CHAPTER 5: SCO BUDGET PREPARATION

5.1 PURPOSE

Accuracy and completeness of the budget submission will aid the GCCMD and DSCA/CMP during the budget review process. A comprehensive, programmatic justification for your SCO will facilitate leadership decision-making. The SAARMS Budget Preparation Application will be used to prepare the individual SCO and GCCMD budget submission.

5.2 GENERAL

5.2.1 The SCO Program/Budget is prepared and submitted to the GCCMD for review and consolidation prior to submission to DSCA/CMP.   The Program/Budget submission will address SCO costs for the following years:

> Prior Fiscal Year – Actual obligations
> Current Fiscal Year – Actual obligations
> Budget Year – Revised estimates for the Next Budget Year
> Program plus 1 – Estimates for the first Program Year
> Program plus 2 – Estimates for the second Program Year

EXAMPLE: For the Program/Budget submission due to DSCA in March 2013, the above fiscal years would be Prior Fiscal Year (2012), Current Fiscal Year (FY 2013), Budget Year (FY2014), Program Year +1 (2015), and Program Year +2 (FY16).

5.2.2 The Program/Budget will include the total guidance target by major cost category. These targets will not be exceeded. Any requirements above the target should appear on the Unfunded Requirements (UFR) List.

5.2.3 Budget data for personnel costs should be prepared using the staffing authorized in the GCCMD/SCO JTD/JMP. Variations from the current approved JTD/JMP must be justified, in writing, with supporting documentation.

5.2.4 Cost estimates for military personnel pay and unfunded U.S. civilian retirement costs are excluded costs, and should not be included in the Program/Budget submission. Cost estimates for SCO Coast Guard personnel will be provided by HQ USCG directly to DSCA/CMP. USCG costs are centrally paid by DSCA/CMP.

5.2.5 Each GCCMD prepares a consolidated Program/Budget for all SCOs and then submits an overall assessment (or Executive Summary) of GCCMD operations to DSCA/CMP.

5.3 BUDGET PREPARATION APPLICATION

5.3.1 The Budget Preparation Application will be used to prepare the SCO and GCCMD consolidated SA budget for DSCA/CMP. This application was designed using the "Zero-Based"

budget concept. This allows the SCO to verify the estimated costs of recurring requirements and include one-time requirements.

5.3.2 The program separates the budget data into Direct Charges, Indirect Charges, and Special Exhibits and entails three distinct functions: Set-Up, budget data entry, and Output preparation. The entry screens allow the SCO to enter the level of detail needed to develop the budget and generate reports required by the GCCMDs to review, adjust, and consolidate the individual SCO budgets into a consolidated report to DSCA/CMP. The program allows the optional use of JTD/JMP line numbers as management tools; the use of the JTD/JMP line number allows the program to provide the aggregate costs associated with and individual assigned to an authorized position. The "Function" criteria can be used to delineate the costs associated with a function, (e.g., training office).

5.3.1 SET UP

The Set-Up function allows the SCO to enter the constant data information for the:

5.3.1.1 Fiscal Years: The SCO sets the corresponding fiscal year database.

5.3.1.2 Inflation factors: This function allows the SCO to enter inflation factors against object classes for calculation of budget year estimates. This function can be used when DSCA/CMP provides factors in the budget call or the SCO is aware of in-country factors. This is an optional function.

5.3.1.3 Commander's Statement: The SCO can upload a document from the SDO/DATT explaining the key aspects of the SCO Program/Budget Submission. This is not to be a complete iteration; rather, it is an opportunity to provide emphasis on critical portions of the SCO Program/Budget submission.

5.4 DIRECT CHARGES

Direct charges are those estimated costs for requirements that the SCO will be authorized authority to obligate funds to fulfill. They are categorized in the budget application by OMB A-11 Object Classification. The data to develop the budget is entered by object class entry screens. Note: the following lists the separate entry screens for direct charges.

- 111 – Full-Time Permanent Compensation
- 113 – Other than Full-Time Permanent Compensation
- 115 – Other Personnel Compensation
- 121 – Civilian Personnel Benefits
- 210 – Travel & Transportation of Persons (TDY)
- 220 – Transportation of Things
- 232 – Rental Payments to Others (Rents & Leases)
- 233 – Communications, Utilities, & Miscellaneous Charges

- 240 – Printing & Reproduction
- 252 – Other Services
- 253 – Other purchases of goods and services from Gov't Accounts
- 254 – Operation & Maintenance of Facilities
- 257 – Operation & Maintenance of Equipment
- 260 – Supplies & Materials
- 310 – Equipment

5.5 INDIRECT CHARGES

Indirect Charges are for those mission requirements like C-12, ICASS support, FSN Separation Trust, and U.S. Coast Guard personnel costs. The SCO directs the execution of these requirements, but does not receive Obligational Authority, since the bills are centrally paid by DSCA/CMP. The SCO submits a budget in SAARMS for GCCMD indirect and direct costs certifying funds are verified.

5.6 SPECIAL EXHIBITS

Special Exhibits include the C-12 Flying Hour Program; support provided by the Host Nation in the form of AIK; UFR List; estimated foreign currency expenditures; and resource allocation.

5.6.1 RESOURCE ALLOCATION BY FUNCTIONAL AREA

Each SCO must analyze the SA missions and submit an estimated distribution of the organization's activity as a percentage of total SA mission for the prior twelve months. See the annual budget call memorandum for detailed instructions (Chapter 3).

5.6.3 UFR List

Each GCCMD will prepare a prioritized UFR list based on requirements submitted by the SCO. Each item submitted by the SCO and approved by the GCCMD should be ranked in priority order and identify the applicable object class (or categorization of the costs by object class designations if more than one is relevant to the item).

5.7 SUMMARY

Preparation of the SCO SA operating budget requires the SCO to be familiar with the applicable budget formats as well as any supplementary guidance from DSCA/CMP and the GCCMDs. The SCO budget consists of data for four years, starting with Prior Fiscal Year and ending with Program Year +2.