



UNITED STATES MARINE CORPS  
MARINE CORPS BASE  
PSC BOX 20004  
CAMP LEJEUNE NC 28542-0004

BO 7000.1L Ch 1  
COMP

MAY 09 2011

BASE ORDER 7000.1L Ch 1

From: Commanding Officer  
To: Distribution List

Subj: BASE FINANCIAL MANAGEMENT MANUAL

Encl: (1) New page insert to BO 7000.1L

1. Situation. To transmit a new page insert to the basic Order.

2. Mission

a. To transmit a new page inserts and issue a change transmittal to the basic Order.

b. Summary of Changes. Sub-paragraphs (d) and (e) have been added to Chapter 5, paragraph 4. The cities of Fayetteville and Raleigh were removed from the local commuting area. Sub-paragraph (e) clarifies the authorized operating area of government vehicles for official business.

3. Execution. Replace the current page 5-4 with the enclosure.

4. Administration and Logistics. File this Change transmittal immediately behind the signature page of the basic Order.

  
D. J. LECCE

DISTRIBUTION: A



UNITED STATES MARINE CORPS  
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From: Commanding Officer  
To: Distribution List

Subj: BASE FINANCIAL MANAGEMENT MANUAL

Ref: (a) 31 U.S.C.  
(b) DoDFMR 7000.14R, Vol 14  
(c) DoDFMR 7000.14R, Vol 8  
(d) MARADMIN 016/05 of 1 Jan 05  
(e) MCO P7300.21A  
(f) BO 7420.2G  
(g) JFTR, Vol 1  
(h) JFTR, Vol 2  
(i) DoDFMR 7000.14R, Vol 5  
(j) MCO 7510.2  
(k) MCO 5740.4  
(l) MCO 7220.13\_  
(m) MCO 7540.2\_

Encl: (1) Reports Required

Reports Required: See enclosure (1)

1. Situation. The Commanding Officer (CO), Marine Corps Base, Camp Lejeune (MCB CamLej) has responsibility for all financial matters, budget execution, labor management, disbursing, and resource evaluation and analysis. The Comptroller promulgates local instructions and guidance for implementation of financial policies as directed by the CO and in accordance with all applicable policies, laws, and regulations involving his command. The Comptroller, MCB CamLej is the principal staff officer who advises the CO in all areas of financial management. The Comptroller is responsible for providing the command a full range of financial management services to include program and resource management. This Order outlines the fiscal procedures and responsibilities for MCB personnel. Ensuring fiscal solvency and good stewardship of Base resources is essential for maintaining overall operational readiness and making possible mission accomplishment for the command.

DISTRIBUTION STATEMENT A: Approved for public release;  
distribution is unlimited.

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2. Cancellation. BO P7000.1K.

3. Mission

a. This Order establishes financial management policy for all Base personnel.

b. Summary of Revision. This Order has been reformatted and contains a substantial number of changes and should be completely reviewed.

4. Execution. All Base units and tenant activities/organizations receiving Base support will comply with the instructions established in this Order.

5. Administration and Logistics. Recommendations for changes to this Order should be forwarded to the Commanding Officer (Attn: Comptroller).

6. Command and Signal

a. Command. This Order is applicable to MCB CamLej, all Base units and tenant activities/organizations receiving Base support. It does not supersede other directives published by the Commandant of the Marine Corps, Comptroller of the Navy, or other higher authority.

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

  
W. A. MEIER  
By direction

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## Reports Required

REPORT

<u>REPORT TITLE</u>	<u>CONTROL SYMBOL</u>
I. Administrative Analysis	EXEMPT
II. Management Control Program Annual Report	DD5200-05
III. Marine Corps Fire Department Operation Cost	MC-7310-09
IV. Utility Cost Analysis	MC-7310-24
V. Unmatched Disbursing Notification	DFRB010
VI. Follow Up on Government Accountability Office, Department of Defense Inspector General, and Internal Audit	DD-7500-01

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RECORD OF CHANGES

Log completed change action as indicated.

Change Number	Date of Change	Date Entered	Signature of Person Incorporated Change

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Chapter 1

Responsibility and Organization

1. Command Responsibility. The CO is held directly responsible for the control and appropriate use of all funds allocated to this activity. This responsibility cannot be delegated. The CO is held personally responsible for any actions of his own, or of his subordinates within their command, which may cause an over-obligation, over-expenditure or misappropriation of funds authorized to the command. It is recognized that the CO cannot maintain personal control over each act of a subordinate which results in violation of public laws. Therefore the Comptroller is appointed as the principal staff officer responsible for actions to ensure that the principal subordinates to the CO are made aware of guidance provided in the public law, directives from higher headquarters, and policies established by the Commander for financial management and that those guidelines are observed and maintained.

2. Staff Responsibility. The Comptroller is assigned as special staff. The Comptroller performs those duties pertaining to the broad areas of financial management as follows:

- a. Formulates the budgets for the Base and compiles and submits unfunded requirements to the CO for his review and approval.
- b. Compares budget execution with the financial plan.
- c. Analyzes variances and determines where adjustments are required.
- d. Exercises such internal fiscal review and control over financial resources as deemed appropriate to comply with executing public law, directives, guidances, and policies.
- e. Promotes economy and efficiency in the performance of budget plans and programs.
- f. Coordinates and directs the execution of matters under his cognizance with activities, higher headquarters, other departments within and outside of the command.

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3. Comptroller Organization. The Comptroller Department is organized as follows:

a. Program and Resources Division. This division has the following responsibility for appropriated funds:

(1) Provides guidance and instructions for financial data calls.

(2) Reviews and consolidates MCB CamLej departmental submissions for financial data calls and forwards to higher headquarters.

(3) Reviews the requirements and justifications for financial resources in support of Command programs.

(4) Compiles the command's budget.

(5) Recommends distribution of funds and recommends necessary revisions to the CO for approval.

(6) Prepares local directives and instructions to ensure compliance with public law, guidance from higher headquarters and locally published policies.

(7) Analyzes variances during execution of the command's budget plan.

(8) Recommends areas where budget plan adjustments can be made so that savings may be realized and reapplied for greater effectiveness and efficiency.

(9) Initiates action to adjust the financial plan to accommodate the limitations of available funding.

(10) Prepares requests for additional funds, when required.

(11) Compiles unfunded requirements submitted by MCB CamLej departments, develops a plan prioritizing the resulting deficiencies, and submits the plan to the Comptroller for review and command approval.

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b. Budget Execution Division

(1) Provides analysis, coordination, and assistance on the implementation and execution of accounting methods and procedures prescribed by higher authority or by command policies.

(2) With and through the Financial Management Resource Officer (FMRO), provides the CO effective accounting liaison to various organizational components within MCB CamLej; Headquarters, U.S. Marine Corps (HQMC) fiscal and logistics representatives; and Defense Finance and Accounting Service (DFAS).

(3) Directs the development, implementation, and training for all accounting systems/procedures for MCB CamLej.

(4) Provides technical advice to management and is responsible for integrating accounting information from DFAS and HQMC.

(5) Assists Budget Execution Activities (BEA) in their review, reconciliation, and clearing of unmatched disbursements.

(6) Assists the BEA in identifying and justifying budgetary requirements for inclusion, comments, budget and requirements submissions to higher headquarters. Through FMRO, forwards to DFAS the necessary information for clearing payments and bills from the accounting records.

(7) With the FMRO, conducts liaison with program managers and BEA to determine their accounting, reporting, and other financial requirements or concerns requiring action by the Managerial Accounting Division, DFAS, or HQMC staff elements.

c. Labor Management Division (LMD)

(1) Ensures that the presence and absence of civilian employees are accurately recorded, reported and certified to compute pay, leave and allowances.

(2) Manages and monitors the budget plan for civilian labor requirements of the command. Makes adjustments to the budget plan to agree with guidance from higher headquarters and in accordance with CO's policies.

(3) Oversees all Base units and tenant activities/organizations receiving Base support in the Standard

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Labor Distribution Collection and Distribution Application System (SLDCADA) as the command's SLDCADA Administrator.

(4) Responsible for the reallocations, adjustments and corrections in the Standard Accounting Budget and Reporting System (SABRS) to ensure accurate labor distribution. Additional responsibility include the annual labor projection.

(5) Ensures pay discrepancies are processed in a timely manner.

(6) Responsible for providing procedural guidance and training to individuals (certifiers and/or timekeepers) responsible for recording time and attendance.

(7) Balances the Work Year Personnel Cost (WYPC) Report.

(8) Provides assistance to civilian employees in resolving pay issues and problems.

d. Disbursing Division

(1) Performs disbursing functions which may be imposed by laws and regulations issued by one of the following: Treasurer of the United States, Department of Defense (DoD), Department of the Navy (DON), U.S. Marine Corps, and by decisions of the Comptroller General of the United States.

(2) Provides pay services for those Marines serviced by symbol 6092.

(3) Processes all types of travel claims for both military and civilian personnel traveling on Government business under competent orders.

(4) Responsible for setting up and manning the Disbursing Mobilization Station upon mobilization.

(5) Serves the Comptroller and the CO, MCB CamLej as the finance and disbursing liaison with HQMC and DFAS.

e. Resource Evaluation and Analysis Division (REA)

(1) Conduct special studies and analyses of MCB functions for the purpose of promptly detecting and correcting troublesome and unsatisfactory conditions arising in connection with established financial practices, procedures, records, accounting sys-

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tems, statements, and reports.

(2) Render assistance in correcting deficiencies which are revealed by audits performed by the various audit agencies, or by review analysis, observation, or other means.

(3) Adopt and participate in the installation of approved financial and accounting systems and procedures.

(4) Maintain liaison with, and provide assistance to auditors from the General Accountability Office (GAO), the DoD Assistant Inspector General for Auditing (AIG(A)), Naval Audit Service (NAS), and the Marine Corps Non-Appropriated Fund Audit Service (MCNAFAS) as detailed in Chapter 6.

(5) Conduct assigned cash verifications and maintain oversight of appropriated fund cash verifications performed by individuals appointed by the CO.

(6) Conduct annually required program reviews, as required by reference (d) and HQMC/Audit and Review Branch (RFR).

(7) Coordinate the Marine Corps Managers' Internal Control (MCMIC) Program to include testing for the Internal Controls Over Financial Reporting (ICOFR) and Statement of Budgetary Resources (SBR), as required by HQMC Accounting and Financial System Branch (RFA). This includes reviewing control documentation; providing technical assistance; and preparing the CO Annual Compliance Statement of Assurance (SOA).

(8) The REA Division is also responsible for conduct of Fiscal Assist Visits, administration of SMARTS Web Page Financial Reports and SABRS System Administration.

4. Financial Advisory Board (FAB) Functions. The FAB reviews, coordinates, and offers recommendations on unfunded requirements for the command as a whole. Guidance for the FAB is published separately from this Order.

5. Base Management Structure

a. Established to administer Base programs as directed by the CO, directors, and special staff officers designated herein as they appear in the following Base management structure.

b. Allotment/Expense Operating Budget Holder. The CO, MCB CamLej is the Allotment/Expense Operating Budget holder. The CO

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generally receives authorizations through the funds flow chain of command from HQMC via U.S. Marine Corps Forces Command (MARFORCOM) as Marine Corps Installations East (MCIEAST). The CO may also receive funds as reimbursable obligations from other military commands outside of the Marine Corps and from other Federal, State and local agencies through certain controlled processes.

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## Chapter 2

Program and Resources Division

1. Mission. The Programs and Resources Division (P&R) provides guidance for all local budget preparation and execution efforts. P&R monitors resource requirements and changing workloads for various programs within the command; submits the command's financial data calls; distributes funding received by the command from Operations and Maintenance, Marine Corps, allotments, work requests, project orders and Military Interdepartmental Purchase Requests (MIPRs). In addition P&R revises distributions as required; prepares fiscal instructions to assure compliance with established policy; analyzes variances in annual plans and acts to remediate and correct the plan or its execution; identifies areas where savings and economies may be effected and adjusts the Budget Plan to reflect available funds; and requests additional funding or resources during the execution cycle, with complete justification.

a. Definitions

(1) Budget. A budget is an organization's plan for accomplishing its assigned missions, achieving goals and providing services by applying resources, expressed in dollar value, for personnel, materials, contracts, and other appropriate items of cost. It outlines mission-directed programs, identifies funds set aside, and quantifies the planned level of accomplishment for each program. Each cost item is supported by a narrative description and justification, which explains how the item supports a specific goal or mission. Specific guidance for participation in the local budget process is provided to each organization or group responsible for executing a budget plan.

(2) Program Objective Memorandum (POM). The POM effort represents Marine Corps participation in development of the DoD "Future Year Defense Program" (FYDP). Input to the POM is submitted by field activities to HQMC and then on to the DON and eventually to the DoD. The POM utilizes a simplified budget format to present the requirements that the command feels are necessary to mission success. Within certain fiscal constraints, it attempts to identify current abilities to execute mission assigned programs, alternative methods for accomplishing missions based upon changing priorities and emergent initiatives, and strengths and weaknesses in current support provided to the various programs. The POM also develops a priority list of deficiencies in support of mission requirements. POM is

completed in odd years. Specific guidance for participation in the POM is issued concurrently with the POM Call from HQMC.

(3) Midyear Review. The Midyear Review (or annual deficiency reviews) is a separate submission to HQMC, that is prepared to identify unfunded requirements in the year of execution. Each deficiency is supported by a narrative justification and a statement of impact if not funded. When appropriate, the deficiency will make reference to changes, (1) through orders and directives; (2) in emergent and developing programs; and (3) to local policies, where those changes have resulted in the funding shortfall. Guidance for submission of the Midyear Review is normally provided on receipt of a deficiency call from higher headquarters.

b. The Operating Budget Concept

(1) An operating budget is structured to measure the performance and effectiveness of the plan. The budget for MCB CamLej is generally presented in detail by Program Element Number (PEN), and Marine Corps Program Code (MCPC). The Financial Information Pointer (FIP) used in the accounting system relates directly to the level of detail at which the budget plan is constructed. As a result, close comparison of budget execution with the budget plan is possible, enabling the command to analyze changes in requirements and to adjust either the method of executing the budget plan (i.e., changing the way of operating to stay within budget limitations) or the budget plan itself (i.e., changing the way the budget plan applied resources to performance milestones). This ability to analyze and adjust during the execution phase makes improvements in local management of resources possible at all levels of fiscal administration.

(2) The operating budget concept is based on the accuracy and timeliness of the financial data entered into SABRS. SABRS is dependent on the input initiated largely at the BEA level. It is imperative that the BEA ensures the data is accurate and relevant to assist management efforts in the decision making process.

2. Staff Responsibility

a. The effective operation of the financial management system is a concern of all command echelons which influence the consumption of resources in the accomplishment of assigned mission. Staff officers, not just the Comptroller, should exhibit intense interest in the fiscal posture of each of the

functions under their cognizance. Program managers should be keenly aware of the need to include both economic impacts and cost effectiveness in their decision making process.

b. The CO, department heads, and special staff officers have the following responsibilities in the budget area:

(1) Prepare an allocation and obligation phasing plan for each area of responsibility.

(2) Review obligation status each month and provide an explanation to Programs and Resources Division when obligation status falls below 98% of obligation phasing plan.

(3) Recognize and request adjustments in budget plans for areas under their cognizance.

(4) Assist in overseeing the formulation and execution of budget plans by BEAs under their staff cognizance.

(5) Provide the BEAs and managers under their guidance with an atmosphere that promotes and supports individual initiative and freedom of action in accomplishing assigned missions. Continuously review instructions and directives placed upon subordinates to eliminate unnecessary, overlapping, or unreasonable and restrictive controls.

c. Under the direction of the CO or special staff officer, the BEAs must be constantly aware of ongoing activities, current unfunded requirements, and future year plans and requirements under their immediate purview. They must ensure that resources are used effectively. The fund administrators use their own initiative and exercise significant freedom of action in planning and carrying out the daily business of their assigned functions.

### 3. Budget Formulation

#### a. General

(1) Funds for the operation and maintenance of MCB CamLej have historically been very limited. This fiscal reality requires prudent financial practices to be maintained throughout the command. Accordingly, the budget formulation process is designed to solicit input from all levels of management. Each level of reviewer in the process works to fine tune the plan to ensure that it will best satisfy the mission needs of the command. Despite the scope of effort taken to create the budget

plan, the resulting product should not be construed as a complete and final picture of the annual requirements for the Base. Instead, "budget requirements" should be seen as a living, changing thing. They are dynamic, and will continue to be subject to constant scrutiny and revision by the financial managers throughout their "life."

(2) The budget submission should be the result of an honest and sincere effort to identify the requirements of an assigned mission. It should provide, in concise and understandable terminology, descriptions and justifications for each program that the BEA will accomplish within the approved funding level. At a minimum, it should explain what will be provided by the program, how much of the mission requirements are satisfied by the program, why this level of support must be provided, and what happens if it is not provided. When program realignments occur, the budget should explain the need for increases or decreases from the previous annual level of funding dedicated to ongoing programs, offer any alternatives in accomplishing the same purposes and goals, and reference other requirements that have been adjusted to permit the program realignment. The BEA should ensure that program costs over several successive fiscal years is developed in a reasonable and well-supported manner, that will be easily understood by reviewers from outside of this command. The BEA must critically consider and evaluate all significant funding variations between fiscal years and provide sufficient narrative explanation as to why the variance is needed. The ultimate goal is to provide a document that closely relates costs of operation to the end result of the expenditures.

(3) Specific instructions will be provided for each financial data call. All information provided in the BEA's submission should be in strict compliance with the instructions provided.

b. Budget Objectives. The primary objectives of the budget formulation process are to:

(1) Provide a means for managers to participate in the development of the budget plan for MCB CamLej.

(2) Detail and justify resource requirements for existing programs and present new funding initiatives.

(3) Evaluate performance of each identified program, at all levels of management.

(4) Identify and establish measurable performance objectives and goals for the budget execution process.

(5) Provide alternative plans for accomplishing mission requirements when requested.

(6) Provide explanation of changes to funding levels and performance objectives.

(7) Establish a funding baseline from which all future changes, to include resource reallocations, can be extrapolated.

#### 4. Areas of Funding/Budgeting Responsibilities

a. The BEA is ultimately responsible for ensuring that funding requirements, are accurately and adequately addressed in the budget submission. Budget estimates for the BEA should address basic operational funding requirements, and other specific, Base-wide funding requirements for which the BEA holds responsibility. In the event that a requirement for the mission accomplishment of one BEA falls in an area where another BEA holds Base-wide funding responsibility, then the requirements should be identified to the BEA holding the Base-wide funding responsibility.

(1) General Operational Funding. Each BEA is responsible for identifying the requirements for general operation of the organizations and functions under their purview, to include:

(a) Administrative supplies and printing cost.

(b) Janitorial supplies and services.

(c) Subscriptions and publications.

(d) Training and temporary additional duty (TAD) for military and civilian employees, except where centrally managed as an organizational requirement (e.g., medical TAD) or under a specific or Base-wide program (e.g., supervisor training, some Equal Employment Opportunity training).

(e) Reimbursement for and approving personal, out-of-pocket expenses (e.g., local mileage allowances for use of privately owned vehicles in conducting of business as discussed in chapter 4 of this Order).

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(f) Civilian and military labor (although civilian labor is centrally managed as a resource by the Comptroller, and military labor is locally addressed as a memorandum cost of operation).

(2) Organizational Funding. The following BEAs are designated as Organizational Commanders and as such are responsible for providing resources to provide for the needs of the military operating structure of MCB CamLej:

(a) BEA TP, CO, Weapons Training Battalion (WTBN).

(b) BEA CT, CO, Headquarters and Support Battalion (HQSPTBn).

(3) In general, the organizational funding requirements are:

(a) Organizational supplies and equipment (782 gear, blankets, canvas items, chemical, biological, radiological and nuclear gear), excluding equipment items for which Base Property Control has Base-wide funding responsibility.

(b) Chevrons and marksmanship badges for personnel on the Table of Organization.

(c) Calibration and maintenance of tactical equipment (generally performed by 2d Marine Logistics Group (2d MLG) or by Marine Corps Logistics Base (MCLB), Albany, GA).

(4) Specific and Base-wide Funding. The following BEAs are responsible for holding specific and Base-wide funding. Their budget plans must include a level of funding to support all requirements for MCB CamLej in the areas of responsibility. No other fund administrator will request additional funding, or include funds in their budget plans, for the items so identified.

(a) BEA CF, Special Staff (Command & Comptroller)

1. Reimbursement of Clothing Sales Management Fees to the Marine Corps Exchange.

2. Reimbursement of Federal Employees' Compensation Act billings.

3. Operation of Consolidated Public Affairs Office.

4. Witness fees connected with operation of the Staff Judge Advocate.

5. Support to Base Chapel Program.

6. Furnishings and equipment for chapels.

7. Provide support to the following; CO, Inspectors, Contracting, Disbursing and Comptroller.

(b) BEA CT, CO, HQSPTBn

1. Replacement and repair of canvas and bunting used at the Base parade field.

2. Replacement of flags and ensigns for use at Base Headquarters.

(c) BEA D3, East Coast Regional GEOFidelis Center (GEOFIEAST)

1. Centrally manages geospatial technologies, information, and services.

2. Facilitates the sharing of authoritative geospatial data throughout the Marine Corps, DoD, and other government agencies.

(d) BEA DD, Command Information Office (CIO)

1. Enables systems engineering and information sharing that align with MCIEAST and Marine Corps strategies.

2. Provides policy and guidance on issues regarding IT investments to business priorities and strategies.

(e) BEA DI, Marine Air Ground Task Force (MAGTF) Information Technology (IT) Support Center (MITSC)

1. Serves as the central point for all implemented/operational IT issues and services.

2. Manages the server farm(s), the Network Control Centers (NOCs) and the Customer Support Center (CSC).

(f) BEA DV, Communications Support Division

1. Internal safety and security radio network

(to include Base Maintenance, Range Safety/Control, Fire Department and Provost Marshal vehicles).

2. Maintenance to commercial radio equipment.

3. Standard intercommunication and non-tactical radio equipment Base-wide.

4. Standard telephone system support Base-wide.

(g) BEA E3, A-76 Facilities Sustainment Restoration Model (FSRM). Costs associated with work accomplished by maintenance service provider Lejeune Support Services (LSS)

(h) BEA FB, Bachelor Housing

1. Cleaning of common areas in Bachelor Officer Quarters.

2. Administration of Base Billeting Fund.

(i) BEA FD, Facilities Demolition. Costs associated with demolition and removal of old buildings and structures

(j) BEA FE, Environmental Management Division (EMD)

1. Environmental compliance program.

2. Management of recycling, forestry management, wildlife conservation, and other specially funded environmental programs.

(k) BEA FM, Base Maintenance

1. Consumable items, minor property, services and equipment items in support of utilities plants and distribution systems, and of maintenance shops.

2. Purchased utilities (except communications services).

3. Installation and maintenance services, of minor property and equipment items, when installation service is not included in purchasing contract.

4. Maintenance, repair, minor construction and alterations to all real property (to include environmental projects), except as administered under Family Housing.

5. Rodent and insect control.

6. Procurement, operation, and maintenance of garrison mobile engineer equipment.

(l) BEA FR, Facilities Restoration and Modernization.  
Costs associated with facilities restoration and modernization  
(NEW WORK)

(m) BEA LF, Food Services

1. Mess hall consumable items, food preparation and serving equipment.

2. Subsistence and packaged operational rations (PORs) for Base organizations.

(n) BEA LL, Purchasing and Contracting Acquisition.  
Maintenance, and replacement of data processing equipment.

(o) BEA LM, Base Motor Transportation. Operation and maintenance of commercial vehicle fleet, to include maintenance to leased vehicles on either a direct or reimbursable funded basis.

(p) BEA LN Logistics Support Operations (S-4)

1. Maintenance of material in storage.

2. Operation of Transportation Management Office.

3. Movement and storage of household effects Base-wide.

(q) BEA LS, Supply Division, Base Property Control

1. Minor property and plant account equipment (except for audiovisual, communications, data processing, and

Marine Corps Formal Schools classroom equipment, which are specific responsibilities of other designated fund administrators).

2. Personnel support equipment (to include barracks, mess halls, and offices).

3. Office machine maintenance and repair.

4. Cleaning of carpets and draperies.

(r) BEA LT, Traffic Management Office (TMO)

1. Overnight delivery via Federal Express.

2. Shipping/receiving by commercial carrier.

3. Passenger transportation.

(s) BEA MW, Marine Corps Community Services (MCCS)

1. Acquisition of materials and services to support recreational, athletic, and social activities.

2. Fuel for non-appropriated funds (NAF) vehicles used in Category A Activities.

3. Family Services Center.

(t) BEA SF, Fire Department

1. Maintenance to fire alarm and sprinkler systems.

2. Initial response to control environmental

(u) BEA SS, Department of Public Safety (DPS)

1. Payment of Police Informational Network contract.

2. Safety equipment and educational programs.

3. Vehicle registration, permanent vehicle decals, and visitors passes.

4. Support to military working dogs.

5. Operation of the Base Brig.

(v) BEA TM, Training and Operations

1. Procurement, operation, and maintenance of training equipment.

2. Production, acquisition, and maintenance of training aids and devices.

3. Operation and maintenance of training facilities.

4. Photographic support.

(w) BEA TP, CO, WTBN

1. Operation and maintenance of rifle and pistol ranges.

2. Competition consumable items, TAD, registration and entry fees for Base Rifle and Pistol Team.

3. Competition-in-Arms Program (to include Eastern Division and Marine Corps matches held at WTBN).

5. Budget Execution

a. Funds received by the Base are allocated on a quarterly basis. The quarterly allocation is to be monitored as closely to avoid over-obligation of funds. Any excess funds from a particular quarter are automatically carried forward to the next quarter, although the BEA should be prepared to provide justification for the under-obligation of their obligation phasing plan. During the final quarter of the fiscal year, excess funds are reported to the Comptroller for withdrawal and reallocation.

b. Whenever a quarterly allocation appears to be inadequate to support all planned and necessary obligations for any quarter, notification to this effect should be provided to the Comptroller, who will initiate action to correct the quarterly shortage. Providing notification of inadequacy of funds to the Comptroller does not relieve the BEA of the responsibility for ensuring that obligations incurred do not exceed the quarterly

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authorization (plus any excess funding authority carried forward). The quarterly authorization must be viewed as both an obligation performance control and a fiscal limitation established to protect the CO from possible over-obligation of the total funding authority provided to the command.

c. Realignment of funds between programs, between quarters or between subheads within the appropriation must be requested of and approved by the Comptroller. Whenever a realignment requires approval from higher headquarters, the Comptroller will not be able to take action until the approval is received. The funds holder will be notified by the Comptroller if and when that approval is given.

d. The success of budget execution is measured in terms of how well obligations and expenses followed the budget plan, to include meeting milestones in obligation rates as established in the allocation and obligation phasing plan. The success of the overall budget effort depends upon continuous review of obligations and performance criteria, and timely updating of budget requirements to reflect changes in the fiscal environment. Review and adjustment is a combined responsibility of the BEA, department head, special staff, and Comptroller. As such, it requires continuous, open and honest communication between all parties and very accurate and timely entry to financial data concerned with obligations into the accounting system.

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## Chapter 3

Budget Execution Division

1. Mission. The Budget Execution Division is responsible for analysis, coordination, and assistance with implementation and execution of necessary accounting policies and procedures prescribed by higher authority and for performance of related financial accounting operations. It is also responsible for assisting the various functional managers within the command to identify and justify resource requirements for various data calls, such as the Program Objective Memorandum or Midyear Review.

a. Budget Execution Sections (BES). These sections are responsible for applying knowledge in fund accounting, budget formulation and Budget execution. They operate as personal fund administrators for the functional areas assigned to each BES.

b. Managerial Accounting Division (MAO) or Financial Management Resource Officer (FMRO). This office is responsible for managerial accounting analysis, related systems and financial management applications (including the development and promulgation for MCB procedures not otherwise prescribed by higher authority). The FMRO will act as the primary liaison for system of accounting matters and vendor payment issues between MCB and outside agencies; to include liason with DFAS and HQMC.

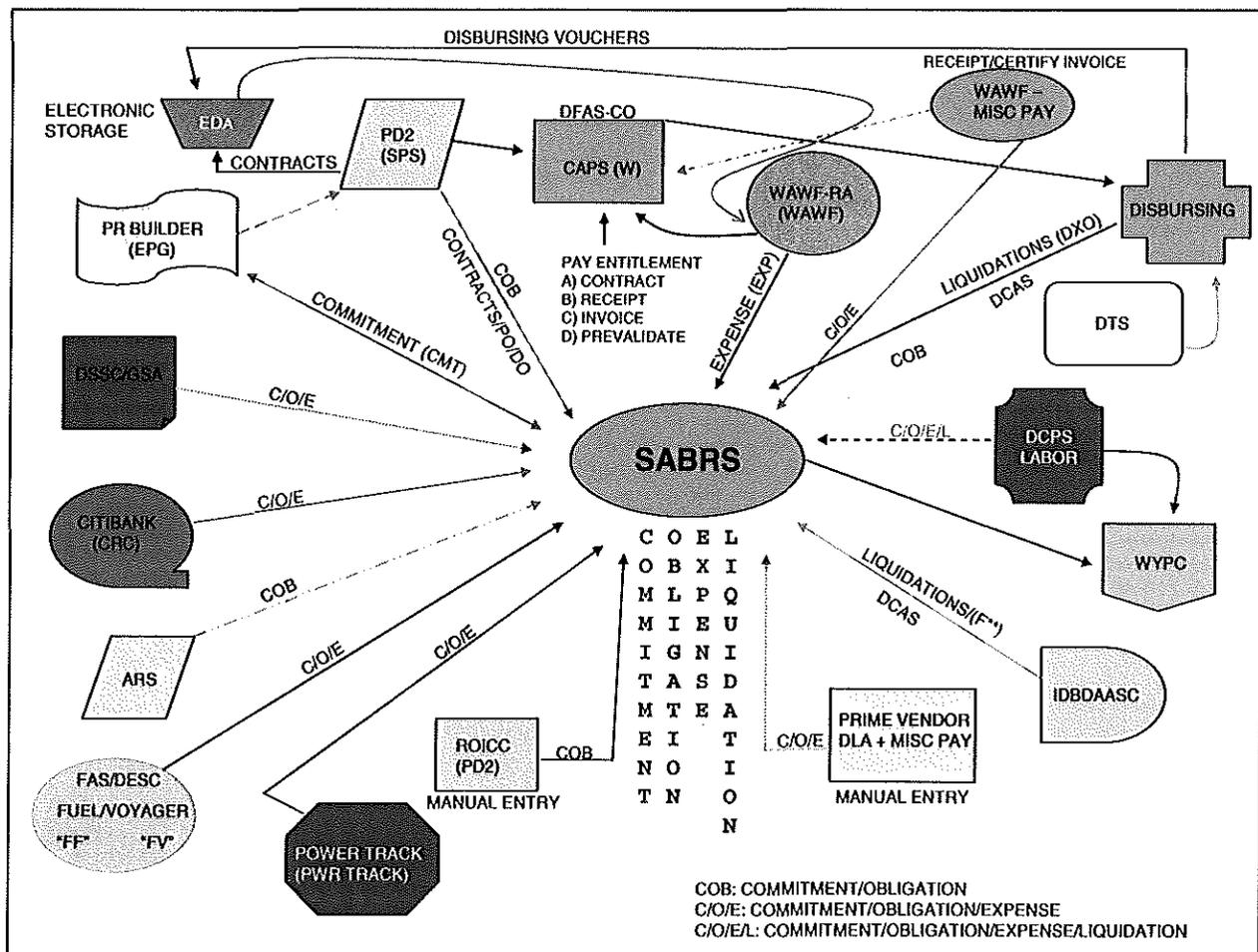
2. Monitoring. All expenditures of government funds authorized to the CO, MCB CamLej will be manually entered, or systemically fed, into the accounting system. The Budget Execution Division monitors common interface files that feed into the accounting system. These systems include but are not limited to the following:

- a. Procurement Requirements Builder (PR Builder)
- b. CitiBank
- c. Direct Supply Support Center (DSSC)
- d. General Services Administration (GSA)
- e. Fuel Automated System
- f. Defense Energy Support Center (DESC)

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- g. Powertrack
- h. Work Year Personnel Cost
- i. Defense Civilian Payroll System (DCPS)
- j. Defense Travel System (DTS)
- k. Wide Area Work Flow Miscellaneous Payment (WAWF-MP)
- l. Wide Area Work Flow - Receipt & Acceptance (WAWF-RA)
- m. Standard Procurement System (SPS)

The Budget Execution Division also monitors manual and electronic transactions processed by the Officer in Charge of Construction (OICC) and any miscellaneous payments unable to be processed via a systemic interface. The following graph depicts common interfaces with SABRS.



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3. Standard Accounting Budgeting and Reporting System (SABRS). The expenditure of all appropriations will be entered into SABRS. In all cases, the current version of reference (e) will apply.

a. Purpose. SABRS provides accounts, records, and procedures for recording and summarizing transactions, and is designed to incorporate both accounting and budgeting controls. The accounts and records are designed to provide financial and cost information required for fund control, local management purposes, and for reporting to higher headquarters.

b. Basic Characteristics. The primary source of data for financial planning and financial control is a system of accrual accounting designed around financial data elements that provide a pyramid type of cost accumulation with the Budget Execution Sub-Activity (BESA) as the basic building block. The accounting system has the following features:

(1) Double-entry method.

(2) Accrual basis of accounting (i.e., the expense is recorded at the time the material or service is received).

(3) Responsibility type accounting (i.e., costs are accumulated within BEA and BESA to the cost incurred at the required level).

(4) Integration of cost accounting records with the general ledgers.

c. Financial Controls. The principal areas of financial control under this system are:

(1) Management Controls. Consists of methods and procedures to ensure the efficient and effective use of authorized funds.

(2) Control of Obligations. Obligation authority, received from HQMC, is subject to the legal provisions of section 1517, of reference (a) and reference (b). Therefore, it is mandatory that the accounting system employ procedures that will assist the command and the various BEAs to ensure that obligations in excess of authorizations do not occur. The accounting system provides the requisite management reports to identify and track the obligation incurred, but just as with a checking account, the system does not have any fail safe methods

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to prevent incurring obligations in excess of the authorization. Pre-validation procedures have been developed between DFAS and HQMC to provide some controls.

(3) Control of Expenses. One of the basic concepts of the system is to develop costs on an accrual basis. This involves the recording of an expense at the time the material or service is received vice at the time payment is made. Although expense authority is not subject to section 1517 of references (a) and (b), it does represent an administrative limitation that has been imposed by HQMC.

(4) Cost Controls. Consists of those procedures employed to ensure that costs incurred are related to work authorized. The assignment of correct document numbers and financial data elements by the BEA and/or BESA is essential to the validity of the reports generated. The system will report whatever is recorded and the importance of identifying work, services, and material properly cannot be over-emphasized.

d. Resource Authorizations

(1) Approved Operating Budget. The approved operating budget, as distributed within the command by the CO, represents the normal, direct Operations and Maintenance Marine Corps (O&MMC) resources available to support the command's mission. The obligational authority provided to support the approved operating budget is subject to applicable public law, appropriation language, directives, regulations and policies from higher headquarters and the local command.

(2) Funded Reimbursable Orders Accepted. The receipt and formal acceptance by the command of a funded reimbursable order for work or services represents an increase to the command's operating budget. Each reimbursable order is subject, both individually and collectively, to the same legal restrictions and regulatory controls as the O&MMC operating budget.

4. Obligation Procedures. Consumable supplies are charged (committed, obligated, and expensed) against the BEA at the time the material is received. Non-consumable items (publications, services, equipment, travel and transportation, etc.) are obligated on the basis of the issuance and acceptance of a procurement or contractual document and are expensed at the time of receipt.

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a. Consumable Supplies

(1) All Base units will requisition and obtain consumable supplies through either the Shop Stores or the Self Service Center, Government Commercial Purchase Card (GCPC), Regional Contracting Office (RCO), or other approved and system interfaced purchase mechanisms.

(2) Items requisitioned through the federal supply system, will be initially entered into the accounting system as a commitment and obligation.

(3) Items requiring action by the RCO will be initially entered as a commitment via PR-Builder. Action to assign a contract or purchaser order by the RCO via SPS, as shown in the "interface" section will then generate the obligation in SABRS.

b. Other Than Consumable Supplies

(1) Other than consumable supplies are requests for the performance of work or services, TAD, or acquisition of other extraordinary items.

(2) Depending on the request form, requests for procurements will generally require a complete line of appropriation with a specific financial data element and a document number.

c. Cancellation of Outstanding Request

(1) To cancel an outstanding purchase order/requisition, the BEA will request cancellation through PR-Builder or directly to the contracting office.

(2) Cancellation of transactions in other than the current fiscal year should be made only as an absolute last resort. Efforts will be made to ensure that the original requested material/service cannot be effectively used elsewhere within the command prior to initiation of cancellation action.

5. Reporting/Recording of Expenses

a. An expense operating budget is administered within an accrual accounting environment. As such, expenses (receipt of material/services) are recorded when the material/services are actually received.

- b. Expenses may include but are not limited to:
- (1) Civilian personnel services.
  - (2) Supplies and material consumed or applied.
  - (3) Travel and transportation of personnel.
  - (4) Rental of facilities and equipment.
  - (5) Services received (purchased utilities, leased communications, printing and reproduction, etc.).
  - (6) Equipment received (that equipment not classified as Class 3 or 4 plant account property).
  - (7) Facilities repair and/or minor construction services received.

6. Allotment Accounting. The appropriations listed below may be issued as allotment authorizations to the command and are maintained in SABRS. The four digits following the fiscal year are known as the basic symbol. For appropriations not identified in this listing, contact the Budget Execution Division for instructions on how they should be maintained.

APPROPRIATION	PURPOSE	FUNDED BY
17*0735	Family Housing	CMC
17*1105	MPMC	CMC
17*1106	O&M,MC	CMC
17*1109	Procurement MC	CMC
17*1116	American Recovery and Reinvest Act	CMC
17*1804	Navy Official Representation Funds	CMC
17*5095	Mgt & Harv Fish & Wildlife	CMC
17*8716	Gift Fund	CMC
97*0100	Human Services Programs	CMC
97*0500	ECIP	CMC
97*0839	Quality of Life	CMC
97*4930.NC2A	Clothing and Textiles	CMC
97*5188	Disposal of Real DoD Property	CMC
97*5189	Lease of DoD Real Property	CMC

\*Indicates last digit of applicable fiscal year or "no year" appropriation.

7. Accounting Controls. Control of obligations is necessary to ensure that allotment authority received is not exceeded or expended improperly. Authority received as allotment appropriations is generally subject to the same fiscal controls

as for regular O&MMC operating budget. The methods described below for recording/reporting transactions and for maintaining memorandum and official records should be used to exercise proper control of these funds.

8. Types of Transactions. Fiscal transactions are recorded as commitments, obligations, expenses, or a combination thereof. The following definitions will provide an understanding of the differences between these transaction types.

a. Commitments. A commitment is a firm administrative reservation of funds, based upon procurement directives, purchase and project orders, requisitions, authorizations to issue travel orders, or requests for contractual procurement that authorize the recipient to enter into obligations for the funds holder. The funds holder does not have to initiate any further action to create the obligation.

b. Obligations. In accordance with section 1501 of reference (a), concerning the documentary evidence required for recording obligations, and implementing instructions issued by the DoD, an obligation is incurred when an order is placed, a contract is awarded, a service is received, an order is issued directing travel, and/or similar transactions are initiated that authorize the payment of money for goods or services rendered. The amounts of obligations incurred include payments made but not preceded by obligations, adjustments for the difference between obligations previously recorded and actual payments, and the net affect of cancellations and refunds that may arise in the payment process.

c. Expenses. Expenses are recorded when goods or services are actually received. When the items have been received they must be expensed so that liquidations can be correctly processed.

9. Memorandum Records. BEAs will either maintain supporting records to provide justification of the expenditure of government funds or be able to access the source documentation in the interfacing systems.

10. Review of Outstanding Commitments and Obligations. At the end of the first, second, and third quarters, plus the end of August, the FMRO will require a review of all outstanding commitments and obligations. This will be used to verify all outstanding documents.

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## 11. Line of Accounting (LOA)

a. Definition. A line of accounting is essentially the bank account number at the Department of the Treasury for an organization. Most BEAs will use the Operation and Maintenance, Marine Corps appropriation.

b. Cost Code. The 12-digit cost code will be constructed according to a standard format for all BEAs and all appropriations.

(1) The 1st and 2nd digits will be 13, which identifies MCB CamLej.

(2) The 3rd and 4th digits will be the BEA number.

(3) The last eight digits will correspond to the last eight digits of the document number used to generate the requisition of the funds. The only exception will be the system generated cost code for travel order numbers.

12. Document Numbers. The primary means of tracking obligations within all accounting systems is the document number. Document numbers are designed to provide a unique serial number for each obligation within the accounting system. Every new requisition for materials, supplies, services, and travel will have a unique document number.

## 13. Types of Document Numbers

a. Military Standard Transaction and Issue Procedures (MILSTRIP). A MILSTRIP document number contains 14 digits. MILSTRIP numbers are generally used for the purchase of system items or items that are normally found in the federal supply system.

b. Standard Document Numbers (SDNs). An SDN is 15 digits. According to federal standard accounting practices, any non-system item being purchased must utilize a 15 digit SDN.

(1) Three forms of the SDN are authorized for use by Base activities. The first format starts with the Major Activity Code (MAC) of M67001. SDN's must begin with M67001 when the Base budget office must approve the expenditure of funds.

(2) Unless required to use M67001, activities may use their own Activity Address Code (AAC) to start an SDN.

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(3) The final SDN type is used for travel order numbers. Except for specific reasons authorized by the Comptroller, all SDN travel order numbers will be derived by DTS. When possible, the activity will not create a travel order number. However, if a manual creation of a travel order number becomes necessary (for instance, if DTS is not available) the travel SDN must begin with M67001; the 9th and 10th digits will be TO; the 11th digit will designate the type of traveler - C = civilian, O = officer, E = enlisted.

14. Vendor Payments. The MAO/FMRO is the lead agent for MCB in resolving vendor payment problems and inquiries and coordinating with the Purchasing and Contracting office, DFAS-Cleveland (DFAS-CL) and other units as necessary.

15. General Reporting Requirements. The MAO/FMRO coordinates with outside agencies for all new reporting requirements that need or request accounting information. The MAO/FMRO conducts reviews of reports forwarded to HQMC by DFAS.

16. Specific Reporting Requirements. The MAO/FMRO is tasked to review and provide reports on several subjects.

a. Pre-validation. On a daily basis, review the report provided by DFAS. All rejected payments should be researched and resolved to ensure payment is made by DFAS-Columbus (DFAS-CO), before interest penalties are incurred.

b. Negative Unliquidated Obligation Report (NULO - INFOPAC Report PRTNULO). Review this report to ensure obligations are researched and corrective action is taken.

c. Unmatched Disbursements (UMDs). There is one INFOPAC report that should be reviewed daily to resolved unmatched liquidations to corresponding obligations. This report is DFRB010; Un-Matched Disbursing Notification Records (DNR). ReportNet reports can also be utilized.

d. Abnormal Status Reports. Review the NULO and three Abnormal Status Reports on a daily basis and research transactions for corrective action. Any problem disbursements over 180 days must be identified and reported to HQMC (RFL) on a monthly basis. Coordinate with DFAS in establishing these as priority requirements for resolution.

e. Tri-Annual Review Validation Of Outstanding ULOs. Every four months, review all ULOs that have been dormant for over 90

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days. Each BEA will then annotate the appropriate validation codes provided corrective action required. The tri-annual validation review provides statistical analysis of the conducted review to MCIEAST.

f. Other Reviews. On a daily basis the MAO/FMRO reviews the Prevalidation, and the error report (PRTEERROR) to identify problem trends.

17. Systems Administration. Primary responsibility for administration of the Local Area Network (LAN) is accomplished by the MAO/FMRO. Access to accounting systems for all BEA's will be coordinated by the MAO/FMRO.

a. Discrepancy and Problem Report. Discrepancy reports may be initiated by individual BESA and forwarded to DFAS-CL for resolution. Problem reports will be initiated by individual BESA, reviewed by the MAO/FMRO and forwarded to MCIEAST/FMRO for corrective action.

b. Financial Data Elements. The MAO/FMRO will load all Financial Data elements as requested by BEA's except for those BEA's who are authorized to load their own BEA's by the MCB Comptroller. On an annual basis coordinate a validation of all active financial data elements. All invalid elements should be deleted from the system.

c. Local Table Maintenance. The MAO/FMRO will control all entries and adjustments to local accounting tables.

18. Budget Execution Activity Reviews. The MAO/FMRO will conduct annual reviews of BEAs to look for training deficiencies and identify procedural improvements.

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## Chapter 4

Labor Management Division

1. Mission. The Labor Management Division (LMD) is responsible for centrally managing the command's labor funds and assisting the civilian employees with pay issues.

2. Scope of Responsibility. The LMD determines the civilian labor budget for current and future years for the command. It is also responsible for processing information pertaining to new hires in the recordkeeping and payroll systems; verifying that time and attendance is entered and certified by the authorized official in the record keeping system; verify that all pay and leave codes are correct; ensure that records for employees separating are accurately coded and entered in a timely manner; oversee the record keeping system as the command administrator and assist the employees with pay issues and problems. LMD is the command liaison for civilian timekeeping between the local Human Resource Office (HRO), Human Resource Service Center-EAST (HRSC-EAST), the Standard Labor Distribution Collection and Distribution Application System (SLDCADA) and the Defense Civilian Payroll System (DCPS) paying system.

a. Uses historical data and information on projected staffing changes to develop a labor management program and budget for estimating future funding requirements for civilian labor within the command. Monitors execution of the budget plan during the current fiscal year of execution.

b. Ensures that all information pertaining to new hires is recorded in the SLDCADA record keeping system and the DCPS paying system for processing pay.

c. Oversees the SLDCADA Record Keeping System as the command's administrative experts to include providing access as certifiers and timekeepers to authorized individuals. Provide initial and remedial training for personnel assigned the responsibility of accurately recording and certifying civilian time and attendance. Notify approving officials (certifiers) of time and attendance discrepancies and uncertified records. Block access to SLDCADA for repeated offenders for non-certification. Ensure that repeated offenders receive mandatory or remedial training to regain access.

d. Ensures that a certified biweekly time and attendance record has been entered in SLDCADA on each civilian employee

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indicating whether leave was charged against the employee's leave account and whether additional pay entitlement codes were used when applicable. Verify the accuracy of job order numbers (JON) to prevent the distribution of labor from being over or understated.

e. Provides initial and remedial training for personnel responsible for the accurate recording and certifying of civilian time and attendance records.

f. Assists employees with pay problems and issues by interacting with local HRO, HRSC-EAST, SLDCADA and DCPS to resolve problems and or issues.

3. Work Year Personnel Cost Report (WYPC). Reconciles the gross pay files from the SABRS to the WYPC Report to reflect the accurate bi-weekly execution of labor for distribution.

4. Time Keeping Procedures. Detailed timekeeping and labor distribution procedures and instructions will be contained in the current edition of reference (f).

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## Chapter 5

Disbursing Division

1. Mission. The mission of the Disbursing Division is to provide prompt, convenient, and accurate pay service for military personnel and travel service for both military and civilian personnel both in garrison and the deployed environment with emphasis on meeting the MAGTF Commander's operational requirements by leveraging the 5th Element support and emerging information. The primary functions of the Division are:

a. Provide military pay service to U.S. Marine Corps Forces Command (MARFORCOM), U.S. Marine Corps Forces, Europe (MARFOREUR), U.S. Marine Corps Forces, South (MARFORSOUTH), Logistics Command (LOGCOM), Training and Education Command (TECOM), U.S. Marine Corps Forces, Central Command (MARCENT), and U.S. Marine Corps Forces, Special Operations Command (MARSOC).

b. Process and pay all types of travel claims for military and civilian personnel.

c. Set up and provide support for the Disbursing Mobilization Station as directed and upon mobilization of the Marine Corps Reserve.

2. Responsibilities

a. The Disbursing Officer is appointed in writing by the CO, MCB CamLej. The appointment letter shall state the specific duties authorized to be performed by the Disbursing Officer and shall include the statement "I acknowledge that I'm strictly liable to the United States for all public funds under my control." The letter also shall include a statement that confirms that the Disbursing Officer has been counseled with regard to pecuniary liability. The Disbursing Officer performs any and all acts relating to the receipt, disbursement, custody, and accounting for all public funds in the name of and for the account of the Disbursing Officer, Symbol 6092 to include deployed symbols.

b. The Disbursing Division provides disbursing services to the following organizations aboard MCB CamLej: HQSPTBn, School of Infantry-East (SOI-E), Marine Corps Combat Service Support Schools (MCCSSS), Marine Corps Engineer School (MCES), WTBN, MARSOC, Wounded Warrior Battalion East, II MEF and the Deployment Processing Command-East/Reserve Support Unit (DPC-E/RSU). Travel

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service is provided for the Base units to include all civilian personnel and those personnel of the major commands.

3. Organization of the Disbursing Division. The Disbursing Division is organized as follows:

a. Military Pay Section. The Military Pay Section is responsible for the following:

(1) All disbursing diary reportable information is accurate, complete, and accepted into the MCTFS.

(2) Detect system deficiencies and correct records affected by system deficiencies and limitations.

(3) Ensure separations and reenlistments are computed and processed for the units serviced.

(4) Process various Management Control Reports as required.

(5) Maintain the long-term prisoner accounts for the east coast and ensure miscellaneous credits and checks are entered into MCTFS such as dishonored checks and advance housing allowances.

(6) Ensure allotments, Transcripts of Data Extractions (TODE), Payment Option Elections (POE), and Direct Deposit forms are processed and entered into MCTFS.

(7) Process letters of indebtedness and waiver packages and forward to higher headquarters for resolution.

(8) Process IRS W-2 Forms and IRS W-2C Forms as applicable.

(9) Forward Disbursing source documents to the DFAS-Indianapolis (DFAS-IN) via the Document Tracking Management System (DTMS).

(10) Ensure the various disbursing reports are extracted for the Pay Branch to review and take corrective action as necessary.

b. Travel Section. The Travel Section processes travel claims for travel and transportation for military personnel, to include both regular and reserve personnel, and for civilian

personnel at MCB CamLej and all the other commands that the Disbursing Office services. The types of travel claims processed include: permanent change of station (PCS), TAD, advances for do-it-yourself (DITY) moves, dependent travel, and separation travel. Travel claims are processed and paid as soon as possible with the maximum time being five days for TAD claims and 10 working days for PCS claims.

c. Internal Controls Section (IC). The IC Section designs, develops, and implements the internal controls program for the Disbursing Office. IC performs internal audits, management control reviews, researches problem cases and system errors. The Disbursing Office physical security and the finance systems security are closely monitored and maintained by the IC Branch.

d. Operations/Systems Section. The Operations/Systems Section's primary mission is provide garrison and deployed support for the operating forces. The Operations/Systems Section is tasked with monitoring and managing all computer software and hardware within the Disbursing Division, and acts as the focal point for all disbursing systems problems. They oversee the system commitments, training of personnel, and supplies needed to operate the office.

e. Fiscal Section. The Fiscal Section is tasked with providing payments and/or collections with 100 percent accuracy, and accountability for all travel, pay, and public vouchers utilizing cash or electronic fund transfer of payments for the commands that the Disbursing Office services.

4. Procedures for Use of Privately Owned Vehicles (POV). Reference (g) and reference (h) authorize payment of mileage allowance when travel by POV is more advantageous to the government.

a. Procedures. The following procedures are prescribed for requesting reimbursement for using a POV for travel within the MCB CamLej commuting area and any missed meals associated with the travel.

(1) Letters are no longer required from employees requesting authorization to use their POV for local mileage in the performance of their assigned duties. Personnel using their POV will create a local voucher in the DTS for reimbursement. The traveler will submit the claim to the respective Fund Administrator and the Approving Official.

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(2) The Fund Administrator will type the correct appropriation data in DTS.

b. Approving Authority. Directors, COs, Staff Judge Advocate, Base Chaplain, Consolidated Public Affairs Officer, Command Inspector General, and the Eastern Area Counsel Office will designate approving officials for their organizations. To ensure a proper separation of duties, Fund Administrator personnel will not be appointed as the approving authority. As required by paragraph 110203 of reference (i).

c. POV Insurance. Prior to using their POV for official business, employees should be advised by the approving officials that they should contact their insurance company to determine if additional coverage is necessary.

d. MCB CamLej Local Commuting Area. The area in which transportation expenses may be authorized or approved for conducting daily local commuting area of Camp Lejeune/Jacksonville/Onslow County, Cherry Point, New Bern, Wilmington and all areas located within these parameters.

e. MCB CamLej Commuting for Official Business. The area in which official business is conducted which requires the use of government vehicles is to include the area of Camp Lejeune/Jacksonville/Onslow County, Cherry Point, New Bern, Wilmington, Fayetteville, Raleigh and all areas located within these parameters.

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## Chapter 6

Resource Evaluation and Analysis

1. Mission. The Resource Evaluation and Analysis (REA) Division is to provide the Command with an in-house capability to examine, analyze, evaluate, and explore areas of financial management where known or potential problem areas may exist. The purpose of such reviews is to determine the adequacy and effectiveness of practices, procedures, and controls.

2. Scope of Responsibility. Reviews are conducted or coordinated by personnel who are members of this Command, and are distinct from internal audit functions conducted by the General Accountability Office, Audit Division of the DoD, Inspector General (DoDIG), Naval Audit Service (NAS), and the Marine Corps Non-Appropriated Fund Audit Service (MCNAFAS). The scope and principal functions of the REA Branch are as follows:

a. Conduct special studies and analyses of MCB CamLej functions for the purpose of promptly detecting and correcting troublesome and unsatisfactory conditions arising in connection with established financial practices, procedures, records, accounting systems, statements, and reports.

b. Render assistance in correcting deficiencies which are revealed by audits performed by the various audit agencies, or by report analysis, observation, or other means.

c. Adopt and participate in the installation of approved financial and accounting systems and procedures.

d. Maintain liaison with, and provide assistance to auditors from the GAO, the DoD Assistant Inspector General for Auditing (AIG(A)), Naval Audit Service, and the Marine Corps MCNAFAS as detailed in paragraph 4.

e. Conduct assigned cash verifications and maintain oversight of appropriated fund cash verifications performed by individuals appointed by the CO.

f. Conduct annually required program reviews, as required by reference (d).

g. Coordinates the MCMIC Program to include testing for the Internal Controls Over Financial Reporting (ICOFR) and Statement Of Budgetary Resources (SBR), as required by HQMC RFA. This

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includes reviewing control documentation; providing technical assistance; and preparing the CO Annual Compliance Statement of Assurance (SOA).

h. The REA Division is also responsible for conduct of Fiscal Assist Visits, administration of SMARTS Web Page Financial Reports and SABRS System Administration.

3. Guidelines and Procedures. The REA staff will conduct evaluations, assessments, and analyses in accordance with in the current edition of reference (m). They may cross-organizational lines to the extent that the evaluation, assessment, or analysis is resource related. Cognizant staff sections will be advised when evaluations, assessments, and analysis are conducted in their areas of responsibility.

4. Command Relationship, Liaison, and Responsibilities for Visits of Audit and Review Organizations

a. This Order pertains to the following audit organizations and review/evaluation teams: the GAO; the Audit Division of DoDIG; the Surveys and Investigations Staff (S&IS) House Appropriations Committee; the NAS; and the MCNAFAS.

b. Policy

(1) Increasing efficiency and improving procedures are goals that must be vigorously pursued in all areas at MCB CamLej. Toward these ends, the command strives to extract the maximum benefit from audits and evaluations.

(2) All audit organizations have the responsibility for advising commanders of proposed visits. In unusual circumstances the notice of visit will be made by telephone; however, written confirmation will be provided. The notification should show security clearances and estimated time of arrival and departure.

(3) Although it is MCB CamLej's policy to cooperate with and assist auditors, they do not have to be provided preferential treatment by disrupting operations or schedules, or honoring unannounced visits. With the exception of unannounced disbursing audits/reviews, "surprise" visits are not appropriate. Unannounced visits to MCB activities should be referred to the Office of the Comptroller prior to allowing the visiting organization access to information.

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(4) COs, directors, and special staff officers responsible for the audit function should request an in-brief and an out-brief from the visiting organization. At the out-brief, the auditors' findings may be presented verbally or in writing for discussion. Differences of opinion or interpretation can be identified and an effort made to resolve remaining misunderstandings and/or disagreements on facts.

(5) The reports issued by audit organizations may require comment and action by the audited commands and/or the CMC. The importance of such audits and the requirement for implementing, and following up on audit findings and recommendations are stressed in the current editions of references (j), (k) and (l).

c. Scope of Audits. Representatives of audit and review organizations periodically visit MCB CamLej to conduct on-site audits and examinations of various activities and functions. Although the term "audit" is often associated with the processes of examining accounting records and related documents, the activities of audit organizations are not restricted to accounting matters. The scope of these audits is much broader and may extend into all aspects of an agency's operations.

d. Procedures for Liaison and Follow-up Action. Unless directed otherwise, the procedures contained in this paragraph pertain to all audit/review visits to MCB CamLej that are under the cognizance of the Office of the Comptroller, REA Division.

(1) The Office of the Comptroller, REA Division will perform the following functions:

(a) Liaison. The REA Division will serve as the central point of contact (POC) for visiting organizations. Accordingly, a liaison official will be appointed within REA who will act as the REA POC during the audit/review and will be instrumental in meeting all requirements associated with the visit.

1. Notification of Visit. Upon notification of a visit, the REA POC will formally notify the appropriate CO, director, or special staff officer of the pending visit and provide as much information as is currently available to the offices' designated POC.

2. Action During an Audit or Analysis. The REA POC will remain abreast of all phases and developments of an audit or analysis. The REA POC will render assistance to

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functional managers as appropriate and when requested, but in no way interfere with the legitimate process of an audit or analysis. The REA POC shall remain independent and objective and governed by factual evidence gathered by the visiting organization and other information developed internally.

3. Responding to Audit Reports and Analyses.

Upon receipt of a draft audit report or analysis issued by a visiting organization, the REA POC will review the report and forward it to the appropriate cognizant office(s) for comments on the findings and recommendations. Time frames for submitting responses to the REA POC will be established at the time the report is forwarded. The responses will be reviewed and proposed command responses prepared by the REA POC in the appropriate format. The REA POC will discuss responses with visiting organizations and Base officials to clarify and establish a firm basis for non-occurrence, when necessary, and reconcile any misunderstandings or questionable matters. Proposed command Responses will be submitted to the Office of the Comptroller for review and staffed with other appropriate command offices prior to submitting them to the CO for approval.

4. Arranging In-Briefs and Out-Briefs.

The REA POC will coordinate in-briefs and out-briefs to include the CO and the Executive Officer (XO), as appropriate. In arranging briefs, applicable officials will be contacted to determine the most appropriate time, date, and place. They will be informed as to the final decision of the CO and/or the XO.

(b) Audit and Analysis Follow-up Action. It is the responsibility of the REA POC to verify that accepted deficiencies noted in reports issued by visiting organizations are correct by the date accepted by the command.

1. Follow-up Evaluations.

The REA POC will develop and maintain a follow-up system to ensure corrective actions are taken on recommendations concurred with by the command. The responsible office shall apprise the REA POC when requested, of completed actions and shall provide such information and access to the REA POC for on-site verification that the remedy adopted is responsive to the recommendation. In the event there is disagreement that the corrective action is suitable to remedy the deficiency, final determination authority rests with the CO.

2. Follow-up Assistance.

The REA POC may provide assistance, as appropriate, in correcting noted

deficiencies and or discrepancies. Assistance requested of the REA POC shall be scheduled and provided commensurate with available resources. Priority will be given to those areas involving fraud, waste, and abuse.

(c) COs, directors, and special staff officers, having cognizance over the area organizations to be audited or visited will:

1. Appoint a Project Officer. The project officer should be familiar with applicable directives and procedures, attend the entrance and exit briefs, and when requested, provide a written report to the REA POC summarizing facts furnished by the visiting organization and their specific areas of interest.

2. Host and Otherwise Facilitate the Work of the Visiting Organization. A suitable working space will be made available, and consistent with current resources, special support needs accommodated. Workspace and basic administrative assistance will be provided on a non-reimbursable basis. The legitimate process of an audit or analysis will not be interfered with.

3. Immediately notify the REA POC of Material Adverse Discrepancies. Notify the REA POC upon learning of a material finding. Identify the audit or analysis, provide a brief resumé of the findings and conclusions, summarize actions initiated or completed to correct noted deficiencies, and include any other information considered to be of value to the command or HQMC. The information will be used to appraise the CO and HQMC of the situation. The following factors should be considered when determining whether an adverse finding is material:

- a. Actual or potential loss of resources.
- b. Sensitivity of the resources involved.
- c. Magnitude of funds, property, or other resources involved.
- d. Frequency of actual and/or potential loss.
- e. Impaired fulfillment of essential mission.
- f. Violation of statutory or regulatory requirements.

- g. Impact on information security.
- h. Deprivation of the public of needed government services.
- i. Unreliable information causing unsound management decisions.
- j. Current or probable congressional interest (adverse publicity).
- k. Current or probable media interest (adverse publicity).

\* The REA POC should be contacted if there are any questions or doubts whether an adverse finding is considered material.

(d) Coordinate with the REA POC for in-briefs and out-briefs with the CO, directors and special staff officers.

(e) Respond to Audit and Analysis Findings within the time frame prescribed by Office of the Comptroller.

1. In the format requested by the Comptroller Office, comments must be provided indicating concurrence or non-concurrence with each finding and recommendation and the reasonableness of facts supporting them. Addressees should, when necessary, coordinate with the REA POC to discuss findings with the individual or organization conducting the audit or analysis. Validate the facts and background data that support the findings, and when pertinent, provide the auditors or analysts with additional facts or background information.

2. Addressees should determine and explain in the response what corrective actions the command will take, including target dates for completion of actions. Unless corrective action is of such a nature or magnitude as to require considerable time to correct, most actions shall be concluded within 90 days after the deficiency has been noted and accepted. Normally, a longer time frame is supportable only when it has been clearly demonstrated that agencies outside of the command are involved and more time will be required to coordinate corrective action.

3. Responses shall minimize the requirement to further study the deficiency and to report the results at a later date. Inaccuracies or unsound conclusions should be refuted on the basis of fact or logic. Savings and cost benefits identified

in audits or analyses should be specific by appropriation, fiscal year, budget, project, etc., as the savings reported can be the subject of a budget cut against the command. It is mandatory that cost savings included in audit and analysis findings be validated or refuted by the command.

4. Contentious language tone and opinions not supported by fact will be avoided in replying to the findings and recommendations. Findings must be placed in proper perspective, relating them to the time frame of the reported deficiency and conditions existing at the time.

5. Take appropriate follow-up action to ensure timely implementation of accepted and directed recommendations. In the event a recommendation cannot be fully implemented by the date agreed to by the command, addressees will immediately notify the REA POC. An explanation will be provided as to why the recommendation cannot be implemented by the date that was agreed to and a new anticipated completion date established. The information shall be used, when necessary, to notify the CMC and the organization making the recommendation that it will not be implemented by the date previously forecast.

6. Ensure that visiting organizations are provided access to personnel, documents, records, and management information in accordance with Navy and Marine Corps directives.

a. Consistent with appropriate security clearances, auditors and other visiting personnel conducting analyses are normally authorized access to all personnel, documents, records, and management information needed to accomplish the objectives of an announced audit, survey, or analysis. Access should be unrestricted and unfettered by burdensome administrative requirements or screening beyond those necessary to maintain security and comply with applicable regulations.

b. Auditors or other visiting personnel should not be allowed access to information that does not pertain to the stated objectives of an announced audit or analysis. Access to automated information is limited to the scope of announced audits/reviews. Blanket access to Marine Corps databases will not be allowed. Additional guidance on the release of information may be obtained from the REA POC.

c. Any disagreements as to the need for access to information will be reported immediately to the REA POC.

7. Provide the REA POC a list of all documents provided to visiting organizations. The information will be used to establish a central file that can be used to justify, defend, negotiate, or settle issues resulting from an audit or analysis.

8. Release of Audit/Evaluation Report Information. The release of any report information outside of MCB CamLej will be staffed through the REA POC.