



Financial Guidebook for Commanders



UNITED STATES MARINE CORPS
TRAINING COMMAND
2300 LOUIS ROAD
QUANTICO, VIRGINIA 22134

12 JUL 2012

FORWARD

"Vision without resources is a hallucination"

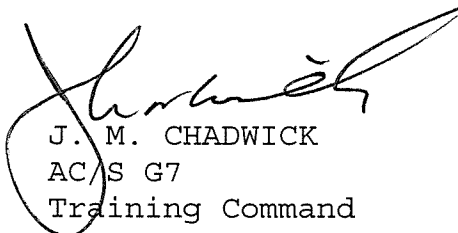
Attributed to various Deputy Commandants, Programs and Resources Department

Financial management is inherent in command. The missions assigned to you cannot be accomplished without resources that support the purchase of supplies, services, and travel. You will find yourself with more requirements than funding in any given year and will have to balance and prioritize mission accomplishment within constrained funding limits. Additionally, you are tasked with ensuring that all executed funding complies with applicable legal and regulatory requirements.

This guidebook has been created to help familiarize you and assist in executing your resource management responsibilities. This guide provides information concerning:

- How the Marine Corps obtains resources.
- How your command receives funding.
- How funds are executed, recorded, and reported.
- What your financial responsibilities entail.
- What process is used for requesting additional funds.
- Frequently asked questions and common financial situations you may encounter.

This guidebook is specific to commanders assigned to Training Command. The information contained in this supplements information published in NAVMC 2664 Rev 1.0, USMC Financial Guidebook for Commanders.



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Marine Corps Funding Process

The Marine Corps, along with all Department of Defense (DoD) components, receives funding through the Planning, Programming, Budgeting, and Execution (PPBE) process. PPBE serves as the means for requesting and allocating resources to meet service assigned missions. PPBE is a continuously overlapping cycle from one year to the next.

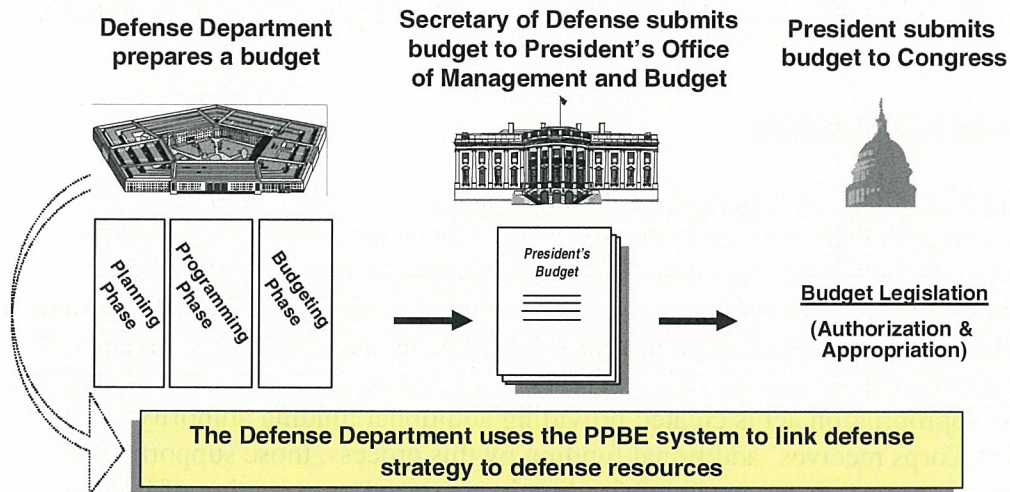


Figure 1 – PPBE Process

Planning Phase – Focuses on the development of the National Military Strategy (NMS) and the Marine Corps' role in its support. The results of the planning process are the Joint Programming Guidance (JPG), which contains fiscal and capabilities guidance followed by the Marine Corps during the Programming Phase.

Programming Phase – Focuses on taking the overall resource amount allocated in the JPG and distributing the funding to support assigned Marine Corps' missions. The process used to make this distribution is called the Program Objective Memorandum or POM process. Commands submit their funding requirements to sustain current missions and to meet any mission growth or new missions during a POM request. A full POM request and approval process is currently performed every year; however, this process can potentially change in the future and return to a historical two year cycle. Final amounts approved in the POM become the initial amounts used to formulate the Marine Corps Budget Estimate Submission (BES).

Budgeting Phase – Takes the final amounts approved in the POM and creates the Marine Corps BES. The Marine Corps BES is prepared at HQMC and forwarded to the DoN and DoD for inclusion in the overall President's Budget (PresBud). The final PresBud is the President's funding plan for an upcoming year and is normally submitted to the Congress after the State of the Union address. Congress takes the PresBud request, makes internal changes to funding and programs, and ultimately passes a budget that will

go back to the President for signature to approve the Appropriation Act legislation. The enacted Appropriation Act is what legally provides the Marine Corps with funding for a fiscal year.

Execution Phase – Amounts contained in the Appropriation Act for the Marine Corps are distributed to field commands by D/C Programs and Resources Department. Once Training Command receives funding, it is passed to the appropriate schools and detachments for purchasing required goods and services to support assigned missions. Detail records on purchases are recorded and reported through the Marine Corps accounting system, SABRS (Standard Accounting, Budgeting, and Reporting System).

Supplemental Appropriation

After an Appropriation Act is passed, DOD may determine the need for additional funding than was provided by Congress. Additional funds are normally required for unforeseen events such as a major contingency, humanitarian relief effort, or other natural disaster that funding was not previously provided to support. When this occurs, a Supplemental Appropriation request is created by DoD and transmitted to Congress. If Congress approves a supplemental request, either an increase to the current appropriation act or a new appropriation act is created providing additional funding authority to DoD. If the Marine Corps receives' additional funding by this process, those supporting or event impacted commands are provided funding increases. The execution of funding under a Supplemental Appropriation act may require the use of a Special Interest Code (SIC) when ordering materials and accounting for them within SABRS.

Natural Disaster or Destructive Weather

HQMC guidance provides that costs associated with natural disasters or destructive weather will be centrally funded and managed by HQMC. Fund execution will use a HQMC Line of Accounting with a SIC that will be provided to the impacted FLC from the G7. It is highly recommended that FLC's synchronize with the installation destructive weather coordinator and the Training Command G7 for HQMC LOA information when a pending natural disaster is identified.

Appropriations - Type

Appropriations are approved by Congress for different purposes and for specific time periods in which the funds are authorized to incur new obligations. The primary appropriations impacting the active Marine Corps are:

Basic Symbol	Appropriation Title	Appropriation Purpose
17-1105	Military Personnel, Marine Corps (MPMC)	Pay Active Duty Marine salaries. MPMC is managed by HQMC.
17-1106	Operation and Maintenance, Marine Corps (OMMC)	Pay daily operating costs such as TAD, fuel, parts, civilian salaries, facility & equipment maintenance.
17-1109	Procurement, Marine Corps (PMC)	Purchase major equipment, initial fielding of individual combat equipment, small arms, communication equipment, etc. PMC is managed by MARCORSYSCMND.
17-1508	Procurement of Ammunition, Navy and Marine Corps (PANMC)	Purchase of ammunition used to support training and contingency operations. PANMC is managed by MARCORSYSCMND.

Figure 2 - Common Appropriations, Purpose, and Basic Symbol

Appropriations fall into several categories. The common types are:

- Annual – Funds are available for one year (Fiscal year period which runs from 1 Oct – 30 Sep) and generally used to support personnel cost, equipment and facility maintenance, training, and general consumable supplies and materiel purchases. Examples of annual appropriations are MPMC and OMMC.
- Multiple Year – Funds are available for more than one year and are authorized to provide weapons, ammo, research and construction of facilities required to

Funding for your daily operations will come from the OMMC appropriation and will be provided on a quarterly basis of:

First Quarter (1 st QTR)	=	1 October to 31 December
Second Quarter (2 nd QTR)	=	1 January to 31 March
Third Quarter (3 rd QTR)	=	1 April to 30 June
Fourth Quarter (4 th QTR)	=	1 July to 30 September

Appropriations - Use

Prior to executing funds to purchase goods or services the order must pass the basic fiscal law requirements of:

- Purpose
- Time
- Amount

Purpose – Funds may be obligated and expended only for the purposes authorized in appropriations acts or other laws. What this basically means is you use the correct appropriation to fund your requirement. The key element of satisfying the purpose condition is the “Necessary Expense Doctrine.” The necessary expense doctrine is

comprised of the following three basic tests to ensure the correct appropriation is used:

a. Logical Relationship – What you are ordering makes sense under the funding type you are using. For example, the OMMC appropriation is used to fund normal training, fuel, consumable supplies, and daily operating costs. The PMC appropriation is used to purchase most military equipment for the Marine Corps.

b. Not Prohibited by Law – The purchase you are about to make is allowed under the Appropriation Act, Authorization Act, or other laws.

c. Not Funded for Elsewhere – Does the language of another appropriation specifically cite or is another appropriation a better fit to fund the type of purchase being made? For example, the MPMC appropriation is used to fund the wages of Marines, not OMMC. This condition is a key factor in determining whether to use OMMC or PMC for a purchase. The use of PMC is for investment items that meet the following:

- Useful life of the item/equipment is two (2) years or greater.
- Cost is greater than \$250 thousand.
- Cost is less than \$250 thousand, but is a program of record for PMC funding at Marine Corps Systems Command.

Time – This condition is satisfied by:

a. The appropriation cited on the request is still available to incur new obligations.

b. Bona Fide Need – A fiscal year appropriation may be obligated only to meet a legitimate, or bona fide, need arising in the fiscal year for which the appropriation was made. Basically, you use current funds for current requirements and not to fund next year or subsequent year requirements.

Amount – You have sufficient un-obligated and available funds to cover the amount of the request during the year and quarter that the order is placed.

Obligation

An obligation is defined as a firm, legally binding agreement between parties for the acquisition of goods or services where the government is legally and contractually liable for the amount reflected on the official entitlement document. Entitlement documents include issued contracts, approved TAD orders, processed and accepted supply orders by source of supply (DLA, Army, etc.) and other authorized and official requests for goods and services.

An obligation will reduce the amount of funding or “un-obligated” balance your command (referred to as a Formal Learning Center or FLC in this guidebook) has remaining to make future purchases for other required materials and services.

Common Financial Management Terms and Codes

The following are common terms and codes that you need to be familiar with when reviewing funding status or when communicating financial requirements with Training Command.

- Work Center Identifier (WCI) – Six digit code of “M40407” that identifies Training Command within SABRS for funding and execution purposes.
- Budget Execution Activity (BEA) – Two digit code used to specifically identify your FLC within SABRS for funding and execution purposes. Examples are V5 (SOI – West), 2V (EWTG – PAC), VA (AAV School),
- Budget Execution Sub-Activity (BESA) – Two digit code used to further identify cost to purpose. BESA codes have been standardized by HQMC.
- Funding Function (Fund Func) – Subdivision of an appropriation for budget and funding purposes. This code is also called a Budget Line Item (BLI) or Activity Group/Sub-activity Group (AGSAG). Training Command normally receives funding under the following funding functions:

<u>Fund Func</u>	<u>Purpose</u>
BSS1	Base Operations – Funds drug demand reduction program and Family Readiness Programs
3A2C	Officer Accession Training - Funds OCS
3B1D	Specialized Skills Training – Funds most FLCs
3B4D	Training Support - Funds training support and headquarters

- Fund Code (FC) – Two digit code that identifies the appropriation and funding function being charged for the purchase for each transaction processed into SABRS. Normal codes and related Fund Functions are:

<u>Fund Function</u>	<u>Fund Code</u>
BSS1	BX
3A2C	DB
3B1D	DC
3B4D	DN

- Object Class (OCC) - Three-digit code that defines the nature of the services or type of expense incurred with the obligation. Examples are:

111	Civilian Labor
210	TAD
252	Other Service Contracts
260	Supplies

- Commitment – A firm administrative reservation of funds based upon requests for contracts, material requisitions, authorizations to issue travel orders, or requests which authorized the recipient to create an obligation without further recourse to the official responsible for certifying the availability of funds.
- Expense – An expense occurs when ordered services are received and certified as accepted, training is accomplished, travel has occurred, and supplies/parts are received by the unit or command.
- Liquidation – The actual payment for received goods, materials, services, training, and travel settlement where funds are disbursed from the United States Treasury.

FLC Funding

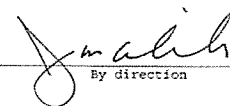
During the 4th quarter, the G7 will send your FLC the initial funding ceiling planned for the next fiscal year. Funding ceilings are subject to change based on mission requirements, funding levels provided to Training Command from higher headquarters, and internal command decisions. There are several factors that will go into the determination of the initial fund ceiling amount for your FLC impacting the upcoming fiscal year:

- Overall funding that Training Command will receive – Are there increases or decreases to funding from current year baseline amount.
 - Decreases – Are they specific from headquarters (e.g. course discontinued) or general in nature.
 - Increases – Are they specific based on a POM or PR? Is the increase a general baseline adjustment or to cover inflation?
- Last year's funding level.
- Directed change in missions for the upcoming year.
- Prior year execution of unit budget (recurring over or under execution).

Initial funding will not include increases to the previous year's authorization due to mid-year deficiency or yearend funding increases. Those types of increases are normally one-time funding events.

At the start of each quarter or when a change in your funding occurs, you will be issued a Fund Authorization letter as reflected in Figure 3.

FY10 FUND AUTHORIZATION		AMENDMENT: Amend 7				
FROM: TRNGCMD Commanding General 2300A Louis Rd Quantico, VA 22134-5001		TO: Commanding Officer WEAPONS TRNG BN QUAN 3300 RUSSELL ROAD QUANTICO VA 22134				
Reference: (a) 31 U. S. C. 1301 (b) 31 U. S. C. 1517 (c) MCO P7300.21A (d) NAVMC 2664						
1. This document transfers to the addressee funds in the amount designated below. Per references (a) and (b), Commanding General Training and Education Command has a legal responsibility to stay within authorized funding limits and to use funds only for the purposes for which they were appropriated. Per references (c) and (d), you are responsible to the Commanding General for staying within your funding limits and using funds only for the purposes for which they were appropriated.						
NOTE: Funds for succeeding quarters are not available for obligation until the 1st day of the succeeding quarters.						
2. For further information regarding this Fund Authorization, please contact : Mr. Richard Eshoo (703)432-2238						
WCI: M30407 BEA: VV WEAPONS TRNG BN QUAN Appropriation/Subhead: 1106.27A0 Fund Code: BX Fund Func/AGSAG: BSS1						
BASE OPERATING SUPPORT		QTR 1	QTR 2	QTR 3	QTR 4	ANNUAL Total
BASELINE	Prior Total	\$70,200.00	\$43,000.00	\$0.00	\$0.00	\$113,200.00
BASELINE	Revised Total	\$70,200.00	\$43,000.00	\$0.00	\$0.00	\$113,200.00
- COMMENTS: No Changes were made to this Funding Function						
BSS1 Quarterly Total:		\$70,200.00	\$43,000.00	\$0.00	\$0.00	\$113,200.00
BSS1 YTD Total:		\$70,200.00	\$113,200.00	\$113,200.00	\$113,200.00	\$113,200.00
Appropriation/Subhead: 1106.27M0 Fund Code: DC Fund Func/AGSAG: 3B1D						
SPECIALIZED SKILLS		QTR 1	QTR 2	QTR 3	QTR 4	ANNUAL Total
BASELINE	Prior Total	\$345,064.00	\$684,116.00	\$0.00	\$0.00	\$1,029,180.00
BASELINE	Revision	\$0.00	(\$117,000.00)	\$0.00	\$0.00	(\$117,000.00)
BASELINE	Revised Total	\$345,064.00	\$567,116.00	\$0.00	\$0.00	\$912,180.00
- COMMENTS: ONE FOR ONE REALIGNMENT OF FUNDS						
3B1D Quarterly Total:		\$345,064.00	\$567,116.00	\$0.00	\$0.00	\$912,180.00
3B1D YTD Total:		\$345,064.00	\$912,180.00	\$912,180.00	\$912,180.00	\$912,180.00
Appropriation/Subhead: 1106.27M0 Fund Code: DN Fund Func/AGSAG: 3B4D						
TRAINING SUPPORT		QTR 1	QTR 2	QTR 3	QTR 4	ANNUAL Total
BASELINE	Prior Total	\$73,000.00	\$127,720.00	\$0.00	\$0.00	\$200,720.00
BASELINE	Revision	\$0.00	\$117,000.00	\$0.00	\$0.00	\$117,000.00
BASELINE	Revised Total	\$73,000.00	\$244,720.00	\$0.00	\$0.00	\$317,720.00
- COMMENTS: ONE FOR ONE REALIGNMENT OF FUNDS						
3B4D Quarterly Total:		\$73,000.00	\$244,720.00	\$0.00	\$0.00	\$317,720.00
3B4D YTD Total:		\$73,000.00	\$317,720.00	\$317,720.00	\$317,720.00	\$317,720.00
1106 M30407 VV TOTAL:						\$1,343,100.00


 By direction

03/5/2010
 Date

Page 1 of 1

Figure 3 - Example Fund Authorization Letter

Key things you need to review on Figure 3 are:

- Amount authorized by Funding Function/AGSAG
- Change amount (increase or decrease)
- Comments or reason for amount change

Initial Funding and Deficiency Determination

The initial funding baseline for Training Command comes from:

- Amounts and issues funded in an approved POM.
- The POM baseline amounts were set approximately 16 months prior to the start of the current or upcoming fiscal year.
- POM amounts may be adjusted or moved within the appropriation when the actual budget for the Marine Corps is submitted to OSD.
- Appropriated amounts enacted by Congress may be less than requested by Headquarters Marine Corps which reduces funding distributed to field commands.

What Training Command was informed would be future year funding and what the command actually gets when it starts a specific year will vary. Funding levels provided to Training Command may not be adjusted adequately for current supply and parts cost or increases in services or contract costs required for mission support. Bottom line, Training Command may not get all the funding that supported FLCs require. The CG can only issue the amount of resources that are actually received and balance that issuing between more than 50 FLCs to meet fixed cost and other mission support requirements.

Because of the above factors, the initial baseline amount provided to your FLC may be insufficient to meet all your assigned mission requirements or the scope of planned mission support for the year. When this happens you will have a funding deficiency. The deficiency will require that you reduce monetary support to some function(s) (which may happen if no additional funding is provided) or request additional funding.

So how do you know if your FLC has a funding deficiency or not? You need to determine what the FLC minimum fixed and must fund costs are to support individual courses and student throughput for the upcoming fiscal year. These costs will include:

- Annual service or support contract cost that must be renewed and support agreement costs with another service or host installation.
- Required course materials for the anticipated number of classes and students for the upcoming year. These costs can include:
 - Printing costs
 - Fuel costs to operate vehicles and equipment for student throughput
 - Parts, tires, batteries, etc. required to maintain equipment used by students
 - FLC office and barracks consumable supplies
- Required staff TAD (scrutinize this requirement and cost).

Review, with your fiscal clerk, the cost of operations in past years and what known price increases will impact you in the upcoming year. Use this information when determining the FLC funding situation for the year. Compare your fixed cost/must fund estimate with the amount of funding provided by Training Command. If your costs exceed funding, you will need to submit a deficiency(s) for mid-year funding consideration.

Requesting Additional Funding - Midyear Review

The Mid-Year review will occur during the second quarter of each fiscal year. The process will review any current or potential funding within Training Command that has not been allocated or required to support a mandated mission. Available funds will be applied, based on approved priority sequence, to those reported FLC deficiencies until available funds are exhausted.

The Mid-Year review process for Training Command is conducted as follows:

- Commands and Units scrutinize provided funding levels and compare with missions support requirements.
- Those missions that cannot be accomplished or reductions in planned missions (scaling back, scope reduction, etc.) based on current funding levels become deficiencies.
- Your FLC reports these deficiencies using the format contained in Appendix A of this document.
- Keys to your deficiency submissions are:
 - Clear description of the issue and impact on mission or mission support
 - Cost estimate that is accurate with a “drop dead” date that funds must be received to ensure execution prior to the end of the fiscal year.
 - Ensure all acronyms used are initially spelled out.
 - Identifying if the deficiency is just for this year or is a shortfall expected to continue in the out-years and will require a POM submission for future year funding baseline increase.
 - Prioritization of your issues – You need to rank your deficiencies in order of priority or mission impact.
 - Deficiency is submitted by Training Command imposed submission date.
- Submitted deficiencies from all FLCs will be reviewed within Training Command for issue, funding profile, and priority. Issues will be packaged for ease of discussion, review, and voting as described in the next section.

Training Command Funding Deficiency Prioritization Process

The methodology that Training Command will employ to prioritize deficiencies will be based on a weighting matrix composed of the following factors:

- Does the shortfall impact MOS production and student throughput?
- Is the shortfall linked to training that has been documented via a program of instruction (POI) or course descriptive data (CDD)?
- Is the shortfall related to combat/current operations training?
- What is the FLC priority of this deficiency or issue?
- Does the shortfall impact InterService Support Agreements?

Reported deficiencies will be weighted based on the above with an initial list created for review and staffing.

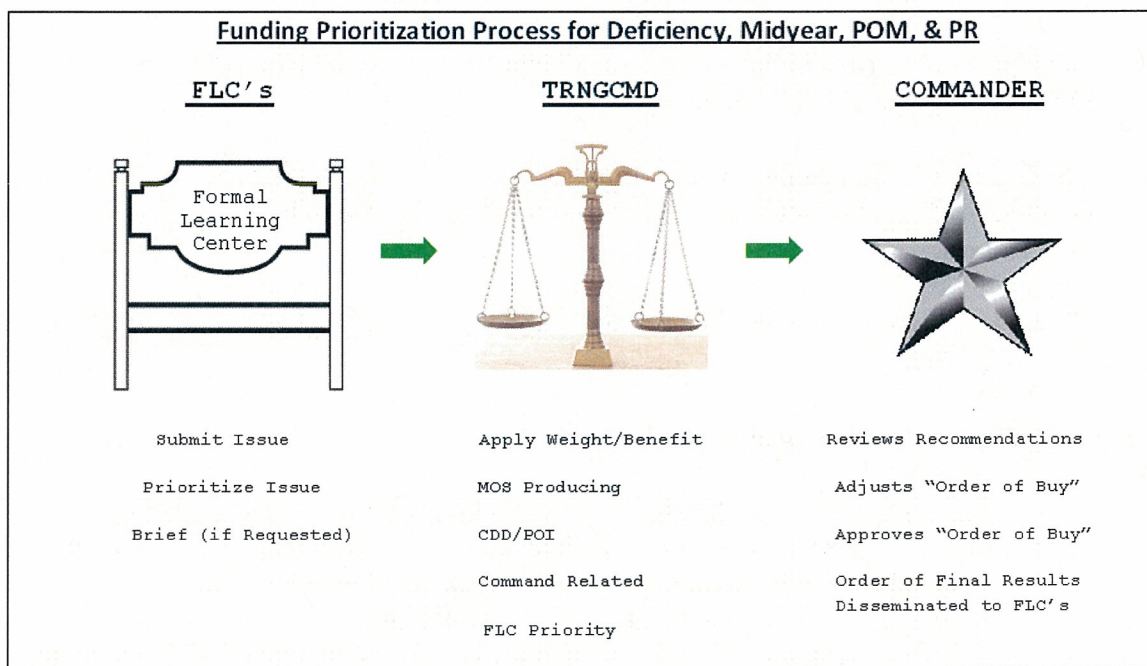


Figure 4 - Training Command's Prioritization Process for Funding

Requesting Additional Funding – POM Submission

The formalized POM submission is the primary means of obtaining sustainable baseline funding increases required to meet new missions, training enhancements, and those ideas/concepts that would improve mission accomplishment. Submissions to the POM are normally for missions or programs that will require a multiply year funding stream or baseline. Submission requirements and schedules will be published by the G7. All funding requests will be submitted using the format contained in Appendix A of this

document and follow guidance provided on page __ (Requesting Additional Funding - Midyear Review).

Submitted requirements will be reviewed for impact on FLC mission and overall Training Command mission and be prioritized using the prioritization process described in the previous section on page 9 (Training Command Funding Deficiency Prioritization Process).

Fund Execution – Transaction Cycle

The process for executing available funds for required material and services is basically the same regardless of what is being ordered (i.e. TAD, supplies, contracts, etc.). The system being utilized to obtain the good/service may change, but the following steps will always apply:

- Requirements Generation – Leaders, managers and operating personnel determine the need for materials, supplies, services, etc. that are required to support assigned missions.
- Funds Availability Check – The anticipated cost for the requested goods and services is reviewed by the fund manager for the unit to ensure adequate funding is available to cover the cost of the requisition.
- Requirements Approval – The needed “stuff” is passed up to an appropriate official who has the authority to authorize the release of a requisition or order to obtain the goods and services.
- Requisition Processed – The request is sent to the appropriate office or keyed into a business feeder system that will process the transaction to obtain the goods or service. For example, requisition released to the supply system to purchase parts, request for contracts entered into Procurements Requirements (PR) Builder, TAD orders processed into Defense Travel System (DTS).
- Ordered supplies or services are received and accepted.
- Provider is paid for the delivered goods or services.

The last four steps above are duplicated in the accounting system for each specific order. Those steps process the commitment, obligation, expense, and liquidation into SABRS, which is often referred to as the Financial Transaction Cycle.

Fund Execution - Status of Funds

At least weekly, your command will be provided a status of funds report. The report will consist of the amounts authorized, committed, obligated, expensed, and disbursed. Further, the report will provide the unobligated amount and the percentage obligated. An example of a status of funds report is shown in Figure 5.

Status of Funds for BEA TL

BEA	DESC	BESA	DESC	Auth Amt	Cmt Amt	Obl Amt	Exp Amt	Disb Amt	UnObl Amt	% Obl
TL	TECON LABOR	2G	MATSG, PENSACOLA	\$325,950.00	\$215,191.88	\$215,191.88	\$215,191.88	\$215,191.88	\$110,758.12	66.02%
	TECON LABOR	2Q	ADMDET, FT. GORDON	\$45,900.00	\$30,151.68	\$30,151.68	\$30,151.68	\$30,151.68	\$15,748.32	65.69%
	TECON LABOR	2W	ADMDET, FT. SILL	\$509,900.00	\$146,000.00	\$146,000.00	\$93,908.07	\$93,908.07	\$369,900.00	28.63%
	TECON LABOR	2Z	ADMDET, FT. LN. WOOD	\$1,200,000.00	\$791,849.10	\$791,849.10	\$791,849.10	\$791,849.10	\$408,150.90	65.99%
	TECON LABOR	3A	ADMDET NEWPORT R.I.	\$73,500.00	\$47,509.92	\$47,509.92	\$47,509.92	\$47,509.92	\$25,990.08	64.64%
	TECON LABOR	3H	ADMDET, FT. LEE	\$466,500.00	\$296,854.06	\$296,854.06	\$296,854.06	\$296,854.06	\$169,645.94	63.63%
	TECON LABOR	3R	MARINE CORPS INTEL S	\$1,120,000.00	\$832,942.39	\$832,942.39	\$832,942.39	\$832,942.39	\$287,057.61	74.37%
	TECON LABOR	3W	ADMDET, ATHENS	\$39,300.00	\$25,136.79	\$25,136.79	\$25,136.79	\$25,136.79	\$14,163.21	63.96%

Figure 5 – Example Status of Funds Report

Key information from the status of funds that should be reviewed is how much has been authorized, committed and obligated. The difference between authorizations and commitments will provide you with the amount of funds remaining for initiating new orders for materials, services, and TAD. The difference between authorizations and obligations will provide the amount of funds remaining for processing official and legal orders for goods and services.

The Training Command G7 will be contacted concerning funding shortfalls or requirements prior to processing commitment or obligation amounts in excess of your current authorized funding amount.

Fund Execution – Civilian Labor

Civilian labor is centrally managed by Training Command and monitored by the G7. The cost of civilian labor is a must fund bill to the command. The amount of funding required to cover the cost of civilian labor is taken “off-the-top” of Training Command’s funding prior to determining and distributing funding to FLCs.

Training Command does not have the funding to support all the required or approved civilian positions reflected on a FLCs table of organization. Due to funding constraints, all hiring of civilian positions (including those positions that were previously filled and the employee left or retired) must be submitted to Headquarters, Training Command for approval prior to hiring. The CG, Training Command will be the final approving authority on filling any vacant civilian positions.

Fund Execution – Information Technology & Facilities

Information Technology equipment (IT/computers) is a program of record centrally managed by Marine Corps Systems Command. Since Marine Corps Systems Command

centrally manages IT equipment, waivers must be granted to Commanders to use their authorized funds for the purchase of IT equipment. The Training Command FLC IT waiver process must start with the Training Command G6 prior to submitting a purchase request in the feeder system. Refer to Appendix “C” for additional information.

Training Command FLC’s are in a unique position because there are FLC’s located on Marine Bases, Army Forts, Air Force Installations, Navy Bases, and Joint Bases. As unique a position this maybe, all facility requirements must be identified with the local Base Commander and facility manager. Facility requirements not corrected by the Base Commander should be identified to the Training Command G4 facility manager. As a reminder, Training Command’s authorized funds are in direct support of specialized skills training, not facility modifications.

Fund Execution – Obligation Rates

Training Command is graded by higher headquarters on our ability to obligate or execute the operating funds provided each quarter. Figure 6 provides the monthly percentage scale that will be used to monitor and evaluate FLC execution performance.

TRNG CMND OBLIGATION RATES FOR FUND EXECUTION BY MONTH			
December (1st Qtr end)	>95%	94.99 - 90%	<89.99%
January	>70%	69.99 - 60%	<59.99%
February	>85%	84.99- 75%	<74.99%
March (2nd Qtr end)	>95%	94.99 - 90%	<89.99%
April	>70%	69.99 - 60%	<59.99%
May	>85%	84.99- 75%	<74.99%
June (3rd Qtr end)	>95%	94.99 - 90%	<89.99%
July	>84%	83.99 - 78%	<77.99%
August	>94%	93.99 - 88%	<87.99%
September (End of FY)	>99.8%	99.79 - 99%	<98.99%

Figure 6 – Obligation Rate Chart by Month

Why is the obligation percentage important? It is the FLC and command’s reportable metric to higher headquarters on our ability to execute provided funds. Execution within accepted levels supports requests for additional funding and provides confidence to higher headquarters that funding increases will be executed. Under execution signals the opposite and provides openings for higher headquarters to withdraw excess funding to provide to other Marine Corps units who are executing and experiencing funding shortfalls. Bottom line, FLCs should do their utmost to obligate funds to meet the percentages reflected in Figure 6.

Unauthorized Commitment

FLC personnel must be watchful when obtaining goods or service support from civilian commercial vendors. In accordance with United States Code Title 10 and Title 48, authority and responsibility to contract for authorized supplies and services are vested in the agency head (Secretary of Defense). The agency head may establish contracting activities and delegate broad authority to manage the agency's contracting functions. The Under Secretary of Defense for Acquisition is the Department of Defense's contracting agency. Contracts may be entered into and signed on behalf of the United States Government only by Contracting Officers. The broad definition of a contract is a set of promises based on a voluntary agreement, made up of an offer and acceptance, supported with consideration (payment). According to the Federal Acquisition Regulation, an Unauthorized Agreement means an agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement.

The ordering and acceptance of supplies and services without benefit of a legal contract constitute an improper act and does not obligate the Government for the items ordered, but may incur a personal liability to the individual who made the commitment.

Common reasons the UACs occur are as a result of split purchases, and improper use of the Government Commercial Purchase Card (GCPC), an expired contract with a vendor, or having no contract in place before goods or services are received.

Below are some common examples of Unauthorized Commitments:

1. Scenario: A FLC identifies a requirement for the command Duty Officer to be immediately available and to maintain constant communications capability. This requirement is detailed to the FLC's acting Supply/Logistics Officer in charge. The Marine researches several cell phone providers (AT&T, Sprint, NEXTEL) so as to obtain the best value for the Government. After thorough research, the Supply/Logistics Officer in charge contacts a cell phone representative and notifies the civilian company that the Government would like to two cell phones and service for one year. The cell phone representative, based on the apparent authority of the Supply/Logistics Officer, immediately ships two cell phones and establishes service for one year.

Determination: The Supply/Logistics Officer in charge entered into an Unauthorized Commitment because this Marine did not contracting authority. At no time can a Marine enter into a contract unless they are duly appointed/warranted Contracting Officers. Only Contracting Officers can legally enter into contracts with civilian organizations.

2. Scenario: A FLC's field training area Porta-A-John's are being owned and serviced by Nicks Porta-A-John Cleaning service. A representative from Nicks contacts the command's Supply/Logistics Officer in charge and notifies the Marine that the company has not been paid for several months and the contract expired six months ago.

Determination: The FLC has entered into an Unauthorized Commitment because the FLC has accepted service on behalf of the Government even after the contract has

expired. Commands must maintain and track service contracts periods of performance in order to resubmit a timely renewal to the appropriate Contracting Office.

3. Scenario: A FLC Operations Officer contacts the local Staples store and tells the store manager that his command requires 20 high back office chairs. The Operations Officer notifies the store manager that a Marine from his command will contact the store shortly to arrange for payment. The store manager arranges for shipment and a delivery date.

Determination: The Operations Officer has entered into an Unauthorized Commitment. An FLC's Government Wide Purchasing Card representative has the sole responsibility, training, and authority to negotiate with commercial vendors.

Ratification of Unauthorized Commitments

Ratification is the process whereby the United States Government will bind itself to the Unauthorized Commitment. There are several steps to completing a ratification package. In accordance with the Marine Corps Acquisition Supplement Manual, ratification of a contract must be endorsed by the first General Officer (an O7 or above) in the chain of command, and this authority cannot be sub-delegated.

Ratification documentation required by the individual who initiated the UAC must include as a minimum:

1. A command cover letter if the Commanding Officer concurs that the commitment should be ratified. The Commanding Officer's letter should include in detail the action that has been taken to prevent a situation such as this from being repeating.
2. A signed Statement of the Fact by the initiator; outlining the following elements:
 - The circumstances surrounding the unauthorized commitment
 - Why normal procurement procedures were not followed
 - What bona fide need of the Government necessitated the commitment
 - Whether the Government received any benefit and its dollar value
 - Attempts to resolve the UAC prior to requesting authorization (such as returning merchandise/discontinuing services)
 - Any other pertinent facts
3. All orders, invoice(s), and other documentary evidence of the transaction
4. A Purchase Request in PR Builder for the good/services related to the UAC for the dollar amount that will be ratified.

Once the ratification has been endorsed by the Command General, it is forwarded to the Ratifying Official or Chief of the Contracting Office (CCO). The CCO will:

1. Review the file
2. Make the appropriate finding and determinations
3. Ratify the UAC or deny the ratification request
4. If the UAC is ratified, execute, or authorize the execution of, the appropriate contractual document.

Additionally, an UAC greater than \$25,000 is forward to and must be approved at DC Installations and Logistics, HQMC. Ratification of UAC's below \$25,000 will be done at local RCO level..

Management Internal Controls (MIC)

The Marine Corps MIC program utilizes the five standards of internal control adopted by the Government Accountability Office (GAO) for the federal government. These standards are:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communications
5. Monitoring.

Control Environment: Employees and management should have an attitude about internal controls that is positive and supportive throughout the command.

Risk Assessment: The internal controls program should provide for an assessment of risks from internal and external sources. While the focus should be on internal risks, commands should not ignore potential external risks. For example, if one command requires support or parts from another command in order to achieve their mission, the command should assess potential breakdowns of that support and then plan for alternatives, or consider other sources entirely.

Control Activities: Control activities should address any risk identified in the risk assessment of internal controls. The internal control activities should be effective and efficient, ensuring management's directives are carried out.

Information and Communications: For efficient and effective operations, an organization needs timely information that is relevant and reliable, and is communicated to those who need to know to act upon the information.

Monitoring: Assess the performance over time of the controls and should occur over the course of normal operations without requiring undue difficulty.

The design, operation, and documentation of the organization's programs should provide reasonable assurance that the following control objectives are met:

1. Effectiveness and efficiency of operations;
2. Reliability of financial reporting; and
3. Compliance with applicable laws and regulations.

Internal Control Coordinator

Each Formal Learning Center shall appoint an Internal Control Coordinator as the central focal point to provide oversight of the MIC Program throughout the command. The Internal Control Coordinator should understand the MIC Program and be able to provide training to managers responsible for the internal control program and its reporting requirements.

All Marine Corps Internal Control Coordinators and alternates shall take the Managers' Internal Control (MIC) training upon assignment of duty. After initial training, Internal Control Coordinators and alternates shall take refresher training every three years. Commanding Officers, Commanders, managers, and those responsible for Assessable Units are highly encouraged to take the training. Training can be found online through Navy e-Learning and Navy Knowledge Online.

Material Weaknesses

Material Weaknesses represent deficiencies in the control environment that are so significant that reasonable assurance cannot be assumed. Examples of such deficiencies are: weaknesses that are DoD/DoN wide and systemic, issues that may result in Congressional interest or media interest; issues that have a measureable impact on the DoD/DoN financial position, and failures to comply with legislative mandates. Weaknesses can occur at any level. With any material weakness a corrective action plan must be developed. Correction to a material weakness should take place in a timely manner and achieve effective results.

MIC Certification Statement Requirement

A Manager's Internal Control (MIC) Certification Statement is required from each Formal Learning Center annually during the 3rd quarter timeframe to Training Command REA. The reporting period for this requirement is 1 July ending 30 June. The intent of this requirement is to report to the Commandant of the Marine Corps (CMC) that your command has an effective system of internal controls which work to:

- establish accountability for areas of responsibility throughout the command

- ensure internal controls are in place and working properly
- identify issues and correct them
- identify corrective measures that have and/or will take place to strengthen those areas of weakness concerning internal controls comply with laws, regulations and Marine Corps Orders.

The Resource Evaluation and Analysis (REA) section of the G7 will assist and provide guidance on the command's required certification which will include a signed Cover letter which includes listings of internal control accomplishments, corrected and uncorrected material weaknesses; and Assessable Unit Inventory. Further guidance on the MIC Certification Statement, to include a due date and submission requirements will be provided to your Formal Learning Center.

Each FLC must provide a statement of assurance with a corrective action plan (meaning there no significant weakness exist), a qualified statement of assurance with a corrective action plan (meaning there may be weaknesses but they might be minor or correction is in progress), or a statement of no assurance with a corrective action plan (there are so many weaknesses that it is difficult to give any assurance) of the effectiveness of internal controls.

Financial Management Records Audit

An audit is an independent, comprehensive examination and report on the performance of an activity or program. The audit process results in the collection of sufficient evidence upon which to base conclusions and support recommendations about the scope of the audit and to justify the content of a final report. The intent of auditing is to improve the condition and efficiency of the area being audited, to verify compliance with legal and administrative mandates, and consider the possibility of fraud, waste, and abuse. Audits help determine whether government:

1. resources are managed properly and used in compliance with laws and regulations,
2. programs are achieving their objective and desired outcomes, and
3. services are being provided efficiently, economically, and effectively.

Auditing is essential to government accountability to the public. An audit provides an independent, objective nonpartisan assessment of the performance, or cost of government policies, programs, or operations, depending on the type and scope of the audit.

Audits will be conducted throughout the year of various financial management records. Specific detail on types of audits and phases of an audit are requested by all functions of the comptroller section to include REA, Budget, and Accounting. It is imperative to response to a financial management records audit request in a timely matter to verify compliance and proper procedures have been followed.

Financial Management Training Requirements

Fund Control personnel are required to complete mandatory fund control personnel training every three years. The training requirement is to receive Appropriations (Fiscal) Law training and Budget Execution training, including refresher training, must be documented. Both Fiscal Law and Budget Execution training provide a broad overview of execution processes, including instruction on the proper issuance and acceptance of funding documents.

Fund control personnel within the Marine Corps are all individuals who receive or issue appropriated funds (APF) or generate requests for APF (e.g. Supply, contracting, etc.); individuals who issue and/or accept funding allocations and funding documents (e.g. work requests, project orders, etc.); individuals who issue routine, small dollar documents such as travel orders, requests for training or supplies, and purchases made via government purchase cards.

All fund control personnel must be delegated authority in writing from the comptroller, by authority provided by the Commanding General.

APPENDIX A

Training Command Unfunded Requirement Request Form

1. Requesting Unit/Section: _____ 2. FY: _____

3. POC, Phone & E-mail: _____

4. Appropriation: _____ (OMMC; PMC)

5. AGSAG: _____ (3A2C – Officer Acquisition, 3B1D – Skills Training, 3B4D – Training Support)

AGSAG:
3A2C Officer Acquisition
3B1D Specialized Skills Training
3B2D Flight Training
3B4D Training Support
BSSI Base Ops

6. Requirement Type: _____ POM/PR, OCO, Emergent Training Requirement, Mid-Year, etc.

7. CID/POI: _____
(CID/POI Date/Status)
(HHQ Staffing Comment)
(Overhead Cost ISO CIDs/POIs)

8. Title of Requirement: _____

9. Importance:

<input checked="" type="checkbox"/>	Critical:	Critical to the unit's ability to operate
<input type="checkbox"/>	Important:	Unit/section severely degraded in ability perform mission without
<input type="checkbox"/>	Enhancing:	Good to do, will improve unit/section's existing capabilities

10. Priority: ____ of ____

11. Description of Requirement and reason for request:

Ensure DETAILED descriptions are provided by the requestors to preclude follow-on questions, i.e. provide the Who, What, When, Where, Why and How of each request, i.e. specific quantities, date funding is required by to ensure execution, etc. Also, describe the requirement that drives the funding request, i.e. specific TRNGCMD directive, T/E shortfall, UUNS, safety requirement, approved, POI, etc. Additionally, outline the operational impact (improvement) if the funding request is supported. If you are already providing the service then a detailed description/justification is required to support additional funds, i.e. "we stopped doing X in order to execute Z, but now we have to do X as well as the new requirement."

12. Impact If Not Funded:

Use performance metrics as applicable. Impact statements should leave no doubt to the reader as to mitigating actions

commanders/section heads are prepared to execute should additional funding not be provided.

13. Status: Describe if this is a recurring validated unfunded requirement i.e. was this previously submitted in a POM, PR, Mid-year, OCO, etc. and where has the HHQ prioritized it.

14. New Contract(s) Establishment Required: No/Yes, If yes can it executed within the FY.

15. FYXX Supplemental Requirement Allocation/Obligation Phasing Plan (\$000)													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Allocation Plan													
Obligation Plan													

Allocation: When funding is needed in order to Commit the funds.
Obligation: When funding will be obligated in the Official Accounting System (SABRS).

16. FY11 Supplemental Requirement (\$000)

Category	Amount (\$000)
Civilian Pay (Civil Svc)	
WWTAD	
TAD	
SME TAD	
Supplies (Incl. Fuel)	
Equipment	
Printing/Repro	
Maintenance	
Postal	
Service Contracts	
Other (Specify)	
MIPRs/WRs (Specify purpose)	

16a. Quantity of items requested:

16b. TAMCN (TAM Control #):

16c. Civilian Labor Breakout:

Notes: Itemized Listing: Include unit price, quantity, etc., as applicable. Identify the number of contractor support (if required), type of contractor, number of hours and hourly rate or yearly rate of contract. Include Other Direct Cost of the contract (i.e., TAD, NMCI seats, overhead, etc)

Examples:

ITEM	QUANTITY	UNIT/COST	TOTAL COST
MTSS Contract Support 120 Personnel		\$200K	\$24M (example only)
Manikins	5	\$2K	\$10K (example only)

17. Recurring Outyear Costs (As Applicable \$000)

Appn	FY12	FY13	FY14	FY15	FY16	FY17	TOTAL

APPENDIX B

Example Managers Internal Control Certification Statement



UNITED STATES MARINE CORPS
MARINE CORPS DETACHMENT
CORRY STATION
640 ROBERTS AVENUE
PENSACOLA, FLORIDA 32511-5141

IN REPLY REFER TO:
1000
MCD
23 Mar 10

From: MIC Coordinator; Marine Corps Detachment Corry Station, Pensacola, FL
To: Resources, Evaluation and Analysis; Comptroller; Training Command; Marine Corps Base, Quantico

Subj: MANAGER'S INTERNAL CONTROL CERTIFICATION STATEMENT

Ref: (a) MCO 5200.24D
(b) MARADMIN 217/09

Encl: (1) Tab-A: Accomplishments
(2) Tab B: List of Uncorrected and Corrected Material Weakness
(3) Tab C: Uncorrected Material Weakness, Status of Corrective Actions

1. Marine Corps Detachment Corry Station (MarCorDet CS) has evaluated the system of internal controls in effect during the 12-month period ending 30 June 2010 by completing 60 internal inspections. The evaluations were performed in accordance with policies contained in the reference (a) and (b). MarCorDet CS plans to complete the effectiveness of internal controls for four assessable units for during the 12-month period ending 30 June 2011.

2. Information to support the certification was derived from management reviews, audits, inspections, lower level subordinate command Assessable Unit Managers' Certification Statements and other management information, including knowledge gained from daily operations of programs and functions.

3. I have reasonable assurance that management controls are in place and are operating effectively and that the objectives of the Federal Managers' Financial Integrity Act were achieved.

4. Point of contact is Michael L. Flynn, Marine Corps Detachment Corry Station, DSN 922-6581/6582, Comm 850-452-6581/6582.


Audie P. Cooper
Commanding Officer

APPENDIX C

Selected Examples of Funding Questions taken from NAVMC 2664 Rev 1.0

What are my financial duties and responsibilities?

Commanders who receive funds from the CMC, a MARFOR, or an MSC (in other words, all Battalion Commanders and above) must perform the following financial responsibilities:

- Prepare a financial plan.
- Use funds in accordance with approved plans and directives from higher authority.
- Prevent over commitment, over obligation, or over expensing of funds.
- Maintain oversight of budget reports to maintain awareness of available funds balance.
- Conduct continuous review of internal fiscal operations and related internal controls.
- Prevent unauthorized commitments of funds.
- Conduct command operations in the most cost effective manner to remain within administrative fund limitations made by the next higher echelon of command.
- Conduct continuous oversight of internal fiscal operations and related internal controls. (Chronic areas of concern are the Government-wide Commercial Purchase Card and ServMart cards. If not carefully monitored, both present ample opportunity for unauthorized or pilferable items.)
- Execute funds legally. For example: Do not use O&M to for a centrally managed program. Do not execute a minor construction project that exceeds the authorized monetary limit (currently \$750,000). Do not purchase personal items with O&M.

References: MCO P7100.8K, MCO 7300.21A

What are my budget execution goals?

When you prepared your budget, you identified how much of your anticipated funding you expect to spend each month of the fiscal year. This submission then serves as the benchmark for execution by your higher headquarters. Variances should be communicated to your higher headquarters as soon as they become known to you. Severe over-execution can result in adverse administrative or legal repercussions. Severe under-execution can result in funds being withdrawn by higher headquarters

What is an unauthorized commitment?

An “unauthorized commitment” is defined in FAR 1.602-3(a) as “an agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government.” **The only individuals who can bind the Government are warranted Contracting Officers and purchase cardholders acting within the limits of their delegated authority.** Unauthorized commitments violate federal law, federal regulation, and the Government-wide Standards of Conduct for Federal Employees.

Examples of unauthorized commitments include:

- Supplies or services are ordered by someone not named on a purchase card or identified in a contract or blanket purchase agreement. Note: A funding document is not a contractual document.
- A contractor starts work before the contractual document is issued or awarded by a Contracting Officer.
- An invoice is received from a contractor, but no purchase order or contract exists for the items or work described in the invoice.
- A purchase cardholder exceeds single purchase limitation without proper authorization/delegation of authority.

There are severe consequences for all parties involved with the unauthorized commitment. Unauthorized commitments may result in personal liability for the individual who made the commitment. Personnel responsible for unauthorized commitments are required to give detailed written explanations of their actions and may be subject to disciplinary action, especially if violations are flagrant and/or repetitive.

The process whereby designated individuals convert an unauthorized commitment to a legal contract is called ratification. Ratifications may only occur when all the regulatory requirements or conditions have been met. Contracting Officers do not have the authority to simply issue a purchase order or contract modification when an unauthorized commitment has been identified.

Contractors who act on unauthorized commitments do so at their own risk. They are not entitled to consideration (money) unless and until the unauthorized commitment is ratified. Payment is therefore substantially delayed or may not be forthcoming at all if the action is not ratified or costs are not recognized.

References: FAR, DFAR

What is my contracting authority?

Commanders at all levels have the same authority to initiate contracts, but the authority to approve contracts varies. A matrix detailing approval requirements, limits, and authorities is resident in MAPS. Requesting units only have the authority to purchase on their own, items that are \$3,000 or less, via the Government-wide Commercial Purchase Card (GCPC). All other contract actions must be initiated via a Purchase Request (PR) submitted through PR Builder to the Regional Contracting Office (RCO). Under no circumstances should any direct arrangement be made between unit personnel and vendors without a contract being in place for purchases over \$3,000. Likewise, splitting purchases in order to keep below the \$3,000 single-purchase threshold will be viewed as an unauthorized commitment of funds requiring a retroactive contract ratification action.

References: FAR, DFAR, MAPS, DoDFMR 7000.14-R

How are my civilians paid?

Civilian labor is normally the single, largest type of cost for bases and stations and a growing cost for the Operating Forces. The costs associated with labor are broken down into two categories, basic pay with other pay entitlements (i.e., overtime, shift, etc.), and fringe benefits (i.e., the government's share of retirement, Federal Insurance Contributions Act (FICA), health benefits).

There are two separate operations that are performed to account and keep track of labor hours and costs concerning civilian employees. The first operation is time and attendance and is performed primarily for payroll purposes. Time and attendance information is manually entered into the Standard Labor Data Collection and Distribution Application (SLDCADA) system, which will automatically feed the Defense Civilian Pay System (DCPS) for payment purposes. The second operation is labor distribution. Labor distribution is a cost accounting function that ensures that the costs associated with civilian labor are properly charged within the accounting system.

References: MCO 12790.2 W/CH1, MCO 12510.2C W/CH1, MCO P12000.11A

What are expiring funds?

Expiring funds are appropriations that cannot be carried over into the next fiscal year for new obligations. Those funds must be committed and obligated before the term of the appropriation expires otherwise they are lost. Similarly, reverted balances occur when invalid obligations are identified after the year concludes. When these invalid obligations are deobligated it exposes lost opportunities since these funds could have been reapplied to purchase other goods and services. In FY 2005, the USMC lost \$70+M of lost purchasing power because of a lack of attention to the accounting records. These reverted funds could have funded the operations of a peacetime MEF for a full year.

How does the Marine Corps fund contingency operations?

Contingency operations for emergent mission requirements are often funded after-the-fact by supplemental appropriations issued by Congress. Initially, field commanders may have to reprioritize their O&M budgets to carry out contingency operations. Commanders must track and report the 'cost' of contingency operations so HQMC can make detailed requests to Congress for reimbursement.

Commanders must develop detailed financial plans to request reimbursement of incremental costs incurred above baseline funding.

References: DoD FMR 7000.14R, MARADMIN 133/02, 10 U.S.C. 40, Joint Pub 1-06

Why do I need to do a reimbursable?

DoD activities may furnish the sale of material, work, and services to other DoD components or public sources on a reimbursable basis pursuant to public laws and DoD policies. There are two types of reimbursable orders: Economy Act orders and Project Orders, which can further be broken down into funded or unfunded reimbursable.

Economy Act Orders are normally used for work or services of a normal or recurring nature (e.g., utility support, administrative support, janitorial support, etc.), as well as one time work orders and Project Orders are normally used for work or services with long completion times or for non-recurring types of work, such as a construction project.

Reference: DoD FMR 7000.14R

How do we pay for reimbursables with other DoD service/agency support?

The Military Interdepartmental Purchase Request (MIPR) form, DD 448, authorizes funds for an external command, outside the DON, to perform work or services for the requesting command. For example, if a Marine unit is training at an Army base, the Marine unit will send funds to the Army Base Comptroller with the MIPR to fund work or services required by the Marine unit. However, MIPR's require a Determination and Finding (D&F) to justify why the work should be done outside of the Marine Corps. The RCO can assist you in providing the required documentation and approval process for the D&F. In many cases where a re-occurring requirement has identified one Service as an Executive Agent for providing support services, there may be a blanket D&F already in existence.

References: DoD FMR 7000.14R, MCO 7300.21A, FAR, DFAR

Information about the Government Travel Charge Card Program (GTCCP)

The GTCCP facilitates official travel. The Commander's Personnel Administrators (consolidated administrators) and the AC/S, G-1 owns the official travel business process. Charges incurred on the GTCCP are personal in nature and not related to an appropriation. Commanders, through their AC/S, G-1, remain responsible for the execution and monthly review of the GTCCP within their commands. A Commanders Agency Program Coordinator (APC), typically their AC/S, G-1 or their Personnel Officer, provides oversight of the GTCCP. A successful program is one with no delinquent cardholders. APC duties include:

- Assist and educate cardholders on GTCCP issues
- Hold individual cardholders responsible to pay their GTCCP bill whether they have been reimbursed for their travel or not
- Proactively work reports and report delinquency and misuse to the Commander/supervisor
- Brief the Commander monthly on GTCCP issues

Reference: MCO 4600.40A

What do I need to know about the Government Commercial Purchase Card?

The Government-wide Commercial Purchase Card Program (GCPC), also known as the Purchase Card, has proven to be a successful procurement tool. ADC I&L (LB) provides Marine Corps policy for use of the GCPC as a method of payment for actions over \$2,500, and established policy for use of the GCPC as a method of payment. To obtain a waiver to this policy, cardholders must obtain approval from the head of the Regional Contracting Office (RCO), or their designee, to use the GCPC as the method of payment for purchases above \$2,500 for services, \$3,000 for supplies, and below \$25,000. Use of the GCPC as the method of payment for purchases of \$25,000 or more requires approval by HQMC, I&L (LB).

When using the GCPC with Government sources of supply or as a method of payment for simplified acquisitions and electronic orders placed against competed Indefinite Delivery Indefinite Quantity (IDIQ) contracts, the threshold is \$100,000 (\$5.5 million for commercial items including options, using the procedures of FAR Part 13.5, and \$9,999,900 for orders issued against GSA schedule contracts or other Indefinite Delivery Contracts (IDCs).

Because the GCPC is easy to use, Commanders need to pay particular attention to its use. The GCPC has an inherently high risk of being abused to buy unauthorized or pilferable items. A Commander's GCPC cardholder needs adequate oversight and supervision to ensure items purchased are requested and approved by someone other than the cardholder. Commanders must ensure due diligence by ensuring receipts match to the GCPC purchase requests. This ensures cardholder do not do "window-shopping".

The APC, generally located at the Regional Contracting Office (RCO), manages the program for the Commanding Officer. APC responsibilities includes: establish purchase card accounts, provide training, delegate contracting authority, monitor and approve monthly GCPC statements conduct audits, and coordinate with the cardholders, the cardholders' command, and the GCPC bank.

References: Public Law 107-248 8149C, DoD GCPC Guidebook, NAVSUPINST 4200.99, MCBul 4400 series, MARADMIN 433/02, MARADMIN 628/00

Can I buy command medallions ("coins")?

Medallions may be purchased with locally available appropriated funds and presented as awards for significant accomplishments. General Officers in command must authorize any purchase and use of these medallions ("coins") to recognize accomplishments as part of an official awards program, as spelled out in a Command Awards Order. Commands need to be aware of the limitations that apply to the giving of government funded coins.

- Do not use coins as a personal gift.
- Do not use coins as a token of appreciation.
- Do not use coins for recognition of the contributions of unaffiliated parties.
- Do not use coins to recognize volunteers
- Do ensure the command's name is on the coin
- Do not allow the coin to have the name of an individual Commander
- Do ensure the coin clearly states "For Excellence" or other verbiage making it clear the coin is an award and not a "remember me" memento
- Do ensure Commanders purchase only enough coins to meet the estimated needs for each fiscal year to prevent a bona fide needs statute violation.

Absent an official awards program, distributing coins is considered a gift and this is not a permissible practice. Coins and medallions may, however, be purchased with personal funds. If a Commander's personal funds are used, he may use the coins in any manner he chooses. Because most coins require a substantial up-front minting cost and normally a minimum minting quantity, care must be taken to ensure the purchase is appropriate, in sufficient estimated quantity to not exceed current fiscal year requirements, and not co-mingled with other coins or mementos.

Reference: MCO 7042.6C

How do I fund conferences?

Financial responsibility for planning and conducting Marine Corps sponsored conferences lies with the sponsoring Commander or sponsoring staff agency head. Officials sponsoring a conference must exercise good stewardship of Marine Corps resources by ensuring that conference costs are minimized, best value is obtained by the Government, and that attendee conference travel expenses stay within normal per diem rates. Off-site conferences should be conducted only if a comparison with available DoD conference sites/lodging confirms the off-site location is comparable in price with DoD/MCCS-run facilities. Use of premium lodging sites should be avoided. While an ocean view or a 5-star golf course seems appealing, especially when spouses are also in attendance, they are not cost-effective and can (and have) result in hotline and other complaints. A Commander cannot collect attendee conference fees to offset the cost of the conference. Further, a Commander cannot reimburse or supplement the appropriation from which the conference is funded. A Commander also cannot authorize the use of appropriated funds to pay for an employee's food and light refreshments – this is funded through the employees travel voucher as is any conference fees charged by a non-DON conference sponsor.

Reference: MCO 7300.22A

How do I buy computers, IT equipment?

MCSC administers all centrally managed programs for the Marine Corps and is required to use PMC funds to procure centrally managed IT equipment, software, and peripherals. MCSC also develops and maintains Blanket Purchase Agreements (BPA) (equipment including desktops, laptops, servers, and storage devices) and Enterprise Agreements (EA) (software) to standardize IT and simplify the portfolio. Units using local O&M funds will procure information technology hardware and software from MCSC. MCSC will centrally procure IT hardware and software; such procurements will result in locally-managed assets that will be supported within the terms of the contract, BPA or EA. These assets will not be centrally refreshed which means that units must develop their own refresh schedule and adjust their future year budgets to accommodate refresh in the future.

The general rule is that local command expense funds (O&M) may be used for IT purchases (to include non-NMCI desktops, laptops and servers) if the item(s) are not centrally managed or part of a centrally managed system, the total purchase (to include hardware, software and peripherals) is less than the expense/investment threshold (currently \$250,000), or if the total purchase is \$250,000 or more and the items do not comprise a "system" or improve system performance. Since purchases occasionally fall into a gray area under the fiscal definition of "system", final determination of funding type will be made by HQMC P&R through the IT Procurement Request Review/Approval System (ITPRAS).

All IT requirements (to include computers, software, servers, handheld radios, etc) must be coordinated with your AC/S, G-6 and your local Area Counsel Office. Each unit/command will have a designated coordinator that has the authority to approve requests under \$25,000 that do not meet the special circumstances. All requests greater than \$25,000 are reviewed and approved by HQMC. Local coordinators are guided by the following principles:

- Determine whether the IT products or services to be procured are covered under the NMCI contract and will be used primarily on the NMCI network or computers.
- Assess operational impact if purchases are postponed to allow NMCI to meet the requirement. This would be done when NMCI has the procurement of the requirement in their contract.
- Determine whether the proposed procurement is a valid operational or program requirement if not covered in the NMCI contract.
- Approve and forward a procurement request after ensuring it does not violate policies in the active references.

Commanders do not require ITPRAS approval for consumables such as paper, toner, floppy disks, or writeable/rewriteable CDs/DVDs. Commanders do require ITPRAS approval for hard disk drives since they are not considered to be consumables. Copies of all current policy documents are located at: <https://hqodod.hqmc.usmc.mil/itproc.asp>

References: DoD FMR 7000.14R, MARADMIN 363/05, MARADMIN 530/05, MARADMIN 486/06, MARADMIN 298/08, MARADMIN 591/08

What can I do to pay for the annual Marine Corps Birthday Ball?

Commanders can use O&M funds for the following expenses in support of the official ceremony:

- Security
- Official transportation
- Photography of the official ceremony
- Printing and publications supporting only the official ceremony
- Audio/visual support for the official ceremony

Commanders cannot use O&M funds for the social event. The social event includes the dinner, refreshments, favors, entertainment and other social activities. These functions shall be supported primarily through ticket sales, unit fundraising events (earned monies), unsolicited donations, and MCCS NAF or MWR APF, if available

Fundraising for the Birthday Ball must comply with applicable guidance, to include the Joint Ethics Regulation. Commands CANNOT fundraise or secure commercial sponsorship for any purpose, including a Birthday Ball social event, since commands are funded with APF and the Antideficiency Act prohibits the augmentation of these funds. While commands CANNOT fundraise or enter into commercial sponsorship agreements, they may officially support fundraising in certain cases. Individual units may hold fundraising events to augment their own MCCS unit funds, but may not enter into commercial sponsorship agreement to augment their unit funds. Commercial sponsorship arrangements are not considered fundraising events, however, they may only be entered into by MCCS. For more guidance on fundraising, please contact your local Staff Judge Advocate or Area Counsel Office.

References: 10 U.S.C. 5042, DoDI 1015.15, MCO 7040.11A, MARADMIN 439/08

I have a big purchase that would be much more convenient if I broke it down into parts that are each less than \$3K so I can use the GCPC to make the purchases, is this OK?

No, this is illegal. Do not fragment or piecemeal an acquisition merely to avoid exceeding the \$3K ceiling, even if a case can be made for dividing the requirement. This constitutes a violation of the Purpose Statute, and will result in a violation of the Antideficiency Act. Consolidate similar type items into one order. Commanders must forward all requirements that exceed \$3K to the Contracting Officer for procurement action.

Can I buy Business Cards?

Commanders can only use appropriated funds to purchase card stock and printer ink. They cannot use a commercial vendor to prepare the cards. Commanders must use in-house computing resources to print their own business cards. Only recruiters and criminal investigators can purchase commercially prepared business cards.

Reference: DoD Directive 5330.3

Can I use my O&M to provide coffee and donuts for my official meetings?

NO. GAO has published an opinion specifically determining coffee and donuts to be an unauthorized expense. Buying food for individual employees – at least those who are not away from their official duty station on travel status – does not materially contribute to an agency's mission performance. As a result, food is generally considered a personal expense.

References: GAO Decisions: B-163764, May 17, 1968; B-159633, May 20, 1974; B-233807 August 27, 1990; B-301184, Jan. 15, 2004; MCO 7300.22A

A Marine received a fine while in an official duty in a personal vehicle (or a government owned vehicle), can I use O&M to pay for it?

Marines and civilian employees must pay their own fines regardless of whether the vehicle was privately or government owned. The payment of a fine or penalty does not materially contribute towards an agency's mission accomplishment so the use of a Commander's fund is not authorized.

References: GAO Decisions: B-231981, May 19, 1989, B-58378, 31 July 1978; B-102829, 8 May 1951; B173660, 18 November 1971; B205438, 12 November 1981; B-186680, 4 October 1976; B-191747, 6 June 1978; B-227388, 3 September 1987; B-161457, 9 May 1978

Key References and Web Addresses

Marine Corps Orders can be found at:

<http://www.marines.mil/news/Pages/OrdersAndDirectivesSearch.aspx>

Federal Acquisition Regulations (FAR): <https://www.acquisition.gov/FAR/>

Financial Management Regulations (DoD FMR 7000.14R):

<http://comptroller.defense.gov/fmr/>

DoD Orders and Directives: <http://www.dtic.mil/whs/directives/>

GAO Decisions: <http://www.gpoaccess.gov/gaodecisions/index.html>