1.4. The other reports section identifies additional financial data used in formulating HQ AFRS funds requirements and consists of the following:

10.1.4.1.4.1. The civilian personnel payroll information provides monthly figures on the number of civilians authorized and assigned for each unit along with the total number of hours worked for that report period.

10.1.4.1.4.2. The quarterly phasing report identifies bottom-line funding overage and shortage by fund code for the first three quarters of the fiscal year.

10.1.4.1.4.3. The commander's certification signifies the data provided on all portions of the UBSR is current and accurately reflects the unit mission unfunded requirements.

10.1.4.2. The government travel charge program delinquency report is submitted monthly to HQ AFRS/FM.

10.2. Forecasting. This is a system of pricing program requirements throughout the fiscal year. Detailed forecasting guidelines for all primary expense elements are in the Financial Management, Squadron and Group Field Training Guides. Use forecasting to develop reprogramming recommendations and brief results of forecasts to the FMB.

11. Special Procedures. In HQ AFRS, there are several programs that warrant special mention:

11.1. Out-of-Pocket Expense (OPE) Reimbursement Procedures. Reimbursement is in accordance with JTR, Volume 1, Chapter 7, paragraph U7030, which authorizes recruiter expenses. Detailed guidelines are provided in the Financial Management Training Guide. OPE reimbursement claims (SF Form 1164, **Claim for Reimbursement for Expenditures on Official Business**) must be approved by the commander or his/her designee (normally the support flight commander).

11.2. Center of Influence Program (COI). The purpose of this program is to generate leads, and gain support of civilian influencers by informing them of Air Force opportunities. As part of its operating budget, HQ AFRS receives authority to incur expenses to gain support of recruiting objectives. AETCI 36-2002, *Recruiting Procedures for the Air Force*, governs the COI program; HQ AFRS/RSM administers this program.

11.3. Medical Recruiter Assistance Program (MEDRAP). This program allows temporary duty (TDY) travel for active duty Air Force health professionals to help recruit health professionals. These

TDY personnel may be used at state and local health profession conventions, recruiting dinners, and school career days.

11.4. Health Professions Applicant Travel (HPAT). According to the JTR, Volume 2, *DoD Civilian Personnel*, paragraph C6200, fully qualified applicants for health professions programs who are designated as critical fills by RSOC and who have been offered an assignment to an Air Force medical treatment facility (MTF) are authorized fully funded travel to preview their prospective assignment. An applicant's spouse may accompany the applicant on these trips. Only trips to continental United States MTFs are authorized, and the applicant's spouse may receive funded travel only (no per diem) according to JTR, Volume 2, Appendix E, paragraph A.

11.4.1. Applicants must be selected and offered an assignment by Health Professions Branch (HQ AFRS/RSOC).

11.4.2. The Air Force Personnel Center Medical Service Officer Management Branch (AFPC/DPMM) requests that applicants have personal interviews with Air Force consultants (who are being considered for academic, training, or unique specialties) coordinated through HQ AFRS/RSOC.

11.4.3. If the HPAT requires an interview with an Air Force consultant, HQ AFRS/RSOC will notify the appropriate unit personnel. Interviews may be requested prior to selection. Recruiters should accompany HPAT candidates on MTF tours and consultant interviews at unit expense. Spouses may not receive funded travel to attend consultant interviews.

11.5. National and Local Convention Attendance. These events (booth rentals) complement other recruiting efforts to reach target audiences. Using local funds, unit representatives attend the conventions to enhance the recruiting process.

11.6. Educator Tours. This program provides an important link between the educational community and the Air Force environment. Squadrons arrange tours in coordination with HQ AFRS. Use funding to pay for:

11.6.1. Commercial transportation to visit selected Air Force training centers.

11.6.2. Billeting fees incurred during a stay on an Air Force base.

11.6.3. TDY expenses for two military escorts.

11.6.4. Invitational travel orders for TDY travel of educators outside the local area.

11.6.4.1. Reimbursement of travel expenses is based on applicable locality rate.

11.6.4.2. Educators should not be issued travel orders for visits within their local domicile area.

11.7. Recruiter Assistance Program (RAP). This program is designed to allow recent graduates of basic military training and technical training schools to work with enlisted accession recruiters while home on leave. Procedures for RAP are outlined in AFI 36-3003, *Military Leave Program*, paragraph 3.17. This is a permissive TDY program (nonchargeable leave). Funded travel and per diem is not authorized.

11.8. Role Model TDY Program. This is a unit funded TDY program for squadrons to use outstanding airmen from local Air Force installations to assist in the recruiting effort. These individuals speak at high schools, COI events, or various other events.

11.9. Recruiting Activity Conferences. The unit commander has approval authority for on-base (government facility) conferences, workshops, and annual training meetings. Units requiring off-base locations due to nonavailability or nonaccessibility of on-base government facilities must forward requests for approval, through their respective group commanders, to HQ AFRS/CV for review and approval. Approval is required regardless of cost.

11.10. Providing Light Refreshments at Conferences/Workshops. The authority to provide light refreshments, as outlined in AFI 65-601, Volume 1, is limited to \$2 per attendee per day.

12. Form Adopted. SF Form 1164, **Claim for Reimbursement for Expenditures on Official Business.**

EDWARD A. RICE, JR., Brigadier General, USAF
Commander

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

AFPD 65-6, *Budget*
 AFI 33-324, *The Information Collections and Reports Management Program; Controlling Internal, Public, and Interagency Air Force Information Collections*
 AFI 34-201, *Use of Nonappropriated Funds*
 AFI 36-3003, *Military Leave Program*
 AFI 65-601, Volume 1, *Budget Guidance and Procedures*
 AFI 65-601, Volume 2, *Budget Management for Operations*
 AFMAN 37-139, *Records Disposition Schedule* (will become AFMAN 33-322, Volume 4)
 DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*
 DFAS-DE 7010.2-R, *Commercial Transactions at Base Level*
 Joint Travel Regulation (JTR), Volume 1, *Uniformed Service Members*
 Joint Travel Regulation (JTR), Volume 2, *DoD Civilian Personnel*
 AETCI 36-2002, *Recruiting Procedures for the Air Force*
Interim Guidance on Procedures For Travel Accounting Operation (formerly DFAS-DE 7010.3-R and AFR 177-103)
Interim Guidance on Procedures for Administrative Control of Appropriations and Funds Made available to the Department of the Air Force (formerly DFAS-DE 7200.1-R and AFR 177-16)

Abbreviations and Acronyms

AFRS—Air Force Recruiting Service
COI—center of influence
DoD—Department of Defense
EEIC—element or expense identification code
FMB—financial management board
FP—financial plan
GPC—government purchase card
HPAT—Health Professions Applicant Travel
JTR—joint travel regulation
MEDRAP—Medical Recruiter Assistance Program
MFH—military family housing
MTF—medical treatment facility
NAF—nonappropriated funds
OBAD—operating budget allowance document
OBL/AL—operating budget ledger/allotment ledger
ODL—open document list
OPE—out-of-pocket expenses
O&M—operations and maintenance
PE—program element
RA—resource advisor
RAP—Recruiter Assistance Program
STHL—selective transaction history listing

TDY—temporary duty

UBSR—unit budget status report