



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
3000 MARINE CORPS PENTAGON
WASHINGTON DC 20350-3000

MCO 7000.1
P&R (PA&E)
23 Aug 2022

MARINE CORPS ORDER 7000.1

From: Commandant of the Marine Corps
To: Distribution List

Subj: MARINE CORPS PLANNING, PROGRAMMING, BUDGETING, EXECUTION,
AND ASSESSMENT (PPBEA) PROCESS

Ref: See enclosure (1)

Encl: (1) References
(2) Planning, Programming, Budgeting, Execution, and Assessment
(PPBEA) Figures
(3) Planning
(4) Programming
(5) Budgeting
(6) Execution
(7) Assessment
(8) Audit
(9) Definition of Terms
(10) Planning, Programming, Budgeting, Execution, and
Assessment (PPBEA) Timeline
(11) Inputs/Activities/Outputs

1. Situation

a. The Planning, Programming, Budgeting, and Execution (PPBE) system is the Department of Defense (DoD) decision-making process for the allocation of limited resources among many competing requirements. PPBE's purpose is to most efficiently fund, operate, and support effective forces to protect national security interests. This order provides policy and procedural guidance for the execution of PPBE actions, with the addition of an assessment phase to promulgate specific Marine Corps Planning, Programming, Budgeting, Execution, and Assessment (PPBEA) actions within the DoD PPBE construct. This Order is in accordance with references (a) through (r).

b. The objectives of the PPBEA system are to:

(1) Provide the Marine Corps with the most effective mix of forces, equipment, manpower, and support attainable within fiscal constraints.

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(2) Facilitate the alignment of resources to prioritized capabilities based on an overarching strategy, balancing necessary warfighting capabilities with risk, affordability, and effectiveness.

(3) Provide mechanisms for making and implementing fiscally sound decisions in support of the national security strategy, national defense strategy, and service strategy.

(4) Facilitate execution reviews of past decisions and actions.

c. Changes in the competitive dynamics of the strategic environment and the consequent implications for core competencies are inspiring Marine Corps leadership to seek solutions along a path towards innovation. This approach requires a systematic analytical process in support of Commandant of the Marine Corps (CMC) strategy by, with, and through the PPBEA process. To build the most effective force, the Marine Corps must align the activities within the PPBEA cycle with the desired strategic outcomes. Key actions/activities to reform PPBEA include:

(1) Collect, collate, analyze, and maintain the data and input reflecting Marine Corps requirements and priorities.

(2) Maintain visibility of resources throughout the lifecycle.

(3) Identify operational risks associated with funding or not funding capabilities and commands to a desired level.

d. The PPBEA system contributes to and is influenced by other DoD systems and government frameworks such as the Joint Capabilities Integration and Development System (JCIDS) and Defense Acquisition System (DAS), in addition to service systems such as the Marine Corps Capabilities Development Process, and Total Lifecycle Management (TLCM) governance framework. While these system frameworks are interrelated, this order focuses on PPBEA-specific processes and actions. See references (f) through (i) for additional information on systems related to PPBEA.

2. Cancellation. MCO P3121.1, MCO 5230.23.

3. Mission. Commanders and directors will use the PPBEA process to align strategic objectives, force development, capability development, and operational requirements with available resources and associated risks in order to enable evidence-based, risk-aware resource allocation decisions, and to ensure maximum efficiency in the furtherance of Marine Corps missions.

4. Execution

a. Commander's Intent

(1) Purpose. The ability of senior leaders to identify and understand resourcing and impacts associated throughout each phase of the PPBEA process is critical. It supports the Commandant's Planning Guidance in support of service requirements. Senior leaders must prioritize requirements and balance risk that supports the service's strategic goals.

(2) Method. Implement a CMC-led, general officer-driven, strategically aligned, mission oriented, and naval-integrated process. This top-down process will leverage credible and rationalized data; establish an evidence-based decision framework with traceable decisions; and codify performance goals and metrics; all further enabling risk-aware decision making.

(3) End-state. A transparent resourcing process that is supported by authoritative data sources and processes will enable the Marine Corps to develop consistent and clear long-term plans, adequately resource capabilities, and enable a risk-weighted decision support tool for CMC and senior leaders to measure, assess, and adjust for desired strategic outcomes.

b. Concept of Operations

(1) The PPBEA process requires a series of exchanges between the Office of the Secretary of Defense (OSD), the Department of the Navy (DON), and the CMC that result in a defense program documented and displayed in the Future Years Defense Program (FYDP). Planning encompasses strategic and capabilities planning to identify requirements and inform strategic choices on how to allocate limited resources. Programming aligns available resources to capability requirements. Budgeting is the formulation and justification of resources to execute any Title 10, United States Code, power, duty, or function of the Secretary of the Navy (SECNAV) or CMC, including: recruiting, organizing, supplying, equipping, training, servicing, mobilizing, demobilizing, administering, and maintaining of the Marine Corps. Execution includes the transfer of funds to and within the Marines Corps. Assessment is the continuous monitoring and evaluation of the programming, budgeting, and execution phases to inform decisions and drive adaptation.

(2) One complete PPBEA cycle, from the onset of planning to the end of an assessment, typically exceeds three calendar years (Figure 2-1, enclosure (2)). The PPBEA process overlaps in time and requires organizational attention across multiple phases.

(3) Figure 1-1 highlights the temporal nature of the PPBEA process, including its primary inputs, significant activities, and

essential outputs. A summary of each phase is detailed in the following paragraphs.

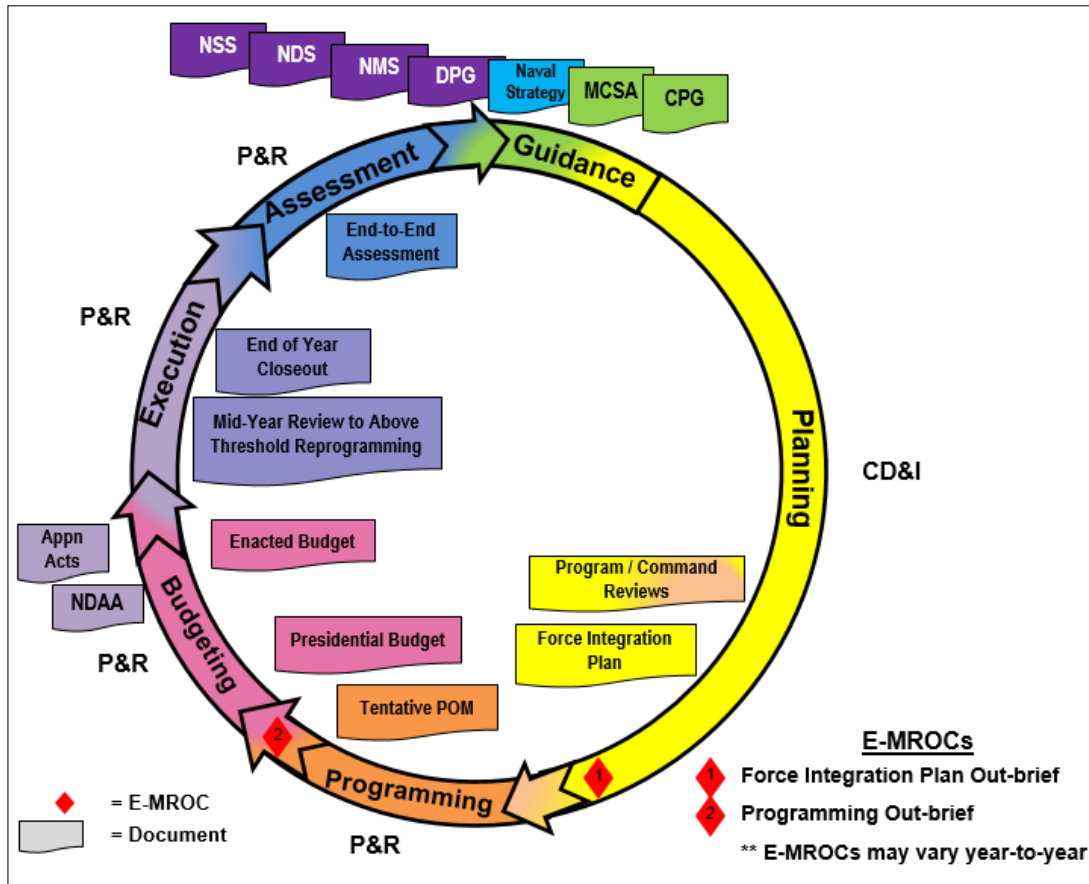


Figure 1-1: Planning, Programming, Budgeting, Execution, and Assessment (PPBEA) Process Cycle

(4) Planning Phase. The planning phase begins with receiving national, departmental, and service level strategies and CMC guidance. The planning phase is a deliberate and integrated process through which the Marine Corps analyzes capabilities, gaps, solutions, and risk. Deputy Commandant for Combat Development and Integration (DC CD&I) is the office of primary responsibility (OPR) for the conduct of the planning phase. DC CD&I's conduct of future force development planning includes strategic planning and capabilities planning, per reference (f). The key activities during this phase include strategic planning, capabilities planning, and program and organization data collection. The key output of this phase is a CMC-approved Force Integration Plan that includes enterprise investment and divestment lists and a capability gap list. This phase ends with a CMC-approved Force Integration Plan. See enclosure (3) for additional information regarding the planning phase.

(5) Programming Phase. The programming phase formally begins upon Deputy Commandant for Program and Resources (DC P&R) receipt of

the CMC-approved Force Integration Plan, however, the issuance of initial programming guidance directing programming preparatory work will occur during the latter part of the planning phase. The programming phase translates planning priorities into quantifiable resource positions. DC P&R is the OPR for the programming phase. A network of subject matter experts (SMEs) from across the enterprise that are closely aligned with specific programs will be referred to as enterprise programming teams (EPTs). EPTs and their assigned enterprise programmers will serve in direct support of DC P&R during the programming phase to provide programming support in their area of expertise. This phase consists of a transition stage and programming.

(a) Requirements to Resources Transition. The requirements to resources transition stage provides a deliberate transition from the planning phase to the programming phase. Key inputs include the CMC-approved Force Integration Plan, the compliance risk assessment, and program and organizational data collection. During the transition stage, DC P&R is supported by DC CD&I and enterprise programmers to develop the requisite products needed to develop, communicate, and defend the Program Objective Memorandum (POM). The key activities of this stage include orientation briefs, the POM fiscal war-game, and balancing of the POM.

(b) Programming. During programming, programmers apply resources across the FYDP in accordance with the CMC-approved Force Integration Plan and DON, OSD, and Congressional guidance and directives. DC P&R, supported by DC CD&I and enterprise programmers, develop the products to balance, communicate, and defend the POM. The outputs of this phase include the Tentative POM (T/POM) brief, POM executive summary, draft roll-out briefs, and issue papers. This phase ends with the POM-to-budget transition. See enclosure (4) for additional information regarding the programming phase.

(6) Budgeting Phase. The budgeting phase begins with the POM-to-budget transition. In each PPBEA cycle, the POM is formulated into the budget in accordance with all higher level guidance and Congressional requirements. The President's Budget Request (PBR) is the principal budgeting phase document, which requires the timely generation of necessary data and justification materials to support submission to Congress. DC P&R is the OPR for the budgeting phase. This phase ends with the approval of Congressional Appropriations. See enclosure (5) for additional information regarding the budgeting phase, including key inputs, activities, and outputs.

(7) Execution Phase. The execution phase begins with Congressional Appropriations and fiscal year open-up. Execution entails financial management activities necessary to resource Marine Corps missions. The Marine Corps receives apportionments and authorizations from Congress via the Office of Management and Budget (OMB), OSD, and DON. The execution of funds within the Marine Corps is managed by fiscal controls and spend plans. DC P&R is the OPR for the execution phase. See enclosure (6) for additional information

regarding the execution phase, including key inputs, activities, and outputs.

(8) Assessment. The assessment phase is enduring throughout the PPBEA process and includes reviews of all PPBEA phases to inform future POM cycles and the analysis of national, departmental, and service level strategies. Back-end analyses are examinations of various metrics to evaluate performance. The assessment phase also uses strategic guidance to inform PPBEA decision making. See enclosure (7) for additional information regarding the assessment phase. The assessment phase also includes a Full Financial Statement Audit in compliance with applicable laws and regulations that begins after close out of the previous fiscal year. The audit is an annual requirement that provides a report on internal control over financial reporting and compliance with laws and regulations. See enclosure (8) for additional information regarding audits.

(9) Key components to ensuring this concept of operations is achievable include: a comprehensive financial code data strategy that includes all codes and systems used to plan, program, budget, process, and transact funds; a business system that enables modern accounting practices compliant with audit regulations; and Marine Corps organizations integrated into the full PPBEA process. The Marine Corps applies support frameworks that help inform and standardize the traceability of funding throughout programming, budgeting, and execution. These frameworks are Common Output Levels of Service (COLS), strategic workforce planning, and enterprise wide visibility on all classes of sustainment.

c. Subordinate Element Tasks

(1) Deputy Commandant, Combat Development and Integration (DC CD&I)

(a) Lead all planning phase activities. Align capabilities planning with the annual requirements of the PPBEA process. Publish guidance, procedures, and timelines in support of all planning phase activities as required.

(b) Support the CMC in development of service strategic guidance to be used in planning.

(c) Develop a Marine Corps enterprise Force Integration plan that serves as a basis for resourcing and solution development. The plan shall include fiscal recommendations to inform resourcing, and direction for solution requirements generation and follow-on solution development action.

(d) Coordinate data elements and organizational structures with DC P&R to build transparency and traceability from requirements to resourcing.

(e) Support DC P&R in the assessment of potential divestment opportunities to be used in planning.

(f) As the EPT Manager, coordinate the Warfighting Investment EPT.

(g) Recommend approval or disapproval of all out-of-cycle warfighting investment initiatives and associated resourcing.

(h) Provide appropriate SME(s) and support to programming working groups and operational planning teams (OPTs) as required.

(i) In coordination with Deputy Commandant for Manpower and Reserve Affairs (DC M&RA), develop and publish the Authorized Strength Report and End Strength requirements periodically as required for POM, budget, and force management purposes.

(2) Deputy Commandant, Programs and Resources (DC P&R)

(a) Align with CMC's intent, national strategy, and departmental guidance to manage the Marine Corps PPBEA process, ensuring CMC's Total Obligation Authority (TOA) is justified and defended.

(b) Direct and manage the processes governing the development, documentation, and submission of the Marine Corps POM and budget; defend the POM/budget during DON and OSD Program Reviews. Issue programming, budgeting, and execution guidance as required.

(c) Monitor the Congressional markup of the Marine Corps budget and conduct resource focused liaison with the appropriations committees.

(d) Provide guidance and funding controls to subordinate commands. Allocate funds to Marine Corps activities. Monitor funds availability and execution efficiency to ensure compliance with all internal, external, and statutory requirements, and make necessary execution related resource adjustments.

(e) Manage audit readiness and sustainment efforts. Monitor or execute audit remediation efforts to sustain audit infrastructure and financial systems. Promulgate an internal control program to support the Marine Corps Statement of Assurance.

(f) In concert with the Deputy Chief of Naval Operations for Integration of Capabilities and Resources (N8), ensure programmatic alignment of the Naval Service's integrated plan.

(g) Coordinate with other Services, as warranted, throughout the PPBEA process to ensure accuracy, completeness, and the observation of best practices in financial management and POM-related activities.

(h) Support planning phase activities by providing financial and resource data analysis.

(i) Coordinate assessment activities as they pertain to the programming, budgeting, and execution phases.

(j) Provide analysts to assist organizations in the timely and efficient completion of Commander's Organizational Risk Estimate (CORE) Reports.

(k) Coordinate with all concerned parties for the accomplishment of Marine Requirements Oversight Council (MROC) briefs and decisions according to the timelines and business rules of the PPBEA process and reference (j).

(l) Disseminate MROC Review Board (MRB)/MROC briefs and related material to MROC members to enable staff review and MROC member preparation.

(m) Publish and disseminate MROC Decision Memorandums.

(n) As the EPT Manager, coordinate the Headquarters EPT.

(o) Recommend approval or disapproval of all out-of-cycle headquarters initiatives and associated resourcing.

(p) Provide appropriate SME(s) to planning and programming working groups and OPTs as required.

(3) Deputy Commandant, Aviation (DC AVN)

(a) As the EPT manager, coordinate the Aviation EPT and support DC P&R in the development of a balanced blue in support of green (BISOG) POM submission.

(b) Coordinate with Office of the Chief of Naval Operations (OPNAV) N98 to maintain and protect Marine aviation equities inside shared accounts with the United States Navy (USN).

(c) In coordination with DC CD&I, assess critical gaps in aviation, identify solutions, and determine aviation priorities. In coordination with USN and Naval Air Systems Command (NAVAIR), determine readiness metrics across the Naval Aviation Enterprise.

(d) In support of DC P&R, serve as the Subject Matter Expert on all OSD Cost Assessment Program Evaluation, Marine Corps aviation issue teams.

(e) Provide SME support to DC P&R for readiness and budgetary testimony and Congressional inquiries.

(f) Provide appropriate SME(s) to programming working groups and OPTs as required.

(g) Support POM development with investment and divestment options. Assist in the definition and identification of risk as it relates to the relevant functional area. Provide inputs as needed to support the development and defense of the Marine Corps POM and PBR.

(4) Deputy Commandant, Information (DC I)

(a) As the EPT Manager, coordinate the Information EPT.

(b) Recommend approval or disapproval of all out-of-cycle information initiatives and associated resourcing.

(c) Provide appropriate SME(s) to planning and programming working groups and OPTs as required.

(d) Support POM development with investment and divestment options. Assist in the definition and identification of risk as it relates to the relevant functional area. Provide inputs as needed to support the development and defense of the Marine Corps POM and PBR.

(e) Support Full Financial Statement audit efforts in all areas over which DC I has domain over, particularly as it relates to information technology (IT) systems policy, control, segregation of duties, configuration management, and interface controls.

(f) As the DON Deputy (Marine Corps) Chief Information Officer (CIO), oversee IT capital planning and investment management and strategic planning for all information and IT management functions and lead processes and reports related to IT compliance and resources as the Service CIO.

(g) Through the Service's Director, Intelligence position, serve as the component manager for Military Intelligence Programs and National Intelligence Programs and functional manager for the Marine Corps Intelligence, Surveillance, and Reconnaissance Enterprise.

(5) Deputy Commandant, Installations and Logistics (DC I&L)

(a) Provide the DC P&R the cost data for Operation and Maintenance, Marine Corps (OMMC).

(b) Exercise primary staff cognizance over materiel readiness and sustainability.

(c) Develop resourcing requirements for sustainment and installations programs and enablers, and coordinate with DC P&R to allocate resourcing.

(d) Provide materiel cost and readiness data for all DoD and DON reporting requirements and Marine Corps program-level cost estimating and sustainment planning requirements.

(e) Identify equipment readiness impacts.

(f) As the EPT Manager, coordinate the Installations and Sustainment EPTs.

(g) Recommend approval or disapproval of all out-of-cycle installations and sustainment initiatives and associated resourcing.

(h) Provide appropriate SME(s) to planning and programming working groups and OPTs as required.

(i) Support POM development with investment and divestment options regarding Force Sustainment at the enterprise-level as well as options specific to the Sustainment and Installations EPTs. Assist in the definition and identification of risk as it relates to the relevant functional area. Provide inputs as needed to support the development and defense of the Marine Corps POM and PBR.

(j) Support Full Financial Statement audit efforts in all areas over which DC I&L has domain over, particularly as it relates to general Plant, Property and Equipment and Operating Materials and Supply accounts.

(6) Deputy Commandant, Manpower and Reserve Affairs (DC M&RA)

(a) As the EPT Manager, coordinate the Manpower EPT.

(b) Recommend approval or disapproval of all out-of-cycle manpower initiatives and associated resourcing.

(c) Provide appropriate SME(s) to planning and programming working groups and OPTs as required.

(d) Support POM development with investment and divestment options. Assist in the definition and identification of risk as it relates to the relevant functional area. Provide inputs as needed to support the development and defense of the Marine Corps POM and PBR.

(e) Support Full Financial Statement audit efforts in all areas to which DC M&RA has domain over, particularly as it relates to manpower policies and processes.

(f) Develop complete sets of Active Component and Reserve Component manpower plans including work year requirements and discretionary manpower requirements for bonuses and incentive pays. Submit these plans and estimates to DC P&R as required for POM and budget purposes.

(7) Deputy Commandant, Plans, Policies, and Operations (DC PP&O)

(a) Provide a Marine Corps Strategic Assessment (MCSA) annually that supports POM development.

(b) Serve as a Tri-Manager of the Fleet Marine Forces EPT.

(c) Recommend approval or disapproval of all out-of-cycle operating forces initiatives and associated resourcing.

(d) Provide appropriate SME(s) to planning and programming working groups and OPTs as required.

(e) Support POM development with investment and divestment options. Assist in the definition and identification of risk as it relates to the relevant functional area. Provide inputs as needed to support the development and defense of the Marine Corps POM and PBR.

(8) Commanding General, Training and Education Command (CG TECOM)

(a) Exercise primary cognizance over training and education programs.

(b) As the EPT Manager, coordinate the Training and Education EPT.

(c) Recommend approval or disapproval of all out-of-cycle training and education initiatives and associated resourcing.

(d) Develop and/or validate resourcing requirements for Service level training and education programs and enablers, and coordinate with DC P&R to allocate resourcing.

(e) Support POM development with investment and divestment options. Assist in the definition and identification of risk as it relates to the relevant functional area. Provide inputs as needed to support the development and defense of the Marine Corps POM and PBR.

(9) Commanding General, Marine Corps Forces Command (CG MARFORCOM)

(a) Serve as a Tri-Manager of the Fleet Marine Forces EPT.

(b) Support POM development with investment and divestment options. Assist in the definition and identification of risk as it relates to the relevant functional area. Provide inputs as needed to support the development and defense of the Marine Corps POM and PBR.

(c) Provide appropriate SME(s) to planning and programming working groups and OPTs as required.

(10) Commanding General, Marine Corps Forces Pacific (CG MARFORPAC)

(a) Serve as a Tri-Manager of the Fleet Marine Forces EPT.

(b) Support POM development with investment and divestment options. Assist in the definition and identification of risk as it relates to the relevant functional area. Provide inputs as needed to support the development and defense of the Marine Corps POM and PBR.

(c) Provide appropriate SME(s) to planning and programming working groups and OPTs as required.

(11) Commander's Organizational Risk Estimate (CORE) Reporting Organizations and Commands. Organizations and commands required to develop CORE reports will be specified in annual guidance.

(a) Provide accurate and timely reporting on requirements, risk, resources, and measures of performance in accordance with enclosure (3) and annual CORE guidance.

(b) Provide representation to the planning and programming phase working groups and OPTs as required.

(c) Ensure subordinate organizations complete CORE reports on time and in accordance with published guidance.

(d) Provide inputs as needed to support the development and defense of the USMC POM/PBR.

(e) Provide timely and accurate execution of funds reports in accordance with enclosure (6).

(f) Support POM development with investment and divestment options. Assist in the definition and identification of risk as it relates to the relevant functional area.

d. Coordinating Instructions

(1) All Marine Corps activities shall support or inform the PPBEA process in accordance with this order and guidance published by PPBEA OPRs.

(2) See enclosure (11) for PPBEA timeline.

5. Administration and Logistics

a. Annual Guidance. P&R will promulgate annual guidance for PPBEA-related requirements, including POM serials and program/command data collection.

b. Records Management. Records created as a result of this directive shall be managed according to National Archives and Records Administration (NARA)-approved dispositions per SECNAV M-5210.1 CH-1 to ensure proper maintenance, use, accessibility and preservation, regardless of format or medium. Records disposition schedules are located on the Department of the Navy/Assistant for Administration (DON/AA), Directives and Records Management Division (DRMD) portal page at: <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>
Refer to MCO 5210.11F for Marine Corps records management policy and procedures.

c. Privacy Act. Any misuse or unauthorized disclosure of personally identifiable information (PII) may result in both civil and criminal penalties. The DON recognizes that the privacy of an individual is a personal and fundamental right that shall be respected and protected. The DON's need to collect, use, maintain, or disseminate PII about individuals for purposes of discharging its statutory responsibilities shall be balanced against the individual's right to be protected against unwarranted invasion of privacy. All collection, use, maintenance, or dissemination of PII shall be in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a) and implemented per SECNAVINST 5211.5F.

d. Forms. No forms are used in this directive.

e. Records Dispositions

(1) This directive is assigned record schedule 5000-8.

(2) No record schedules are used within this directive.

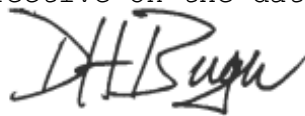
f. Updates. Updates made to this directive shall be done in accordance with the current iteration of MCO 5215.1K, Marine Corps Directives Management Program.

g. Recommendations. Recommendations concerning the contents of this order may be forwarded to CMC (P&R) via the appropriate chain of command.

6. Command and Signal

a. Command. This order is applicable to the Marine Corps Total Force.

b. Signal. This order is effective on the date signed.

A handwritten signature in black ink, appearing to read "DH Berger", is positioned above the printed name.

DAVID H. BERGER
Commandant of the Marine Corps

PCN: 10255302400

References

- (a) DoDD 7045.14 w/CH-1, "The Planning, Programming, Budgeting, and Execution Process," August 29, 2017
- (b) SECNAVINST 5000.2G
- (c) MCO 5311.1E
- (d) DC P&R Memorandum R/003, "PPBEA Reform Charter," May 14, 2019
- (e) MCO 7300.21B
- (f) MCO 3900.20
- (g) CJCSI 3170.01I, "Joint Capabilities Integration and Development System," January 23, 2015
- (h) DoDD 5000.01, "The Defense Acquisition System," September 9, 2020
- (i) MCO 4000.57A
- (j) CMC Policy Memorandum 1-17, "MROC Charter," September 9, 2017
- (k) 31 U.S.C. 1513(b)
- (l) Executive Order 11541, "Prescribing the duties of the Office of Management and Budget and the Domestic Council in the Executive Office of the President," July 1, 1970
- (m) MCDP 1-0 w/CH 1-3, "Marine Corps Operations"
- (n) MCDP 5, "Planning"
- (o) SECNAV M-5210.1 w/CH-1
- (p) MCO 5210.11F
- (q) 5 U.S.C. 552a
- (r) SECNAVINST 5211.5F

Planning, Programming, Budgeting, Execution, and Assessment (PPBEA)
Figures

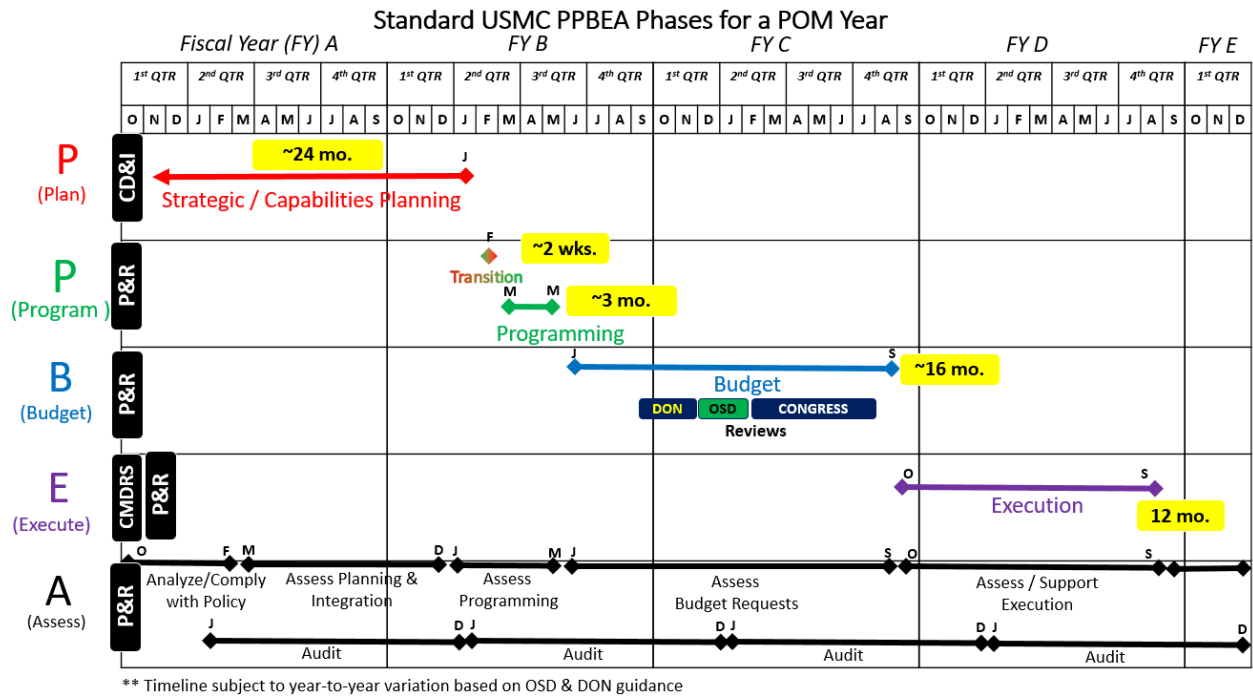


Figure 2-1: Planning, Programming, Budgeting, Execution, and Assessment (PPBEA) Phases for a Program Objective Memorandum (POM) Cycle

The PPBEA phases for a given POM year reflect the four-year linear time horizon for a single POM cycle. This graphic illustrates the totality of the PPBEA process for a given POM.

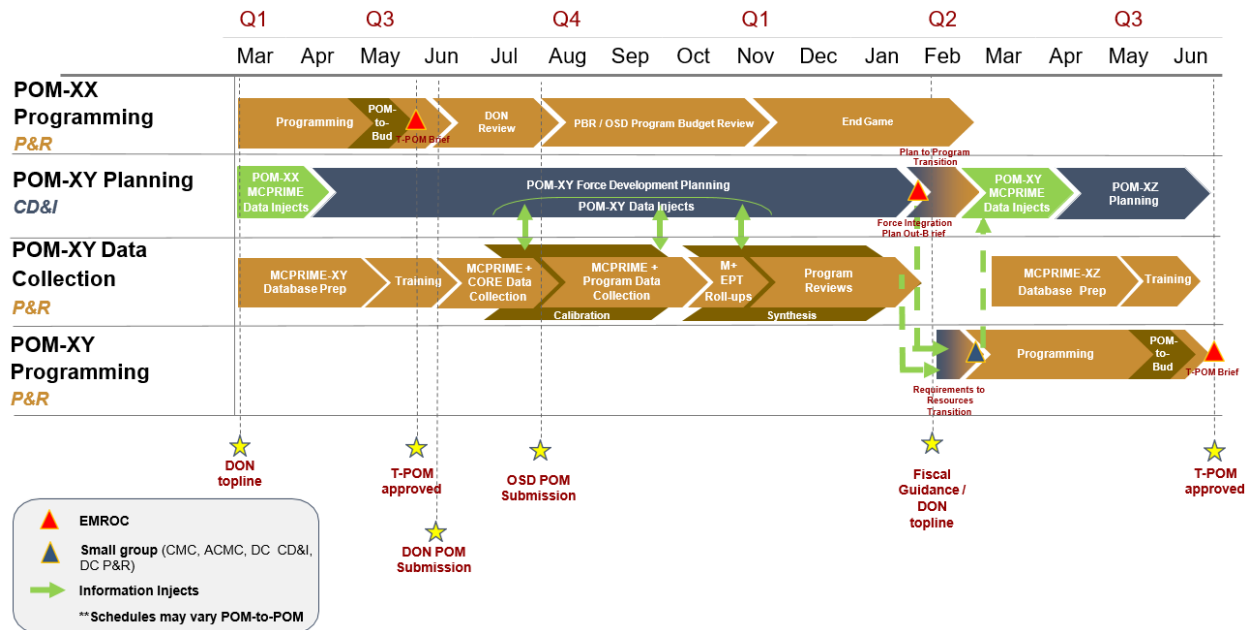


Figure 2-2: Planning and Programming Overview

Figure 2-2 displays the relationship between planning and programming.

Planning

1. Intent. Planning is a way of figuring out how to move from the current state to a more desirable future state. It must recognize the interdependence of systems (including materiel and people), doctrine, organization, and support in delivering defense capability, and the need to be able to examine options and trade-offs among these capability elements in terms of performance, cost and risk so as to identify optimum force development investments. Planning relies on scenarios to provide the context against which to measure the level of capability and connects capability goals to strategic requirements. These goals in turn allow for a holistic assessment of defense capability and the development of robust force options within the available budget to meet the range of missions and contingencies identified in guidance. The future force development process incorporates strategic planning and capabilities planning. The tenets and activities of the future force development process are specified in references (f) through (i). While this enclosure provides a brief overview of the planning phase, it is primarily concerned with the relationship between planning and the other PPBEA phases.

2. Offices of Responsibility

- a. DC CD&I is the OPR for the planning phase.
- b. Capabilities Portfolio Integration Board (CPIB) / Capabilities Portfolio Review Board (CPRB) member commands support the planning phase through participation in OPTs, working groups, and other events to include CPIB/CPRB meetings.
- c. The Installations and Logistics TLMCM framework supporting Enterprise Ground Equipment Management (EGEM) analytics is in direct support of the Planning Phase.
- d. DC P&R provides analytical support to organizations and commands for program and organization reviews.

3. Inputs

- a. Strategic documents, concepts, war-games, studies, and other analyses that comprise the campaign of learning inform planning. The campaign of learning encompasses a wide range of analytic, intellectual, and physical activities that align to inform all subsequent planning activities.
- b. The Marine Corps is also guided by the publication of the Defense Planning Guidance (DPG) and the National Defense Strategy (NDS), produced by OSD, which contain detailed requirements and strategic rationales relating to the eventual development of the POM.
- c. Senior-leader engagements, such as executive off-site (EOS) meetings and/or MROC briefs may also serve to frame the beginning of

planning and issue planning guidance. The MCSA provides additional context to any such engagements.

4. Activities

a. Future Force Development Planning. DC CD&I is the supported DC for enterprise planning and conducts strategic planning and capabilities planning for the Marine Corps. DC CD&I accomplishes this by validating concepts and identifying capabilities across doctrine, organizations, training, materiel, leadership and education, personnel, facilities, and policy. DC CD&I's Capabilities Planning is the centerpiece of the future force development process supported by the Campaign of Learning, JCIDS, Total Force Structure Process (TFSP), Urgent Needs and Deliberate Universal Need Statement Processes, and the Marine Corps Rapid Capabilities Office.

b. Program and Command Data Collection. In support of the DC CD&I led planning phase, DC P&R requires inputs to Marine Corps Program Review Information Management Enterprise (MCPRIME) for both program and organizational data in order to match data queries with timely and relevant requirements and guidance. While the organizational data focuses on a command perspective (vertical), the program data ensures that parallel information is collected from a program perspective (horizontal) in order to supplement the command perspective with programmatic equities that span multiple commands. As required, DC P&R conducts synthesis and reviews of the fiscal data in order to best understand all perspectives and programmatic nuances. Program reviews and CORE reports are examples of program and organization data collection.

(1) Program Reviews. Program reviews are in-depth examinations of assigned programs to determine programmatic risk, capabilities impact at both current and risk-adjusted funding levels, abnormalities in funding profiles, and potential execution issues. Program reviews examine prior, current, and budget year execution; budget year and program background; funding levels across the applicable FYDP; programmatic plans and milestones for the FYDP; funding category breakouts; and funding justifications. Also included are core and service-mandated programs, initiatives where additional resources are required, and key issues or challenges facing the assigned program. Additional details and requirements regarding program reviews are published annually by DC P&R.

(2) Commander's Organizational Risk Estimate (CORE) Reports and Synthesis. CORE reports are intended to provide commands/organizations that have historically lacked a voice in POM development with an evidence-based process to articulate their fiscal plans and associated risks. Organization commanders designated to produce a CORE report articulate their requirements, resources, reporting metrics, and risks (4-R) to inform planning and programming decisions. Upon completion of CORE reports and program data collection, the organizational and program data is synthesized to

reveal enterprise level impacts and investment/divestment opportunities. Additional details and requirements regarding CORE reports are published annually by DC P&R.

c. Naval Integration in Planning. Naval Integration is the concerted, proactive effort that includes any action to bring the Navy and Marine Corps together to form a more effective warfighting team. Strategic planning efforts, such as the Chief of Naval Operations (CNO) Guidance for the Development of the POM, naval concept development, and scenario planning shape Marine Corps planning. There are numerous capabilities, programs, and resource streams that are inherently naval in their character and purpose. The Marine aviation, science and technology initiatives, Navy Working Capital Fund (NWCF), network modernization, infrastructure reset, and military construction (MILCON) efforts are tangible examples of areas requiring close and constant naval integration. Each of these conceptual areas require careful attention and an appreciation of long-range trends throughout PPBEA. Throughout the process of force integration and the application of the 4-R construct, the planning phase shall give special consideration to the imperatives of naval integration and senior leaders shall seek opportunities to nest Marine Corps planning efforts with naval planning.

5. Outputs

a. Program Reviews and Synthesis Brief. Includes program review briefs and a brief detailing command and program data synthesis.

b. Commandant of the Marine Corps (CMC)-Approved Force Integration Plan. Includes enterprise investment and divestment lists, and a capability gap list.

6. Coordinating Instructions. Schedules and plans supporting capabilities planning activities shall be aligned and de-conflicted at the outset of planning in order to ensure enterprise participation throughout the planning phase.

Programming

1. Intent. DC P&R develops and defends the Marine Corps POM to establish a balanced set of programs that respond to the requirements of the planning phase. The POM is built across a five-year FYDP that allocates resources to requirements spanning from two to six years beyond the current year, and will ultimately become the Marine Corps' contribution to the PBR. This phase consists of a transition stage and programming.

a. Requirements to Resources Transition. This stage serves as the beginning of the programming phase to ensure a deliberate and integrated transition from DC CD&I's CMC-approved Force Integration Plan to a balanced T/POM. The objective of this transition is to account for the integration and prioritization of both current and future capabilities to make resource informed decisions. The transition also serves as a forum for programmers to offer different but relevant perspectives to planners that may have been unanticipated during planning.

b. Programming. Programming finds the best match between future force development requirements that have become programming objectives and the means to fulfill them. DC P&R leads the programming phase and is the supported Deputy Commandant for the programming effort. DC P&R, with the support of DC CD&I, directs the transition and programming actions to ensure planned capabilities and fiscal constraints are integrated into an achievable T/POM. EPTs provide subject matter expertise for the programming effort and operate in direct support of DC P&R during this phase.

2. Offices of Responsibility

a. DC P&R is the OPR for the programming phase. DC P&R's Assistant Deputy Commandant for Programs (ADC-P) will lead programming efforts.

b. P&R Budget and Congressional Coordination Branch (RFC) controls and monitors Program Budget Information System (PBIS) for the Marine Corps.

c. P&R Program Analysis and Evaluation (PA&E) provides direct analytical support to Programs Division (RP).

d. P&R Aviation Program Development Branch (RPA), coordinates with DC AVN to develop POM and budget submissions for Resource Sponsor Marine Aviation (RS MA) appropriations IAW reference (r).

e. DC CD&I and enterprise programmers support the programming phase as needed to ensure future force development requirements are properly resourced.

3. Enterprise Programming Teams (EPTs). EPTs are comprised of SMEs from across the enterprise closely aligned with specific Marine Corps Title 10 functions. EPTs prioritize capabilities within fiscal constraints and help assess the health of and risk to individual program initiatives within prescribed portfolios with the intent of maintaining an enterprise perspective. Each EPT is aligned to a Deputy Commandant or MARFOR Commander (EPT Manager). EPT Managers and their assigned enterprise programmers serve as enterprise capability SMEs, data aggregators, and programmers for their assigned portfolio funds. During the programming phase, EPTs are in direct support of P&R. There are nine EPTs. Their associated Title 10 based deliberations are:

a. Headquarters (HQ) (Enterprise Programming Team (EPT) Manager: Deputy Commandant, Programs and Resources (DC P&R)). Audit Readiness, Headquarters Marine Corps (HQMC) Civilian Labor, HQMC support and operations, 4th Estate Fee-for Service programs, HQ Information Technology governance, Technology Services Organization.

b. Warfighting Investment (Enterprise Programming Team (EPT) Manager: Deputy Commandant, Combat Development and Integration (DC CD&I)). Warfighting Systems Procurement Marine Corps (PMC), Research, Development, Test and Evaluation (RDT&E), Operations and Maintenance (O&M), and Procurement of Ammunition, Navy and Marine Corps (PANMC), Science and Technology.

c. Training and Education (Enterprise Programming Team (EPT) Manager: Commanding General, Training and Education Command (CG TECOM)). Training O&M, Training Systems, Ranges, Specialized Skills Training, Formal Schools Training.

d. Installations (Enterprise Programming Team (EPT) Manager: Deputy Commandant, Installations and Logistics (DC I&L)). MILCON, Family Housing Construction and Ops, Restoration and Modernization, Facilities Sustainment, Facilities Investment Programs, Environmental, and Base Operating Support.

e. Sustainment (Enterprise Programming Team (EPT) Manager: Deputy Commandant, Installations and Logistics (DC I&L)). Maintenance and Supply Chain Programs, Prepositioning Network Programs, Logistics IT Programs, and Centrally Managed Logistics Programs.

f. Manpower (Enterprise Programming Team (EPT) Manager: Deputy Commandant, Manpower and Reserve Affairs (DC M&RA)). Military Personnel (MILPERS), Defense Healthcare Accrual, Recruiting and Advertising, Marine Corps Community Services, Manpower Information Systems.

g. Fleet Marine Forces (Enterprise Programming Team (EPT) Tri-Managers: Deputy Commandant, Plans, Policies, and Operations (DC PP&O); Commanding General, Marine Corps Forces Command (CG MARFORCOM);

Commanding General, Marine Corps Forces Pacific (CG MARFORPAC)). O&M Supporting MARFORs, Exercise Funding, Special Purpose MAGTFs.

h. Information (Enterprise Programming Team (EPT) Manager: Deputy Commandant, Information (DC I)). Intelligence, Information Technology (IT), IT Infrastructure, Tactical Communications, Strategic Communications.

i. Aviation (Enterprise Programming Team (EPT) Manager: Deputy Commandant, Aviation (DC AVN)). Aircraft Procurement, Navy (APN), Research, Development, Test, and Evaluation, Navy (RDTEN) in support of Marine Aviation, Operations and Maintenance, Navy (OMN) to include the Flight Hour Program (FHP), Weapons Procurement, Navy (WPN), Procurement of Ammunition, Navy and Marine Corps (PANMC) in support of Marine Aviation, Other Procurement, Navy.

4. Inputs

a. Commandant of the Marine Corps (CMC)-Approved Force Integration Plan. The CMC-approved Force Integration Plan includes enterprise divestment and investment lists, and a capability gap list. These lists will be continuously updated, will clearly articulate risk-informed constraints and restraints that govern enterprise requirements resourcing, and will be available for employment in the case of DON, OSD, OMB, or Congressional adjustments throughout programming, budgeting, and execution phases.

b. Program and Command Data Collection. DC P&R requires inputs to MCPRIME for both program and organizational data in order to match data queries with timely and relevant requirements and guidance. While the organizational data focuses on a command perspective (vertical), the program data ensures that parallel information is collected from a program perspective (horizontal) in order to supplement the command perspective with programmatic equities that span multiple commands. As required, DC P&R conducts synthesis and reviews of the fiscal data in order to best understand all perspectives and programmatic nuances. Program reviews and CORE reports are examples of program and command data collection.

5. Activities. In order to translate the POM plan into a defensible POM submission in PBIS, DC P&R and DC CD&I must complete the following tasks:

a. Orientation Briefs. Orientation briefs include information on DC CD&I's POM plan and DC P&R's program and command reviews. These briefs are intended to inform and level-set the Requirements to Resources Transition OPT.

b. Program Objective Memorandum (POM) Fiscal War Game. The transition OPT considers the most likely and most dangerous fiscal scenarios.

c. Balance the Program Objective Memorandum (POM) Submission. A "balanced POM" is defined as a POM submission that is in compliance with higher DON and OSD mandates and controls. Ultimately the Marine Corps POM submission should maintain the CMC's trajectory to meet the future vision of the Marine Corps through appropriate evidence-based and risk-informed investment and divestment decisions while also meeting DON/OSD mandates and controls.

d. Prepare the Tentative Program Objective Memorandum (T/POM). The T/POM is prepared for MROC review and approval by CMC at the Executive Marine Requirements Oversight Council (E-MROC).

e. Conduct Program Objective Memorandum (POM)-to-Budget Transition. Following T/POM approval, RPD transitions the POM to P&R Budget and Execution Division (RBE). Any significant change to programs that occur during POM-to-Budget need to be approved by DC P&R.

6. Outputs

- a. T/POM and T/POM brief.
- b. Service Executive Summary.
- c. POM roll-out briefs.
- d. Issue papers.

7. Coordinating Instructions. POM Serials will be published and updated as required to clearly outline the programming schedule of events and inputs required from each organization.

Budgeting

1. Intent. The budgeting phase expresses, in financial and narrative terms, the plan for accomplishing Marine Corps objectives as prescribed in the planning and programming phases across the FYDP as part of the PBR submission to Congress. The focus of the budgeting phase is to ensure Congress receives the best information and evidence to support the PBR and is inclusive of all necessary data and justification, in accordance with relevant guidance and regulations.

2. Offices of Responsibility

a. DC P&R is the primary office of responsibility for the Budgeting Phase. P&R, RBE is the lead for Budget Phase activities.

b. P&R, RFC controls and monitors POM / Budget submissions.

c. P&R's Budget Formulation/Operations and Maintenance Branch (RFO) develops and submits Budget Exhibits for O&M Marine Corps Appropriations.

d. P&R Investment Branch (RFI) develops and submits Budget Exhibits for Research Development Test and Evaluation, Navy (RD TEN), Procurement Ammunition Navy and Marine Corps (PANMC), and Procurement Marine Corps (PMC) Appropriations. RFI also coordinates Military Construction Budget Exhibits, Military Construction Reserves (MCNR), Family Housing Construction (FHCON), and Family Housing Operations (FHOPS).

e. P&R Manning Branch (RFM) submits Budget Exhibits for MILPERS Appropriations with support from DC M&RA (MPP-40).

f. P&R, PA&E provides direct analytical support to RBE.

g. All Budget Submitting Offices (BSOs) will coordinate with Service Chiefs through CNO N8 and DC P&R detailing budget estimates for programs in accordance with fiscal, programming, and budget guidance.

3. Inputs. The primary input for this phase is the POM-to-Budget Transition. This process converts the T/POM to the budget based on DON Budget Guidance, OSD Integrated PBR Guidance, current and historical program execution data, and previous Congressional actions.

4. Activities

a. Program Objective Memorandum (POM) submission to the Department of the Navy (DON)/Office of the Secretary of Defense (OSD)

(1) Once the POM is completed, DON Office of Budget (FMB) issues control numbers through PBIS to the BSOs for the formulation of their budget.

(2) The Marine Corps' POM submission to DON (in PBIS format) includes:

- (a) FYDP Data Base
- (b) Budget Exhibits
- (c) Marine Corps to DON "Roll-Out" briefs

(d) The POM submission is reviewed initially by the DON Large Group, composed of the Under Secretary of the Navy, Assistant Commandant of the Marine Corps (ACMC), Vice CNO, and multiple Assistant Secretaries, Under Secretaries, and senior service staff members. It is then reviewed by the DON Small Group, including the SECNAV, CMC, and CNO.

b. Department of the Navy (DON) Review

(1) During this review, program changes may be extensive and culminate with the finalization of the Budget Estimate Submission (BES). The BES is the formal submission of the POM approved by CMC that signifies the transition from programming to budgeting phase. The BES is reviewed by the Navy and submitted to OSD.

(2) DON Office of Budget (FMB)-1 (Ops), FMB-2 (Investment), FMB-3 (Program/Budget Coordination) and FMB-4 (Civilian Personnel (CivPers)), Information Technology (IT), and NWCF) analysts develop issues (also called "marks") for division review. The Program Budget Coordination Group (PBCG) adjudicates the issues and provide updates to leadership. If issues remain unresolved, the PBCG engages the Division Directors headed by FMB. The output of the DON Program Budget Review process includes:

- (a) Revised data and "marks"
- (b) Data submission to OSD
- (c) Revised exhibits and "Roll-Out" briefs
- (d) POM Executive Summary

(3) When the budget passes DON Review, the Marine Corps' resource position is reported to OSD using the Select and Native Programming Data Input System (SNaP), the Standard Data Collection System (SDCS), the Service Support Manpower System (SSMS), and the Comptroller Information System (CIS).

(4) PBIS data is captured by the Program Resources Collection Process (PRCP) and CIS as depicted in Figure 5-1. The Marine Corps resource position is reported to OSD and OMB using SNaP, SDCS, and the SSMS.

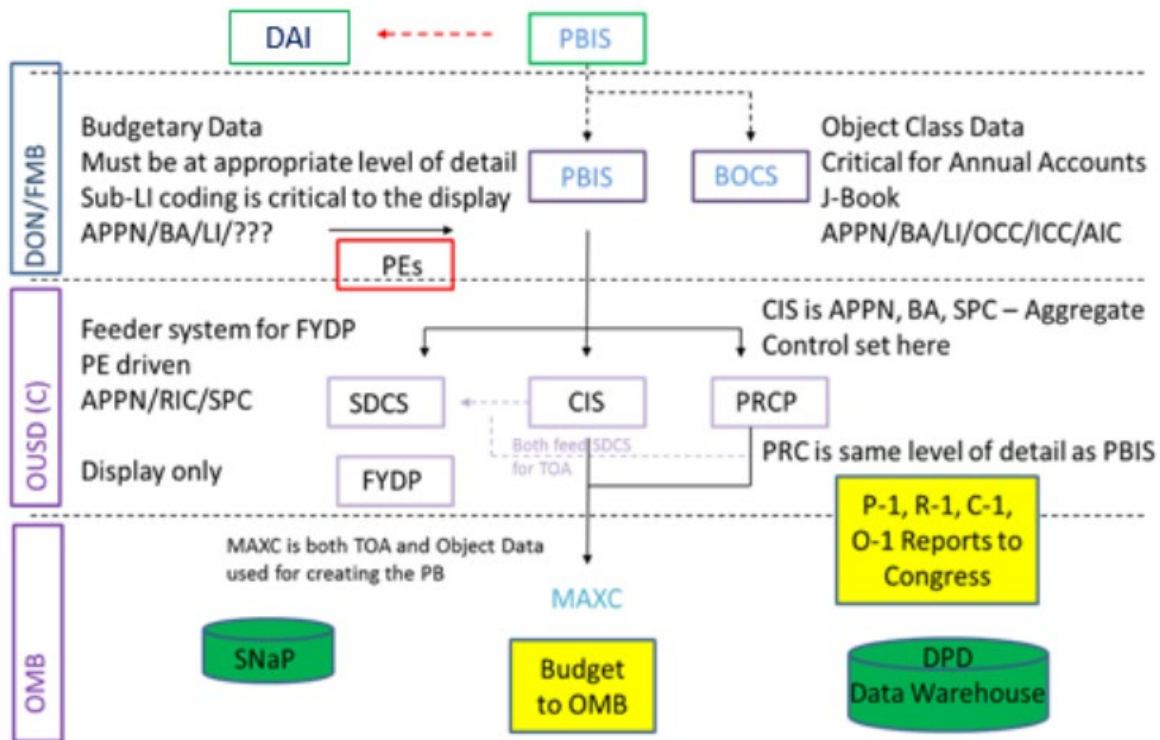


Figure 5-1: The Program Resources Collection Process

c. Office of the Secretary of Defense (OSD), and Office of Management and Budget (OMB) Reviews

(1) During September to December, the OSD Comptroller, in coordination with the OMB analyst, reviews the BES with an emphasis on the near Budget Year and the rest of the POM (years 2 through 5).

(2) Any changes to the BES from OSD are done through Program Decision Memorandums (PDMs) from Cost Assessment and Program Evaluation (CAPE) or Program Budget Decisions (PBDs) from Comptroller. PDMs and PBDs may affect just the budget year amounts or can change amounts for programs across the FYDP. OSD CAPE Issue Teams draft PDMs and PBDs and then brief the Deputy's Management Action Group (DMAG).

(3) Incorporating funding level and programmatic marks from OSD Comptroller and CAPE decisions is time sensitive and requires responsive and decisive communication between DC P&R and impacted commands. Delays or incomplete information may dramatically influence marks from Congress. Once adjustments are accomplished, the Marine Corps budget submission becomes part of the OSD submission to the OMB.

d. Office of Management and Budget (OMB) Pass-back/Secretary of Defense (SECDEF) End Game. During December/January, OMB gives the PBR greater definition. OMB resolves specific issues and provides final guidance on pay raises and major weapons programs. Final PDMs, Resource Management Decisions (RMD), and the pass-backs are reconciled. The PRCP/CIS data is imported to MAX, an OMB system used to process the budget. During January, the OMB External Review produces the PBR and no later than the first Monday in February the PBR is required to be submitted to Congress with:

- (1) Primary and Supplemental Exhibits
- (2) Funding Data from MAX
- (3) "Roll-Out" briefs by Appropriation and Line Item
- (4) Testimony

e. Congressional Testimony. From February through May, House and Senate Appropriations and Armed Services Committees hold hearings. The Intelligence and Foreign Relations committees hold ancillary hearings. The outputs of testimony include Questions for the Record (QFRs) and informal requests for information (RFIs). Command involvement in the development of RFI responses is essential to the prevention of budget marks. The 'mark-up' of the budget by the Appropriations Committee is done by the subcommittees as aligned with the various appropriations. Impact statements (reclamas) are provided by OSD via OMB.

f. Congressional Marks

(1) Congress takes appropriate actions with the PBR from May through July through the committees, conferences, and ultimately passage by both houses, ideally no later than September. The general sequence for committee action is House Armed Services Committee (HASC), Senate Armed Services Committee (SASC), House Appropriations Committee (HAC), and then Senate Appropriations Committee (SAC).

(2) Once passed by both houses of Congress and signed by the President, the budget submission becomes an Appropriations Act and a National Defense Authorization Act. These acts provide the resources and authority to commence budget execution in the new FY.

5. Outputs

a. Enacted Budget

(1) The Enacted Budget reflects what funds were decided on, and formally appropriated by Congress.

(2) Continuing Resolution Authority (CRA)

(a) A Continuing Resolution (CR) is a temporary funding bill Congress may approve in the case a federal budget is not enacted. CRs are typically based on funds appropriated and executed in the previous year's Enacted Budget. During a CRA, OMB calculates a daily obligation rate based on a combination of historical spend rates and the annualized continuing resolution funding level.

(b) CRs can adversely affect funding requests that were included in the current year's President's Budget (PB). This may affect the time and speed the Marine Corps may execute funds against changing requirements.

(c) CRs will be handled based on the impact assessments included in the program and organization data collection that occurs during the planning and programming phases and how well the institution justifies budgetary necessity.

6. Coordinating Instructions

a. Fiscal Code Hierarchy. Proper fiscal code information is paramount at all stages, especially so during the budget phase since code usage can have major impacts on briefs, justification material, and marks assigned.

b. Major Command Justifications. All major commands will provide increase/decrease justification statements for any material changes to programmed amounts throughout the budget phase as directed by P&R. Materiality will be determined for each program based on funding amounts, congressional interest, and impact or risk to the Marine Corps mission. Justifications will be aimed at a Congressional audience and are not an impact statement meant to readdress the legitimacy of the increase/decrease. Consistency in statements from year to year is critical and deviations from previous statements to Congress must effectively articulate the reason for the change (e.g., change in requirement, plan, objective, operation, etc.). Justifications of increase/decreases from major commands will include a breakdown of the increased/decreased amount at the object class/sub-object class level for inclusion in the OP-32 exhibit submission to Congress.

c. Late Change Requests. Adjustment requests submitted to DC P&R after the typical deadline for those decisions will be handled on a case-by-case basis. As the budgeting phase progresses, the ability of the Marine Corps to adjust budgets is severely restricted in the last few weeks of the cycle. Attempts to re-adjudicate POM decisions will not be received favorably without sufficient justification.

d. Supplemental Funding. Supplemental funds are additional funds requested to execute real world contingency operations. Inclusion or exclusion of supplemental funding in the Marine Corps' TOA has major implications on funding and risk levels. Acceptable uses, limitation on funding, categories, and amounts are directed by higher

headquarters and often significantly changed each year. Supplemental funding submissions contain all baseline data elements as well as additional funding information. Stand-alone supporting documents, briefs, and exhibits are also typically required in conjunction with supplemental funding submissions.

Execution

1. Intent. To express, in financial terms, the application of funds to Marine Corps objectives as prescribed in the planning, programming, and budgeting phases and as part of an Enacted Budget. Execution involves financial management activities to resource Marine Corps missions. The focus of the execution phase is to authorize the use of funds to Marine Corps commands, monitor the progress of executing funds, and to ensure compliance to fiscal law. Current year budget execution commences on 1 October, the start of the new fiscal year. Funds are allocated to field commands and headquarters functional agencies by appropriation, Budget Line Item (BLI), Program Element (PE), civilian labor, and by baseline or supplemental designations.

2. Offices of Responsibility

a. DC P&R is the OPR for the Execution Phase. P&R Budget and Execution Branch (RFE) monitors Operations and Maintenance Marine Corps (OMMC) funds.

b. P&R, RFI monitors Research, Development, Test and Evaluation Navy (RD TEN), Procurement Marine Corps (PMC), Procurement Ammunition Navy and Marine Corps (PANMC), and Military Construction (MILCON) funds. RFI also coordinates Military Construction Budget Exhibits, Military Construction Reserves (MCNR), Family Housing Construction (FHCON), and Family Housing Operations (FHOPS).

c. P&R, RFM controls and monitors Military Personnel and Reserve Personnel Marine Corps (MPMC/RPMC) funds.

d. P&R Accounting and Financial Systems (RFA) monitors abnormal accounting conditions as funds are executed.

e. P&R, RFB in coordination with DC AVN, monitors and manages BISOG APN, RD TEN, OPN, WPN, PANMC, and OMN execution and reporting.

f. P&R, PA&E provides direct analytical support to RFE.

3. Inputs

a. Enacted Budget. The Enacted Budget is the principal document used by Execution OPRs to align funds to commands. In the case of a CR for the current year, the Enacted Budget from the previous year serves as the baseline for funding. RFE will coordinate with commands for additional impacts regarding CRs.

b. Updated Investment and Divestment Lists. This document created during the planning phase and updated in the programming and budgeting phases will serve as the baseline document for additional investment and divestment decisions as they relate to current year deficiencies and/or surpluses.

c. Fiscal Controls and Spend Plans

(1) RBE releases initial annual fiscal controls during the months of July or August before the fiscal year. Fiscal controls are grounded in the PB's position in PBIS, which is broken down by major command. The PB position is further broken down by BLI, PE, Civ Y and Civ N, and by baseline/supplemental funding. Except for adjustments made to better align requirements to major commands obligating the requirements, initial annual fiscal controls are transparent and can be matched and duplicated in PBIS. Adjustments are annotated and documented for transparency.

(2) The major commands (operating commands and headquarters divisions) prepare and submit to RBE monthly phasing plans for projected obligations. Major commands also submit a monthly allocation phasing plan that projects total commitments and when funding authority is required to record the commitments and subsequent obligations. Major commands prepare obligation and allocation phasing plans by BLI and by baseline/supplemental funding. Major commands are encouraged to build roll-up plans at the PE level of detail. Roll-up plans permit timely research when performing variance analyses to explain why obligations exceed or lag from projections by greater than two percent.

(3) Major commands refine obligation and allocation spend plans upon receipt of final fiscal controls. Final controls are approved after an Appropriations Bill is signed and take into account all congressional marks (positive or negative) and general provisions. Depending on how far into the fiscal year the appropriation is approved, must-pay emerging shortfalls could factor into changes from the initial fiscal controls to the final fiscal control positions.

4. Activities

a. Apportionment of Funds to the Marine Corps

(1) Marine Corps funds are provided by Congress, principally by means of annual legislation known as the DoD Appropriations Act. Before an Appropriations Act is passed, it is preceded by an Authorization Act. An Authorization Act estimates the maximum amount of money that may be appropriated for such things as military and civilian end strengths, principal end item acquisition quantities, training student throughput, and other similar limitations. The Appropriations Act conveys authority to obligate or expend funds and is the usual follow-on to the Authorization Act.

(2) As funding is provided through an Appropriation Act or CRA, funds are apportioned (i.e., annual amount is broken into quarterly amounts) by OMB and sent to OSD. OSD passes Marine Corps funds via the DON. An apportionment is an OMB-approved plan to use budgetary resources, per references (k) and (l). It typically limits the obligations to be incurred for specified time periods, programs,

activities, projects, objects, or any combination thereof. It may also place limitations on the use of other resources, such as full time equivalents (FTEs) or property. An apportionment is legally binding. Obligations and expenditures (disbursements) exceeding an apportionment violate the Anti-deficiency Act (31 U.S.C. 1517(a) (1), (b)) and should be reported.

(3) OSD sub-apportions funds to the Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN (FM&C)). ASN (FM&C) passes an allocation to the applicable Responsible Office (RO) within the DON. ROs are defined as the Headquarters command that is responsible for budgeting, accounting, and reporting the totality of an appropriation. Examples of ROs are the CNO and CMC. The RO passes money down to an administering office. The administering office performs the budgeting, accounting, reporting, and issuing of operating budgets and allotments to the commanders responsible for carrying out the missions. HQMC assumes the role of both RO and administering office. Although funds are passed to the local commanders, administration of these operating budgets/allotments is accomplished by their comptrollers. Once funds are received, authority is loaded into Defense Agencies Initiative (DAI) and then distributed. After commands receive funds, they may commit, obligate, expense, and liquidate orders based on each source document as created and processed to obtain required goods and services.

b. Deputy Commandant for Programs and Resources (DC P&R) Issues Funding Authorization Documents (FADs)

(1) At the start of each FY, DC P&R prepares and releases funding allocation documents to the major commands which authorizes them to obligate dollars in support of USMC missions. If an appropriations bill is passed, funding authority is allocated for each fiscal quarter and corresponds with the amount requested in the allocation plan submitted for each major command.

(2) If a CRA is in place, funding allocation documents are for amounts that allow obligations that are recorded only through the duration of the CRA. During a CRA, OMB calculates a daily obligation rate based on a combination of historical spend rates and the annualized continuing resolution funding level. CRAs can be for a couple of days or several months. Separate data calls may be required to accurately gauge how much authority is needed by each major command. It is not unusual for a CRA to be limited and less than the cumulative requests from major commands. Major commands determine the optimum use of funding authority to obligate the highest priorities and how to best minimize commitments for contracts that are awarded after the CR period ends.

c. Commands Execute Funds

(1) Accurate transaction recording to ensure the proper accounting of obligations by BLI, PE, and Object Class Code (OCC).

(2) All financial transactions are recorded and accumulated in DAI into general ledger accounts. These accounts are the basis for the preparation of each executed fiscal year financial statement. These statements reflect the position and use of resources by the Marine Corps.

(3) FADs are issued when there is a funding change in the current quarter to either a major command or a BLI's quarterly authority. FADs are also required when a major command desires to do an internal realignment between BLIs. Major commands request realignment to P&R, RBE who approves and issues the funding document. Funding allocation documents contain a brief description of the amount and why funds are changing. While funding allocation documents permit legal obligations for only the current quarter, the extended annual authority will also be annotated.

(4) HQMC Appropriation Sponsors (RFE, RFI, RFM, RFB) may provide additional business rules with respect to updating obligation performance plan requirements in annual fiscal guidance.

d. Deputy Commandant for Programs and Resources (DC P&R) Monitors Execution

(1) Sustained resolution of open, unliquidated, and abnormal accounting transactions maximize funding during the year of availability and preclude reversions in expired years before cancellation.

(2) Throughout the execution phase and at least quarterly, programs are reviewed by DC P&R using metrics that compare actual obligation performance against major commands' obligation/performance plans and with consideration to gauge against OSD's obligation rate goals. If a program fails to meet performance goals, recommendations may be made to either continue monitoring its progress or to adjust funding as appropriate. Reallocation of funds is necessary to defend low obligation rates from consideration by OSD/DON as a source for omnibus reprogramming and to ensure only the highest priorities get funded. The intent of reallocations is to prevent large amounts of fallout dollars (unexecuted funds) when the FY ends. Significant fallout outputs in lost opportunities to fund priority requirements during the year when the need exists. This may also result in funding lower priority requirements only because these requirements are still executable prior to fiscal year end.

(3) Reporting Requirements

(a) OMMC obligations will be reconciled monthly to command obligation phasing plans and serve as the basis for performance evaluation. Commands will provide variance explanations/justifications for all obligations greater or less than two percent to the adjusted obligation phasing plan at the appropriation and line item level.

(b) PMC, PANMC, and RD TEN variance reports will be submitted monthly to RFI. Marine Corps System Command (DFM) will provide variance explanations/justifications for all obligations/expenditures greater or less than two percent of the PBIS phasing plan at the appropriation level, broken down by BLI. RFI will measure execution performance against the original approved phasing plans loaded in PBIS/Execution Documentation Subsystem and the monthly OSD obligation and expenditure metrics. Adjustments to the original phasing plans can occasionally be made after the CR is lifted. Monthly phasing plan updates to investment appropriations are not requested by RFI.

(c) P&R, RFB will coordinate with NAVAIR, N98, and the MARFORs to provide HQMC oversight of BISOG execution. RFB will measure performance against the original approved phasing plans loaded in PBIS/Execution Documentation Subsystem and the monthly OSD obligation and expenditure metrics. Monthly variance justifications/recovery plans will be provided by the responsible commands to RFB.

e. Mid-Year Review

(1) During March-April, P&R conducts a formal Mid-Year Review. Comprehensive reviews of all major command budget execution performance indicators are conducted. Programs are adjusted as required. P&R, RFE reviews OMMC and OMMCR. P&R, RFI reviews the Investment accounts. P&R, RFM reviews the MILPERS accounts. P&R, RFB reviews the BISOG accounts.

(2) The major commands are evaluated based on their execution performance as possibly impacted by emergent requirements. The MROC and ACMC review and recommend any internal Marine Corps reprogramming requests to OSD for omnibus reprogramming by 30 June.

f. Current Year Deficiencies (CYD)

(1) Commands should fund CYDs from within their existing budgets except for unfunded external requirements that emerge during the year of execution. Commands must demonstrate any such emerging requirements to P&R as part of their CYD requests.

(2) P&R will publish additional CYD guidance via separate correspondence.

(3) P&R will document the justification for registered CYD requests to establish a foundation for future PPBEA analysis and decision-making.

g. The Close-out Process

(1) Public law requires that one year funds such as OMMC and OMMCR be 80% obligated by 31 July in order to preclude violation of

the statutory guidance that no more than 20% of the appropriation be obligated during the last two months of the fiscal year. Major commands and HQ divisions ensure that OMMC and OMMCR resources are allocated against the highest priorities to reach the obligation rate of 80% (unless amended by Congress).

(2) During execution, resources authorized and appropriated by Congress to deliver desired military capabilities are committed, obligated, expensed, and liquidated. The accounting cycle is: 1) commitment, 2) obligation, 3) expenditure, and 4) liquidation. Execution requires the rigorous monitoring and reporting of actual execution data, anticipated projections, together with the causes of variances and planned corrective actions. Budget execution and performance reviews assist in assessing the allocation of resources and determining whether the budget is achieving its planned performance goals.

5. Outputs

a. The Marine Corps is subject to audit of both financial statements and operations. The Marine Corps must be able, prepared, and ready to demonstrate how resources are received, obligated, and expended. Resources must be used for their intended purpose, within the specified time and within the appropriated amounts. The Marine Corps ensures its obligations and outlays adhere to the provisions in the respective authorizing and appropriations legislation, as well as other laws and regulations governing the obligation and expenditure of funds.

b. The PPBEA process provides Congress, and the public, reasonable assurance that resources are managed in a responsible manner that reflects the will of Congress as directed in the Authorization and Appropriation Acts. The outputs of Marine Corps operations and financial statement audits significantly impact creditability with both Congress and the public. That credibility is vital to providing Marines with the manning, training, and equipping required for mission accomplishment.

6. Coordinating Instructions

a. Fiscal Code Hierarchy. All transactions entered into the business system contain financial codes that directly, or through table linkages, provide data for execution identification that reflects the type of funds executed, what command executed the funds, and the purpose or process supported by the executed funds.

(1) Fiscal codes form the basis for cost collection and categorization of all financial transactions in DAI. They identify what funds were executed (i.e., APPN, BA, BSA, BLI, and PE), what command and element executed funds and for what purpose funds were executed (i.e., SIC, Business Process, OC, SOC, and CAC). These codes are either directly entered with each source transaction or associated

through various tables. For example, when the fund code cited on a source transaction is entered into DAI, the appropriate APPN, BLI, and PE are associated in DAI with the transaction.

(2) Financial data architecture across the Marine Corps is defined and refined under the auspices of the Financial Code Configuration Control Board and through the Financial Data Standardization efforts.

b. Annual Appropriations. Annual appropriations are used for current administrative, maintenance, and operational programs. Annual appropriations are available for incurring new obligations for only one FY. The term "new obligation" means the initial order, requisition, or contract to another command, government agency, or private business to obtain a good or service required by the command for mission support or mission accomplishment. New obligations can only be created during the FY period of 1 October through 30 September for an annual appropriation.

(1) Annual appropriations may have payments against them for an additional five years beyond the authorized fiscal year. In accordance with reference (e), both the obligated and unobligated balances of an annual appropriation shall be available for adjusting and liquidating obligations properly chargeable to that account for five years after the time the appropriation expires for incurring new obligations. Both the obligated and unobligated balances of such appropriations shall be cancelled and will no longer be available for obligation and expenditure for any purpose on 30 September of the fifth fiscal year after the expiration of the appropriation's period of availability for incurring new obligations. This occurs when goods or services are received and accepted following the close of the fiscal year in which the appropriation was authorized.

(2) Because these funds must be obligated in only one year, significant emphasis is placed on obligation of annual appropriations.

Assessment

1. General. Per reference (m), assessment is the continuous monitoring and evaluation of the current situation and progress of a process or operation. It is the basis for adaptation, tied to the overall purpose, oriented on the future, and focused on emerging opportunities. The ultimate objective of assessment is to achieve a predicative state of analysis. In order to achieve this, assessments must be grounded in a credible fact/evidence base. In the PPBEA process, assessment consists of both the continuous monitoring and evaluation of the strategic operational environment to inform planning, and the continuous monitoring and evaluation of the programming, budgeting, and execution phases to inform strategic capital decisions.

2. Offices of Responsibility

- a. DC P&R is the OPR for the assessment phase.
- b. DC PP&O is the lead for the MCSA.
- c. P&R Divisions and Branches are in direct support of assessment phase activities.
- d. The Installations and Logistics TLMC framework supporting EGEM analytics is in direct support of the MCSA.
- e. DCs and commands support the assessment phase.

3. Intent

a. Monitor and assess the strategic operating environment to contribute to a strategic assessment that will inform the planning phase of the PPBEA process and further enable Marine Corps decision-making.

b. Continuously monitor and evaluate the planning, programming, and budgeting phases of the process to mitigate risks, identify and seize opportunities, and correct deficiencies. Leverage the audit process to evaluate the budgeting and execution phases of the process in support of achieving transparency, traceability of funding, and an unmodified (clean) audit opinion.

4. Activities. Assessment activities are organized into the following quarters. These activities are continuous, and their outputs will inform Marine Corps senior leader resource allocation decision-making.

a. First Quarter FY-XX

(1) October/November: Budget assessment. Designed to update the CMC on past, current, and future funding status. The budget

assessment is the responsibility of P&R, PA&E. The budget assessment analyzes fiscal guidance, Marine Corps TOA, budget execution, and funds expiration.

(2) November:

(a) Audit Review and Closeout Assessment. Designed to complete the current audit and inform both the MCSA and future audits. The audit review and closeout assessment are the responsibility of P&R, Fiscal Division (RFD).

(b) Program and organization data collection synthesis is conducted by PA&E in order to inform the planning and programming phases.

(3) October-December: POM Program / Budget Review (P/BR) Support. This analysis supports the defense of the OSD's BES. The POM P/BR is the responsibility of P&R MAGTF Integrations Branch (RPM) with direct support from PA&E and subject matter experts from throughout the Marine Corps.

b. Second Quarter FY-XX

(1) January: Audit Entrance Conference. The Audit Entrance Conference is led by P&R, RFD and is designed to set conditions for the FY-XX Audit.

(2) January-February: P/BR OMB budget submission assessment (OSD Budget/End Game Review). The P/BR OMB budget submission assessment serves to inform the CMC and the requirements to resources transition on funding effectiveness.

(3) February-March: Programming phase support. P&R, PA&E is the lead division for assessing the cross functional impacts based on the requirements, resources, and risks provided by Marine Corps organizations.

c. Third Quarter FY-XX

(1) April-May: T-POM / POM Budget Support. P&R, PA&E is the lead agency for this support, which is designed to assess the outputs of the programming phase.

(2) April-June: Strategic Portfolio Review (SPR) Support. SPR Support is the responsibility of P&R, RPM and serves to inform the CMC about funding effectiveness.

(3) April-June: CORE Report requirements / full-funding identification. P&R, PA&E is the lead for this effort, designed to inform the requirements to resources transition.

d. Fourth Quarter FY-XX

(1) July: SPR Support.

(2) August-September: PB Congressional marks analysis ISO FY-XX Budget Assessment. PB Congressional marks analysis is the responsibility of P&R, PA&E. This analysis informs the CMC about funding effectiveness.

(3) August-September: BES P/BR Support. BES P/BR Support updates the CMC on funding effectiveness and is the responsibility of P&R, PA&E.

(4) August-September: CORE report support to commands. The CORE report support to commands informs the planning and programming phases and is the responsibility of P&R, PA&E.

(5) FY-XX Closeout: FY-XX Execution assessments are conducted by all execution related branches within P&R. These include, but are not limited to RFE, RFI, RFM, RFA, RFO, and PA&E.

5. Outputs. The desired end-state is the production of a comprehensive analyses and assessments that inform the Marine Corps' PPBEA process, an adaptable PPBEA process able to anticipate and mitigate risks while identifying and seizing opportunities, and an unmodified audit opinion (see enclosure (8)).

6. Coordinating Instructions

a. Subject to specific direction contained in this order, organizations tasked with responsibility for one or more activities in the assessment phase will maintain policy and procedures that govern the conduct of those activities and specify the nature and extent of participation in them by all other organizations.

b. Make available to DC P&R all relevant data for use in executing assessment activities.

c. Analytic outputs will be published within 30 days of completion to all major commands.

Audit

1. Overview. The financial statement audit addresses Congressional intent and enhances readiness and accountability. While RFD is the lead agency for the audit, to achieve the Marine Corps' goal of a favorable audit opinion, leadership at all levels must fully support audit efforts. While fully appreciative of past audit actions and activities, leaders must be personally engaged in audit actions and ensure personnel receive the resources needed to meet audit requirements across the Marine Corps enterprise.

2. Offices of Responsibility

a. DC P&R is the Office of Primary Responsibility for the Full Financial Statement audit. RFD is the lead for audit actions. DC I&L, DC I, and DC M&RA are stakeholders in their respective areas of responsibility that are critical to the Marine Corps' success in obtaining and maintaining a favorable audit opinion.

b. Major commands are in direct support of audit activities.

3. Benefits. Audit outputs, regardless of the time of year, are symptomatic of an organization's fiscal health. Audit shows an organization how efficiently, accurately and disciplined it conducts its business processes. The relationship between audit success and fiscal stewardship are closely knit. That relationship must be strengthened through education and practice of sound audit principles. The following list shows some audit benefits.

a. Better procurement decisions based on accurate inventory and equipment stocks.

b. Timely and accurate physical inventory data improves operations by ensuring that a command knows what it has, where it is, its condition, and what it still needs to meet its mission.

c. Improved oversight of financial activities will maximize resources during its period of availability, reduce long term reversions, and identify resources that can be reapplied to other priorities before expiration.

d. Determining the total cost of asset ownership will support better planning of maintenance and procurement cycles and support decisions based on total cost of ownership.

4. Four Phases of Audit. The phases of an audit follows the calendar year and is normally conducted from January - December. The audit is performed using current fiscal year data beginning 1 October. Figure 8-1 details the audit phases.

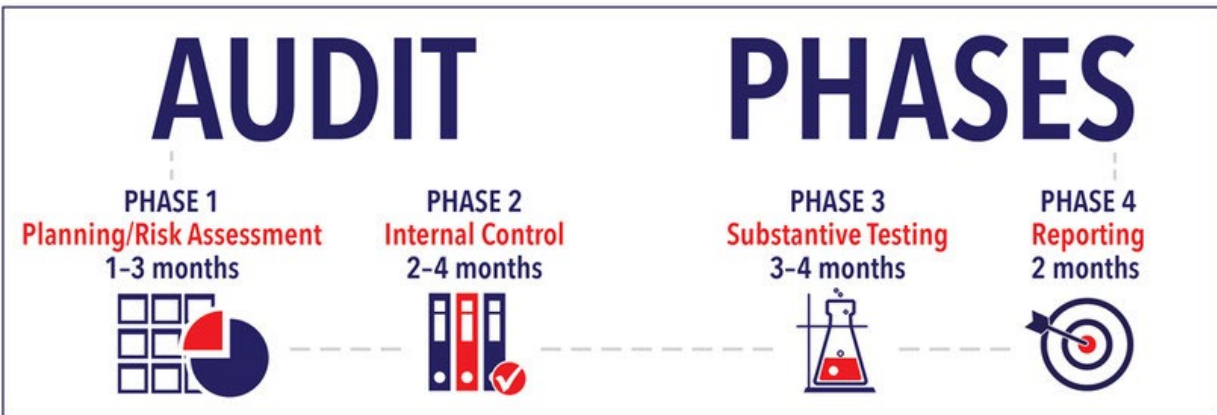


Figure 8-1: Phases of an Audit.

a. Phase 1 of the planning and risk assessment phase is about the Independent Public Accountant (IPA) obtaining an understanding of an organization's business processes, IT systems, organization structure, and other pertinent information to develop the audit scope and plan which will define audit methodology and scope for testing. Phase 1 lasts between one to three months and includes the IPA's understanding of any process and system changes to include the resolution of any prior year audit findings to determine if they can assess/validate during the Testing Phase.

b. Phase 2 of a financial statement audit focuses on preparing for the IPA's walkthrough of selected business processes and IT systems. The IPA requests demonstrations of the process, obtains documented policies and procedures, requests transactional data and performs reconciliations to identify key management and system controls. This is when and how the IPA determines if controls are designed effectively. During this phase, employees play a significant role and are expected to demonstrate how they perform their daily work/execution requirements in accordance with specific policies and procedures. The IPA uses this information to determine whether a specific process or system is ready for audit and can be tested.

c. Phase 3 of the audit cycle is the substantive testing phase. It requires the IPA to randomly select potentially thousands of Marine Corps financial transactions as samples and initiate testing of key controls. During this phase the IPA asks for the specific evidential matter to support the selected transactions.

d. Phase 4 is the reporting phase of the audit cycle. The IPA evaluates the results of their testing and develops audit conclusions and assertions based on their fieldwork. The end goal in this phase is to reach a determination of an audit opinion. A determination is based on a number of variables assessed by the auditor to include identified issues, gaps, unresolved control deficiencies, unresolved

material weaknesses and scope limitations. After the completion of Phase 4, the agency begins taking correction actions and fixing identified problems before the phases begin all over again in the next fiscal year.

5. Purpose of the Financial Statement Audit and Financial Statement Audit Opinions. The main purpose of a financial statement audit is to assess an organization's financial position and whether the information in financial statements can be relied upon to make critical decisions about funding, resource requirements, and force readiness. When performing a financial statement audit, the auditor examines four financial statements (Balance Sheet, Statement of Budgetary Resources, Statement of Net Cost, and Statement of Changes in Net Position) and expresses one of the following opinions about the reliability of the information in the financial statements:

a. Unmodified Opinion. Referred to as a clean opinion, is expressed when the auditor concludes that management has presented the financial statements fairly and in accordance with Federal Accounting Standard Advisory Board (FASAB) and Generally Accepted Accounting Principles (GAAP).

b. Modified Opinions. A modified opinion is expressed when the auditor concludes that there are some individual or aggregate misstatements that are material, but not pervasive/significant to the overall presentation of the financial statements.

(1) Qualified Opinion. A qualified opinion is expressed when the auditor concludes that there are misstatements in the financial statements which are material to the financial statements but are not significant to the overall presentation of the financial statements.

(2) Adverse Opinion. An adverse opinion is expressed when the auditor concludes that misstatements in the financial statements are both material and pervasive/significant to the financial statements.

c. Disclaimer of Opinion. Disclaimer of opinion is expressed when the auditor is unable to obtain sufficient appropriate audit evidence on which to base an opinion.

6. Audit Outputs Informing Planning, Programming, Budgeting, Execution, and Assessment (PPBEA). The most informative phases of audit are during phases 3 and 4, the last six months of a fiscal year (April through September). This is a period of time when statistical data becomes evident, showing material weakness in tested areas. Regardless of an unmodified or modified opinion, testing and reporting outputs should aid decision makers in the PPBEA process to do the following:

a. Accounting Accuracy. Audit outputs will provide valuable insight for where the Corps must improve its business processes. Reverted funded and cancelling appropriations are lost opportunities.

Audit helps the Marine Corps figure out where it is hemorrhaging spending opportunity.

b. Property, Plant and Equipment. Audit outputs will also ensure that the Marine Corps has visibility over the counts, locations, and conditions of property, inventory, and operating supplies. The department fully expects these improvements to ultimately lead to cost savings and those resources can be reinvested into mission areas with critical needs.

c. Information Systems. The audit will drive enterprise wide business improvements and allow the Marine Corps to leverage technology in the most efficient manner. Efficiency gains will benefit the warfighter and civilian workforce, increase readiness, and provide quality data to drive better decision-making.

Definition of Terms

1. Affordability Analysis. An analytically based process for evaluating the relative merits (life-cycle cost, military value, and risk) of a materiel solution or program in a capability portfolio for various levels of resource availability, given strategic priorities of the Commandant.
2. Appropriations Act. A provision of legal authority by an act of the Congress that permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. An appropriation usually follows enactment of authorizing legislation.
3. Assessment. The continuous monitoring and evaluation of the current situation and progress of a process or operation. It is the basis for adaptation, keyed to the overall purpose, oriented on the future, and focused on emerging opportunities.
4. Assessment Phase. Assessment in PPBEA consists of both the continuous monitoring and evaluation of the strategic operational environment to inform Planning, and the continuous monitoring and evaluation of the Programming, Budgeting, and Execution phases of the process to correct deficiencies and enable opportunity seizure.
5. Audit. A financial audit is an objective examination and evaluation of the financial statements of an organization to make sure that the financial records are a fair and accurate representation of the transactions they claim to represent. The purposes of performing financial statement audits of federal entities include providing decision makers (financial statement users) with assurance as to whether the financial statements are reliable (presented fairly in all material respects, in accordance with FASAB GAAP; reporting deficiencies in internal control over financial reporting or, in certain circumstances, providing an opinion on the effectiveness of internal control over financial reporting), and reporting on noncompliance with significant provisions of applicable laws, regulations, contracts, and grant agreements.
6. Authorization Act. Basic substantive legislation enacted by the Congress which sets up or continues the legal operation of a Federal program or agency either indefinitely or for a specific period of time or sanctions a particular type of obligation or expenditure within a program. Such legislation is normally a prerequisite for subsequent appropriations or other kinds of budget authority to be contained in appropriation acts.
7. Blue in Support of Green (BISOG). The Marine Corps has aviation programs that are funded within the DON's Total Obligation Authority. The Marine Corps' portion of Naval Aviation funding is commonly referred to as BISOG. BISOG only includes programming for APN, RDTEN, WPN, PANMC, OPN, OMN, and OMNR that supports Marine Corps Aviation

programs. BISOG does not include programming for amphibious ships, USN manpower in support of the Marine Corps, or MILCON.

8. Budget. A plan of financial operations showing in dollars the estimates of funds needed to carry out the assigned mission, or missions, over a specified period of time.

9. Budgeting Phase. The phase in PPBEA where the POM is converted to the President's Budget for a particular fiscal year and transmitted to the Congress.

10. Candidate Goals, Commandant of the Marine Corps/United States Marine Corps (CMC/USMC). Candidate goals refer to what CMC/USMC intends to achieve with a transformation process. The implications of such are for thinking about both risk and uncertainty from a strategic level decision-making framework.

11. Centrally Overseen Program (COP). A centrally overseen program is defined as a program where dollars are executed by one or more commands external to an organization yet the central oversight sits with that organization.

12. Civilian Command-level Strategic Workforce Planning (CLLSWP). CLSWP is the process for identifying, acquiring, developing, shaping and retaining the workforce needed for a command to accomplish its mission, functions and tasks. This framework begins with an initial position-by-position review of current and future workforce needs to establish a multi-year plan and annually review and update in accordance with MCO 12250.2.

13. Commander's Organizational Risk Estimate (CORE) Report. The formal means by which a command documents its requirements, resources, risk, and key reporting metrics. The deliberate completion of CORE Reports forms the basis for commands' participation in the planning phase.

14. Common Output Levels of Service (COLS) Monetization. The MCICOM COLS framework currently consists of 7 portfolios, 40 functions and 98 sub-functions that define the broad range of base operating services. MCICOM monetizes the COLS levels by requiring all installations to estimate other than labor and labor costs by sub-function and COLS level annually. MCICOM Program Managers and Advocates use these estimates in POM development.

15. Core Programs. Programs, or parts of programs, that must be funded across the FYDP in order for the Marine Corps to meet Title 10 and other statutory or policy responsibilities. CMC has little to no discretion over the funding level of these programs. Example: Defense Finance and Accounting System (DFAS) is a bill levied directly to the Marine Corps based on rate-based service workload projections.

16. Defense Agencies Initiative (DAI). DAI is an Oracle E-Business Suite (EBS) Enterprise Resource Planning (ERP) system that is developed and maintained by the Defense Logistics Agency (DLA) through executive sponsorship from the OSD.

17. Enterprise Programmers. Enterprise programmers are action officer SMEs that comprise each EPT. Enterprise programmers are assigned their positions by the EPT Managers (Deputy Commandant or MARFOR Commander).

18. Enterprise Programming Teams (EPTs). EPTs are comprised of SMEs from across the enterprise closely aligned with specific Marine Corps Title 10 functions. EPTs prioritize capabilities within fiscal constraints and help assess the health of and risk to individual program initiatives within prescribed portfolios with the intent of maintaining an enterprise perspective. Each EPT is aligned to a Deputy Commandant or MARFOR Commander (EPT Manager). EPT Managers and their assigned enterprise programmers serve as enterprise capability SMEs, data aggregators, and programmers for their assigned portfolio funds.

19. Enterprise Wide Visibility on All Classes of Sustainment. The ability to record, view, and analyze data for the full cost of maintenance, repair parts, and supplies & labor at the organization, intermediate and depot levels, to include contracted support. This includes, but is not limited to, maintaining visibility of consumables and repairable throughout the entire lifecycle, with cost events that are searchable and discoverable, how consumables and repairable enters the supply system, and retaining 3rd Party Logistics (3PL) visibility when outsourced for repair.

20. Full Funding Requirement (FFR). The amount of money a program or command needs to meet 100 percent of its capability and capacity requirements within the validated scope of the program or command.

21. Future Years Defense Program (FYDP). A 5-year future period that begins two years after the current year and ends six years after the current year. The Marine Corps POM allocates resources across the FYDP, and ultimately becomes the Marine Corps' contribution to the President's Budget (PB).

22. Generally Accepted Accounting Principles (GAAP). The set of federally mandated rules that encompass the details, complexities, and legalities of business and corporate accounting.

23. Major Command. A command that receives its funds directly from HQMC or based on their mission and importance is authorized direct communication with HQMC on fiscal matters.

24. Marine Corps Strategic Assessment (MCSA). A strategic framework to inform prioritization of planning guidance, recommendations on risk and opportunities, force development, and force design. It seeks to

identify the sources of uncertainty associated with the current and future operating environments, and inform the POM.

25. Measure of Effectiveness (MOE). A criterion used to assess changes in system behavior, capability, or operational environment that is tied to measuring the attainment of an end state, achievement of an objective, or creation of an effect.

26. Measure of Performance (MOP). System-particular performance parameters such as speed, payload, range, time-on-station, frequency, or other distinctly quantifiable or conditional performance features. Several MOPs may be related to the achievement of a particular MOE.

27. Naval Integration. The concerted, proactive effort that includes any action, at any level, to bring the Navy and Marine Corps together to form a more effective warfighting team.

28. Operational Planning Team (OPT). As part of the MCP), the OPT is a dynamic, ad hoc organization formed by either the future plans division or future operations center to conduct integrated planning. The OPT helps frame problems, develops and war-games courses of action (COAs), and assists the staff in the preparation and transition of the order.

29. Out-of-Cycle Initiatives. An unplanned initiative that is presented after the DON POM is submitted to OSD. All out-of-cycle initiatives that are recommended by a DC or MARFOR Commander who is responsible for an EPT are to be brought to DC P&R for consideration.

30. Planning. Planning is the art and science of envisioning a desired future and laying out effective ways of bringing it about, per reference (n).

31. Planning Phase. Within the DoD PPBE System, the planning phase formally analyses the military role and defense posture of the United States and the DoD in the world environment, considering enduring national security objectives, and the need for efficient management of defense resources. The Marine Corps planning phase within PPBEA codifies service-specific, strategic development objectives that align to higher guidance, as well as Marine Corps capability and force development processes.

32. Portfolio. A distinct set of resources held by a responsible organization, usually a command, but also sometimes a functional grouping of stakeholders. An example of the latter is the warfighting portfolio.

33. Program/Budget Review (P/BR). Typically conducted concurrently between two OSD organizations (Undersecretary of Defense (Comptroller) (USD (C)) and Director, Cost Assessment and Program Evaluation (D, CAPE)). The Program Review will consider changes to the Components' Program and Budget submissions, strategic capability balancing, and

compliance with prior guidance. The primary focus of the review will be to continue to refine the alignment of the DoD programs with the NDS and validate alignment with the DPG.

34. Programming. Programming translates strategic priorities into quantifiable resource positions.

36. Programming Phase. The programming phase begins upon receipt of a DC CD&I-generated, CMC-endorsed "Plan." In the development of the POM, programmers apply monies across the FYDP in accordance with the Commandant's plan or other CMC priorities, and DON, the Office of the OSD, or Congressional guidance or directives. The output of programming activities is the timely delivery of the T/POM in support of a deliberate budgeting phase. The outcome of programming is a defensible, evidence-based, risk-informed POM, approved by the Commandant.

37. Program Objective Memorandum (POM). The final product of the programming process within the Department of Defense, the components' POM displays the resource allocation decisions of the Military Departments in response to and in accordance with Strategic Planning Guidance (SPG) and Joint Programming Guidance (JPG).

38. Program Objective Memorandum (POM) Balancer. Developed during the Programming phase, the POM Balancer is a living, data-informed document that contains an approved and prioritized list of alternative and/or additional investments and divestment trade space for employment in the case of changing topline values, guidance, or requirements throughout the programming phase. This list shall clearly reflect risk-informed constraints and restraints that govern Enterprise resourcing of requirements.

39. Program Objective Memorandum (POM)-to-Budget Review (POM-to-Bud). POM-to-Bud occurs after the initial part of the Programming phase, after the POM plan is programmed into PBIS, any out-of-cycle Fiscal Guidance is applied, and the initial POM Balancer is developed. POM-to-Bud takes into account any budgetary "anomalies" (i.e. increases from the one year to the next that are above inflation, execution concerns within appropriations or budget line items, and Congressional items of interest).

40. Requirement. The need or demand for personnel, equipment, facilities, other resources, or services, by specified quantities for specific periods of time or at a specified time.

41. Resources. The forces, materiel, funds, and other assets or capabilities apportioned or allocated to a program or the commander of a unified or specified command. Consists of military and civilian personnel, material on hand and on order, and the entitlement to procure or use material, utilities, and services as required for performance of the basic mission of the responsibility center, as well as work performed for others.

42. Risk. The effect of uncertainty upon objectives. Within the planning and programming phases of PPBEA, the primary measure of risk is the effect on the achievement of requirements at funding levels below the FFR. Acquisition programs may also view risk as a future event or condition that may have a negative effect on achieving program objectives for cost, schedule, and performance. Defined by 1) the probability (greater than 0, less than 1) of an undesired event or condition, and 2) the consequences, impact or severity of the undesired event, were it to occur.

43. Select Command. Those commands, other than major commands, that are responsible for the completion of command worksheets in planning. See also Major Command.

44. Service-Mandated Programs. Programs, or parts of programs, that the MROC or CMC directs to be funded at a specific funding or capability level across the FYDP in order to meet service priorities. CMC, through the MROC, retains discretion over the final funding and/or capability level of these programs.

45. Tentative POM (T/POM). The T/POM is the output of the Programming phase after the conduct of POM-to-budget review. The T/POM is briefed to the MROC and ultimately to CMC at the E-MROC for final decision.

46. Total Obligational Authority (TOA). The sum of all budget authority granted (or requested) from the Congress in a given year.

47. Traceability. The ability to understand, record, and refer to resource allocation decisions and quantifiable resource positions throughout all phases of PPBEA.

Planning, Programming, Budgeting, Execution, and Assessment (PPBEA)
Timeline

1. D-660 (May) the Planning Phase Begins
 - a. D-660 to D-360 (May - Jan) Capabilities Planning.
 - b. D-600 to D-450 (Jun - Oct) Program and organization data collection and synthesis.
2. D-330 (Feb) the Programming Phase Begins
 - a. D-330 to D-300 (Feb) Requirements to Resources Transition.
 - b. D-300 to D-240 (Mar - Apr) Programming.
 - c. D-270 to D-240 (May) POM to budget transition.
3. D-240 (Jun) the Budget Phase Begins
 - a. D-240 to D-180 (Jun - Jul) Budget submitted to DON/DON Review.
 - b. D-180 to D-120 (Aug - Sep) Budget submitted to OSD/OSD Program Review.
 - c. D-120 to D-60 (Oct - Nov) OSD Budget Review.
 - d. D-60 to D-30 (Dec) Office of Management and Budget (OMB) Pass-back/Secretary of Defense (SECDEF) End Game.
 - e. D-30 to D-1 (Jan) OSD Rollout.
 - f. D-DAY (First Monday in Feb) Budget submitted to Congress.
 - g. D+60 to D+90 (Apr) CMC and senior staff Congressional testimony.
 - h. D+90 to D+240 (May - Sep) Congress reviews service budget submission and provides feedback.
 - i. D+240 (Oct) Congress Appropriates/Authorizes Funds. Fiscal Year XX execution begins.
4. D+240 (Oct) the Execution Phase Begins
 - a. D+345 (Jan) Audit Entrance Conference.
 - b. D+420 (Mar) Mid-Year Review. Commands review current execution and provide feedback to P&R.
 - c. D+570 (Sep) FY-XX Close-Out begins.

d. D+600 (Oct) FY-XX transition.

5. Assessment Phase (Enduring throughout PPBEA cycle). See enclosure (7) for continuous PPBEA assessment activities listed by quarter.

Inputs/Activities/Outputs

1. Planning Phase (Problem Framing)
 - a. Inputs
 - (1) DoD/DON Guidance
 - (2) CMC Planning Guidance/Service Strategy
 - (3) MCSA
 - b. Activities
 - (1) Strategic Planning
 - (2) Capabilities Planning
 - (3) Program Reviews
 - (4) CORE Reports
 - c. Outputs
 - (1) CMC-approved Force Integration Plan
 - (2) Enterprise Investment and Divestment Lists
 - (3) Capability Gap List
 - (4) Program Review Out-brief
 - (5) Program and Command Data Synthesis
2. Programming (COA Development to Orders Development)
 - a. Inputs
 - (1) CMC-approved Force Integration Plan
 - (2) Enterprise Investment and Divestment Lists
 - (3) Capability Gap List
 - (4) Risk Assessments
 - (5) Program and Command Reviews
 - b. Activities
 - (1) Orientation Briefs

- (2) POM Fiscal War Game
- (3) Balance the POM Submission
- (4) Prepare the T/POM
- (5) Conduct POM-to-Budget Transition

c. Outputs

- (1) T/POM and T/POM Brief
- (2) Service Executive Summary
- (3) POM Roll-out Briefs
- (4) Issue Papers

3. Budgeting (Orders Development)

a. Inputs. POM-to-Budget Transition

b. Activities

- (1) POM/BES to DON/DON Review
- (2) BES to OSD/OSD Program Review
- (3) OMB Pass-back/SECDEF End Game
- (4) OSD Rollout
- (5) Budget Submission to Congress
- (6) Congressional Testimony
- (7) Congressional Marks

c. Outputs. Enacted Budget

4. Execution (Transition)

a. Inputs

- (1) Enacted Budget
- (2) Updated Prioritized Divestment/Investment Listing
- (3) Fiscal Control and Spend Plans

b. Activities

- (1) Apportionment of Funds to the Marine Corps
- (2) Funding Authorizations
- (3) Commands Execute Funds
- (4) P&R Monitors Execution
- (5) Mid-Year Review
- (6) Current Year Deficiencies Registered and Reconciled
- (7) Close-out Process

c. Outputs

- (1) Mid-year Review
- (2) Funds Obligation and Certification
- (3) Audit Compliance

5. Assessment (Feedback)

a. Inputs

- (1) Strategic Guidance
- (2) PPBEA Phase-based Feedback
- (3) Execution Reports
- (4) Audit Findings

b. Activities

- (1) Planning Assessments
- (2) Programming Assessments
- (3) Budget Assessments
- (4) Execution Assessments
- (5) Audit Assessments

c. Outputs

- (1) Evidence-based Analysis
- (2) Defensible POM/Budget Support

APPENDIX A

Glossary of Acronyms and Abbreviations

| | |
|--------|---|
| 4-R | Requirements, Resources, Risk, Reporting |
| ADC | Assistant Deputy Commandant |
| ADC-P | Assistant Deputy Commandant for Programs |
| APPN | Appropriation |
| AVN | Aviation |
| BES | Budget Estimate Submission |
| BISOG | Blue in Support of Green |
| BLI | Budget Line Item |
| BSO | Budget Submitting Offices |
| CAPE | Cost Assessment and Program Evaluation |
| CD&I | Combat Development and Integration |
| CIS | Comptroller Information System |
| CMC | Commandant of the Marine Corps |
| CNO | Chief of Naval Operations |
| COA | Course of Action |
| COLS | Common Output Levels of Service |
| CORE | Commander's Organizational Risk Estimate |
| CPIB | Capabilities Portfolio Integration Board |
| CPRB | Capabilities Portfolio Review Board |
| CR | Continuing Resolution |
| CRA | Continuing Resolution Authority |
| CYD | Current Year Deficiencies |
| DAI | Defense Agencies Initiative |
| DAS | Defense Acquisitions System |
| DMAG | Deputy's Management Action Group |
| DoD | Department of Defense |
| DON | Department of the Navy |
| DPG | Defense Planning Guidance |
| E-MROC | Executive Marine Requirements Oversight Council |
| EGEM | Enterprise Ground Equipment Management |
| EOS | Executive Off-site |
| EPT | Enterprise Programming Team |
| FADs | Funding Authorization Documents |
| FASAB | Federal Accounting Standard Advisory Board |
| FFR | Full Funding Requirement |
| FHCON | Family Housing Construction |
| FHOPS | Family Housing Operations |
| FMB | Office of Budget (DON) |
| FYDP | Future Years Defense Program |
| GAAP | Generally Accepted Accounting Principles |
| HAC | House Appropriations Committee |
| HASC | House Armed Services Committee |
| HQMC | Headquarters Marine Corps |
| IPA | Independent Public Accountant |
| IT | Information Technology |
| JCIDS | Joint Capabilities Integration and Development System |

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| MCNR | Military Construction Reserves |
| MCPRIME | Marine Corps Program Review Information Management Enterprise |
| MCSA | Marine Corps Strategic Assessment |
| MILCON | Military Construction |
| MOE | Measure of Effectiveness |
| MOP | Measure of Performance |
| MPMC | Military Personnel Marine Corps |
| MRB | MROC Review Board |
| MROC | Marine Requirements Oversight Council |
| NAVAIR | Naval Air Systems Command |
| NDS | National Defense Strategy |
| NWCF | Navy Working Capital Fund |
| O&M | Operations and Maintenance |
| OMB | Office of Management and Budget |
| OMMC | Operation and Maintenance, Marine Corps |
| OPNAV | Office of the Chief of Naval Operations |
| OPR | Office of Primary Responsibility |
| OPT | Operational Planning Team |
| OSD | Office of the Secretary of Defense |
| P/BR | Program/Budget Review |
| P&R | Programs and Resources |
| PANMC | Procurement of Ammunition, Navy and Marine Corps |
| PA&E | Program Analysis and Evaluation |
| PBCG | Program Budget Coordination Group |
| PBIS | Program Budget Information System |
| PBDs | Program Budget Decisions |
| PB | President's Budget |
| PBR | President's Budget Request |
| PDMs | Program Decision Memorandums |
| PE | Program Element |
| PII | Personally Identifiable Information |
| PMC | Procurement Marine Corps |
| POM | Program Objective Memorandum |
| PPBE | Planning, Programming, Budgeting, Execution |
| PPBEA | Planning, Programming, Budgeting, Execution, Assessment |
| PRCP | Program Resources Collection Process |
| QFR | Questions for the Record |
| RBE | Budget and Execution Division (Division of P&R) |
| RDT&E | Research, Development, Test and Evaluation |
| RDTEN | Research Development Test and Evaluation, Navy |
| RFC | Budget and Congressional Coordination Branch (Branch of P&R) |
| RFD | Resources Fiscal Division (Division of P&R) |
| RFE | Budget and Execution Branch (Branch of P&R) |
| RFI | Request for Information |
| RFI | Investment Branch (Branch of P&R) |
| RFM | Manning Branch (Branch of P&R) |
| RO | Responsible Office |
| RP | Programs Division (Division of P&R) |

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| RPA | Aviation Program Development Branch (Branch of P&R) |
| RPD | Program Development (Branch of P&R) |
| RPM | MAGTF Integration Branch (Branch of P&R) |
| RPMC | Reserve Personnel Marine Corps |
| RSMA | Resource Sponsor Marine Aviation |
| SAC | Senate Appropriations Committee |
| SASC | Senate Armed Services Committee |
| SDCS | Standard Data Collection System |
| SECNAV | Secretary of the Navy |
| SME | Subject Matter Expert |
| SNaP | Select and Native Programming Data Input System |
| SPR | Strategic Portfolio Review |
| SSMS | Service Support Manpower System |
| T/POM | Tentative Program Objective Memorandum |
| TFSP | Total Force Structure Process |
| TLCM | Total Life Cycle Management |
| TOA | Total Obligation Authority |
| USN | United States Navy |