DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON, D.C. 20310-0109

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MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Financial Management Guidance for Contingency Operations

1. The Department of the Army (DA) Financial Management Guidance for Contingency Operations (CONOPS) is at enclosure 1. It incorporates related guidance from the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) and supersedes all prior DA guidance on this subject. Enclosure 2 provides Office of Management and Budget (OMB) and Office of the Secretary of Defense (OSD) criteria for Overseas Contingency Funding (OCO) requests.

2. The guidance contained in the enclosures is effective immediately. It applies to commands and activities receiving CONOPS funding from the DA.

3. My POC may be reached at (703) 692- 5886/DSN 222-5886

PHILLIP E. MCGHEE
Major General, U.S. Army
Director of Army Budget

2 Encls
1. DA Financial Management Guidance for Contingency Operations
2. OMB/OSD OCO Criteria

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CF:
Office of the General Counsel

Department of the Army Financial Management Guidance for Contingency Operations

28 June 2012

UNCLASSIFIED

1. Purpose

a. The purpose of this document is to provide Army guidance regarding financial management operations in support of contingency operations (CONOPS). This funding guidance is effective immediately and applies to all commands and activities that receive Army CONOPS funding. This guidance will remain in effect until rescinded or superseded.

b. This memorandum supersedes the Army Financial Management Guidance in Support of Contingency Operations dated 9 February 2011 and all other previously published guidance concerning responsibilities for executing Army financial management functions in support of named contingency operations; and, incorporates all related CONOPS funding guidance from the Office of the Under Secretary of Defense (Comptroller).

c. This guidance does not apply to direct or reimbursable Army missions in support of U.S. civil authorities, including response to domestic natural disasters or international disaster relief efforts. The Army POC for reimbursable support to other governmental agencies for domestic natural disasters and/or acts of terrorism within the Continental United States (CONUS) is the Army North (ARNORTH) Reimbursement Cell (ARC). Specific guidance for such support is outlined in the Financial Management Guidance for Disaster Relief Operations posted on the Assistant Secretary of the Army (Financial Management and Comptroller) website: http://www.asafm.army.mil/.

2. References

a. Army Regulation 715-9, Operational Contract Support Planning and Management, 20 June 2011

b. Assistant Secretary of the Army (Financial Management & Comptroller) Standard Operating Procedures (SOP): Investment Contingency Operations Execution Reporting (CONOPS Report), 13 January 2010

c. Assistant Secretary of the Army (Financial Management & Comptroller) Standing Operating Procedure (SOP) for Overseas Contingency Operations (OCO) Cost Reporting, February 2011

d. Department of the Army Personnel Policy Guidance (PPG) for Contingency Operations in Support of OCO, updated: 27 April 2012, found at: http://www.armyg1.army.mil/militarypersonnel/ppg/PPG.pdf

e. DFAS-IN Regulation 37-1, Finance and Accounting Policy Implementation http://www.asafm.army.mil/offices/BU/Dfas371.aspx?OfficeCode=1200

f. DFAS-IN Manual 37-100-XX, The Army Management Structure (AMS), updated annually http://www.asafm.army.mil/offices/BU/Dfas37100.aspx?OfficeCode=1200

g. DoD Financial Management Regulation 7000.14-R, Volume 12, Chapter 23 http://comptroller.defense.gov/fmr/12/12_23.pdf

h. DoD Directive 5101.1, DoD Executive Agents, 21 November 2003 http://www.dtic.mil/whs/directives/corres/pdf/510101p.pdf

i. DoD Instruction 3020.41, Operational Contract Support, 20 December 2011 http://www.dtic.mil/whs/directives/corres/pdf/302041p.pdf

j. DoD Directive 1235.10, Activation, Mobilization, and Demobilization of the Ready Reserve, 26 November 2008 http://www.dtic.mil/whs/directives/corres/pdf/123510p.pdf

k. Federal Acquisition Regulation (FAR) https://www.acquisition.gov/FAR

l. HQDA Execution Order (EXORD): RESET (FY09), 22 December 2008 and subsequent updates and FRAGOs

m. Installation Management Command Policy for Soldier and Family Appreciation Day Celebrations, 2 June 2008 http://www.army.mil/fmwrc/docs/WelcomeHomeMemo.pdf

n. Office of Management and Budget (OMB) Letter to USD(C), Criteria for War/Overseas Contingency Operations Funding Requests, 9 September 2010 http://asafm.army.mil/offices/BU/GeneralInfo.aspx?OfficeCode=1200

o. Office of the Under Secretary of Defense (Comptroller) memo, Intra-theater Transportation Payments in Support of Operations ENDURING FREEDOM (OEF) and IRAQI FREEDOM (OIF), 3 September 2009

3. Background and Scope

a. Contingency Operations (CONOPS). A contingency operation is a military operation that is either designated by the Secretary of Defense as a contingency operation or becomes a contingency operation as a matter of US Law (10 USC 101[a][13]). It is a military operation that:

(1) Is designated by the Secretary of Defense as an operation in which members of the Armed Forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing force; or

(2) Is created by definition of law. Under 10 USC 101 (a)(13)(B), a contingency operation exists if a military operation results in (1) the call-up to, or retention on, active duty of members of the uniformed services under certain enumerated statutes (10 USC Sections 688, 12301(a), 12302, 12304, 12305, 12406 or 331-335, or (2) the call-up to, or retention on, active duty of members of the uniformed services under the (non-enumerated) statutes during war or national emergency declared by the President or Congress.

b. There is one primary CONOP for which Army is currently the Financial Management Executive Agent: Operation ENDURING FREEDOM (OEF). Execution of operations in support of OEF may occur in Continental United States (CONUS) or Outside of the Continental United States (OCONUS). The specific area of operation where the majority of the mission is conducted further identifies the OEF mission, e.g., OEF-Afghanistan (OEF-A), OEF-Philippines (OEF-P), OEF-Horn of Africa (OEF-HOA). Detainee operations on U.S. Naval Station Guantanamo Bay, Cuba, are considered part of OEF and consist of the following Contingency funded areas: Expeditionary Legal Complex Operations, Sustainment of Expeditionary Legal Complex-Office of Military Commissions, Expeditionary Legal Complex Airlift, JTF GTMO Detainee Operations, and JTF GTMO R&R Program.

c. Current Office of Management and Budget (OMB) / Office of the Secretary of Defense (OSD) guidance restricts OCO funding to geographic areas in which combat or direct combat support operations for OEF (and previous operations in support of Operation NEW DAWN (OND) / Operation IRAQI FREEDOM (OIF)) occur: Iraq, Afghanistan, Pakistan, Kazakhstan, Tajikistan, Kyrgyzstan, the Horn of Africa, Persian Gulf and Gulf nations, Arabian Sea, the Indian Ocean, the Philippines, and other countries on a case-by-case basis. Commanders have the responsibility and authority to approve the use of OCO funds for direct combat support operations in support of OEF in countries not identified above on a case-by-case basis while keeping within the intent of the OMB/OSD guidance.

d. OEF-Caribbean and Central America (CCA) and OEF-Trans Sahara (TS) are not OCO funded CONOPS.

e. At the time of this publication, there are three ongoing small-scale CONOPS in addition to OEF: Operation NOBLE EAGLE, Operation JOINT GUARDIAN, and Operation JOINT FORGE. Each of these CONOPS are funded through the base program.

(1) Operation NOBLE EAGLE (ONE). ONE, as used in this guidance, includes only those missions in response to a specific Army Execute Order (EXORD) or Deployment Order (DEPORD) that supports Homeland Defense (HLD) within the United States. The ground Air Defense component of the National Capital Region (NCR) Integrated Air Defense System (IADS) is the primary Army ONE mission. ONE does not include normal garrison security or antiterrorism and force protection initiatives. Effective FY06 per guidance from the Office of the Secretary of Defense (OSD), ONE missions are considered base program missions for all military departments and are not OCO funded.

(2) Operation JOINT GUARDIAN is the North Atlantic Treaty Organization (NATO)-led Kosovo Force (KFOR) mission. It is the product of United Nations Security Council Resolution 1244 and a military technical agreement with the Serbian forces. Operation JOINT GUARDIAN is a base program mission and not OCO funded.

(3) Operation JOINT FORGE is the residual element of the NATO-led Stabilization Force (SFOR) mission to deter hostilities, stabilize the peace, and contribute to a secure environment in accordance with the provisions of the Dayton Peace Accords. Major U.S. Army participation ended in November 2004. In FY 2007 the United States closed all of its Forward Operating Sites and Bases (FOS/FOB) in Bosnia and Herzegovina. The United States continues to provide personnel to man the internationally agreed-to percentage of the NATO Headquarters, Sarajevo. The United States also provides national support to those individuals and a Personal Security Detachment to the U.S. General Officer commanding the NATO headquarters. Operation JOINT FORGE is a base program mission and not OCO funded.

d. Emergent operations or other on-going operations, such as Multinational Force and Observers (MFO) - Sinai and Joint Task Force (JTF) – Bravo, are likewise base funded and not covered in this policy memo. Specific details regarding funding those missions and other emergent operations are covered in HQDA EXORDs pertaining to those operations.

4. Mission. The financial management mission at all levels is to adequately resource commands to execute directed missions in support of national interests. Inherent in the execution of that mission is the legal, ethical, and cost-effective use of financial resources by all commanders and their financial/resource managers. Commands must consider cost in validating requirements, executing limited resources, recording execution properly in the

accounting systems, and ensuring proper and effective management controls are in place. One hundred percent visibility, accountability, transparency, oversight, and controls are required for all contingency operations dollars. Additionally, HQDA reporting requirements will be strictly adhered to.

5. OCO Funding.

a. Combatant Commands with Army as their support agent, Army Commands (ACOM), Army Service Component Commands (ASCC), Direct Reporting Units (DRU), staff agencies, and activities will submit validated requirements for OCO funding to the Army Budget Office (ABO) in accordance with published data calls. All submissions for OCO funding must identify the supported operation (i.e., OEF-A, OEF-P or OEF-HOA). Activities must ensure that requests for OCO funds are directly related to readiness, deploying forces, and mission requirements in support of CONOPS in accordance with OMB guidance (see reference paragraph 2.n.). Specific instructions for submitting requirements are distributed each year by the ABO, U.S. Army Reserve, (USAR), and Army National Guard (ARNG) appropriation sponsors.

b. Operational Needs Statements (ONS) or other emerging requirements must be validated by the Army Requirements and Resources Board (AR2B) to be considered for OCO funding. The AR2B does not have funding with which to resource emerging requirements, rather the AR2B validates emerging requirements, which are then forwarded to the Budget, Requirements, and Program (BRP) Board for funding consideration. In- theater requirements are managed by a variety of validation and funding boards in theater and conducted in accordance with ARCENT policy and US Forces-Afghanistan (USFOR-A) published guidance.

6. CONOPS Funding Roles and Responsibilities.

a. Financial Management Executive Agent. Most CONOPS will be tasked to a Combatant Command (COCOM) by order of the Chairman of the Joint Chiefs of Staff. Unless otherwise specified in a HQDA EXORD, the COCOM's ASCC is the Army financial management executive agent for the specified CONOP. In that role, the ASCC coordinates with ABO and the COCOM comptroller to ensure financial management functions for the CONOP are conducted in accordance with current fiscal law, DoD guidance, and Army financial management policy, and has the overall responsibility for all financial management functions associated with the CONOP. The ASCC must use existing funds to cover the costs ISO of assigned CONOPS and may seek reimbursement using current procedures (UFR submission, Mid-Year Review, etc.) if appropriate. The ASCCs described in this paragraph are generally identified as *Supported* Army Command.

b. Supporting and Supported Commands. At times, a COCOM may be tasked to provide support within another COCOM's Area of Responsibility (AOR). Unless otherwise specified in a HQDA EXORD, the supporting COCOM's ASCC (such as ARNORTH is to NORTHCOM) is the *supporting* Army command. In its role as the *supporting* Army command, the resource manager coordinates with the *supported* Army command, ABO and COCOM comptrollers to ensure financial management functions for the CONOP are conducted in accordance with current fiscal law, DoD guidance, and Army financial management guidance. The *supported* Army command generally has funding responsibility for all incremental costs supporting Army mission command resource requirements directly associated with the deployment or CONOP support. This includes, but is not limited to: the movement from the Aerial Port of Embarkation (APOE)/Sea Port of Embarkation (SPOE) to theater and return back to the Aerial Port of Debarkation

(APOD)/ Sea Port of Debarkation (SPOD), pre-deployment site surveys, procurement of specialized equipment associated with mission support in theater, requested TDY to theater, and all in theater operational and sustainment costs.

c. Operational Phases. Funding responsibilities are delineated by the following five operational phases:

(1) Pre-deployment.

(a) The supporting Army mission command funds the costs of home station pre-deployment training and preparation, including funding the costs of supplies and equipment requisitioned to bring Shop Stock List (SSL) to appropriate levels and the costs of required certification training. Commands will ensure units and individuals are prepared for deployment while exercising appropriate stewardship of the Army's limited funding resources. Non-Unit Related Personnel (NRP) will go through the CONUS Replacement Center (CRC) to receive specific training and any additional equipment that was not provided by their home station organization before deploying to theater. Contractors will also go through a CRC, as directed, to receive specific training and equipment before deploying to theater.

(b) The standard rotation cycle for Active Component (AC) units at Division level and below is two-month pre-deployment, nine-month sustainment, and three-month reconstitution (2-9-3). The standard rotation cycle for Reserve Component (RC) is two-month pre-deployment, nine-month sustainment, and one-month reconstitution (2-9-1). However, for Reset, the planning timeline is 6 months for the Active Component and 12 months for the Reserve Component. Due to the dynamic nature of CONOPS, actual timelines must be time and condition-based to account for the variety of operational situations.

(c) For National Guard/Reserve Command forces all costs prior to mobilization date are the responsibility of the respective component. Once mobilized, all installation support costs (life support, transportation, facilities, MWR, etc...) are the responsibility of IMCOM. The supporting Army mission command is responsible for costs associated with individual certificate training mandated by the supported command and collective training events to ensure the deploying forces are prepared to deploy. This includes the cost to relocate to another training venue (e.g. from Fort Lewis to Yakima and back to Fort Lewis) as this is considered part of the collective training event.

(2) Deployment.

(a) The Army financial management executive agent for each CONOP will pay all USTRANSCOM and other movement costs for deployment of Army personnel, supplies, and equipment into the theater from the Aerial Port of Embarkation (APOE) or Sea Port of Embarkation (SPOE), with the exception of Army Special Operations Forces (ARSOF), which are responsible for their own deployment (inter-theater only), and return to the APOE/SPOE.

(b) Unless otherwise directed in an OPORD/EXORD, AMC will pay all transportation costs for Active Component (AC) personnel/units ISO OEF-A, OEF-P, or OEF-HOA, from the permanent duty station to the APOE or SPOE, including OCONUS permanent duty locations, and return to the permanent duty station from the originating APOE/SPOE.

(c) AMC will also pay transportation costs for the Reserve Component (RC) personnel/units ISO OEF-A, OEF-P, or OEF-HOA from the unit's HS or Equipment

Concentration Site (ECS) to the mobilization station and from the mobilization station to the APOE/SPOE. Likewise, AMC will also fund the return trip from the originating APOE/SPOE to the mobilization station and back to HS following deployment.

(d) Costs associated with the movement of non-Army personnel and equipment will be funded by the parent military department or agency that owns the personnel or equipment (e.g. Red Cross and AAFES).

(e) For emerging contingencies, the financial executive agent for the Army Command responsible for the CONOP will contact the HQDA G-4 at tac.coordinator@hqda.army.mil to establish a contingency-specific Transportation Account Code (TAC) (or multiple TACs) for the purpose of funding all equipment transportation costs for Active and Reserve Component equipment transportation from HS or ECS to Mobilization Station to contingency and all return legs.

(3) Sustainment.

(a) The supported Army command's financial management executive agent funds operational and sustainment costs for all Army units once they arrive in theater/CONOP.

(b) Supporting Army commands are responsible for resourcing all other requirements at home station unless specified in this guidance or an EXORD/DEPORD. These sustainment costs include but are not limited to civilian temporary hires and/or contract personnel needed to perform functions at home station normally performed by Soldiers who are deployed (e.g., truck drivers, equipment operators, postal clerks, legal personnel, supply room personnel, etc.) or to augment work normally performed by Soldiers.

(c) Logistics support for ARSOF deployed units is the responsibility of the theater financial management executive agent/parent service. Logistics support includes Service-common sustainment, replenishment, maintenance, transportation, health services, medical suppose, facilities, and base operations support and services (BOSS). A BOSS standard or common level of support metric should be established to include specific resourcing responsibilities and requirements, by theater/AOR, to ensure the common level of BOSS is provided to ARSOF. Sustainment costs that are above the established BOSS and specific to ARSOF are the responsibility of ARSOF.

(d) Supplies and equipment purchased in an AOR with OCO funds will generally remain in that AOR until the end the operation and proper disposition can be determined.

(e) In accordance with current OMB/OSG guidance, OCO funding may NOT be used to maintain rear detachment equipment. Rear detachment equipment is different than Left Behind Equipment (LBE) as described in paragraph 9.j.(3).

(4) Redeployment.

(a) The supported Army command's financial management executive agent for each operation will pay all USTRANSCOM and other related movement costs for redeployment of Army personnel, supplies, and equipment from the theater to the APOD or SPOD, with the exception of ARSOF which are responsible for their own redeployment (inter-theater only).

(b) Unless otherwise directed in an OPORD/EXORD, AMC will pay all transportation costs to the AC permanent duty station from the APOD or SPOD, including OCONUS locations. AMC will pay all RC transportation costs from the APOD or SPOD to the mobilization station and from the mobilization station to the RC unit's HS or Equipment Concentration Site (ECS).

(c) Costs associated with the movement of non-Army DoD personnel and equipment will be borne by the parent military department or agency that owns the personnel or equipment.

(5) Reconstitution. The supporting Army commands resource the costs of reconstitution upon return to HS. Reconstitution encompasses the activities to bring the unit back to operational readiness. These include but are not limited to unit level repair of equipment, repair or replacement of tentage, replacing Shop Stock List (SSL), etc. Commercial Off The Shelf (COTS) equipment may be included in reconstitution; however, an organization must be able to demonstrate that the expense is an incremental cost of deployment (e.g., advanced wear due to deployment conditions that accelerated the need for life cycle replacement). All automation purchases must be approved by HQDA G-3 through the Goal 1 waiver process. Reset of equipment as a subset of reconstitution is critical to maintain the Army's strategic operational readiness and depth. HQDA G-4 policy will dictate Army commands' responsibilities and the maintenance standards required for all equipment returned from deployment. Comprehensive guidance is provided in reference specified in paragraph 2.l. Costs associated with the increased use of training and range facilities due to multiple deployments or mobilization of Reserve Component Soldiers are also considered a reconstitution cost.

7. Mobilization of U.S. Army Reserve (USAR) and Army National Guard (ARNG) Units.

a. Operation and Maintenance, Army Reserve (OMAR) and Reserve Personnel, Army (RPA) appropriations fund costs incurred up to the date of mobilization for USAR units. Operation and Maintenance, Army National Guard (OMNG) and National Guard Personnel, Army (NGPA) appropriations fund costs incurred up to the date of mobilization for ARNG units.

b. Operation and Maintenance, Army (OMA) and Military Personnel, Army (MPA) appropriations fund costs incurred on and following the date of mobilization, to include costs associated with the muster prior to movement to the mobilization station. First Army (thru FORSCOM) will fund operational requirements with OCO for rear detachment RC mobilized units in Title 10 status in support of OEF-A, OEF-P, or OEF-HOA in order to support the specified rear detachment mission.

(1) The mobilization station is responsible for funding unit operations from the date of mobilization through the date of deployment to the AOR or handoff to the gaining major command employing the unit. For the duration of the deployment, AMC through Army Sustainment Command (ASC) will fund household goods shipment /storage, POV storage, and the costs incurred when the unit has directed Soldiers and units to meet collectively for administration and support purposes (upon mobilization until arrival at the mobilization station). Units will coordinate with their designated mobilization stations for funding support of mobilization requirements after the date of mobilization. The mobilization station will coordinate with ASC to obtain funding for mobilizing units.

(2) When an RC unit returns to a mobilization station after deployment, that mobilization station is responsible for funding the unit's demobilization operations at the demobilization station through the date of demobilization.

(3) Upon mobilization, the supporting Army mission command is responsible for funding:

(a) All mission training requirements needed to certify the unit prior to deployment. These may include, but are not limited to: transportation of personnel and equipment to support the training event if it takes place at a location other than the mobilization station; providing contract support for the training event; purchasing training aids, repair parts and fuel to support equipment used during pre-deployment training events, and Mission Rehearsal Exercise (MRX/MRE) or Command Post Exercise (CPX).

(b) Pre-deployment incremental supply and equipment requirements for units / individuals to support a deployment based on a CJCS or/HQDA EXORD. These may include but are not limited to: general supplies, equipment, medical kits/outfits, automation approved through the HQDA Goal 1 Waiver process, etc. Requirements are based on Modified Table of Organization and Equipment (MTOE) / Mission Essential Equipment List (MEEL) shortfalls, a HQDA approved ONS, or an approved Joint Urgent Operational Needs Statement (JUONS). Supply and equipment requisitions will be executed in accordance with the Combatant Commander's operational requirements and guidance.

(4) For unit personnel activated in advance of the unit's mobilization, pay and allowances and supporting O&M operational costs are charged to the appropriate Reserve Component appropriation. Once the unit personnel are mobilized, MPA and OMA appropriations are to be used.

(5) To the maximum extent possible, individual replacements will arrive at the CRC and units will arrive at the mobilization station with all required Organizational Clothing and Individual Equipment (OCIE). For Soldiers lacking deployment OCIE, Central Issue Facilities (CIF) will provide OCIE to authorized levels. CIFs will use OCIE Central Management Office funding for replenishment of stocks. Soldiers are responsible for the replacement of lost or damaged OCIE.

8. Execution.

a. Intent. Resource managers will continue to exercise prudent control measures, allocate funds based on validated requirements, and use all available resources to support the CONOPS priorities.

b. Funds Distribution.

(1) OCO Targets. Initial OCO targets for the OMA appropriation are based on the current and projected level of operations and validated requirements submitted by Commands in response to HQDA data calls. Once each OCO appropriation is enacted, and as requirements and priorities are reassessed during annual midyear reviews, ABO rebalances accounts on a case-by-case basis based on the commands involved and their justifications for the funding.

(2) OCO Funding by SAG. Historically, ABO has provided O&M funding for valid incremental OCO costs in Sub-Activity Groups (SAGs) 135, 136, 137, 411, and 421. Beginning in FY12, however, OCO O&M was also distributed in base SAGs 114, 115, 116, 121, 122, 123, 131, 132, 422, 424, 432, 434, and 435. These funds are further identified as OCO via discrete Management Decision Packages (MDEPs) and Functional Cost Account codes (FCA).

c. Reimbursable Support. Reimbursable CONOPS support may be provided to other services, U.S. federal agencies, other troop-providing nations, or organizations such as NATO or the United Nations. If this occurs, the Command providing the support will create the bill and

submit payment in accordance with existing procedures contained in DoD Regulation 7000.14-5, Volume 12, Chapter 23. Billings will be submitted by the Army commands through applicable DFAS centers. DFAS will submit required information or documents to the ABO, Budget Execution, Policy, and Funds Control Division (SAFM-BUC-E).

d. Government Purchase/Travel Cards. Resource managers must establish prudent procedures before, during, and after CONOPS to ensure positive control and proper use by cardholders and to ensure that OCO funding is used only for authorized OCO expenses as described in this guidance. Requisite training, appointment letters, certifications, and approvals must be in place.

e. Cost Management/Cost Controls. Resource managers must seek out, coordinate, and implement cost management/cost control procedures to account for OCO execution, create efficiencies, instill a cost culture, and enable commanders to make resource informed decisions.

9. Tasks to Army Organizations.

a. U.S. Army Forces Command (FORSCOM)

(1) FORSCOM is responsible for funding all mission training requirements needed to certify a unit for deployment (i.e., general supplies, fuel, equipment, and Class IX repair parts, etc.) for AC deploying units and mobilized RC deploying units processing at a FORSCOM mission station or at a mobilization station during the pre-deployment and reconstitution phases.

(2) FORSCOM is responsible for funding all pre-deployment incremental supply and equipment requirements for units/individuals to support a deployment based on a CJCS or HQDA EXORD. These may include but are not limited to general supplies, equipment, medical kits/outfits, etc. Requirements are based on MTOE / MEEL shortfalls or a HQDA approved ONS or JUONS.

(3) FORSCOM is responsible for transportation costs related to training equipment to include Pre-Deployment Training Equipment (PDTE). Additional guidance regarding maintenance cost responsibilities may be specified by HQDA G-4 policy published separately ICW this guidance.

b. Training and Doctrine Command (TRADOC). TRADOC is responsible for funding all mission training support requirements for mobilized RC deploying units (i.e., general supplies, fuel, equipment and Class IX repair parts) while processing at a TRADOC mission station during the pre-deployment and reconstitution phases. Requirements are based on MTOE / MEEL shortfalls or HQDA approved ONS or JUONS. Although HQDA G-1 is the executive agent for the CRC, TRADOC is the Army executing agent for operations. TRADOC is responsible for funding all mission training requirements needed to certify individual personnel processing through the CRCs during the pre-deployment and reconstitution phases.

c. Army Materiel Command (AMC)

(1) AMC is the lead for Reset of redeployed equipment. AMC is responsible for sustainment level maintenance, training equipment, Aviation Special Technical Inspection and Repair (STIR), LBE parts and labor, Army Prepositioned Stock (APS), Theater Provided Equipment (TPE), Forward Repair Activity (FRA), and the Tactical Wheeled Vehicle (TWV) programs IAW HQDA Army G-8/G-4 policy.

(2) AMC has funding responsibility for OEF personnel deployments for Active and Reserve Components for all travel except APOE/SPOE to theater and return leg from theater to APOD/SPOD. For contingencies other than OEF funding for all personnel travel will be provided by the financial management executive agent assigned to the COCOM responsible for the CONOPS.

(3) Left Behind Equipment (LBE). LBE is defined as equipment that remains at HS after a unit deploys. The LBE program is designed to relieve the forward unit commander of the responsibility for management and readiness of the non-deployed equipment. There are three types of LBE: equipment left in motor pools, equipment transferred from a deployed unit to a next deploying unit, and equipment to be inducted in the depot maintenance program. LBE is used as a source to equip deploying units and transforming units, and to support short-term training requirements for deploying units and other Army Force Generation (ARFORGEN) requirements. AMC has funding responsibility for labor and Class IX parts required to maintain the equipment at TM 10/20 standards as well as readiness reporting IAW HQDA policy. This includes OCONUS locations, with the exception of the Theatre Logistics Support Center – Europe (TLSC-E) because USAREUR is responsible for funding LBE requirements for TLSC-E.

(4) Pre-deployment Training Equipment (PDTE). AMC is responsible for PDTE maintenance and equipment accountability. ALARACT 115/2011 outlines the details regarding the PDTE policy.

d. Installation Management Command (IMCOM). IMCOM is responsible for installation-level (garrison, mobilization station, deployment center) support to individual Soldiers and units deploying/redeploying, mobilizing/demobilizing in support of CONOPS.

(1) For all CONOPS, IMCOM/AMC fund all incremental costs associated with base operations in support of deploying/redeploying and mobilizing/demobilizing units, to include: transportation of personnel and equipment; all blocking, bracing, and tie down equipment needed to transport equipment at railheads; billeting and feeding; DOL labor; household goods and POV storage, and other base support costs at mobilization stations. Upon mobilization, base support type costs incurred at the RC unit HS are an IMCOM responsibility. These costs include meals and lodging, per diem, and other incremental costs for the unit to mobilize and demobilize. OCO funds are currently only authorized ISO of OEF-A, OEF-P and OEF-HOA; all other costs ISO of other CONOPS must be base funded.

(2) Installations housing Soldiers or units in support of a valid OCO CONUS or OCONUS mission will maximize on-post housing. If contract lodging is used, resource managers will pursue the most cost effective methods to house Soldiers off-post, to include the use of contract group transportation to and from contracted lodging facilities. Agencies contact IMCOM for the line of accounting. See reference 2.d. for TCS guidance.

e. U.S. Army Central (ARCENT)

(1) ARCENT is the Army financial management executive agent for OEF-A, responsible for deployment, sustainment, and redeployment of Army units in the USCENTCOM AOR. Additionally, USARCENT will budget and pay for all intra-theater surface transportation and inter-theater oceanic transportation for contingency operations in the USCENTCOM AOR.

(2) Rest & Recuperation (R&R). Resource Services - Washington (RS-W) funds the main leg of travel from Theater to the APOD and from the APOD back to Theater. ARCENT is responsible for funding the additional R&R travel from the APOD to the Soldier's designated leave address and travel back to the APOD.

(3) Commander's Emergency Response Program (CERP). The Army is the executive agent for the appropriated CERP funding executed by U.S. Forces Afghanistan (USFOR-A). DoD Financial Management Regulation (DoDFMR) and Army guidance, provided under separate cover, govern CERP execution and reporting requirements.

(4) Lift and Sustainment. ARCENT provides transportation and logistical support to coalition forces supporting U.S. military operations in Afghanistan.

f. U.S. Army Europe (USAREUR)

(1) USAREUR is the Army financial management executive agent for KFOR and SFOR, responsible for deployment, sustainment, and redeployment of Army units in the Area of Operations. These two CONOPS are funded in the base program.

(2) OEF.

(a) For assigned units, USAREUR is responsible for funding all mission training requirements needed to support a unit prior to deployment, i.e., general supplies, fuel, equipment and Class IX repair parts for AC deploying units.

(b) For assigned units, USAREUR is responsible for funding all pre-deployment incremental supply and equipment requirements for units/individuals to support a deployment based on a JCS or HQDA EXORD. These may include but are not limited to: general supplies, equipment, medical kits/outfits, etc. Requirements are based on MTOE / MEEL shortfalls or on a HQDA approved ONS.

g. U.S. Army Pacific (USARPAC)

(1) Operation ENDURING FREEDOM – Philippines (OEF-P).

(a) USARPAC is the Army's financial management executive agent for OEF-P, responsible for funding all deployment, sustainment, and redeployment of Army units in the Area of Operations.

(b) Deployment/redeployment. USARPAC will budget and fund all intra-theater surface transportation and inter-theater oceanic transportation of Army units tasked to support OEF-P contingency operations.

(c) Sustainment. USARPAC, as the ASCC to USPACOM, is responsible for the incremental sustainment costs supporting OEF-P Casualty Evacuation (CASEVAC) / Rotary Wing Operations. Sustainment requirements beyond the scope of CASEVAC/Rotary Wing Operations will be resourced based upon the requirements validation process (AR2B) and/or EXORD/DEPORD directive. Sustainment costs that are specific to SOF are the responsibility of the SOF.

(2) OEF.

(a) USARPAC is responsible for funding all mission training requirements needed to certify the unit prior to deployment (i.e., general supplies, fuel, equipment and Class IX repair parts) for AC deploying units and RC mobilized deploying units while processing at a USARPAC mission station during the pre-deployment and reconstitution phases.

(b) USARPAC is responsible for funding all pre-deployment incremental supply and equipment requirements for units/individuals to support a deployment based on a CJCS or HQDA EXORD. These may include but are not limited to general supplies, equipment, medical kits/outfits, etc. Requirements are based on MTOE / MEEL shortfalls or on a HQDA approved ONS or on a JUONS.

h. U.S. Army Africa (USARAF). USARAF, as the ASCC to US Africa Command (USAFRICOM), is the Army financial management executive agent for OEF-HOA and responsible for deployment, sustainment, and redeployment of Army units in the Area of Operations, including intra-theater and inter-theater transportation.

i. U.S. Army North (ARNORTH). As the ASCC to USNORTHCOM, ARNORTH is the Army financial management executive agent for HLD and Civil Support (CS) operations assigned to USNORTHCOM and responsible for all financial management functions relating to these operations.

j. U.S. Army South (USARSO). USARSO is the Army financial management executive agent for detainee operations at NAVSTA-GTMO. USARSO is responsible for programming and budgeting for detainee operations. NAVSTA-GTMO provides base operations support on a reimbursable basis IAW an inter-service support agreement between JTF-GTMO and NAVSTA-GTMO for BASOPS which became effective 1 October 2004.

k. U.S. Army Special Operations Command (USASOC)

(1) USASOC, as the ASCC, is responsible for funding all ARSOF peculiar resource requirements for ARSOF units / activities.

(2) USASOC is responsible for the deployment and redeployment of ARSOF in and out of the areas of operation (inter-theater).

(3) Logistical support (i.e., all classes of supplies and contracting) for ARSOF deployed units is the responsibility of the supported command. Logistical support includes sustainment, replenishment of Army common supplies, maintenance on Army common equipment, intra-theater transportation, common Army health services and medical supplies, and the standard level of Army common support for facilities and base operations requirements.

l. U.S. Army Criminal Investigation Command (CIDC). CIDC is the Army executive agent for the Criminal Investigation Task Force (CITF). CIDC is responsible for adhering to the Memorandum of Agreement for CITF signed 18 March 2002 by Army and Navy comptroller representatives. IAW the memorandum of agreement, CIDC is responsible for CITF mission-related costs on U.S. Naval Station Guantanamo Bay, Cuba. In an effort to minimize Army lodging expenses in the National Capital Region (NCR), all CITF personnel (Army, Navy, Marine, and Air Force) will be transferred into the Lodging Success program. The Central Reservation Center/Army Lodging, also known as the Lodging Success Program, will issue

Statements of Non-Availability (SNA) for all CITF personnel (Army, Navy, Marine, and Air Force). The SNA will cover lodging and meals & incidentals (M&IE).

m. Resource Services - Washington (RS-W) (OA-22)

(1) RS-W is responsible for funding the main leg of R&R travel from the USCENTCOM AOR to the APOD and travel back from APOE to theater (excluding space-required government airlift). ARCENT is responsible for funding the additional R&R travel from the APOD to the Soldier's designated leave address and back to the APOE.

(2) The centrally-managed Second Destination Transportation (SDT) program funds over-ocean movement of equipment and supplies, including AAFES products, APO mail, subsistence, GSA items, ammunition, medical supplies and equipment for Table of Organization (TOE) units, replacement equipment, war reserve stocks, and War Reserve Secondary Items (WRSI) shipped into and for authorized shipments out of the AOR.

n. Joint Force Headquarters, National Capital Region (JFHQ-NCR). COCOMs, services, and defense agencies provide forces and support to JFHQ-NCR to conduct Homeland Defense (HLD) and Civil Support (CS) operations in the NCR Joint Operations Area (JOA). Commander, Military District Washington (MDW) is designated the Commander, JFHQ-NCR, OPCON to the United States Northern Command (USNORTHCOM), in providing planning and coordinating HLD and CS operations in the JOA.

o. Acquisition Support Center. The Acquisition Support Center will fund the Program Executive Officers (PEOs) / Program Managers (PMs) for incremental CONUS and OCONUS OCO requirements. In coordination with Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (ASA (ALT)), ASC will develop, validate, and submit requirements to the ABO. PMs will include pre-deployment, deployment, sustainment, redeployment, and reconstitution costs of contract logistics personnel in their OCO funding requests.

10. Other Special Interest Areas

a. Coalition Support. When ordered, select commands will provide specified support to coalition support forces. Only designated Army commands will provide support to coalition forces and only when the Troop Contributing Nation (TCN) has an Acquisition and Cross-Servicing Agreement (ACSA) or other authorizing agreement with the U.S. government.

b. Special Events. OCO funds are available only to support the readiness, warfighting, operational, and reconstitution aspects of OEF-A, OEF-P and OEF-HOA, and operations in direct support of these CONOPS, and IAW current OMB/OSD rules are not authorized for welcome home ceremonies, family support programs, and other non combat/direct combat support type events. Garrison services may be provided on a non-reimbursable basis to support the logistics of hosting a large event for Army personnel (e.g., tents, bleachers, portable latrines, bus transportation, parking, etc) as well as Army Level Requirements (ALR) Unit Funds for Deployed Active, Reserve and National Guard units. Units are typically provided with information and procedures on the use of these funds prior to deployment. The information is also located at: http://www.armymwr.org/financialmanagement/fm_unit_fund.aspx"

c. Provincial Reconstruction Teams (PRTs)

(1) PRTs are a joint Department of State (DoS) and Department of Defense (DoD) mission. PRTs are critical elements in achieving the goals of the United States Government in Afghanistan. As such, they will be provided the highest level of support available. PRT support will be provided IAW Memorandum of Agreement between DoS and DoD for support to PRTs.

(2) Reimbursement is coordinated directly between DoS and ARCENT based upon theater-reported costs.

(3) DoS will be responsible for providing, or reimbursing for, all operational and life support for PRTs. "Operational Support" means necessary facilities and services (e.g., office space, office supplies, and related equipment and services), logistics and infrastructure support, and basic utility services. "Life Support" includes lodging, food, water, bath and sanitation, and any morale, recreation and welfare facilities or services (e.g., laundry services, postal operations, check cashing, and Army & Air Force Exchange Services (AAFES) mail order service).

(4) On a non-reimbursable basis, DoD will provide all in-theater air and ground transportation support to PRTs. Additionally, DoD will be responsible for providing all medical support, including primary care, to PRTs co-located with U.S. military units, as well as medical evacuation and mortuary services regardless of locations.

d. Operational Mentor Liaison Teams (OMLT). FORSCOM will fund all requirements for OMLT's during activation and pre-deployment (Phase 0 and 1). USAREUR will fund TDY and life support requirements for OMLT assigned to the USEUCOM AOR for the 2-6 months of training with their European counterparts prior to arriving in Afghanistan (Phase 2). USAREUR will provide life support to OMLTs through the use of Acquisition and Cross-Servicing Agreements (ACSA). IMCOM will fund OMLT TCS orders for deployment to the AOR.

e. Reset. Funds identified as Reset are available for intended purposes only and may not be reapplied to any effort outside of Reset. Reset is defined throughout DoD as "actions taken to restore units to a desired level of combat capability commensurate with the units' future mission. It encompasses maintenance and supply activities that restore and enhance combat capability to unit and pre-positioned equipment that was destroyed, damaged, stressed, or worn out beyond economic repair due to combat operations by repairing, rebuilding, or procuring replacement equipment."

(1) Operation & Maintenance. Reset accounting structure has been established to closely track funding distribution and execution. Funding for Reset will be issued in the established SAG 137.

(2) Procurement. Funding provided for Reset must be obligated at 80% of the authorization by the end of the first FY and the remaining 20% by the end of the second FY for multi-year appropriations. Field activities will set up separate cost or other accounts to collect Reset obligations and disbursement data to report execution progress to ABO.

f. Military Training. OCO funding will not be used for expenses related to military schooling that is normally considered part of an officer, warrant officer, or non-commissioned officer's professional development (i.e. Officer Basic Course, Captain Career Course, Sergeant Major Academy, etc.) These expenses include military pay and allowances for RC Soldiers as well as TDY and other associated costs for all Soldiers. All professional development courses and their associated expenses will be funded with base budget dollars.

(1) An exception to this rule applies when the course is conducted in the combat theater of operations for the benefit of the deployed Soldiers.

(2) Additionally, in instances where individuals must complete previously scheduled Professional Military Education (PME) (e.g., Sergeants Major Academy, Senior Service College, CAPSTONE, etc.) without breaking their mobilization/OCO funded orders, services/components will reimburse the OCO account with the appropriate base funding source(s) so that all associated costs for such PME are funded in the base program. USAR and ARNG will provide a Military Interdepartmental Purchase Request (MIPR) to MPA citing base RPA/NGPA funding for PME funding and follow-up monthly by providing documentation (e.g., soldier name, rank, and duration of training and travel time) for purposes of drawing down funding on the MIPR.

g. Managing Financial Resources for Civilian Deployments. DoD and the Army have given a priority to increasing the civilian deployment capacity.

(1) IAW this intent, funding will not limit support for these deployments. COCOMs with Army as their support agent, ACOMs and ASCCs will alert their ABO command analyst prior to denying a deployment due to lack of funding.

(2) The ACOM/ASCC Supporting Command will continue to fund the base salary and HS benefits portion of any of their civilian(s) selected for deployment.

(3) Army Supported COCOMs, ACOMs and ASCCs may fund temporary employees hired specifically as backfills for their deploying civilians using OCO. These civilian employees may only be hired as a temporary or term status employee – no permanent status employees may be hired using OCO funds.

(4) Incremental costs incident to deployment will be funded by the supported command (for example, ARCENT in the case of OEF) using OCO funds. Incremental costs include premium pay, travel/TCS costs, pre-deployment training, etc.

(5) Supported Commands will fund all costs (base salary, premium pay, travel/PCS, pre-deployment training, etc.) for a civilian deployed as part of the Civilian Expeditionary Workforce (CEW). These employees are typically "new hires" and are not employed by DoD prior to deployment. There are exceptions however, and a current DoD employee may enter into the CEW program for deployment. In this case, the commands will fund all costs as described in paragraphs 10.g.(2) and 10.g.(4) above.

h. Military Intelligence Program (MIP). CONOPS funding for programs, projects, or activities that support the Army's intelligence, counterintelligence, and related intelligence missions are to be identified as a part of the Military Intelligence Program (MIP). All requests for MIP CONOPS resources must be submitted to the Army MIP Manager, ODCS, G-2 (DAMI-RI). This includes procurement of equipment, as well as the incremental resources needed to sustain Intelligence capabilities already deployed in support of CONOP. DAMI-RI will consolidate the MIP request for all appropriations and submit to ASA (FM&C) for inclusion in the total Army request. All MIP resources must be aligned within an OSD Program Element with an SPC Code of 365. Further, MIP O&M CONOPS resources must be categorized in SAG 411. Execution of all MIP resources must be reported through the Army MIP Manager to the Office of the Undersecretary of Defense, Intelligence (OUSD (I)).

i. Travel in an AOR. TDY into an AOR, to include Pre-Deployment Site Surveys (PDSS), requested visits, assistance, training and certifications, will be arranged and funded by the supported command. The ASCC performing as the financial management executive agent will fund TDY costs incurred as a result of theater requesting the TDY and properly validated and coordinated in advance with the supporting unit through a FRAGO from the supported unit in theater. OCO funding is only authorized for TDY in support of OEF-A, OEF-P, or OEF-HOA.

11. Special Funding. There are several special fund categories currently used in support of OEF that are expended for specific purposes and under strict guidelines. Among these are the:

a. Afghanistan Security Forces Fund (ASFF). ASFF is used to provide assistance to Afghanistan's security forces. The Combined Security Transition Command - Afghanistan (CSTC-A) is assigned the overall responsibility for providing assistance to Afghanistan's security forces utilizing ASFF. CSTC-A will develop and submit budget requests, justification materials, and financial and activity plans through USCENTCOM to the Under Secretary of Defense (Comptroller) [USD(C)]. Army is responsible for funds distribution and financial reporting.

b. Afghanistan Infrastructure Fund (AIF). The AIF supports a program that bridges the resources and capabilities and serves the missions of the Departments of Defense and State in supporting projects critical to counterinsurgency (COIN) objectives and economic development. The initial focus of this fund, established in FY11, was to support critically important infrastructure projects, such as the initiative to bring electricity to Kandahar City. Projects like this support DoD's counterinsurgency strategy in the region. The fund also supports additional essential facility and infrastructure projects in the transportation, water, and other sectors.

c. Commander's Emergency Response Program (CERP).

(1) CERP supports OEF by providing ground commanders a source of funds to respond to urgent humanitarian relief and reconstruction requirements in their areas of responsibility. They provide U.S. appropriated funds directly to operational forces enabling them to initiate projects in their immediate areas of responsibility and to meet emergency humanitarian needs.

(2) Funds are used for projects related to: water and sanitation; food production and distribution; agriculture/irrigation; electricity production/ distribution; healthcare; education; telecommunications; transportation; civic support vehicles; civic cleanup; repair of civic/cultural facilities; economic, financial and management improvements; rule of law and governance; condolence payments; or repair battle damage for losses incurred as a result of U.S., coalition or supporting military operations (not otherwise compensable under the Foreign Claims Act); hero payments; protective measures to ensure the viability and survivability of critical infrastructure sites; former detainee payments; temporary contract guards for critical infrastructure; and other urgent humanitarian projects.

12. Overseas Contingency Operations (OCO) Cost Reports

a. Cost Reports. Accurate reporting is a key to auditability, accountability, and to justifying future OCO funding requests. Reporting agencies will submit monthly cost reports to the ABO IAW separately published guidance. Reports are required from all Army activities incurring direct appropriated fund costs to support named CONOPS missions.

b. Incremental costs. Reporting agencies are required to capture and report the obligation of all funds (regardless of source) to cover the incremental costs for all CONOPS. Incremental

costs are those above the base budget training, operations, and personnel costs that occur as a result of a CONOPS.

13. Proponent. The Army Budget Office, Budget Integration and Evaluation Division (SAFM-BUC-I) is the proponent for this guidance. Please contact 703-692-5886/DSN 222-5886 if you have any questions or need additional information.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 9, 2010

The Honorable Robert Hale
Under Secretary of Defense (Comptroller)
1100 Defense Pentagon
Washington, D.C. 20301-1100

Dear Mr. Hale:

In early 2009 OMB and the Department developed criteria for deciding whether funding properly belongs in the base budget or in the budget for overseas contingency operations (OCO). These criteria have been very successful in delineating between these two sources of funding and have facilitated the development of coherent and defensible OCO funding requests. Since then, and in close collaboration with Comptroller representatives, we have developed updated criteria that build on our experience in the subsequent two budget cycles. This update clarifies language, eliminates areas of confusion and provides guidance for areas previously unanticipated.

The enclosure to this letter contains the updated criteria and replaces the 2009 criteria. OMB will use these updated criteria when reviewing the Department's budget submissions.

We recognize that in developing these updated criteria several policy issues arose that remain unresolved. These will be addressed in the FY 2012 budget review.

Please contact 202-395-3879 if you have any questions about these criteria.

Sincerely,

Steven M. Kosiak

Steven M. Kosiak
Associate Director for
Defense and Foreign Affairs

Enclosure

ENCL 2

Criteria for War/Overseas Contingency Operations Funding Requests

Item	Definition of Criteria
Geographic area covered/ "Theater of operations" (for non-classified war/overseas contingency operations funding)	Geographic areas in which combat or direct combat support operations occur: Iraq , Afghanistan, Pakistan, Kazakhstan, Tajikistan, Kyrgyzstan, the Horn of Africa, Persian Gulf and Gulf nations, Arabian Sea, the Indian Ocean, the Philippines, and other countries on a case-by-case basis. Note: OCO budget items must also meet the criteria below.
Inclusions	
Major equipment (General)	Replacement of losses that have occurred but only for items not already programmed for replacement in the Future Years Defense Plan (FYDP) -- no accelerations. Accelerations can be made in the base budget. Replacement or repair to original capability (to upgraded capability if that is currently available) of equipment returning from theater. The replacement may be a similar end item if the original item is no longer in production. Incremental cost of non-war related upgrades, if made, should be included in the base. Purchase of specialized, theater-specific equipment. Funding must be obligated within 12 months.
Ground equipment Replacement	Combat losses and washouts (returning equipment that is not economical to repair); replacement of equipment given to coalition partners, if consistent with approved policy; in-theater stocks above customary equipping levels on a case-by-case basis.
Equipment modifications (enhancements)	Operationally-required modifications to equipment used in theater or in direct support of combat operations, for which funding can be obligated in 12 months, and that is not already programmed in FYDP.
Munitions	Replenishment of munitions expended in combat operations in theater. Training ammunition for theater-unique training events is allowed. Forecasted expenditures are not allowed. Case-by-case assessment for munitions where existing stocks are insufficient to sustain theater combat operations.
Aircraft Replacement	Combat losses, defined as losses by accident or by enemy action that occur in the theater of operations.
Military Construction	Facilities and infrastructure in the theater of operations in direct support of combat operations. The level of construction should be the minimum to meet operational requirements. At non-enduring locations, facilities and infrastructure for temporary use are covered. At enduring locations, construction requirements must be tied to surge operations or major changes in operational requirements and will be considered on a case-by-case basis.
Research and Development	Projects required for combat operations in these specific theaters that can be delivered in 12 months.

ENCL 2

Item	Definition of Criteria
Operations	Direct War costs: • transport of personnel, equipment, and supplies to, from and within the theater of operations; • deployment-specific training and preparation for units and personnel (military and civilian) to assume their directed missions as defined in the orders for deployment into the theater of operations; Within the theater, the incremental costs above the funding programmed in the base budget to: • support commanders in the conduct of their directed missions (to include Emergency Response Programs); • build and maintain temporary facilities; • provide food, fuel, supplies, contracted services and other support; and, • cover the operational costs of coalition partners supporting US military missions, as mutually agreed. Indirect War Costs: Indirect war costs incurred outside the theater of operations will be evaluated on a case-by-case basis.
Health	Short-term care directly related to combat. Infrastructure that is only to be used during the current conflict.
Personnel (Incremental Pay)	Incremental special pays and allowances for Service members and civilians deployed to a combat zone; incremental pay, special pays and allowances for Reserve Component personnel mobilized to support war missions.
Special Operations Command	Operations and equipment that meet the criteria in this guidance.
Prepositioned Supplies and Equipment	Resetting in-theater stocks of supplies and equipment to pre-war levels – Excludes costs for reconfiguring prepositioned sets or for maintaining them.
Security Force Funding	Training, equipping, and sustaining Iraqi and Afghan military and police forces.
Fuel	War fuel costs, and funding to ensure that logistical support to combat operations is not degraded due to cash losses in DoD's baseline fuel program. Would fund enough of any base fuel shortfall attributable to fuel price increases to maintain sufficient on-hand cash for the Defense Working Capital Funds to cover seven days disbursements. (This would enable the Fund to partially cover losses attributable to fuel cost increases.)
EXCLUSIONS from war/overseas contingency funding – Appropriately funded in the base budget	
Training equipment	Training vehicles, aircraft, ammunition, and simulators. Exception: training base stocks of specialized, theater-specific equipment that is required to support combat operations in the theater of operations, and support to deployment-specific training described above.
Equipment Service Life Extension Programs (SLEPs)	Acceleration of SLEPs already in the FYDP.
Base Realignment and Closure (BRAC)	BRAC projects.
Family Support Initiatives	Family support initiatives to include the construction of childcare facilities; funding private-public partnerships to expand military families' access to childcare; and support for service members' spouses professional development.
Industrial Base Capacity	Programs to maintain industrial base capacity (e.g. "war-stoppers").
Personnel	Recruiting and retention bonuses to maintain end-strength. Basic Pay and the Basic allowances for Housing and Subsistence for permanently authorized end strength. Individual augmentees will be decided on a case-by-case basis.
Office of Security Cooperation	Support for the personnel, operations, or the construction or maintenance of facilities, at U.S. Offices of Security Cooperation in theater
Special Situations	
Reprogrammings and paybacks	Items proposed for increases in reprogrammings or as payback for prior reprogrammings must meet the criteria above.

ENCL 2