

*DR 37-1-2

DEPARTMENT OF THE ARMY
ST. LOUIS DISTRICT, CORPS OF ENGINEERS
1222 SPRUCE STREET
ST. LOUIS, MISSOURI 63103-2833

CEMVS-RM-B

Regulation
No. 37-1-2

15 November 2000

Financial Administration
OPERATING BUDGETS

1. **PURPOSE.** This regulation provides policy guidance for the preparation, submittal, and utilization of the Operating Budget.

2. **APPLICABILITY.** This regulation is applicable to all organizational elements of the St. Louis District, Corps of Engineers.

3. **REFERENCES.** Engineering Regulation (ER) 37-1-24, Financial Administration, Operating Budgets, 22 December 1994.

4. **GENERAL.**

a. The operating budget is a formal, written plan that aligns the organizational operating requirements of the district with all programmed funding sources. It incorporates all targets, limitations, and ceilings imposed by the District and higher headquarters. The operating budget is a tool to assist managers achieve maximum productivity in all programs, identify resources necessary to accomplish the mission, and determine the most efficient method of doing business.

b. The operating budget schedules actual operations which provide the basis for timely review and corrective action to ensure effective, efficient, and economic accomplishment of assigned mission.

c. An operating budget is income based and includes both direct and reimbursable funds to capture all organizational costs, both direct and indirect.

* This regulation supersedes DR 37-1-2, 1 November 1992.

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d. Some common uses of the operating budget are:

- (1) Management and control of funds.
- (2) Establishing facility and overhead rates.
- (3) Developing monthly schedules of obligations and expenditures.
- (4) Preparing budget estimates for both contractual and in-house work.
- (5) Managing and enforcing targets, limitations, and performance measures.

5. POLICY.

a. The Commander is required to establish and maintain an operating budget. The consolidation and integration of the operating budget is one of the primary responsibilities of the Budget Officer, under the direction of the Chief, Resource Management Office.

b. Full participation of the Commander's principal staff is necessary to make the operating budget an effective management tool.

c. The Commander's approved operating budget will be the basis for computing all distribution rates (i.e., facilities, departmental, and general and administrative overhead).

6. RESPONSIBILITIES.

a. Chiefs of each organizational element are responsible for the preparation, submission, and monitoring of monthly execution of the operating budget covering all activities under their supervision.

b. Chief, Logistics Management Office will provide to CEMVS-RM-B an estimate of GSA space rental to be charged to each organizational element.

c. Chief, Information Management Office will provide to CEMVS-RM-B an estimate for Information Management facility usage to be charged to each organizational element.

d. Chief, Resource Management Office will be responsible for:

(1) Integration of the President's Budget, program/project performance, Force Configuration (FORCON), Plant Replacement and Improvement Program (PRIP), and the operating budget.

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(2) Issuance of instructions for operating budget formulation, mid-year review, or revisions due to significant changes in workload. These instructions will include targets, limitations, ceilings, performance measures, and due dates.

e. Chief, Budget Integration and Manpower Analysis Branch will:

(1) Prepare a consolidated operating budget which reflects the mission and specific command objectives for the District.

(2) Monitor execution of the approved operating budget to assure that funds are properly allocated and expended in a timely and effective manner in support of authorized management objectives.

f. District Commander will approve the budget call letter, policy guidance, and the District operating budget prior to submission to the Regional Management Board (RMB). The District Commander remains responsible for approving all changes to the operating budget.

g. Chiefs of technical organizations and facilities are responsible for proper management of their respective overhead or facility accounts to achieve a nominal balance by year end.

h. Chief, Programs Management Branch will be responsible for issuing income allocations, both direct and reimbursable, to the District elements, as provided by the project managers.

7. PROCEDURES.

a. Specific fiscal year instructions and guidance will be provided in an action directive issued by CEMVS-RM-B. The Operating Budget Module of the Corps of Engineers Financial Management System (CEFMS) will be used to prepare and submit the operating budget.

b. Estimated income from all sources must be scheduled. This includes carry over funds and undelivered orders from prior year plus new funding for the budget year. The income projection determines whether the organization has enough income to cover projected expenses.

c. The operating budget must contain funding sources, and estimates of obligations and expenditures by resource code and organizational element.

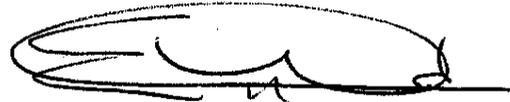
d. Chiefs of each organizational element will submit a consolidated operating budget accompanied by a signed memorandum to CEMVS-RM-B. The initial operating budget is required to be formulated prior to the start of the fiscal year. Submission date and report format will be indicated in the action directive. All organizational budgets will be consolidated and presented to the Program Budget Advisory Committee (PBAC). The PBAC will

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recommend approval of the operating budget to the District Commander. The District Commander will submit the District's operating budget to the Regional Management Board (RMB) for recommendation for approval to the Division Commander. Once the Division Commander has approved the District's operating budget, CEMVS-RM-B will furnish each organizational element with an approved copy of the operating budget.

e. The Operating Budget Module of the Corps of Engineers Financial Management System (CEFMS) will provide monthly obligation and expenditure execution reports, which should be reviewed by each organizational manager. Changes in requirements, funding targets, sources of funding, or manpower will be documented in a formal change to the budget, submitted by the responsible operating official, and formally approved by the Commander.

f. A mid-year review will be conducted during the second quarter to evaluate the status of the budgets. An action directive will provide guidance for this review.



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COL, EN
Commanding



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