OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1100

JAN - 5 2010

COMPTROLLER
(Program/Budget)

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR BUDGET, OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTOR, OFFICE OF BUDGET/FISCAL MANAGEMENT, OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY (BUDGET), OFFICE OF THE ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: DD 1414, Base for Reprogramming Actions

You are required to provide two copies of the DD 1414, Base for Reprogramming Actions for Fiscal Year (FY) 2010 by **January 20, 2010**. This initial submission must include proper footnoting of all congressional special interest programs consistent with the language and intent of the applicable committee reports and sections 8006 and 8007 of Public Law 111-118, the Department of Defense (DoD) Appropriations Act, 2010. In addition, include funding from Title IX, Overseas Contingency Operations for Fiscal Year 2010. ***It is extremely important that reports are submitted on time, because the Department will not be able to do any reprogrammings or transfers until the DD 1414 report is submitted to the congressional committees in accordance with section 8007, unless the Secretary of Defense certifies the requirement is an emergency.***

Effective for fiscal year 2010 the dollar threshold for reprogramming funds will remain at $15.0 million for operation and maintenance, $20.0 million for procurement and $10.0 million for research, development, test, and evaluation. The Department shall continue to follow the limitation that prior approval reprogrammings are set at either the specified dollar threshold or 20 percent of the procurement or research, development, test and evaluation line, whichever is less. However, the percentage change limitation applies to **both program increases and decreases**. This percentage change applies to the program base vale at the time of the below threshold reprogramming (BTR) is executed.

These thresholds are cumulative from the base for reprogramming value as modified by any congressional action, to include rescissions, supplemental, and approved DD 1415 reprogramming. Therefore, if the **combined value** of transfers into or out of an operation and maintenance (O-1), procurement (P-1), or research, development, test, and evaluation (R-1) line exceeds the identified threshold, the Department of Defense must submit a prior approval reprogramming request to the congressional defense committees.

For the Operation and Maintenance (O&M) appropriation, keep in mind that Prior Approval (PA) reprogramming rules apply for any net changes to any budget activity in excess of $15.0 million. The Services will be required to submit PA reprogramming action for transfers in excess of $15.0 million **out** of the following budget subactivities:

Army: Land forces depot maintenance.

Navy: Aircraft depot maintenance; and ship depot maintenance.

Marine Corps: Depot maintenance.

Air Force: Air operations depot maintenance; mobility operations depot maintenance; basic skills/training depot maintenance; and logistics operations depot maintenance.

For the Operation and Maintenance, Army National Guard appropriation, the Army is required to submit a PA reprogramming action for transfers in excess of $15.0 million **into** the following budget subactivities:

Army National Guard: Other personnel support/recruiting and advertising.

The Services, with Comptroller coordination, shall provide written notification of cumulative transfers in excess of $15.0 million **out** of the following budget sub-activities:

Army: Maneuver units; modular support brigades; land forces operations support; force readiness operations support; base operations support; and facilities, sustainment, restoration, and modernization.

Navy: Facilities, sustainment, restoration, and modernization.

Marine Corps: Facilities, sustainment, restoration, and modernization.

Air Force: Primary combat forces; combat enhancement forces; combat communications; and facilities, sustainment, restoration, and modernization.

Finally, the Services need to distribute **all** congressional reductions including those that specify a prorated reduction (such as section 8026 of Public Law 111-118) in the appropriate columns of the DD 1414, Base for Reprogramming Actions.

John P. Roth
Deputy Comptroller

cc: OUSD(C) P/B Operations Directorate
OUSD(C) P/B Investment Directorate
OUSD(C) P/B Military Personnel and Construction Directorate
OUSD(C) P/B Revolving Funds Directorate

Instructions for DD Form 1414, Base for Reprogramming Actions

The Department of Defense Financial Management Regulation, Volume 3, Chapter 6, Appendix A contains the basic instructions.

Distribute ALL congressional reductions including those that specify a prorated reduction (such as sections xxxx of Public Law 111-xxx) in the appropriate columns of the subsequent DD 1414, Base for Reprogramming Actions.

You may document realignments for congressionally added items that were appropriated in the wrong program element (PE) or line item using the DD Form 1414, as long as the realignment ***does not change the purpose for which the funds were appropriated and does not*** involve transfer authority (i.e., stays within the same appropriation). ***Show the losing line item and the gaining line item and footnote accordingly.*** The FY 2010 President's Budget (PB) will include all realignments. Identify both the gaining and losing PEs or line items in the footnote. "The xxx program will execute the congressionally added XYZ program in the YYY program." Include PE numbers and line item title in the footnote, as appropriate. On subsequent DD 1416s, show the project in the correct line item – as you do on the DD 1414 – but you can delete the losing project line item from the losing program by adding the footnote to the basic program line item.

Footnotes will vary depending on congressional action/intent (e.g., do not increase or decrease an item without prior congressional committee approval).

You should footnote any congressional add, entire requested amount, or partially requested amount that is fenced or identified as a special interest item. Footnote all items designated as "only for" or "only to" in public law or in any report language. Footnote all Procurement programs and subprograms and all Research, Development, Test, and Evaluation program elements and projects that are listed in any table of the Conference Report 111-xxx, the Senate Report 111-xxx, and the House Report 111-xxx. Footnotes should reference the section number and the public law and/or the report number that made it a congressional special interest item. Footnote these items (see attached wording) in separate memo entry lines under the parent program, unless the increase or decrease is to the same program or project. In that case, footnote the line item itself (a non-add entry is unnecessary in these instances because the format identifies the specific amount to that specific program). Add any footnotes that may be required by the Authorization Committees.

Use a single asterisk "*" to reflect items that were denied without prejudice:

> ** The Congress denied this item, but without prejudice (Report xxx, page xxx). Congressional prior approval* ***is required*** *before increasing funds on this program.*

Use a double asterisk "**" to reflect items that were denied with prejudice:

> *** The Congress specifically denied this item.* ***This item may not be included on any reprogramming action.***

DD FORM 1414 INSTRUCTIONS (Continued)

Use a 1/ footnote to reflect congressional special interest items:

> *1/ One of the FY 2010 congressional reports specifically provided funds for this item using the phrases "only for" or "only to," or the item appears in one of the project level tables.* ***Congressional prior approval is required before decreasing funds on this program.***

Use a 2/ footnote to reflect congressional special interest items with congressional reductions:

> *2/ This item was specifically reduced by one or more of the congressional committees. A prior approval reprogramming will be required to increase this line item.* ***Below Threshold Reprogramming*** *(BTR) authority can only be used to restore undistributed congressional reductions. The program amount cannot exceed the amount in the appropriation tables or the original President's budget request, whichever is less.*

Include the Operation and Maintenance budget activities and subactivity group areas listed in the House Report 111-xxx, footnoted as follows:

> *2/ Proposed transfers of funds between O-1 budget activities in excess of $15 million are subject to standard reprogramming procedures. The committees shall be notified of any reprogramming increase or decrease that exceeds $15 million from the following budget activities and subactivity categories.* List those enumerated in the House report along with the baseline dollar value consistent with the congressional Rebaselining Report.

Use sequential numbering footnotes to reflect the congressional special interest items. The footnote should cite the Public Law number, Title, General Provision, or page number along with a paraphrase of the congressional direction:

> *2 or 3/ Section xxx of P L.111-xxx directs that not less than $x million shall be made available only for xxx.*

Use additional footnotes as necessary.

The subsequent DD Form 1416, Report of Programs, will contain all footnotes on the DD 1414 unless subsequent documentation indicates the footnote is no longer applicable. Consolidate footnotes on the last page of each account. This avoids repetition of the same footnote that may appear on several pages of an account.

In order for the Report of Programs to be used fully by the staffs of the congressional defense oversight committees, the Department will submit an unclassified Report accompanied by a classified extract. Therefore, each Service should submit an unclassified DD Form 1414. All classified programs should be consolidated into a single line titled Classified Programs and should be displayed at the end of the Direct Program section. A separate classified DD Form 1414 should also be submitted (each appropriation should be displayed on a separate page) to show the detail programs

included in the consolidated classified line(s). Include the appropriate (S) or (C) marking at the beginning of each line item and bracket all classified information in that line item. Use a pen or magic marker for the brackets and make the brackets larger than type.

For uniformity purposes, please use the following stub entries in the Program and Financing Sections of the DD 1414, as applicable:

Funds provided in Public Law 111-118, the Department of Defense Appropriations Act, 2010, Title IX, Overseas Contingency Operations, for Fiscal Year 2010, will be included in the Department's FY 2010 DD 1414 Base for Reprogramming Actions.

Program Section:
Management Improvement (Sec. xxxx)
Excessive Growth (Sec. xxxx)
Cash Balances/Rate Stabilization (Sec. xxxx)
Limit Excessive Growth in Travel (Sec. xxxx)
Across-the-Board Rescissions (Sec. xxxx)

Financing Section:
P.L. 111-118, Section 8021
P.L. 111-118, Section 8026(f)
P.L. 111-118, Section 8074
P.L. 111-118, Section 8081
P.L. 111-118, Section 8082
P.L. 111-118, Section 8085
P.L. 111-118, Section 8107
P.L. 111-118, Section 8119