UNITED STATES MARINE CORPS
Supply School
Marine Corps Combat Service Support Schools
Training Command
PSC 20041
Camp Lejeune, North Carolina 28542-0041

STUDENT OUTLINE

BUDGET EXECUTION

GSOC 0403

GROUND SUPPLY OFFICERS COURSE

M03C061

REVISED 20040603

APPROVED BY:_____ DATE:_____

1. **LEARNING OBJECTIVES.**

a. **TERMINAL LEARNING OBJECTIVE.**

(1) Given a funding authorization, source documents, material and services reports, Budget Execution Activity management reports, access to an automated system with applicable software and internet connectivity and the reference, to ensure funds are expended per the reference. (3002.03.02)

b. **ENABLING LEARNING OBJECTIVES.**

(1) Without the aid of reference, match from a list, the five steps of the SABRS Transaction Cycle per the MCO P7300.21. (3002.03.02a)

(2) Without the aid of reference, identify in writing, the two types of coding structures used to track transaction in SABRS per the MCO P7300.21. (3002.03.02b)

(3) Without the aid of reference, identify in writing, the purpose of the Financial Information Pointer per the MCO P7300.21. (3002.03.02c)

(4) Without the aid of reference, identify in writing, the four things that the Financial Information Pointer will provide for you per the MCO P7300.21. (3002.03.02d)

(5) Without the aid of reference, match from a list, the mandatory data fields of the Financial Information Pointer in relationship to their order per the MCO P7300.21. (3002.03.02e)

(6) Without the aid of reference, identify in writing the elements of a DSSC authorization letter per the NAVSUPINST 4200.94. (3002.03.02f)

1. **GETTING ACQUAINTED WITH THE ACCOUNT.**

a. Budget execution doesn't follow a cradle to grave path as cleanly as formulation can. Based on when you arrive at your unit dictates how much control/influence you'll have over the current budget. Regardless of when you arrive, there are a few things you should do to become as familiar with the budget as you can:

(1) Identify your fiscal clerk and meet with him/her.

(a) How long have they been with the unit?

(b) What prior fiscal experience do they have?

(c) What are their main challenges in running the account?

(d) What procedures do they use to track the money?

(2) Discuss with your fiscal clerk the established procedures for:

(a) Sections using the DSSC Card.

(b) Sections submitting open purchase requests.

(c) Sections submitting system requisitions.

(d) Reconciling the records, including frequency of reconciliation.

(3) Compile the current series of fiscal reports and documents relating to upcoming mid-year review or end of year closeout.

(a) PRTFLSOC BEA MGMT REPORT

(b) DFBR 029/030 SAG MGMT REPORT

(c) DFBR 031/032 BESA MGMT REPORT

(d) DFBR 007 NULO

(e) PRTM 150 ULO

(f) PRTDTR 1-4 DAILY HISTORY

(4) The Supply officer should discuss the current spending plan. Obtain insight into the accounts functionality. The following should be addressed:

(a) CO's guidance for spending priorities.

(b) SupO's guidance to sections for spending.

(c) Current status of spending within the account.

(d) Unit's relationship with the comptroller.

(e) SupO's view of your role in the unit.

(5) Contact the comptroller chief to meet and discuss:

(a) The recent history of the account.

(b) Trends that have highlighted the account.

(c) Preferred methods for doing business that haven't occurred.

(d) Inspections past and future for the account, to include results.

(e) Concerns from the comptroller's office regarding the account.

2. **SABERS III DEFINED.**

a. The program used to track any of these types of expenditures is STANDARD ACCOUNT, BUDGETING & REPORTING SYSTEM III (SABRS III).

b. SABRS III is the official accounting system for the Marine Corps and provides units with visibility of all accounting transactions for a period of six years from the date of the initial transaction. **Reference: MCO P7300.21 pg. 1-5.**

c. SABRS III is linked to the SASSY mainframe and the Defense Finance Center, Kansas City (DFAS-KC) to provide daily updates to the accountable balances of the unit.

d. SABRS III will perform the concurrent functions of:

(1) Tracking each transaction from initiation to completion.

(2) Accumulating and categorizing the cost of each transaction or group of like transactions, based on user input.

3. **SABRS TRANSACTION CYCLE.**

a. **General**. Supply is responsible for getting the equipment, parts, goods and services the unit needs to operate. The Standard Accounting, Budget and Reporting System (SABRS) is the accounting system that has the responsibility of accounting for the dollars that are spent to buy those needed goods and services. In order to understand the transaction cycle, you must relate it to the procurement process. In all cases, the purchase of goods and services follow the same process: Order, receipt and payment. Once a requisition form is generated and approved, an official accounting record is established in SABRS citing the document number of the requisition and other pertinent information. As the procurement process continues, additional government forms are generated. These forms represent the movement along the procurement process. The initial accounting record is then amended to reflect the current status of the order. All requisitions processed into SABRS that requisition material/ services enter through a five-phase process called the "transaction cycle". These five phases are referred to as Initiation, Commitment, Obligation, Expense and Liquidation. Let's take at look at these more in depth:

(1) **Initiation**. An initiation is the first phase in the transaction cycle.An initiation is the administrative reservation of funds based upon procurement directives. An initiation does just what the name implies. It administratively sets aside or "reserves" money in expectation of a procurement action. It can be used for both current and future year purchases. Entering an initiation into SABRS does not impact or affect the funds manager account.

(2) **Commitment**. A Commitment is the second phase in the transaction cycle. A commitment is a **firm** administrative reservation of funds, based on **firm** procurement directives. Commitments are an informal obligation that sets aside funds for a future purchase. A commitment reduces a BEA/BESA's uncommitted available balance in SABRS based on a requisition or other source document that has been created but not officially approved. The command intends to spend the money but there is no legal binding agreement between parties until the approval process is complete. A commitment entered into SABRS does impact the funds manager accounts. A commitment can be cancelled anytime before the transaction enters the obligation phase without any recourse or penalties. An example of a commitment is when the Commanding Officer plans on purchasing a copier.

(3) **Obligation**. An obligation is the third phase in the transaction cycle. An obligation is a firm, legally binding agreement between a commercial vendor and the government for the acquisition of goods or services. This phase is important because when an official document describing a financial transaction exists, the government is legally and contractually liable for the amount shown on the source document. Once funds are obligated, the official unobligated available balance of the BEA/BESA's account is decreased. Obligations are tracked extensively because a command whose obligations exceed their authorization could be legally responsible and consequently have a violation. An obligation may be de-obligated when both parties agree and supporting

documentation is provided to update the accounting system. An example of an obligation is when the government-purchasing agent enters into a contract to purchase a copy machine for the Commanding Officer.

(4) **Expense**. An Expense is the forth phase in the transaction cycle. An expense occurs when the ordered goods and services are received by the ordering unit and are receipted for**.** An example is when the Commanding Officer receives and accepts the copy machine or when a D6T or "8" card is processed.

(5) **Liquidation**. A Liquidation is the fifth and last phase in the transaction cycle. A liquidation is the payment for goods or services that were ordered and received. Liquidations or payments are made after the finance officer receives an invoice from a vendor or government agency requesting payment. Once the finance officer receives and validates the claim against the government, payment will be made. An example of a liquidation is when the Finance Office makes the payment to the vendor for the copy machine that the Commanding Officer ordered and received.

b. All transactions are processed through the same five phases however; some transactions can be processed through combined phases. For example, when a local procurement is made via credit card and the items are receipted for at the time of purchase, the transaction will be recorded into SABRS as a simultaneous Commitment, Obligation and Expense (COE).

4. **DOCUMENT NUMBER.** SABRS III uses two coding structures to track individual transactions:

a. Document Number.

(1) Defined. The document number is used to identify a single transaction from a source document, through all stages of the accounting process.

(2) Types used. Using units use two of the three available:

b. Standard Document Number (SDN). Used for requisitions to civilian or non-SASSY supported supply system requisitions. Typically, Marine Forces Reserve will use SDN's for all contracts in support of activities at their respective reserve sites.

REFERENCE: MCO P7300. 21 PAGE 3-2

(1) Construction. The SDN is composed of 15 characters in the following format:

(a) Activity Address Code (AAC)	1-6
(b) Fiscal Year	7-8
(c) Document Type Code	9-10
(d) Serial Number	11-15

REFERENCE: MCO P7300.21 pg. 3-2

c. MILSTRIP Document Number. Unique alpha/numeric line of accounting assigned to requisitions processed through the SASSY mainframe or for open purchases.

(1) Construction. The MILSTRIP is composed of 14 characters in the following format:

(a)	Activity Address Code (AAC)	1-6
(b)	Julian Date	7-10
(c)	Serial Number	11-14

REFERENCE: MCO P7300.21 pg. 3-3

5. **FINANCIAL INFORMATION POINTER (FIP).**

a. General. The Financial Information Pointer (FIP) is the key in SABRS for collecting and classifying funds spent into type of expense and purpose the funds were executed. With the proper use of FIPs, you can determine:

(1) Who is spending the funds within the command.

(2) What funds were spent in terms of appropriation and subhead.

(3) Where the funds are being spent.

(4) Why the funds were spent.

b. Construction. The FIP consists of 30 characters contained in ten data fields. These fields, in various combinations, classify fund execution. The first 6 fields are required on all transactions processed into SABRS. The last 4 fields are situational or optional fields.

MAC	BEA	BESA	FC	OC/SOC	CAC	BRC	JN/LU	RON	RBC
M21810	**10**	**00**	**BK**	**2604**	**0FM0**				

(1) Major Activity Command Code (MAC). 6 digit code that represents the major unit you are assigned to. (e.g. M21800 represents 2d Marine Division) The last five digits of this code will be the same as the BCN field in the accounting classification code.

(2) Budget Execution Activity (BEA). 2 digit code that identifies a unit within the MAC that spends funds. (e.g. 10 represents 2d Marine Division ISMO operations) These codes are assigned by the comptroller office. For a normal unit in the FMF, you will have two BEA codes assigned:

(a) 01. This is for Planning Estimate (PE) or direct funds which can be used almost anywhere to buy goods. (e.g. DSSC, Contracting, and GCPC cards)

(b) A1. This is for Requisitional Authority (RA) or SMU funds.

(3) Budget Execution Sub-Activity (BESA). 2 digit code that identifies smaller units within the BEA. (e.g. a rifle company within a battalion) These codes are assigned by the unit.

(4) Fund Code (FC). 2 digit code that is used to identify the chargeable appropriation and subhead for the transaction. For FMF units, you will normally have two FCs assigned. One will be used to identify PE funds and the other to identify RA funds. (e.g. BF represents Division funds, 17*1106.27A0)

(5) Object Class/Subobject Class Code (OC/SOC). 4 digit code that identifies uses of funds into type of expense incurred and source of supply.

(a) Object Class (OC). First two digits which represents the type of expense. (e.g. 26 represents supply purchase) Common OC's are:

1 22 - Transportation

2 23 - Rents, Communications, Utilities, and Postal

3 24 - Printing and Reproduction

4 25 - Contracting and Other Services

5 26 - Supplies and POL

6 31 - Equipment

(b) Subobject Class Code (SOC). Last 2 digits of the OC/SOC. (e.g. 04 represents purchase from the SMU). Purpose is to define the source of supply or specific nature of the services being ordered. For example:

	OC	SOC	DEFINITION OF SOC
1	26	A0	Supplies purchased through DSSC
2	26	C1	MOGAS for vehicles
3	26	08	Army Stock Fund purchase
4	31	05	Open purchase of Equipment

(6) Cost Account Code (CAC). 4 digit code that is used to classify transactions to their purpose. (e.g. 0FM0 represents Field Maintenance of MT equipment) CACs are the lowest required level of cost collection and categorization used in SABRS. These identify "why" we spent funds and what function got supported by spending funds. CACs specifically created for the FMF begin with a zero.

(7) Special Interest Code (SIC). 2 digit code that is used to capture costs of special interest within the command or by HQMC. (e.g. BG represents exercise Battle Griffin) The normal use for this field in the FMF is to identify individual exercises the unit participated in. The use of a special BRC code helps to collect all the cost associated with an exercise for all units participating and helps for requesting funds in future years to perform the same exercise.

(8) Job Order/ Local Use Code (JN/LU). 4 digit code which is locally assigned. The use of this field is directed by the comptroller office to collect cost for local interest items. If the field is not used, it is left blank.

(9) Reimbursable Order Number (RON). 3 digit code assigned by the comptroller office to identify an accepted reimbursable work request from another command or service. Unless the comptroller office informs you to use this filed, it will be left blank.

(10) Reimbursable Billing Code (RBC). 1 digit code used with the RON to bill customers for work and services provided. Unless the comptroller office informs you to use this field, it will be left blank.

6. **JOB ORDER NUMBER.**

a. Defined.

b. Construction

7. **CATEGORIES OF SPENDING.** Before we know where the money has gone, we need to know where it can go. Three spending subsystems are used by the operating forces:

a. Labor. Cost of civilian pay and benefits.

b. Material & Services. Purchase of all materials or services to ensure mission accomplishment.

c. Transportation. Movement of personnel, equipment, and household goods.

8. **PROCESSING REQUISITIONS THROUGH ATLASS/SASSY/SABRS.**

a. Introduction. Requisitions take on two typical pathways, supply system, and non-system or open purchase buys. Supply system buys involve the processing of transactions from ATLASS through SASSY and over to SABRS III. Non-system items will typically start with PR-BUILDER or by using the GCPC. Both will be discussed later. Let's take a look at the pipeline a requisition follows, financially, to get an understanding of how the interface works and to provide you a visual road map for detecting problems.

b. Terminology. First, some old terms, and one new one.

(1) Requisition. Any source document that establishes a need to purchase a good or service.

(2) Requisitional Authority. Statistical dollar amount for obligation against supply system items.

(3) Planning Estimate. "Hard dollar" amount provided for purchases involving immediate receipt of goods or services with payment directly to the source of supply.

(4) Asset Tracking Logistics Automation Supply System (ATLASS). Data processing program used for initial point of induction for all requisitions into the Marine Corps Supply System.

(5) Supported Activity Supply System (SASSY). Mainframe computer used to receive and process all requisitions received from ATLASS for processing to suppliers or for issuance of items requested.

(6) SABRS III. Financial accounting computer system tied into SASSY and ATLASS to capture the cost of requisitions and charge the appropriate account.

(7) Job Order Number (JON). A unique, 14 digits, alpha/numeric used to identify what item was ordered and what application that item is intended for.

c. The processes.

(1) **Supply system**. For a typical Class IX repair part requisition, using RA funds, the following steps will occur:

(a) Supply receives completed EROSL and validates for accuracy.

(b) Additional Demands clerk inducts into ATLASS, ensuring proper COST JON was used.

(c) Daily Cycle is run, sending the transaction to the SASSY mainframe.

(d) The COST JON is pulled out by SABRS III, married up to the unit's FIP, and sent to DFAS-KC for financial processing against the unit submitting the requisition. The document identifier code DGA is created.

(e) DFAS-KC processes the transaction, generates the appropriate transaction history on both the transaction and management reports which are then available for review by the using unit within one to two days.

(f) Once the transaction has completed, typically due to receipt of parts, the additional demands clerk inducts a parts receipt transaction into ATLASS.

(g) The daily cycle is run which once again sends the transaction to SASSY and SABRS III.

(h) SASSY generates a **DG6** which shows the completion of the financial portion of the transaction. This transaction is sent to DFAS-KC to process through on the fiscal reports as mission complete or more commonly called a liquidation.

9. **NON-SYSTEM PURCHASES.**

a. When going outside of the ATLASS/SASSY realm, you have several options for obtaining those off the wall or incidental supply items, necessary to support your unit's mission. Three main pipelines are available to you:

(1) DSSC – local ServMart for all your admin needs.

(2) Open Purchase – Standard, document centric vendor purchase arrangement.

(3) Open Purchase – Government credit card.

b. Let's look at each of these and find out how they work and what they can do for us.

10. **DIRECT SUPPORT STOCK CONTROL (DSSC).**

a. Introduction. DSSC is a retail operation designed to provide a variety of common use items that are low cost, high volume, and required on a frequent basis. Operating much like any discount chain, they offer thousands of household cleaning and maintenance items, tools, paper and administrative supplies, computer and printer accessories, and control the base fuel distribution point.

b. What should my program look like?

(1) Components:

(a) Authorization letters. Should be in proper format; contain name, rank, SSN, sample signature of Marines authorized by section head.

(b) DSSC Cards. Should be for current FY; contain proper COST JON for PE purchases.

(c) SOP. Maintained by fiscal clerk and containing, at a minimum:

a Procedures for issuing the DSSC Card to the section.

b Duration card may be checked out.

c Number of Marines authorized use of card during one shopping trip.

d Shoppers responsibility once concluded with shopping.

e How often DSSC runs can be made, normal business situations.

(2) Procedures:

(a) Received your locally acceptable DSSC request form.

(b) Fiscal clerk reviews items sought and validates authorization of Marine requesting use of card.

(c) Fiscal clerk checks for unauthorized purchases. If any are found, takes request to SupO/SupChief for approval.

(d) Once the list is approved, the Fiscal Clerk makes a copy of DSSC list for retention and signs out card to the authorized Marine.

(e) Once the shopping is done, the fiscal clerk collects the DSSC card

and original receipt from Marine doing the shopping.

(f) Before releasing the Marine, the Fiscal Clerk reviews the actual purchases against initial list. Any discrepant items are taken to the SupO/Chief for approval or held until they return.

(g) Based on the action necessary from step (f), the Fiscal Clerk releases the Marine and his/her goods for return to the commodity.

(h) Any unauthorized or excess purchases are retained until both SupO/Chief and section head approves or instruct to return.

(i) Fiscal clerk places the receipt in the pending folder until all transactions have cleared.

(j) Fiscal clerk uses the receipt as a source document for attachment to the appropriate fiscal reports.

c. **DSSC Purchase Flow**. PE is the money of choice here. The pipeline is extremely quick on this:

(1) Supply receives the shopping list, from the commodity/section and checks for completeness.

(2) The Commodity receives DSSC card and conducts business.

(3) DSSC generates a **B7_** for each specific line item on the supply side, and a **COE** on the SABRS III side.

(4) DSSC's daily cycle sends the transaction to DFAS-KC for debiting to the unit's account.

(5) DFAS-KC runs a **FA1** transaction which takes the Commitment, Obligation, and Expense (COE) and attaches the liquidation to it. The using unit then receives a completed transaction.

11. **MANAGING REPORTS TO MANAGE THE ACCOUNT.**

As if enough work isn't thrown your way on a daily basis just in managing the material resident in your unit or on the requisition reports, now you've got another batch of reports to worry about; fiscal reports. This portion is concerned with making you conversant in understanding which reports serve what purpose, using them efficiently to assist in managing the account, and providing weekly updates to the commanding officer and comptroller.

a. Report types.

(1) Budget & Execution

(2) Material & Services

(3) Travel

b. Budget & Execution (B&E).

(1) Management reports concerned with the overall status of the account.

(2) B&E reports are PROCUREMENT CYCLE based meaning they are concerned with commitments, obligations, expenses, and liquidations.

(3) They are typically available five days a week but won't always incorporate the latest cycles due to problems generated by SASSY reports.

(4) Are used for formulation of the unit's budget and ongoing management of the total account. They are helpful in submitting weekly status reports to the Commanding Officer and Comptroller.

(5) Examples are:

(a) PRTFLSOC. BEA MGMT RPT. These show you PE/RA expenditures for the unit account as a whole.

(b) DFBR 029/030. SAG MGMT RPT. These show you PE/RA expenditures according to the major commodity that spent the money, i.e. maintenance, training, medical supplies, etc…

(c) DFBR 031/031 BESA MGMT RPT. These show you PE/RA expenditures according to the commodities/sections in the unit and how much they have obligated and what their balance is.

c. Material & Services (M&S).

(1) Management reports concerned with the status of SPECIFIC TRANSACTIONS which impact the available funds in the unit. Unlike B&E reports, these are always in document number sequence.

(2) They will be generated daily, in conjunction with nightly updates by SASSY and DFAS.

(3) M&S reports won't help in formulating the budget but they are extremely valuable in managing the day to day operations, especially near the end of quarters or the FY.

(4) Examples are:

(a) PRTM 150 Unliquidated Order Status Report. These show you the PE/RA transactions that haven't liquidated yet. That means the SOS hasn't been paid, thus completing the procurement cycle. Extremely useful when trying to find money to save at the end of the quarter or FY.

(b) PRTDTR 1-4 Daily Transaction Journal. This report provides a daily summary of all transactions processed which impacted the financial balance of your account.

(c) DFBR 005 Spending Error Rpt. This report identifies those transactions that didn't successfully process the previous day. In conjunction with the DFBR 017, provides a tool to ensure all funds are properly spent and equipment received.

d. Travel.

(1) Travel reports at the using unit level will only concern TAD. Since the adjutant handles orders, you'll have a small role in this realm.

(2) Travel reports come out daily and weekly and are useful for validating any expenditures the adjutant has approved for the CO.

(3) Examples include:

(a) PRTDTR5. Daily travel transaction journal. This report provides a daily capture of document numbers used for travel and the current status of the travel.

e. Conducting reconciliations. - Fiscal reconciliations are no different than equipment requisitions. Both require source documents, the latest management reports, and time. When reconciling the overall status of the account, critical for submitting timely and accurate weekly status of funds reports to the CO, the following are essential:

(1) DFBR 035 & 036 BEA MGMT RPT's.

(2)Current budget authorization letter and any amendment letters.

(3) Authorization letters that haven't posted to official records.

(4) Requisitions that haven't posted to the daily cycle (commitments).

f. What to do? The reconciliation is a relatively straightforward process. Just have to keep up with what line impacts what other line(s).

(1) Place current authorizations on line a

(2) Place current obligations on line b.

(3) Enter available balance on line c.

(4) Enter unposted funding amendments on line d.

(5) Enter adjusted available balance on line e.

(6) Add/subtract line d to /from line c.

(7) Enter unposted requisitions on line f.

(8) Subtract line f from line e, if required.

(9) Enter current available balance on line g.

g. Reports to higher. Two versions of the same status report are prepared on a weekly basis:

(1) Status Of Funds

(a) Weekly SitRep to Commanding Officer.

(b) Authorizations, obligations, and remaining balance.

(2) Weekly Available Balance

(a) Weekly SitRep to Division Comptroller.

(b) Authorizations, obligations, and remaining balance

12. **SUMMARY.**

Financial management is a balancing act. Maintaining situational awareness of due dates, report timeframes, funding schedules, and methods of reconciliation, will all contribute to successfully running an account. The following key points should be adhered to for staying one step ahead of the inspectors and thus taking care of your Marines and CO.

a. Know your clerk, his/her capabilities, procedures, and trustworthiness.

b. Be familiar with the pertinent fiscal reports generated by SABRS III, how to access SABRS, and how to read the reports.

c. Know when you should see/receive fiscal reports.

d. Thoroughly understand the multiple methods for purchasing items, both through the supply system, and with the emerging open market systems, i.e. PR-BUILDER.

e. Always conduct internal reconciliations and seek reallocations, non-funded requests (DRMO), and cancellation of non-critical items, before contacting the comptroller for additional funding.

REFERENCES:

MCO P7300.21
NAVSUPINST 4200.94
SABRS CUSTOMER ASSISTANCE HANDBOOK