Budget Exhibits

Module Overview

Module Overview - Budget Exhibits

Budget Exhibits

Approximate Length: 2 hours, 20 minutes

Welcome to the Budget Exhibits Module of the Acquisition Business Management Pre-Course. This module consists of 3 lessons:

1. Introduction to Budget Exhibits (20 minutes)
2. Research, Development, Test and Evaluation (RDT&E) Budget Exhibits (35 minutes)
3. Procurement Budget Exhibits (60 minutes)

Located throughout and at the end of these lessons are Knowledge Reviews, which are not graded but enable you to measure your comprehension of the lesson material.

Learning Objectives (1 of 2)

At the end of this module, you should be able to relate the budget exhibits (that is, budget justification documentation) prepared by acquisition program offices to the budget review process conducted during the budgeting phase of PPBE.

By completing the lessons in this module, you should be able to:

- Recognize the roles and responsibilities of the players involved in the preparation and review of budget exhibits prior to their submission to Congress.
- Identify the purpose, content and conditions requiring submission of the R-1 budget exhibit.
- Identify the purpose, content and conditions requiring submission of the R-2 and R-2a budget exhibits.
- Identify the purpose, content and conditions requiring submission of the R-3 budget exhibit.
- Identify the purpose, content and conditions requiring submission of the R-4 and R-4a budget exhibits.

Learning Objectives (2 of 2)

You should also be able to:

- Identify the purpose, content and conditions requiring submission of the P-1 budget exhibit.
- Identify the purpose, content and conditions requiring submission of the P-40 and P-40a budget exhibits.
- Identify the purpose, content and conditions requiring submission of the P-3a budget exhibit.
- Identify the purpose, content and conditions requiring submission of the P-5 budget exhibit.
- Identify the purpose, content and conditions requiring submission of the P-5a budget exhibit.
- Identify the purpose, content and conditions requiring submission of the P-21 budget exhibit.
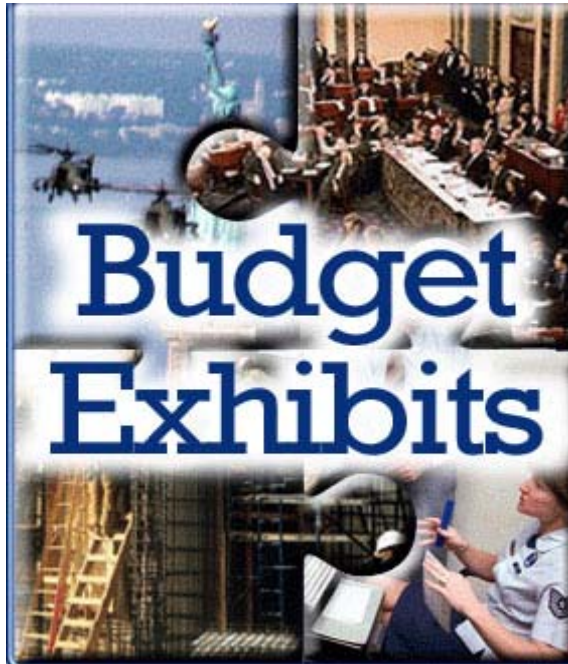
This page completes the Module Overview. Select a lesson from the Table of Contents to continue.

Introduction to Budget Exhibits

Introduction to Budget Exhibits

Introduction to Budget Exhibits

Approximate Length: 20 minutes

Welcome to the Introduction to Budget Exhibits Lesson. As an acquisition professional, it is important that you have an understanding of the types of budget exhibits and their purposes. It is also important for you to recognize the roles and responsibilities of the players involved in preparing and reviewing budget exhibits to support requests for appropriations. Specific examples of each are given.

Detailed instructions concerning RDT&E and Procurement Budget exhibits can be accessed by selecting the following hyperlinks:
DoD FMR, Vol 2B, Ch. 5 DoD FMR, Vol 2B, Ch. 4

Located throughout and at the end of this lesson are Knowledge Reviews, which are not graded but enable you to measure your comprehension of the lesson material.

Learning Objective

By completing this lesson, you should be able to recognize the roles and responsibilities of the players involved in the preparation and review of budget exhibits prior to their submission to Congress.

Budget Exhibits Overview

Budget exhibits are prepared by the DoD Components to support requests for appropriations from Congress. Budget exhibits supporting requests for Procurement appropriations are called "P-Forms," while those supporting requests for Research, Development, Test, and Evaluation appropriations are known as "R-Forms."

Similarly, budget exhibits supporting the Operations and Maintenance, Military Personnel, and Military Construction appropriations are known as "O-Forms," "M-Forms," and "C-Forms," respectively.

Importance of Budget Exhibits

- DoD's budget exhibits help justify the President's Budget request to Congress
- Appropriation decisions are based on content of budget exhibits
  - How well do the exhibits tell your program's story?
  - Confusing, inaccurate, and/or inconsistent exhibits will cause programs to lose funding
  - Well-prepared exhibits make the program more defensible against proposed budget cuts.

Procurement and RDT&E budget exhibits are among the most important documents prepared in support of acquisition programs because they essentially "tell the story" of the programs to the DoD Components, the Office of the Secretary of Defense (OSD), and members of Congress and their staffs.

If this story is incomplete, inaccurate, confusing, or inconsistent, an acquisition program may have its structure and/or budget significantly altered by any of these decision-makers.

In extreme cases, a program might be terminated. While well-prepared budget exhibits cannot guarantee that a program will receive all of the funding it requests, they certainly make the program much more defensible and reduce the probability of significant budget cuts.

Long Description

DoD's Budget Exhibits help justify the President's Budget to Congress. Appropriation decisions are based on content of budget exhibits: How well do the exhibits tell your program's story? Confusing, inaccurate, and/or inconsistent exhibits will cause programs to lose funding. Well-prepared exhibits make the program more defensible against cuts.

Roles and Responsibilities of the Program Office

Program offices may prepare their own budget exhibits or submit program information to a higher headquarters to be incorporated into budget exhibits. In either case, the program office must ensure that:

- Information is correct
- Any anomalies, such as funding "spikes," production breaks, etc. are adequately explained

Program offices that prepare their own budget exhibits must ensure that:

- Each exhibit is properly completed
- All of the exhibits are consistent with one another

Programs that are part of a "system of systems" should coordinate with other programs that are part of the overall system to ensure that their program plans and budgets do not:

- Conflict
- Overlap
- Leave gaps

Roles and Responsibilities of the Component Staff

Budget analysts on the Component staffs:

- Review budget exhibits prepared by program offices and other submitting offices
- Prepare exhibits that summarize the Component's budget request at the appropriation level
- Submit the Component's package of budget exhibits to OSD as part of the Program and Budget Review and again in support of the DoD portion of the President's Budget (PB)

The Component:

- Checks for proper completion of all required exhibits
- Reviews each program's exhibits for coherence and defensibility of the amounts requested
- Looks across its various programs and identifies duplication and inefficiencies
- Makes adjustments as necessary to make the budget as efficient as practicable

Roles and Responsibilities of the OSD Comptroller Staff

Budget analysts on the OSD Comptroller staff review the budget exhibits submitted by the Components as part of the Program and Budget Review and the PB for:

- Completeness
- Consistency
- Adequacy of the justifications provided

Additionally, Budget analysts on the OSD Comptroller staff submit DoD's package of budget exhibits to Congress in support of the President's Budget submission. OSD Comptroller analysts also:

- Look across all of the DoD programs to identify duplication and inefficiencies
- Make adjustments as necessary to make the budget as efficient as practicable

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Knowledge Review

The following Knowledge Review is a matching question. Select a letter associated with the answers below and type that letter in the space next to the best corresponding phrase or statement. Then, select the Submit button and feedback will appear.

Match each of the five listed budget exhibit form categories with the component appropriations request:

a. Military Personnel
b. Procurement
c. Operations and Maintenance
d. RDT&E
e. Military Construction

1. **C Forms**

2. **M Forms**

3. **O Forms**

4. **P Forms**

5. **R Forms**

Correct! The correct answers are: 1-e., 2-a., 3-c., 4-b., 5-d. Military Construction exhibits are called C-Forms, Military Personnel exhibits are called M-Forms, Operation and Maintenance exhibits are called O-Forms, Procurement exhibits are called as P-Forms, and RDT&E exhibits are called R-Forms.

The following Knowledge Review is a True or False question. Select the best answer and feedback will immediately appear.

The responsibilities of the OSD Comptroller analysts include looking across all of the DoD programs, identifying duplication and inefficiencies, and making adjustments as necessary to make the budget as efficient as practicable.

True

False

Correct!
The responsibilities of OSD Comptroller analysts include the following: looking across all of the DoD programs, identifying duplication and inefficiencies, and making adjustments as necessary to make the budget as efficient as practicable.

The following Knowledge Review is a multiple choice question. Only one answer is correct; select the best answer and feedback will immediately appear.
Program offices may prepare their own budget exhibits or submit program information to a higher headquarters to be incorporated into budget exhibits. Which of the following statements does not reflect a role or responsibility of the program office?

    a. Looks across all of the component programs, identifying duplication and inefficiencies.
    b. Reviews information to ensure it is correct.
    c. Assures any anomalies, such as funding "spikes" and production breaks are adequately explained.
    d. Ensures all of the exhibits are consistent with one another.

Correct!
The Program Office only makes adjustments to its own budgets to make them efficient. Only the Component or OSD could possibly look across all Component programs.

The following Knowledge Review allows for multiple correct answers. Select all of the answers that are correct, then select the Check Answers button and feedback will appear. Which of the following statements describe Budget Exhibits?

    a. Well prepared Budget Exhibits make the programs more defensible and reduce the probability of significant budget cuts.
    b. They are among the most important documents prepared in support of acquisition programs; they tell the story.
    c. They help justify the President's Budget to Congress.

d. They should provide adequate explanation of anomalies such as funding "spikes" and production breaks.

Correct!
All of these statements correctly describe Budget Exhibits.

Lesson Summary

Congratulations! You have completed the Introduction to Budget Exhibits Lesson. The following topics were presented in this lesson:

- Types of budget exhibits and their purpose. Budget exhibits are prepared by the DoD Components to support requests for appropriations from Congress. Procurement and RDT&E budget exhibits "tell the story" about the programs. Well-prepared budget exhibits make the program much more defensible and reduce the chance of budget cuts.
- Roles and responsibilities of the players involved in preparing and reviewing budget exhibits.
    - Program offices may prepare their own budget exhibits or submit program information to a higher headquarters. They should ensure that all information is correct, provide adequate explanation of budget anomalies, and, if required, prepare properly completed exhibits that are consistent with one another.
    - Component staff budget analysts review budget exhibits, prepare exhibits that summarize the Component's budget request, and submit the Component's package of budget exhibits to OSD as part of the Program and Budget Review.
    - OSD Comptroller staff budget analysts review budget exhibits submitted with the Program and Budget Review, checking for completeness, consistency, and adequacy of the justifications provided and making adjustments as necessary to make the budget as efficient as practicable.
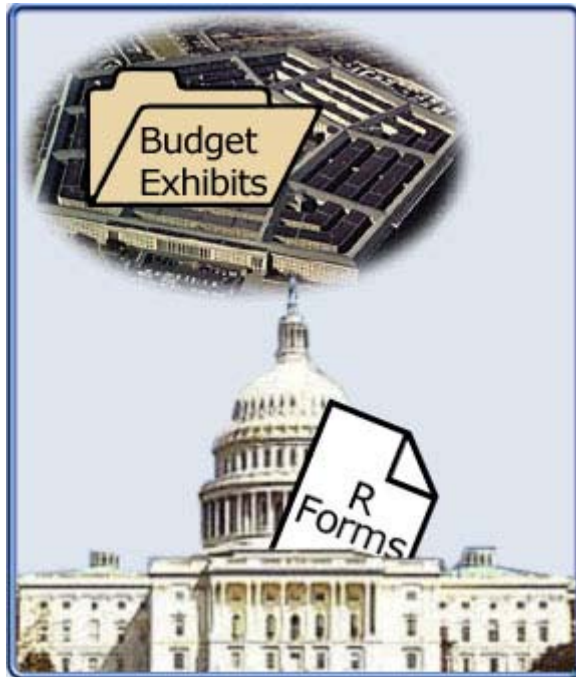
This page completes the lesson. Select a lesson from the Table of Contents to continue.

RDT&E Budget Exhibits

RDT&E Budget Exhibits

Approximate Length: 35 minutes

Welcome to the Research, Development, Test and Evaluation (RDT&E) Budget Exhibits Lesson. It is important that you be able to identify the purpose, content and conditions that require submission of the "R-forms" or RDT&E budget exhibits. You should also have an understanding of how the RDT&E budget exhibits link together. Samples of each exhibit will be provided in this lesson. Detailed instructions concerning RDT&E budget exhibits can be accessed by selecting this hyperlink: DoD Financial Management Regulation 7000.14-R, Volume 2B, Chapter 5.

Located throughout and at the end of this lesson are Knowledge Reviews, which are not graded but enable you to measure your comprehension of the lesson material.

Learning Objective

By completing this lesson, you should be able to:

- Identify the purpose, content and conditions requiring submission of the R-1 budget exhibit.
- Identify the purpose, content and conditions requiring submission of the R-2 and R-2a budget exhibits.
- Identify the purpose, content and conditions requiring submission of the R-3 budget exhibit.

- Identify the purpose, content and conditions requiring submission of the R-4 and R-4a budget exhibits.

R-1 RDT&E Programs Budget Exhibit Overview

Components submit R-Forms to OSD with the Program and Budget Review as well as in support of the final President's Budget submission to Congress. The R-1 exhibit is the basic document for presenting DoD's RDT&E requirements. The R-1 is prepared at the Component headquarters level, with one exhibit for each separate RDT&E appropriation account. Because the R-1 is a summary document, all other RDT&E exhibits submitted for a program element must reconcile to the numbers shown on the R-1. Key R-1 information is discussed on the following pages.

Select the following hyperlink to access a sample page of an R-1 exhibit, or select the Excel version :
R-1 Sample

R-1 Excel Spreadsheet

If you need help in downloading the Excel Spreadsheet, click here

Long Description
Life cycle graphic showing Component producing RDT&E budget exhibits for OSD review; OSD forwarding budget exhibits to be included in the President's budget request; President forwarding budget request to Congress for a review, revision, and approval; and Congress providing appropriations to the Component for execution.

R-1 Sample

SAMPLE FOR TRAINING PURPOSES ONLY

DEPARTMENT OF THE NAVY
FY 2010/2011 RDT&E PROGRAM   EXHIBIT R-1

APPROPRIATION: 1319N, RESEARCH, DEVELOPMENT, TEST & EVAL, NAVY   DATE: FEB 2009

LINE NO	PROGRAM ELEMENT NUMBER	ITEM NOMENCLATURE	ACT	FY 2008	FY 2009	FY 2010	FY 2011	SEC
91	0604997N	DD-007 Future Ship	5	220,134	497,450	632,208	424,892	U
92	0604999N	F-999 IMPOSTOR	5	487,649	345,782	182,885	151,275	U

THOUSANDS OF DOLLARS

R-1 Budget Exhibit Key Information

APPROPRIATION: 1319N, RESEARCH, DEVELOPMENT, TEST & EVAL, NAVY   DATE: FEB 2009

LINE NO	PROGRAM ELEMENT NUMBER	ITEM NOMENCLATURE	ACT	FY 2008	FY 2009	FY 2010	FY 2011	SEC
91	0604997N	DD-007 Future Ship	5	220,134	497,450	632,208	424,892	U
92	0604999N	F-999 IMPOSTOR	5	487,649	345,782	182,885	151,275	U

THOUSANDS OF DOLLARS

Each R-1 line item is a program element that defines a development effort or group of related development efforts. These program elements are grouped by RDT&E budget activities (abbreviated "ACT" in the figure above). The R-1 shows budget information for three or four years: the budget year(s) and the two years that precede the budget year(s).

R-2 Budget Item Justification Exhibit Overview
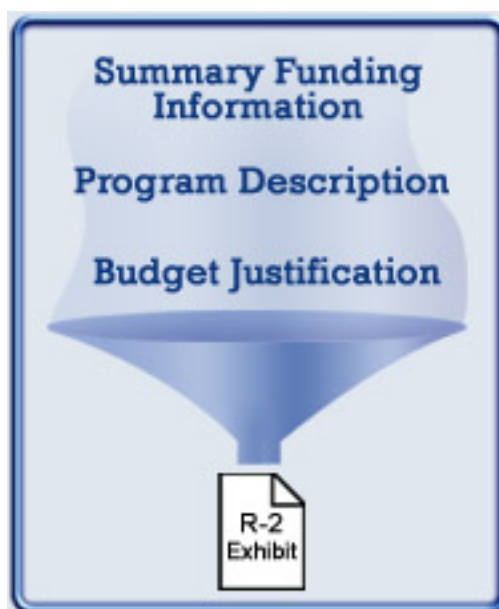
Summary Funding Information

Program Description

Budget Justification

R-2 Exhibit

The R-2 exhibit provides summary funding information, program description, and budget justification for each RDT&E program element. For program elements with more than one project, a similar form, the R-2a, is prepared for each project. If prepared, R-2a forms should be reconciled to the project data shown on the R-2. The R-2 should then be reconciled to the R-1 to ensure consistency. Key R-2 information is discussed on the following pages.

Select the following hyperlinks to access sample pages of an R-2 exhibit, or select the Excel version:
R-2 Sample (Part 1 of 2)
R-2 Sample (Part 2 of 2)

R-2 Excel Spreadsheet

If you need help in downloading the Excel Spreadsheet, click here.

R-2 Sample (Part 1 of 2)

SAMPLE FOR TRAINING PURPOSES ONLY

Exhibit R-2, RDT&E Budget Item Justification   Date: February 2009

APPROPRIATION/BUDGET ACTIVITY RDT&E, Navy / BA-5				R-1 ITEM NOMENCLATURE PE 0604999N F-999 (Impostor)					
COST ($ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total Cost
Total PE Cost	487.649	345.782	182.885	151.275	98.713	43.341	19.627	10.423	0	6929.105
H001 Impostor	487.649	345.782	182.885	151.275	98.713	43.341	19.627	10.423	0	6929.105
Quantity of RDT&E Articles										4

A. Mission Description and Budget Item Justification

MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: This program element funds the development of a replacement aircraft to meet the medium lift needs of the US Marine Corps (USMC) and the special operations needs of the US Special Operations Command (USSOCOM). This item is funded under BA-5, Engineering & Manufacturing Development because it encompasses engineering and manufacturing development of new end-items prior to production approval decision. The four RDT&E test aircraft are production-representative.

PROGRAM ACCOMPLISHMENTS AND PLANS:
1. FY 2008 ACCOMPLISHMENTS: Continued CF-999 contract efforts related to the EMD program. Continued Fatigue Test Articles (FTA) efforts. Continued logistics support analysis (LSA) and training efforts. Completed depot level LSA. Started drop test article (DTA) testing. Partially funded EMD aircraft contract overrun. Completed CF-999 Preliminary Design Review. Started operational test assessment.

2. FY 2009 PLAN: Continue CF-999 contract development efforts, including flight test, GFE integration, logistics efforts, support equipment procurements, and other EMD efforts. Begin modifications for flight simulator. Complete DTA testing. Continue FTA efforts. Continue Impostor software development efforts. Partially fund the EMD aircraft contract overrun. Complete CF-999 Critical Design Review. Continue flight test, logistics, and training activities, site activation planning, manned flight simulator, and other development and test efforts for CF-999. Complete operational test assessment. Conduct flight test supportability assessment. Start STA test to failure.

R-1 Shopping List - Item 92	Exhibit R-2, RDT&E Budget Item Justification (Page 1 of 4)

R-2 Sample (Part 2 of 2)

SAMPLE FOR TRAINING PURPOSES ONLY

Exhibit R-2, RDT&E Budget Item Justification	Date:	February 2009

APPROPRIATION/BUDGET ACTIVITY RDT&E, Navy / BA-5	R-1 ITEM NOMENCLATURE PE 0604999N F-999 (Impostor)

B. Program Change Summary

	FY 2008	FY 2009	FY 2010	FY 2011
FY 2009 President's Budget:	512.139	355.142	186.838	151.275
Appropriated Value:	487.200	355.142		
Adjustment from 2009 PB:	-24.490	-9.360	-3.953	
FY 2010/2011 President's Budget:	487.649	345.782	182.885	151.275

CHANGE SUMMARY EXPLANATION:
- FUNDING: $24.490M decrease in FY08 reflects adjustments for SBIR (-$13.401M), Federal Technology transfer (-$0.013M), and below-threshold reprogrammings (-$11.076M). The $9.360M decrease in FY09 reflects Congressional reductions for inflation, contract and advisory assistance services, etc. (-$7.360M), and below-threshold reprogrammings (-$2.0M). The FY 10 reduction of $3.953M reflects various adjustments for inflation, pay rates, etc.
- SCHEDULE: The PDR was completed early, 1Q08 vice 2Q08. The operational assessment started in 4Q08 vice 3Q08 as a result of flight test program delays. TECHEVAL integrated into development test effort; there will not be a dedicated TECHEVAL.

C. Other Program Funding Summary

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete
APN Impostor (Line 10)	616.615	607.861	796.392	1096.891	1198.277	1549.705	1560.390	1537.154	12297.856
Advance Procurement Impostor (Line 11)	59.971	53.862	71.044	80.531	168.977	228.657	180.537	153.367	792.054
APN Spares (Line 54)	21.397	30.365	68.910	132.846	183.764	55.326	54.739	52.108	339.398
Related RDT&E									
PE 116499BB Impostor									

D. Acquisition Strategy

The F-999 program is designed to provide an aircraft to meet the medium lift amphibious/vertical assault needs of the USMC and the special operations needs of USSOCOM. The aircraft will be capable of operations from aviation and air capable ships, as well as from unimproved landing sites throughout the world. The special operations aircraft (CF-999) will consist of the baseline F-999 aircraft (MF-999) configuration plus a terrain-following radar, additional fuel tanks, radios and chaff/flare dispensers, radar jammer and warning receiver, and infrared countermeasures. The CF-999 will be approximately 90% common with the MF-999.

R-1 Shopping List - Item 92	Exhibit R-2, RDT&E Budget Item Justification (Page 2 of 4)

R-2 Budget Exhibit Key Information (1 of 4)

APPROPRIATION/BUDGET ACTIVITY RDT&E, Navy / BA-5				R-1 ITEM NOMENCLATURE PE 0604999N F-999 (Impostor)					
COST ($ in Millions)	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	To Complete	Total Cost
Total PE Cost	487.649	345.782	182.885	151.275	98.713	43.341	19.627	10.423	0	6929.105
H001 Impostor	487.649	345.782	182.885	151.275	98.713	43.341	19.627	10.423	0	6929.105
Quantity of RDT&E Articles										4

A. Mission Description and Budget Item Justification

MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: This program element funds the development of a replacement aircraft to meet the medium lift needs of the US Marine Corps (USMC) and the special operations needs of the US Special Operations Command (USSOCOM). This item is funded under...

Key information presented on the R-2 includes:

1. Funding information for 7 or 8 specific years: the past year, current year, one or two budget years as appropriate, and four years beyond the budget year(s) (the out-years). The number of years covered depends on whether the exhibit supports a two-year budget submission that begins with an even year (for example FY 12-13) or a one-year budget submission that begins with an odd year (for example FY 13).

Select the following hyperlink to access an example showing the years to be included on an R-2.

[Example showing the years to be included on an R-2](#)

Supporting the FY 02-03 Budget Request

An R-2 budget exhibit supporting the FY 12-13 budget request would include funding information for the past year (FY 10), current year (FY 11), two budget years (FY 12 and FY 13), and four years beyond (FY 14 through FY 17). The following year (the FY 13 budget submission), the R-2 would include the past year (FY 11), current year (FY 12), one budget year (FY 13), and the four out-years (FY 14 through FY 17).

COST ($ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total Cost
Total PE Cost	487.649	345.782	182.885	151.275	98.713	43.341	19.627	10.423	0	6929.105
H001 Impostor	487.649	345.782	182.885	151.275	98.713	43.341	19.627	10.423	0	6929.105
Quantity of RDT&E Articles										4

APPROPRIATION/BUDGET ACTIVITY
RDT&E, Navy / BA-5

R-1 ITEM NOMENCLATURE
PE 0604999N   F-999 (Impostor)

A. Mission Description and Budget Item Justification

MISSION DESCRIPTION AND BUDGET ITEM JUSTIFICATION: This program element funds the development of a replacement aircraft to meet the medium lift needs of the US Marine Corps (USMC) and the special operations needs of the US Special Operations Command (USSOCOM). This item is funded under

Key information presented on the R-2 also includes:

1. Funding information broken out by individual projects under the program element (if there is more than one project).
2. Summarized funding for all years required to complete the program beyond the last out-year shown and total program cost.
3. Mission description and budget item justification written in easily understandable language, articulating the need for the RDT&E effort and summarizing tasks performed with funds appropriated for the past year (PY) and tasks to be performed with the funding appropriated for the current year (CY) and funds requested for BY1 and BY2. At least three tasks for each year should be addressed to justify the funding requested.

B. Program Change Summary

	FY 2008	FY 2009	FY 2010	FY 2011
FY 2009 President's Budget:	512.139	355.142	186.838	151.275
Appropriated Value:	437.200	355.142		
Adjustment from 2009 PB:	-24.490	-9.360	-3.953	
FY 2010/2011 President's Budget:	437.849	345.782	182.885	151.275

C. Other Program Funding Summary

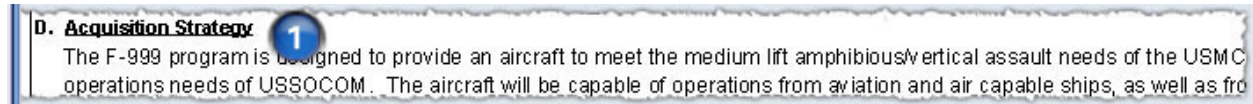|	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete
APN Impostor (Line 10)	616.615	607.861	796.392	1096.891	1198.277	1549.705	1560.390	1537.154	12297.856

Key information presented on the R-2 also includes:
1. Summary of program changes (funding, schedule, technical) since the last budget request.
2. Summary of other funding related to the RDT&E program element, including amounts of procurement, military construction, and other appropriations that follow after the RDT&E effort. Other RDT&E program elements whose funding is dependent on this program element should be listed as well.

R-2 Budget Exhibit Key Information (4 of 4)

D. **Acquisition Strategy** ①
The F-999 program is designed to provide an aircraft to meet the medium lift amphibious/vertical assault needs of the USMC operations needs of USSOCOM. The aircraft will be capable of operations from aviation and air capable ships, as well as fro

Key information presented on the R-2 also includes:

1. A brief explanation of acquisition, management, and contracting strategies for each project. Required only for Budget Activities 4, 5, and 7 (Advanced Component Development and Prototypes, System Development and Demonstration (SDD), and Operational System Development respectively).

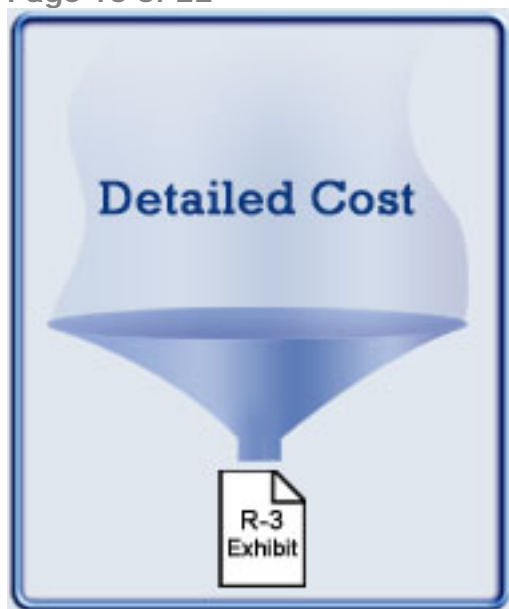Select the link below for tips to think about when preparing the R-2 Budget Exhibit:

R-2 Preparation Tips

If you need help in downloading the Excel Spreadsheet, click here.

R-3 Program Element / Project Cost Analysis Budget Exhibit Overview

Detailed Cost

R-3 Exhibit

The R-3 exhibit provides detailed cost information for each project under a program element in budget activities 4, 5 and 7, with funding of $1 million or more in any budget year covered by the budget request. If a program element consists of only one project, then the R-3 is prepared for the entire program element. R-3s should be reconciled with the R-2a exhibits at the project level and with the R-2 at the program element level. Key R-3 information is discussed on the following pages.

Select the following hyperlink to access a sample page of an R-3 exhibit, or select the Excel version:

R-3 Sample

R-3 Excel Spreadsheet

If you need help in downloading the Excel Spreadsheet, click here.

R-3 Sample

SAMPLE FOR TRAINING PURPOSES ONLY

Exhibit R-3, Project Cost Analysis — Date: February 2009

APPROPRIATION/BUDGET ACTIVITY RDT&E, Navy / BA-5		PROGRAM ELEMENT 0604099 N									PROJECT NAME AND NUMBER F-999 Impostor (H001)	
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	PY 2009 Cost	FY 2009 Award Date	FY 2010 Cost	FY 2010 Award Date	FY 2011 Cost	FY 2011 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Product Development												
Airframe Development	SS/CPAF	BB Aircraft, Arlington, VA	3170.526	251.093	Oct-08	115.873	Oct-09	110.588	Oct-10	101.692	3749.772	3409.521
Airframe Dev Award Fee		BB Aircraft, Arlington, VA	125.319	31.952		12.876		5.617		4.255	180.019	
Engine Development	C/CPIF	Aircraft Motors, Indianapolis, IN	169.368	4.409	Oct-08	1.334	Oct-09	0.823	Oct-10	CONT	CONT	
Tooling	C/T&M	Tiptop Tooling, Rockville, MD	22.565	2.36	Oct-08	1.782	Oct-09					
Test Equipment Dev	C/CPIF	VA	5.337	3.151	Oct-08							
GFE	WX	GOVLAB, Patuxent River, MD	2580.851	77.504	Oct-08	61.646	Oct-09	31.757	Oct-10	CONT	CONT	
Subtotal Product Devel			6073.966	338.517		180.635		143.108				

Remarks:
AWARD FEE IS A NON-ADDITIVE NUMBER except for prior years. Fees actually awarded range from 67% to 86%. Target Value of BB Aircraft contract does not include anticipated overrun, ACO orders, or new efforts not already on contract (FY99-05).

Support												
Subtotal Support			0	0				0		0	0	

Remarks:
Support costs are included in Product Development Cost total due to difficulty of separate break out.

Test & Evaluation												
OT&E	MIPR	Edwards AFB, CA				2.250		5.000		CONT	CONT	
Subtotal T&E						2.250		5.000		CONT	CONT	

Remarks:

Management			3.093	0		0		0		0	0	
Program Mgmt Support			3.093	0		0		0		0	0	

Remarks:

Total Cost			6077.059	338.517		182.885		37.580		293.06	6929.105	

Remarks:

R-1 Shopping List - Item 92   Exhibit R-3, Project Cost Analysis (Page 4 of 4)

R-3 Exhibit Key Information (1 of 2)

Key information presented on the R-3 includes detail of cost information broken down by cost categories defined/used by the program office. Each cost category should be grouped under one of four information categories:

1. Product Development
2. Support Costs
3. Test and Evaluation
4. Management Services

R-3 Exhibit Key Information (2 of 2)

Key information presented on the R-3 also includes:

1. Within each cost category, for each effort over $1M:

- o Identification of the performing organization (contractor or government office name)
- o Type of contract/work order used
- o Contract award or funds obligation date
- o Total cost for all years before the past year (prior years); cost for the past year, current year, BY1 and BY2; cost to complete after BY2; and total cost
- o Target value of contract

The following hyperlink provides you with tips to think about when preparing the R-3 Budget Exhibit:
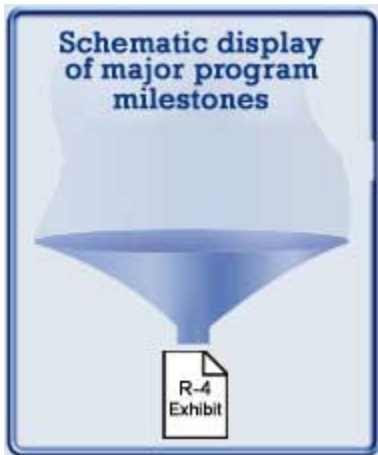
R-3 Preparation Tips

If you need help in downloading the Excel Spreadsheet, click here.

**R-4 Schedule Profile Overview**

The R-4 exhibit provides a schematic display of major program milestones. This exhibit is required for each project in budget activities 4, 5 and 7, with funding of $1 million or more in any budget year covered by the budget request. If a program element consists of only one project, then the R-4 is prepared for the entire program element.

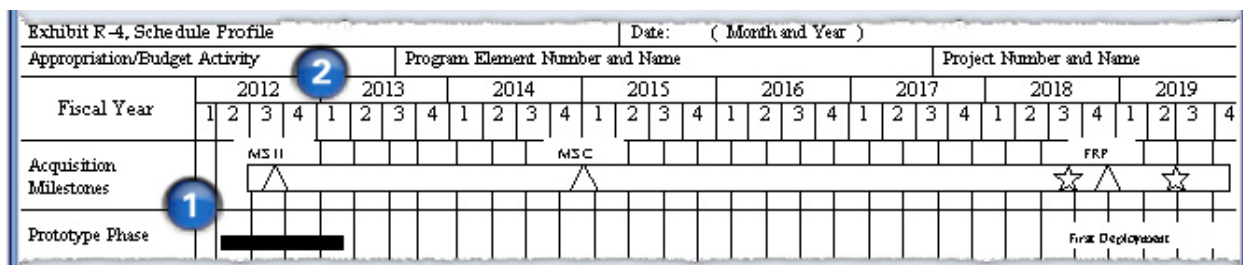Select the following hyperlink to access a sample page of an R-4 exhibit:

R-4 Sample

R-4 Sample

SAMPLE FOR TRAINING PURPOSES ONLY
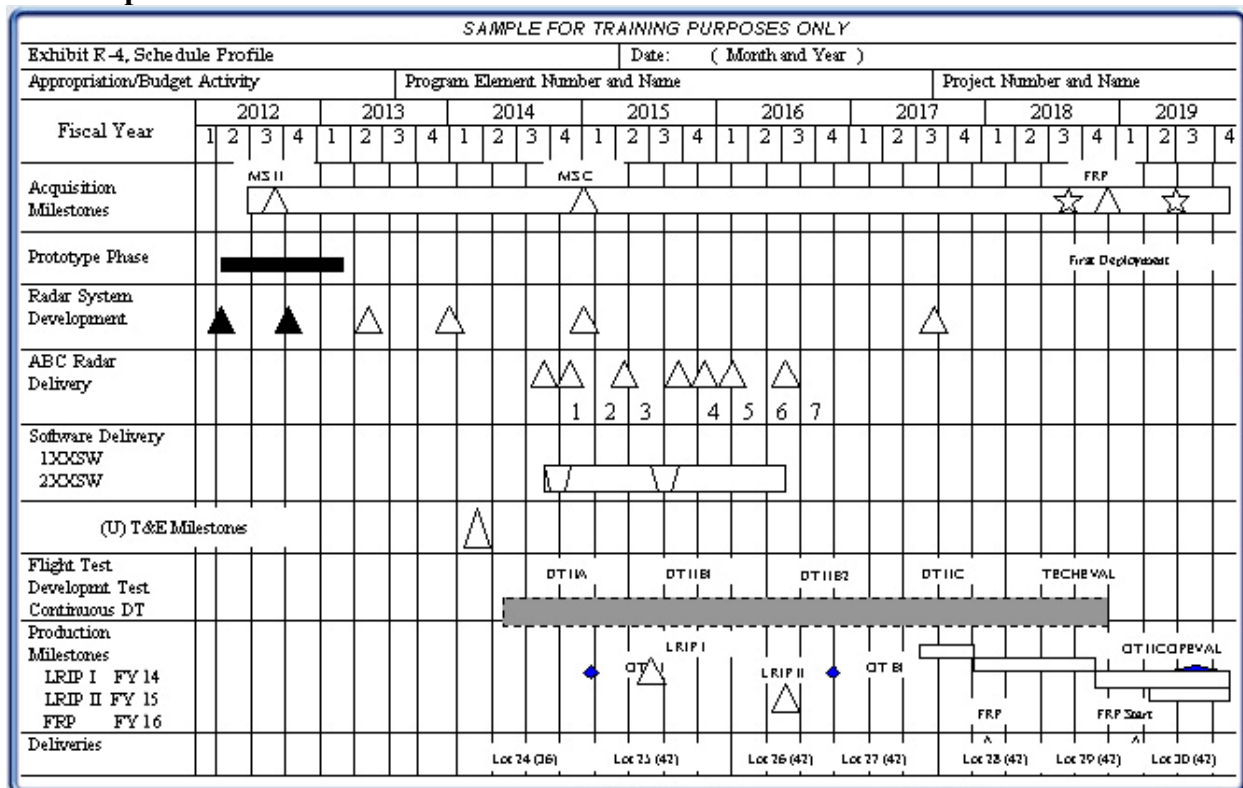
R-4 Exhibit Key Information

Key information presented on the R-4 includes:

1. Timing of engineering milestones, acquisition approvals, test and evaluation events, and other key program milestones. Types of events shown should be tailored to the program.
2. Schedule information for 7 or 8 specific years: the past year, current year, one or two budget years as appropriate, and four years beyond the budget year(s) (the out-years). The number of years covered depends on whether the exhibit supports a two-year budget submission that begins with an even year (for example FY 12-13) or a one-year budget submission that begins with an odd year (for example FY 13).

The R-4a exhibit provides a tabular display of the major program milestones shown on the R-4 as well as any additional program events that support this schedule. This exhibit is required for each project in budget activities 4, 5 and 7, with funding of $1 million or more in any budget year covered by the budget request. If a program element consists of only one project, then the R-4a is prepared for the entire program element.

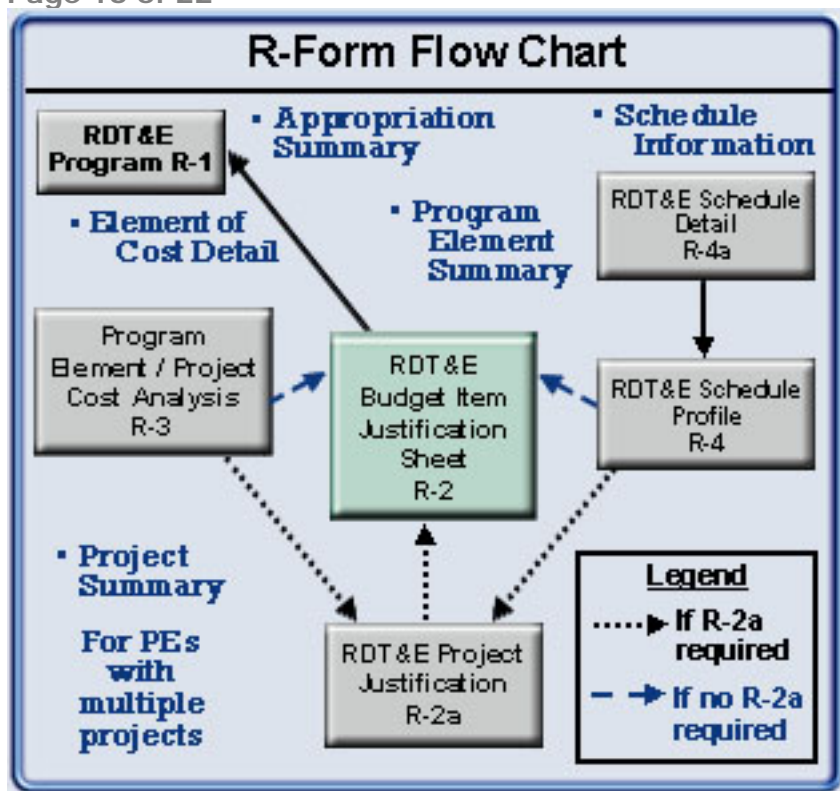Select the following hyperlink to access a sample page of an R-4 exhibit:

R-4a Sample

R-4a Sample

SAMPLE FOR TRAINING PURPOSES ONLY

Exhibit R-4a, Schedule Detail   Date: (month/year)

Appropriation/Budget Activity	Program Element Number and Name	Project Number and Name						

Schedule Profile	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Contract Preparation	3Q							
System Development		1-2Q						
Quality Design and Build		3-4Q	1-4Q	1-4Q				
Developmental Technical Testing				1-4Q				
Developmental Evaluation				3-4Q				
Etc.								

R-4a Schedule Profile - Item No. 20-4 of 20-4

R-Form Flow Chart

- **Appropriation Summary**
- **Schedule Information**

RDT&E Program R-1

- **Element of Cost Detail**
- **Program Element Summary**

RDT&E Schedule Detail R-4a

Program Element / Project Cost Analysis R-3

RDT&E Budget Item Justification Sheet R-2

RDT&E Schedule Profile R-4

- **Project Summary**

For PEs with multiple projects

RDT&E Project Justification R-2a

Legend
..... ▶ If R-2a required
— ▶ If no R-2a required

The R-1 budget exhibit summarizes the budget requirements for a specific RDT&E appropriation account. Each R-1 line item (program element) is supported by an R-2 budget exhibit. Each R-2 may be supported by several other budget exhibits providing additional detail regarding the budget request for that program element.

When a program element consists of multiple projects, R-2a budget exhibits are prepared, summarizing the budget requirements for each individual project under the program element. If a Budget Activity 4, 5, or 7 project meets certain spending criteria, R-3, R-4 and R-4a budget exhibits are prepared to support the R-2 or R-2a. The R-3 provides detailed information regarding the project's costs. The R-4 and R-4a provide project schedule information regarding the project.

Long Description
Graphic depicts the R-Form Flow Chart. The R-1 exhibit summarizes the budget requirements for an appropriation. The R-1 is supported by the R-2 exhibits that each summarize the budget requirements of the individual R-1 line items (program elements). When a program element consists of multiple projects, R-2a exhibits are prepared for each project under the program element, summarizing the project's budget requirements. If a project's spending meets certain criteria, the R-2a exhibit is supported by R-3, R-4, and R-4a exhibits. The R-3 provides element of cost information for the project. The R-4 and R-4a provide project schedule information. When a program element consists of a single project, then no R-2a exhibits are required, but R-3, R-4, and R-4a exhibits must be prepared to support the R-2.

The following Knowledge Review is a True or False question. Select the best answer and feedback will immediately appear.
An R-1 exhibit is compiled at the Component level for each RDT&E Program Element for which funding is being requested.

True
False

Correct!
R-1 exhibits are not prepared for each individual Program Element. A single R-1 exhibit is compiled at the Component level listing all RDT&E Program Elements for which funding is being requested.

The following Knowledge Review is a multiple choice question. Only one answer is correct; select the best answer and feedback will immediately appear.
Which one of the budget exhibits listed below is best described by the following statement? This exhibit provides summary funding information, program description, and budget justification for each RDT&E program element.

  a. R-2, Budget Item Justification Exhibit
  b. R-1, RDT&E Programs Exhibit
  c. R-2a, Budget Item Justification Exhibit (Project)
  d. R-3, Program Element / Project Cost Analysis Exhibit

Correct!

The R-2 exhibit provides summary funding information, program description, and budget justification for each RDT&E program element.

The following Knowledge Review is a True or False question. Select the best answer and feedback will immediately appear.
R-3s should be reconciled with the R-2a exhibits at the project level and with the R-2 at the program element level.

True
False

Correct!
R-3s are reconciled with the R-2a exhibits at the project level and with the R-2 at the program element level.

The following Knowledge Review allows for multiple correct answers. Select all of the answers that are correct, then select the Submit button and feedback will appear. Which of the following statements describes the R-4 budget exhibit?

    a. Provides a tabular display of major program milestones.
    b. Is required for each project in budget activities 4, 5 and 7, with funding of $1M or more in any budget year covered by the budget request.
    c. Provides a schematic display of major program milestones.
    d. Provides summary funding information, program description, and budget justification for each RDT&E program element.

Correct.!The R-4 budget exhibit provides a schematic display of major program milestones and is required for each project in budget activities 4, 5 and 7, with funding of $1M or more in any budget year covered by the budget request. The R-4a is the budget exhibit that provides a tabular display of major program milestones. Summary funding information, program description, and budget justification for each RDT&E program element is provided in the R-2 budget exhibit.

Lesson Summary (1 of 2)

Congratulations! You have completed the RDT&E Budget Exhibits Lesson. The following topics were presented in this lesson:

*   The R-1 exhibit is the basic document for presenting RDT&E requirements to Congress as supporting justification for the President's Budget request. The R-1 is prepared at the Component headquarters level, with one exhibit for each separate RDT&E appropriation account.
*   The R-2 exhibit provides summary funding information, program description, and budget justification for each RDT&E program element. For program elements with more than one project, a similar form, the R-2a, is prepared for each project within that program element.
*   The R-3 exhibit provides detailed cost for each project under a program element in budget activities 4, 5 and 7, with funding of $1 million or more in any budget year covered by the budget request. If a program element consists of only one project, then the R-3 is prepared for the entire program element. R-3s should be reconciled with the R-2a exhibits at the project level and with the R-2 at the program element level.

Lesson Summary (2 of 2)

Finally, the following topics were also presented in this lesson:

- The R-4 exhibit provides a schematic display of major program milestones. This exhibit is required for each project in budget activities 4, 5 and 7, with funding of $1 million or more in any budget year covered by the budget request. If a program element consists of only one project, then the R-4 is prepared for the entire program element.

- The R-4a exhibit provides a tabular display of major program milestones. This exhibit is prepared whenever an R-4 is required and at the same level (program element or project) as the R-4.
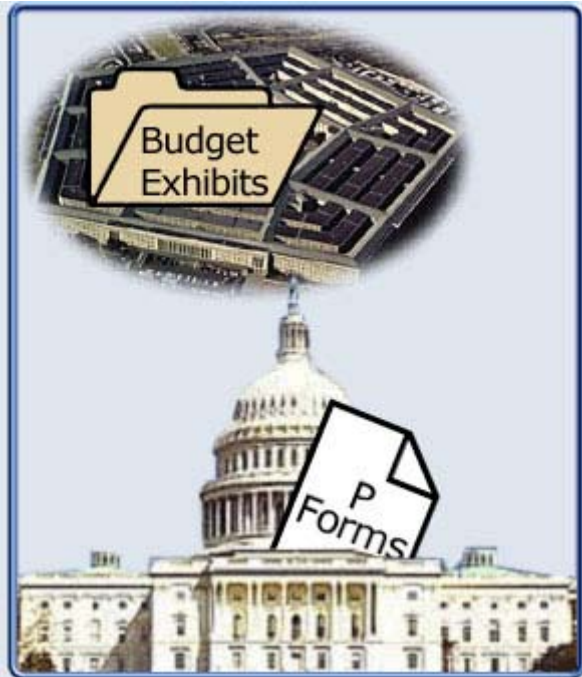
This page completes the lesson. Select a lesson from the Table of Contents to continue.

Procurement Budget Exhibits

Procurement Budget Exhibits

Approximate Length: 60 minutes

Welcome to the Procurement Budget Exhibits Lesson. As an acquisition professional, it is important for you to be able to identify the purpose, content and conditions that require the submission of these Procurement budget exhibits. It is also important that you have an understanding of how these Procurement budget exhibits link together. Samples of each exhibit will be provided. Detailed instructions concerning Procurement budget exhibits can be accessed by selecting this hyperlink: DoD Financial Management Regulation 7000.14-R, Volume 2B, Chapter 4.

Located throughout and at the end of this lesson are Knowledge Reviews, which are not graded but enable you to measure your comprehension of the lesson material.

Learning Objective

By completing this lesson, you should be able to:

- Identify the purpose, content and conditions requiring submission of the P-1 budget exhibit.
- Identify the purpose, content and conditions requiring submission of the P-40 and P-40a budget exhibits.
- Identify the purpose, content and conditions requiring submission of the P-3a budget exhibit.
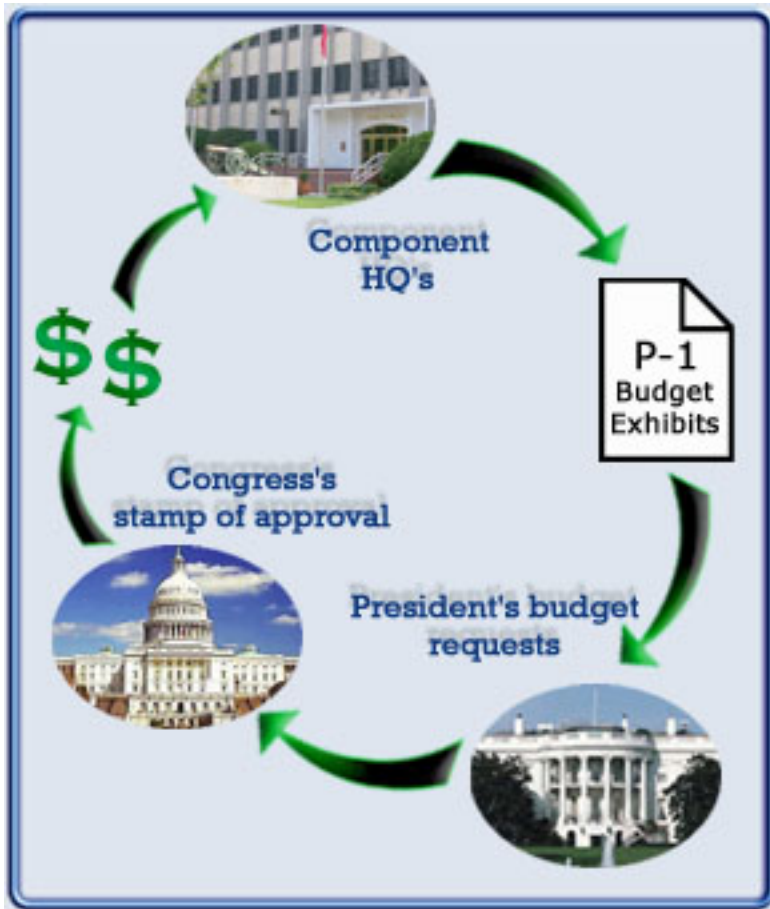
- Identify the purpose, content and conditions requiring submission of the P-5 budget exhibit.
- Identify the purpose, content and conditions requiring submission of the P-5a budget exhibit.
- Identify the purpose, content and conditions requiring submission of the P-21 budget exhibit.

P-1 Procurement Program Budget Exhibit Overview

The P-1 is prepared at the Component headquarters level, with one exhibit for each separate procurement appropriation. It lists, by line item, the procurement requirements included in the President's Budget request, in millions of dollars. Because the P-1 is a summary document, all other procurement exhibits submitted for a line item must reconcile to the numbers shown on the P-1. Key P-1 information is provided on the following pages.

Select the following hyperlink to access a sample page of an P-1 Exhibit or select the Excel version:

P-1 Sample

P-1 Excel Spreadsheet

If you need help in downloading the Excel Spreadsheet, click [here](#).

P-1 Sample

SAMPLE FOR TRAINING PURPOSES ONLY
DEPARTMENT OF THE AIR FORCE
FY2010/2011 PROCUREMENT PROGRAM EXHIBIT P-1

APPROPRIATION: 3010F AIRCRAFT PROCUREMENT, AIR FORCE   DATE: FEB 2009

MILLIONS OF DOLLARS

LINE NO	ITEM NOMENCLATURE	IDENT CODE	FY 2008 QTY	COST	FY 2009 QTY	COST	FY 2010 QTY	COST	FY 2011 QTY	COST
BUDGET ACTIVITY 04: OTHER AIRCRAFT										
...										
15	F-999 IMPOSTOR	A				(22.0)		(21.8)	4	(355.7)
	LESS: ADVANCE PROCUREMENT (PY)									(-19.9)
						-------------		-------------		-------------
						22.0		21.8		335.8
16	F-999 IMPOSTOR									
	ADVANCE PROCUREMENT (CY)							19.9		27.2
	(FY 2010 FOR FY 2011) (MEMO)							(19.9)		
	(FY 2011 FOR FY 2012)(MEMO)									(27.2)
17	AV-77 HUMMINGBIRD (MYP)	A			3	(66.0)	7	(140.5)	10	(180)
	LESS: ADVANCE PROCUREMENT (PY)							(-8.1)		(-10.4)
						-------------		-------------		-------------
						66.0		132.4		335.8
18	AV-77 HUMMINGBIRD (MYP)									
	ADVANCE PROCUREMENT (CY)					27.8				
	(FY 2009 FOR FY 2010) (MEMO)					(8.1)				
	(FY 2009 FOR FY 2011)(MEMO)					(10.4)				
	(FY 2009 FOR FY 2012)(MEMO)					(9.3)				

Long Description

Life cycle graphic showing Component Headquarters producing Procurement budget exhibits for OSD review; OSD forwarding budget exhibits to be included in the President's budget request; President forwarding budget request to Congress for a review, revision, and approval; and Congress providing appropriations to to the Component for execution.

P-1 Budget Exhibit Key Information

MILLIONS OF DOLLARS

LINE NO	ITEM NOMENCLATURE	IDENT CODE	FY 2008 QTY	COST	FY 2009 QTY	COST	FY 2010 QTY	COST	FY 2011 QTY	COST
BUDGET ACTIVITY 04: OTHER AIRCRAFT										
...										
15	F-999 IMPOSTOR	A				(22.0)		(21.8)	4	(355.7)
	LESS: ADVANCE PROCUREMENT (PY)									(-19.9)
						-------------		-------------		-------------
						22.0		21.8		335.8

Each P-1 line item cost represents the cost to procure and initially deploy the quantity of items requested each fiscal year, excluding the initial spares. Initial spares and

replenishment spares bought with procurement funds are listed in a single line item on the P-1.

Advance procurement is listed as a separate line item on the P-1, usually directly following the associated system line item. The P-1 shows information for three or four years: the budget year(s) and the two years that precede the budget year(s).

P-40 Budget Item Justification Sheet Overview
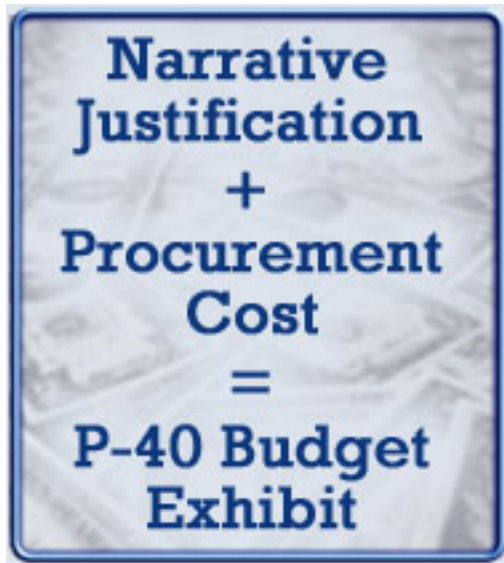
The P-40 provides overall narrative justification and total procurement costs for a line item in the procurement budget request. A P-40 is submitted for each line item on the P-1 budget exhibit with funding of $5 million or more in any of the years shown on the P-1.

Some P-1 line items are aggregations of several different end items that require funding of less than $5 million apiece. For these aggregated P-1 line items, a P-40 is prepared to summarize the line item, then individual P-40a forms are prepared to justify each individual end item. These individual P-40a forms have the same format as a P-40. All P-40a forms provided for a line item must reconcile to the line item P-40. Key P-40 information is discussed on the following pages.

Select the following hyperlink to access a sample page of a P-40 Exhibit or select the Excel version:

P-40 Sample

P-40 Excel Spreadsheet

If you need help in downloading the Excel Spreadsheet, click here.

P-40 Sample

SAMPLE FOR TRAINING PURPOSES ONLY

EXHIBIT P-40, BUDGET ITEM JUSTIFICATION												DATE:	February 2009	

APPROPRIATION / BUDGET ACTIVITY

Aircraft Procurement, Air Force / Other Aircraft (BA-4)

P-1 ITEM NOMENCLATURE

F-999 (Impostor)

PROGRAM ELEMENT FOR CODE B ITEMS

OTHER RELATED PROGRAM ELEMENTS

	ID Code	Prior Years	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total Program
Quantity						4	6	9	9	9	13	50
Net P-1 Cost				21.996	21.793	335.766	362.246	414.045	412.889	403.808	583.726	2556.269
PY Adv Proc ($M)						19.915	27.209	57.330	69.884	55.230	60.912	290.480
Weapon Sys Cost ($M)				21.996	21.793	355.681	389.455	471.375	482.773	459.038	644.638	2846.749
Initial Spares ($M)						16.960	68.244	54.714	61.722	79.564	109.666	390.920
Total Proc Cost ($M)				21.996	21.793	372.641	457.699	526.089	544.495	538.602	754.304	3237.669
Flyaway Unit Cost ($M)						77.341	56.962	47.910	45.561	44.398	43.746	
Wpn Sys Proc U/C ($M)						88.920	64.909	52.375	53.641	51.004	49.588	

DESCRIPTION:

The F-999 will provide long-range, high-speed infiltration, exfiltration, and resupply to special forces teams in hostile, denied, and politically sensitive areas. FY 2011 funds will procure 4 F-999 aircraft; peculiar ground support equipment for the training facility at Schoolhouse AFB, NM and the F-999 operating base at Humongous AFB, FL; first unit training; interactive media instruction and curriculum development; various logistics and engineering services; and other various support equipment.

P-1 Shopping List Item 15		EXHIBIT P-40 Page 1 of 5

P-40 Budget Exhibit Key Information (1 of 3)
Page 6 of 38

	ID Code	Prior Years	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total Program
Quantity						4	6	9	9	9	13	50
Net P-1 Cost				21.996	21.793	335.766	362.246	414.045	412.889	403.808	583.726	2556.269
PY Adv Proc ($M)						19.915	27.209	57.330	69.884	55.230	60.912	290.480

Key information presented on the P-40 includes:

1. Funding information for 7 or 8 specific years: the past year, current year, one or two budget years as appropriate, and four years beyond the budget year(s) (the out-years). The number of years covered depends on whether the exhibit supports a two-year budget submission that begins with an even year (for example: FY 12-13) or a one-year budget submission that begins with an odd year (for example: FY 13).

Select the following hyperlink to access an example showing the years to be included on a P-40.

Example showing the years to be included on a P-40

Example showing the years to be included on a P-40

A P-40 supporting the FY 12-13 budget request would include funding information for the past year (FY 10), current year (FY 11), two budget years (FY 12 and FY 13), and four years beyond (FY 14 through FY 17). The following year (the FY 13 budget submission), the P-40 would include the past year (FY 11), current year (FY 12), one budget year (FY 13), and the four out-years (FY 14 through FY 17).

P-40 Budget Exhibit Key Information (2 of 3)

2	ID Code	Prior Years	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total Program
Quantity		3				4	6	9	9	9	13	50
Net P-1 Cost				21.996	21.793	335.766	362.246	414.045	412.889	403.808	583.720	2556.269
PY Adv Proc ($M)						40.045	37.200	57.330	60.094	55.230	60.042	200.480

Key information presented on the P-40 also includes:

1. Summarized funding for all years prior to the past year and for all years required to complete the program beyond the last out-year shown, unless the item is a continuing requirement, such as ammunition.
2. Specific quantities of end items funded each year, when applicable.
3. Advance procurement funds requested/received in a prior year related to each particular fiscal year's lot of end items.
4. Though not shown in the sample, advance procurement funds can also be requested in a particular fiscal year to support a future year's lot of end items.

Note: Advance procurement funding is actually requested in a separate P-1 line item (and therefore justified on a separate P-40), but this information is also included on the weapon system P-40 to provide visibility of the system's total procurement cost.

P-40 Budget Exhibit Key Information (3 of 3)

EXHIBIT P-40, BL
APPROPRIATION / BUDGET ACTIVITY
Aircraft Procurement, Air
PROGRAM ELEMENT FOR CODE B ITE

	ID Code	Prior Years
Quantity		
Net P-1 Cost		
PY Adv Proc ($M)		
Weapon Sys Cost ($M)		
Initial Spares ($M)		
Total Proc Cost ($M)		
Flyaway Unit Cost ($M)		
Wpn Sys Proc U/C ($M)		

DESCRIPTION:
The F-999 will provid   range, high-speed
FY 2001 funds will procure 4 F-999 aircraft pe
base at Humongous AFB, FL; first unit trainin
other various support equipment.

Finally, key information presented on the P-40 includes:

1. Initial spares cost (if applicable). Note that initial spares funding is actually requested in a separate P-1 line item (and therefore justified on a separate P-40), but this information is also included on the weapon system P-40 to provide visibility of the system's total procurement cost.
2. Flyaway and Weapon System Unit Cost.
3. Narrative description of the line item covering the nature, purpose, and intended use of the item and a narrative justification of the funding request.

The following hyperlink provides you with tips to think about when preparing the P-40 Budget Exhibit:

P-40 Preparation Tips

If you need help in downloading the Excel Spreadsheet, click here.

Knowledge Review

The following Knowledge Review allows for multiple correct answers. Select all of the answers that are correct, then select the Submit button and feedback will appear.
Which of the following statements describe the P-40 Budget Exhibit?

   a. **Justifies each individual end item.**
   b. **Provides total procurement costs for a line item in the procurement budget request.**
   c. **Provides overall narrative justification.**
   d. **Provides summary funding information, program description, and budget justification for each RDT&E program element.**

Correct!
B and C are correct statements about the P-40 Exhibit. The P-40 is prepared to summarize the line item, then P-40a individual forms are prepared to justify each individual end item. Statement D pertains to a R-2 RDT&E Budget Exhibit.

P-3a Individual Modification Program Overview

The P-3a provides a narrative justification and total procurement costs for each individual weapon system modification with costs greater than $5 million in any one of the following years:

- Past year
- Current year
- Budget year 1
- Budget year 2

Key P-3a Information is provided on the following pages.

Select the following hyperlinks to access a sample page of a P-3a Exhibit or select the Excel version:

P-3a Sample (Part 1 of 2)
P-3a Sample (Part 2 of 2)

P-3a Excel Spreadsheet

If you need help in downloading the Excel Spreadsheet, click here.

P-3a Sample (Part 1 of 2)

SAMPLE FOR TRAINING PURPOSES ONLY

Exhibit P-3a, INDIVIDUAL MODIFICATION   DATE: February 2009

| MODIFICATION TITLE: | Close Combat Tactical Trainer Mod 5 |
| MODELS OF SYSTEM AFFECTED: | AFVS M3A4 |

DESCRIPTION / JUSTIFICATION:

This effort will develop and produce M3A4 modification kits for the CCTT M3A3 simulators. The CCTT Simulator is a modular training device designed to support multiple configurations of the AFVS. It currently supports M3A3 and M3A3ODS. This kit will allow training on the M3A4. A total of 52 A4 kits will be procured.

DEVELOPMENT STATUS / MAJOR DEVELOPMENT MILESTONES:

Development and testing of this modification was completed in FY 2007. First modification kits contracted for in FY 2008, to be installed in FY 2009. Last modification kits to be contracted for in FY 2012, to be installed in FY 2013.

FINANCIAL PLAN ($ in Millions)

	Prior Years		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		To Complete		Total	
	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$
RDT&E		9.8		3.3																				13.1
PROCUREMENT					6	3.0	10	4.5	14	4.7	14	4.1	8	2.0									52	18.3
Installation Kits						4.1																		4.1
Installation Kits, Non-recurring																								
Installation Equipment						0.8																		0.8
Installation Equipment, N/R																								
Engineering Change Orders																								
Data																								
Training Equipment																								
Support Equipment																								
Integrated Logistics Support																								
Other Support																								
Interim Contractor Support																								
Installation Cost								0.6		1.0		1.4		1.4		0.8								5.2
TOTAL PROCUREMENT						7.9		5.1		5.7		5.5		3.4		0.8								28.4

P-1 Line Item No. 6   Page 11 of 12

P-3a Sample (Part 1 of 2)

SAMPLE FOR TRAINING PURPOSES ONLY

Exhibit P-3a, INDIVIDUAL MODIFICATION (Continued)   DATE: February 2009

MODELS OF SYSTEM AFFECTED: AFVS M3A4	MODIFICATION TITLE:	Close Combat Tactical Trainer Mod 5
INSTALLATION INFORMATION:	METHOD OF IMPLEMENTATION:	Contractor
ADMINISTRATIVE LEADTIME: 10 Months	PRODUCTION LEADTIME:	12 Months

CONTRACT DATES:	FY2008:		FY2009:	Nov 08	FY2010:	Nov 09	FY2011:	Nov 10
DELIVERY DATES:	FY2008:		FY2009:	Nov 09	FY2010:	Nov 10	FY2011:	Nov 11

COST ($ in Millions)	Prior Years		FY2007		FY2008		FY2009		FY2010		FY2011		FY2012		FY2013		FY2014		FY2015		To Complete		Total	
	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$
Prior Years () Kits																								
FY2007 () Kits																								
FY2008 (6) Kits							6	0.6															6	0.6
FY2009 (10) Kits									10	1.0													10	1
FY2010 (14) Kits											14	1.4											14	1.4
FY2011 (14) Kits													14	1.4									14	1.4
FY(2012) (8) Kits															8	0.8							8	0.8
FY2013 () Kits																								
FY2014 () Kits																								
FY2015 () Kits																								
To Complete () Kits																								
TOTAL							6	0.6	10	1.0	14	1.4	14	1.4	8	0.8							52	5.2

INSTALLATION SCHEDULE:

	Prior Years	FY2007				FY2008				FY2009				FY2010				FY2011			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Input											1	2	3	2	3	2	3	3	4	3	4
Output												1	2	3	2	3	2	3	3	4	3

	FY2012				FY2013				FY2014				FY2015				To Complete	TOTAL
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
Input	3	4	3	4	3	3	2											52
Output	4	3	4	3	4	3	3	2										52

P-1 Line Item No. 6   Page 12 of 12

P-3a Budget Exhibit Key Information (1 of 3)

DESCRIPTION / JUSTIFICATION:
This effort will develop and produce M3A4 ... cation kits for the CCTT M3A3 simulators. The CCTT Simulator is a modular training device designed to support multiple configurations of the AFVS. It currently supports M3A3 and M3A3ODS. This kit will allow training on the M3A4. A total of 52 A4 kits will be procured.

DEVELOPMENT STATUS / MAJOR DEVELOPMENT MILESTONES:
Development and testing of this modification was completed in FY2007. ... modification kits contracted for in FY2008 to be installed in FY2009. Last modification kits to be contracted for in FY2012, to be installed in FY 2013

Key information presented on the P-3a includes:

1. Narrative description of the modification, including what additional capability is added to the system by this modification, and why the modification is necessary.
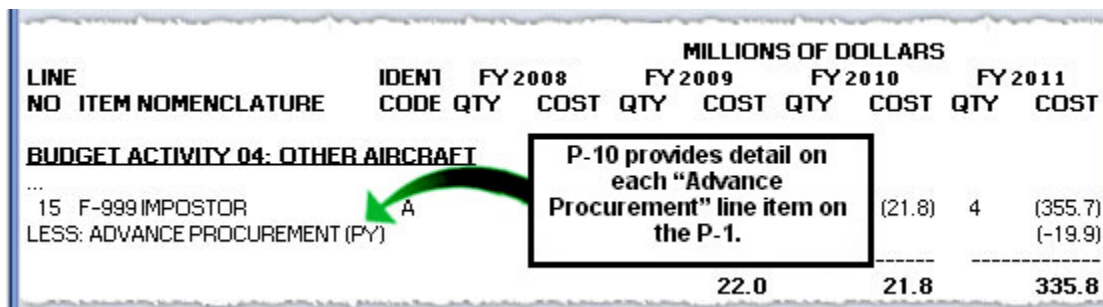2. Status of development and testing of the modification, including major milestone accomplishments or scheduled milestone dates.

FINANCIAL PLAN ($ in millions)	Prior Years		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		To Complete		Total	
	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$
RDT&E		9.8		3.3																				13.1
PROCUREMENT					6	3.0	10	4.5	14	4.7	14	4.1	8	2.0									52	18.3
Installation Kits						4.1																		4.1

Key information presented on the P-3a also includes:

1. Funding information for 8 or 9 specific years: the past year minus 1, past year, current year, one or two budget years as appropriate, and four years beyond the budget year(s) (the out-years). The number of years covered depends on whether the exhibit supports a two-year budget submission that begins with an even year (for example: FY 12-13) or a one-year budget submission that begins with an odd year (for example: FY 13).

Select the following hyperlink to access an example showing the years to be included on an P-3a.

Supporting the FY 12-13 Budget Request

A P-3a supporting the FY 12-13 budget request would include funding information for the past year minus 1 (FY 09), past year (FY 10), current year (FY 11), two budget years (FY 12 and FY 13), and four years beyond (FY 14 through FY 17). The following year (the FY 13 budget submission), the P-3a would include the past year minus 1 (FY 10), past year (FY 11), current year (FY 12), one budget year (FY 13), and the four out-years (FY 14 through FY 17).

ADMINISTRATIVE LEAD TIME:	10 Months		
CONTRACT DATES:	2008:		
DELIVERY DATES:	FY 2008:		

COST ($ in Millions)	Prior Years		FY 19	
	Qty	$	Qty	
Prior Years () Kits				
FY 2007 () Kits				
FY 2008 (6) Kits				
FY 2009 (10) Kits				
FY 2010 (14) Kits				
FY 2011 (14) Kits				
FY (2012) (8) Kits				
FY 2013 () Kits				
FY 2014 () Kits				
FY 2015 () Kits				
To Complete () Kits				
TOTAL				

INSTALLATION SCHEDULE:	Prior Years		FY 200
		1	2
Input			
Output			

Finally, key information presented on the P-3a includes:

1. Summarized funding for all years prior to the past year minus 1 and for all years to complete the program beyond the last out-year.
2. Specific quantities of items funded each year, when applicable.
3. Earliest contract date associated with the production of modification kits.
4. Installation schedule and who will perform the installation.

The following hyperlink provides you with tips to think about when preparing the P-3a Budget Exhibit:

P-3a Preparation Tips

If you need help in downloading the Excel Spreadsheet, click here.

The following Knowledge Review is a True or False question. Select the best answer and feedback will immediately appear.
The P-3a provides a narrative description of the modification, including what additional capability is added to the system by this modification, and why the modification is necessary.

True
False

Correct!
The P-3a provides a narrative description of the modification, including what additional capability is added to the system by this modification, and why the modification is necessary.

The P-10 provides detail regarding the items to be financed by each Advance Procurement line item on the P-1. Key P-10 Information is provided on the following pages.

Select the following hyperlinks to access sample pages of an P-10 Exhibit, or select the Excel version:

If you need help in downloading the Excel Spreadsheet, click here.

Long Description

P-10 provides detail on each "Advance Procurement" line item on the P-1. Key P-10 Information is provided on the following pages.

P-10 Sample (Part 1 of 2)

SAMPLE FOR TRAINING PURPOSES ONLY

EXHIBIT P-10, ADVANCE PROCUREMENT REQUIREMENTS ANALYSIS (Page 1 - Funding) DATE: **February 2009**

APPROPRIATION / BUDGET ACTIVITY	P-1 LINE ITEM NOMENCLATURE
Aircraft Procurement, Air Force / Other Aircraft (BA-4)	**F-999 (Impostor)**

WEAPON SYSTEM	FIRST SYSTEM AWARD DATE	FIRST SYSTEM COMPLETION DATE
F-999 Advance Procurement	Feb-10	Mar-13

($ in Millions)

Description	PLT (months)	When Required	Prior Years	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total
End Item Qty	38	Mar-13					4	6	9	9	9	9	4	50
CFE	38	Mar-13	N/A				19.242	26.182	55.766	68.293	53.606	45.285	13.217	290.480
GFE														
EOQ														
Design														
Term Liability														
Other GFE														
AN/AVR-2	13	Jan-12	N/A				0.609	0.928	1.414	1.437	1.467	1.498	0.679	8.032
Notch Filter	8	Sep-11	N/A				0.001	0.002	0.003	0.004	0.004	0.004	0.001	0.019
ARN-147	19	Apr-12	N/A				0.044	0.067	0.102	0.104	0.106	0.108	0.049	0.580
Main Mount Pneumatic Tire	18	Oct-11	N/A				0.002	0.003	0.005	0.005	0.005	0.006	0.003	0.029
External Power Monitor	12	Sep-11	N/A				0.003	0.005	0.007	0.007	0.007	0.008	0.003	0.040
RCU Battery	8	Oct-12	N/A				0.014	0.022	0.033	0.034	0.035	0.035	0.016	0.189
TOTAL ADV PROC							19.915	27.209	57.330	69.884	55.230	46.944	13.968	290.480

DESCRIPTION:
Airframe / CFE requirements are calculated on a termination liability basis, reflecting contractor's funding requirements for procurement of long-lead parts and materials necessary to protect the delivery schedule. Other government furnished equipment (GFE) requirements are determined on a fully-funded basis. FY12 starts advance procurement for a planned multiyear production contract for FY13-FY17

P-1 Shopping List Item No. 16	EXHIBIT P-10 Page 2 of 3

P-10 Sample (Part 2 of 2)

SAMPLE FOR TRAINING PURPOSES ONLY

EXHIBIT P-10, ADVANCE PROCUREMENT REQUIREMENTS ANALYSIS (Page 2 - Budget Justification)						DATE:	February 2009	

APPROPRIATION / BUDGET ACTIVITY **Aircraft Procurement, Air Force / Other Aircraft (BA-4)**	P-1 LINE ITEM NOMENCLATURE **F-999 (Impostor)**

WEAPON SYSTEM
F-999 Advance Procurement

($ in Millions)

Description	PLT (months)	Qty per Assembly	Unit Cost	FY 2010 Qty	FY 2010 Contract Forecast	FY 2010 Total Cost	FY 2011 Qty	FY 2011 Contract Forecast	FY 2010 Total Cost Request
End Item Qty	38	N/A		4	Feb-10	N/A	6	Feb-11	N/A
CFE	38	1		4	Feb-10	19.242	6	Feb-11	26.182
GFE									
EOQ									
Design									
Term Liability									
Other GFE									
AN/AVR-2	13	1		4		0.609	6		0.928
Notch Filter	8	4		16		0.001	24		0.002
ARN-147	19	1		4		0.044	6		0.067
Main Mount Pneumatic Tire	18	4		16		0.002	24		0.003
External Power Monitor	12	1		4		0.003	6		0.005
RCU Battery	8	1		4		0.014	6		0.022
TOTAL ADV PROC						19.915			27.209

DESCRIPTION:
Airframe / CFE requirements are calculated on a termination liability basis, reflecting contractor's funding requirements for procurement of long-lead parts and materials necessary to protect the delivery schedule. Unit costs for items vary annually.

P-1 Shopping List Item No. 16	EXHIBIT P-10 Page 3 of 3

P-10 Budget Exhibit Key Information (1 of 3)

($ in Millions)

Description	PLT (months)	When Required	Prior Years	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	To Complete	Total
End Item Qty	38	Mar-13					4	6	9	9	9	9	4	50
CFE	38	Mar-13	N/A			①︎	19.242	26.182	55.766	68.293	53.606	45.285	13.217	290.480
GFE														
EOQ														
Design														
Term Liability														
Other GFE														
AN/AVR-2	13	Jan-12	N/A				0.609	0.928	1.414	1.437	1.467	1.498	0.679	8.032
Notch Filter	8	Sep-11	N/A				0.001	0.002	0.003	0.004	0.004	0.004	0.001	0.019

Key information presented on the P-10 includes:

1. Funding information for 8 or 9 specific years: the past year minus 1, past year, current year, one or two budget years as appropriate, and four years beyond the budget year(s) (the out-years). The number of years covered depends on whether the exhibit supports a two-year budget submission that begins with an even year (e.g., FY 12-13) or a one-year budget submission that begins with an odd year (e.g., FY 13).

Description	PLT (months)	When Required	Prior Years
End Item Qty	38	Mar-13	
CFE	38	Mar-13	N/A
GFE			
EOQ			
Design		②	
Term Liability			
Other GFE			
AN/AVR-2 ①	13	Jan-12	N/A
Notch Filter	8	Sept-11	N/A
ARN - 147	19	Apr-12	N/A
Main Mount Pneumatic Tire	18	Oct-11	N/A
External Power Monitor	12	Sept-11	N/A

Key information presented on the P-10 also includes:

1. Listing of all items that will be financed by the advance procurement funds. This includes items that must be purchased in advance of the end item due to leadtime considerations, items that should be purchased in advance to realize cost savings, and termination liability.

2. On what date each advance procurement-funded item is required so that it can be incorporated into the end item during manufacture.

WEAPON SYSTEM
F-999 Advance P ① ement ② (illion ③

Description	PLT (months)	Qty per Assembly		FY 2010 Contract Forecast
End Item Qty	38	N/A		Feb-10
CFE	38	1		Feb-10
GFE				
EOQ				
Design				
Term Liability				
Other GFE				
AN/AVR-2	13	1		
Notch Filter	8	4		
ARN-147	19	1		
Main Mount Pneumatic Tire	18	4		
External Power Monitor	12	1		
RCU Battery	8	1		
TOTAL ADV PROC				

④ **DESCRIPTION:**
Airframe / CFE requirements are calcula ation liability b
procurement of long-lead parts and ma ry to protect

Finally, key information presented on the P-10 includes:

1. Production lead-time for the end item and each item to be financed by advance procurement.
2. Item quantities required for each end item assembly.
3. Forecasted contract award dates for each item.
4. Description of how termination liability is calculated.

The P-10 budget exhibit may also include a comparison of the cost of procuring the end items without using advance procurement.

The following hyperlink provides you with tips to think about when preparing the P-10 Budget Exhibit:

P-10 Preparation Tips

If you need help in downloading the Excel Spreadsheet, click here.

Knowledge Review

The following Knowledge Review is a True or False question. Select the best answer and feedback will immediately appear.
The P-1 is prepared at the Component headquarters level, with one exhibit for each separate procurement appropriation.

True
False

Correct!
The P-1 is prepared at the Component Headquarters level, with one exhibit for each separate procurement appropriation.

Knowledge Review

The following Knowledge Review is a multiple choice question. Only one answer is correct; select the best answer and feedback will immediately appear.
Which of the following information is not contained in the P-10 Budget Exhibit?

a. **Detail regarding the items to be financed by each Advance Procurement line item on the P-1.**
b. **Production lead-time for the end item and each item to be financed by advance procurement.**
c. **Forecasted contract award dates for each item.**
d. **Installation schedule and who will perform the installation.**

Correct!
The P-10 does not include the installation schedule and who will perform the installation. This information is contained in the P-3a Exhibit.

The following Knowledge Review is a matching question. Select a letter associated with the answers below and type that letter in the space next to the best corresponding phrase or statement. Then, select the Submit button and feedback will appear.

Match each of the four listed Budget Exhibit Forms with the appropriate description:

a. P-1
b. P-40
c. P-3a
d. P-10

1. **Narrative justification and total procurement costs for a line item in the procurement budget request.**
2. **Detail regarding the items to be financed by each Advance Procurement line item in the President's Budget Request.**
3. **Listing, by line item, of the procurement requirements in the President's Budget request for a specific appropriation.**
4. **Narrative justification and total procurement costs for each individual weapon system modification with costs greater than $5 million.**

Correct! The correct answers are: 1-b., 2-d., 3-a., 4-c. The P-1 exhibit provides a line item listing of the procurement requirements in the President's Budget request for a specific appropriation. The P-40 exhibit provides narrative justification and total procurement costs for a line item in the procurement budget request. The P-3a exhibit provides narrative justification and total procurement costs for each individual weapon system modification with costs greater than $5 million. The P-10 exhibit provides detail regarding the items to be financed by each Advance Procurement line item in the President's Budget Request.

P-21 Production Schedule Exhibit Overview

Detailed Monthly
Production Schedule
Information

Required for all
ACAT I Programs

P-21
Exhibit
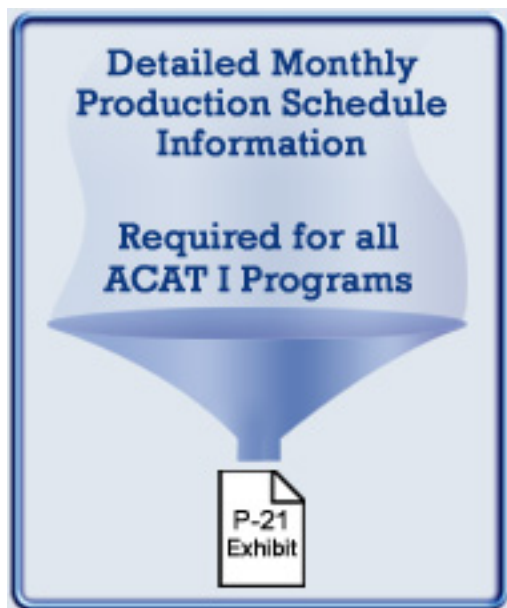
The P-21 provides detailed information regarding the monthly production of all applicable items. It is required for all ACAT I programs and any other programs requiring specific quantity authorization by Congress.

If multiple Services are involved, each with its own procurement line item for this item, each Service must submit a P-21 showing the delivery schedule for the entire program, including the other Services' deliveries as well as their own. Foreign Military Sales quantities should also be included. Key P-21 information is discussed on the following pages.

Select the following hyperlink to access a sample of a P-21 Production Schedule Budget Exhibit:
P-21 Sample

P-21 Excel Spreadsheet

If you need help in downloading the Excel Spreadsheet, click here.

P-21 Sample

SAMPLE FOR TRAINING PURPOSES ONLY

Exhibit P-21, PRODUCTION SCHEDULE
Aircraft Procurement, Air Force / Other Aircraft (BA-4)

P-1 ITEM NOMENCLATURE
F-999 (Impostor)

Date: February 2009

ITEM / MANUFACTURER / PROCUREMENT YEAR	SERV	PROC QTY	ACCEPT PRIOR TO 1 Oct	BALANCE DUE AS OF 1 Oct	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	LATER
F-999 AirVehicle / BB Aircraft Co./2011	F	4	0	4				1		1		1		1															0
F-999 AirVehicle / BB Aircraft Co./2012	F	6	0	6										1		1		1		1		1		1	0
TOTAL MONTHLY PRODUCTION	0	0	0	0	0	0	0	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0

MANUFACTURERS NAME & LOCATION	PRODUCTION RATES				PROCUREMENT LEAD TIME				REMARKS
	MINIMUM SUSTAIN	1/8/5	MAXIMUM	REACHED D-		ADMIN LEAD TIME	MANU-FACTURING TIME	TOTAL AFTER 1-Oct	
						PRIOR 1 OCT	AFTER 1 OCT		
BB Aircraft Co., Seattle, WA	4	8	24	3	INITIAL		6	38	44
					REORDER		0	38	38
					P-1 Shopping List Item No. 15				EXHIBIT P-21 Page 5 of 5 Pages

Key information provided on the P-21 includes:

1. Manufacturer's name and location for each year's production.
2. Delivery schedules (by Service) for all prior years with undelivered assets, current year, and the budget year(s). ACAT I programs and programs requesting advance procurement funding are also required to show schedules for the four years beyond the budget year(s).

Key information provided on the P-21 also includes:

1. Information regarding annual production rates, including the minimum quantity to keep the line open (minimum sustaining rate); the quantity that can be produced with existing or planned plant capacity and tooling with one shift working 8 hours per day, 5 days per week (1-8-5, or economical production rate); the maximum quantity that can be produced with existing or planned tooling (maximum production rate); and the number of months required to reach the maximum rate.
2. Time required to complete administrative actions prior to contract award (administrative leadtime).
3. Time required by contractor to produce an item once a contract is awarded (production leadtime or manufacturing time).

The following hyperlink provides you with tips to think about when preparing the P-21 Budget Exhibit:

P-21 Preparation Tips

If you need help in downloading the Excel Spreadsheet, click here.

The following Knowledge Review is a True or False question. Select the best answer and feedback will immediately appear.
Regardless of the number of services involved, each having its own procurement line item, only one P-21 showing the delivery schedule for the entire program is required.

True
False

Correct!
If multiple Services are involved, each having its own procurement line item for this main item, each Service must submit a P-21 showing the delivery schedule for the entire program.

P-5 Weapon System Cost Analysis Exhibit Overview
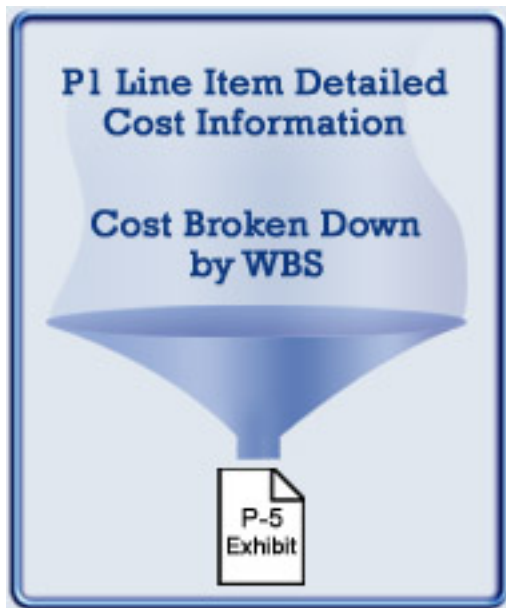
The P-5 provides detailed cost information for each P-1 line item (excluding Advance Procurement, modification programs, and aggregated line items), breaking down cost by program Work Breakdown Structure (WBS) elements. It is often viewed as the most important budget exhibit submitted for procurement programs since both OSD and Congress use it as the framework for line item review. The P-5 exhibit is prepared to support the P-40 exhibit unless the P-40 is supported by P-40a exhibits displaying items included in an aggregated line item, a P-3a Individual Modification exhibit, or a P-10 Advance Procurement Requirements Analysis exhibit. Key P-5 information is discussed on the following pages.

Select the following hyperlink to access a sample page of an P-5 Exhibit or select the Excel version:

[P-5 Sample](#)

[P-5 Excel Spreadsheet](#)

If you need help in downloading the Excel Spreadsheet, click [here](#).

P-5 Sample

P-5 Weapon System Cost Analysis Exhibit Key Information (1 of 2)

Key information provided on the P-5 includes:

1. Profile of quantities, total costs and unit costs (for flyaway cost elements only) by WBS element for the Past Year (PY), Current Year (CY), Budget Year 1 (BY1) and Budget Year 2 (BY2), as well as the totals for years prior to the Past Year. WBS elements shown on the P-5 differ by weapon system type and are addressed in the DoD Financial Management Regulation (FMR), DoD 7000.14-R, Volume 2B, Chapter 4.
2. Flyaway cost for each year's planned lot purchase. These costs are the source of the P-5a.
3. Advance procurement funding requested (also shown on weapon system's P-40 exhibit and justified on separate P-40 and P-10 exhibits).

Key information provided on the P-5 also includes:

1. Initial Spares funding requested (also shown on weapon system's P-40 exhibit and on P-40/P-40a exhibits supporting an aggregated spares line item).

The following hyperlink provides you with tips to think about when preparing the P-5 Budget Exhibit:

P-5 Preparation Tips

If you need help in downloading the Excel Spreadsheet, click here.

Knowledge Review

The following Knowledge Review is a multiple choice question. Only one answer is correct; select the best answer and feedback will immediately appear.
The P-5 Budget Exhibit provides detailed cost information in support of which of the following exhibits?

    a. **P-40 Budget Item Justification Sheet**
    b. **P-21 Procurement Program Exhibit**
    c. **P-3a Individual Modification Program Exhibit**
    d. **P-10 Advanced Procurement Requirements Analysis Exhibit**
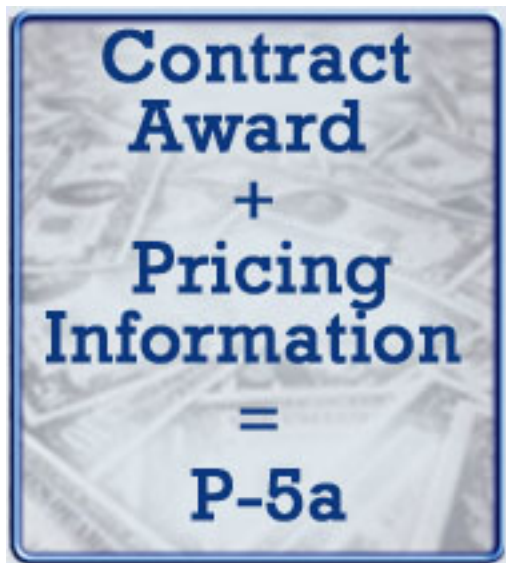
Correct!
The P-5 Budget Exhibit provides detailed cost information in support of the P-40 Budget Item Justification Sheet.

P-5a Procurement History and Planning Exhibit Overview

The P-5a provides detailed contract award and pricing information on the P-5 entries. The P-5a covers all prior years having contracts with undelivered assets and gives estimated contract award dates and prices for the Current Year and Budget Years 1 and 2. Key P-5a information is discussed on the following pages.

Select the following hyperlink to access a sample page of an P-5a Exhibit or select the Excel version:

P-5a Sample

P-5a Excel Spreadsheet

If you need help in downloading the Excel Spreadsheet, click here.

P-5a Sample

EXHIBIT P - 5a, PROCUREMENT HISTORY & PLANNING						DATE:		February 2009	

APPROPRIATION / BUDGET ACTIVITY/ ITEM NUMBER
Aircraft Procurement, Air Force / Other Aircraft (BA-4) Line Item 15

P-1 LINE ITEM NOMENCLATURE
F-999 (Impostor)

WBS COST ELEMENTS	Qty	Unit Cost	Location of PCO	RFP Issue Date	Contract Method & Type	Contractor and Location	Award Date	Date of First Delivery	Tech Data Available Now?	Date Revisions Available
FY 2010 Advance Procurement			NAVAIR		SS /FPI	BB Aircraft, Patuxent River, MD	Feb-10			
FY 2011 Airframe	4	66.107	NAVAIR		SS /FPI	BB Aircraft, Patuxent River, MD	Feb-11	Mar-13	Yes	
FY 2011 Engines	8	1.830	NAVAIR		SS /FPI	BB Aircraft, Patuxent River, MD	Jan-11	Aug-12	Yes	
FY 2011 Advance Procurement			NAVAIR		SS /FPI	BB Aircraft, Patuxent River, MD	Feb-11			

REMARKS

P-1 Shopping List Item No. 15	Exhibit P-5a, Procurement History and Planning Page 3 of 5 Pages

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P-5a Procurement History and Planning Exhibit Key Information

APPROPRIATION / BUDGET ACTIVITY/ITEM NUMBER
Aircraft Procure... ...ce / Other Aircraft (BA-4) ...n 15

P-1 LINE ITEM NOMENCLATURE
...9 (Im...r)

WBS COST ELEMENTS	Qty	Unit Cost	Location of PCO	RFP Issue Date	Contract Method & Type	Contractor and Location	Award Date	Date of First Delivery	Tech Data Available Now?	Date Revisions Available

Key information on the P-5a includes, for each applicable WBS element from the P-5:

1. Total quantity
2. Unit cost
3. Contract method (sole source, competitive) and contract type (Firm Fixed Price, Cost Plus Award Fee, etc.)
4. Contractor name
5. Contract award date
6. Date first item delivered to government
7. Status of technical data

The following hyperlink provides you with tips to think about when preparing the P-5a Budget Exhibit:
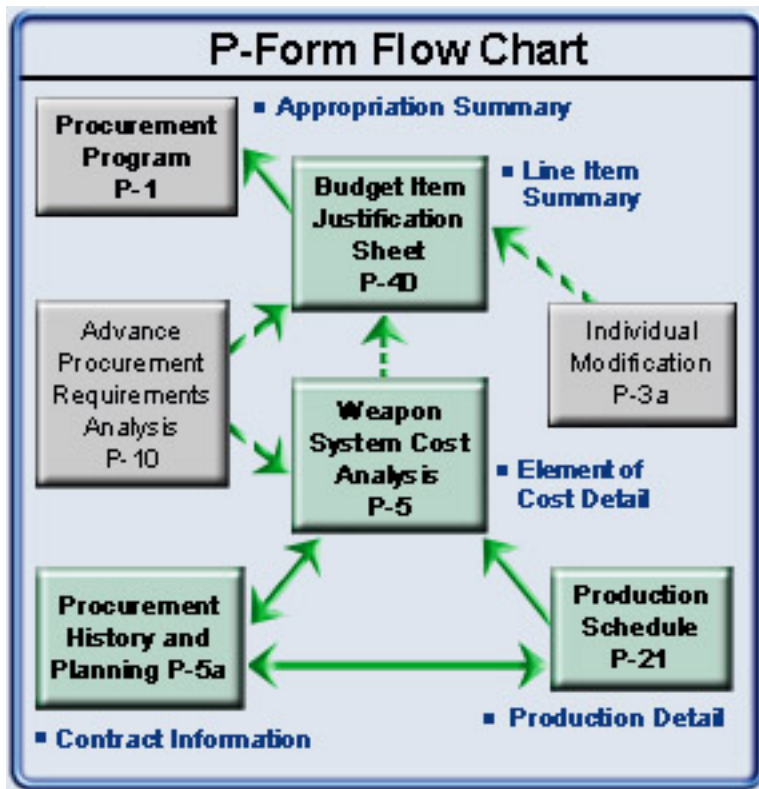
P-5a Preparation Tips

If you need help in downloading the Excel Spreadsheet, click here.

How Procurement Budget Exhibits Link Together

The P-5 budget exhibit provides detailed cost information in a Work Breakdown Structure format to support the budget request for a particular Procurement line item summarized on the P-40 budget exhibit. Advance procurement funding information shown on the P-5 should be consistent with that shown on the P-10 budget exhibit for the related Advance Procurement line item.

The P-5a budget exhibit provides information regarding major contract awards planned for a particular Procurement line item. The P-21 budget exhibit provides detail regarding the production and delivery of end items to be funded by the budget request for a Procurement line item. Some information items on the P-5, P-5a, and P-21 exhibits overlap and must be consistent between the exhibits.

Long Description
Depiction of the P-Form Flow Chart. The P-1 Procurement Program summarizes procurement requests at the appropriation level. The P-1 is supported by the P-40 Budget Item Justification Sheets that each summarize the budget requirements of the individual P-1 line items. The P-3a Individual Modification Program provides narrative information and procurement costs for individual weapon system modification. The P-10 Advance Procurement Requirements Analysis provides details on each advance procurement line item. Both the P-10 and P-3a support the P-40. The P-5 Weapon System Cost Analysis Exhibit supports the P-40 by providing detailed cost information for those P-1 line items not

otherwise supported by a P-3a or P-10. The P-21 Production Schedule and the P-5a Procurement History and Planning Exhibit support each other, and the P-5.

Knowledge Review

The following Knowledge Review is a multiple choice question. Only one answer is correct; select the best answer and feedback will immediately appear.
Which of the following budget exhibits listed below contains information about a modification kit that is to be installed on an end item?

> a. **P-1**
> b. **P-40**
> c. **P-5a**
> d. **P-3a**

Correct!
The P-3a Individual Modification Program exhibit contains information about a modification kit that is to be installed on an end item.

Knowledge Review

The following Knowledge Review is a True or False question. Select the best answer and feedback will immediately appear.
The P-21 contains information about annual production rates, including the minimum quantity to keep the line open, the maximum quantity that can be produced with existing or planned plant capacity and tooling, and the economical quantity that can be produced with one shift working 8 hours per day, 5 days per week.

True
False

Correct!
The P-21 contains information that includes the minimum, maximum, and economical (1 shift, 8-hours per day, 5 days per week) annual production rates.

Knowledge Review

The following Knowledge Review allows for multiple correct answers. Select all of the answers that are correct, then select the Submit button and feedback will appear.
Select each of the conditions below which would cause a P-5 Weapon System Cost Analysis exhibit to not be prepared in support of a P-40 Budget Item Justification exhibit.

a. **Advance Procurement funding is being requested and justified on a P-10 budget exhibit.**
b. **A P-40a exhibit has been prepared displaying the individual items included in an aggregated line item.**
c. **A P-5a exhibit showing major contract awards planned has already been prepared.**

d. **The P-40 is for a modification line item and is supported by a P-3a Individual Modification exhibit.**

Correct!
The correct answers are a, b, and d. A P-5 exhibit is prepared in support of a P-40 exhibit, unless a P-40a is used to display items included in an aggregated line item, a P-3a Individual Modification exhibit has been prepared for a modification line item, or a P-10 Advance Procurement Requirements Analysis exhibit has been prepared for an advance procurement line item.

Knowledge Review

The following Knowledge Review is a multiple choice question. Only one answer is correct; select the best answer and feedback will immediately appear.
Which one of the following is not an entry on the P-5a exhibit?

   a. **Contracting agency (location of PCO)**
   b. **Contract award date**
   c. **Date first item delivered to government**
   d. **Economical production rate**

Correct!
All of these data entries are shown on the P-5a exhibit except the economical production rate, which is shown on the P-21 exhibit.

Lesson Summary (1 of 2)

Congratulations! You have completed the Procurement Budget Exhibits Lesson. The following topics were discussed in this lesson:

- The P-1 is prepared at the Component headquarters level, with one exhibit for each separate procurement appropriation account. It lists, by line item, the procurement requirements included in the President's Budget request, in millions of dollars.
- The P-40 provides overall narrative justification and total procurement costs for a line item in the procurement budget request. A P-40 is submitted for each line item on the P-1 budget exhibit with funding of $5 million or more in any of the years shown on the P-1.
- The P-3a provides a narrative justification and total procurement costs for each individual weapon system modification with costs greater than $5 million.
- The P-10 provides detail for each Advance Procurement line item on the P-1, including when in the manufacturing process each advance procurement-funded item is required for incorporation into the end item.
- The P-21 provides detailed information regarding the production of all applicable items, including annual production rates and monthly production schedules. It is required for all ACAT I programs and any other programs requiring specific quantity authorization by Congress.

The following topics were also discussed in this lesson:

- The P-5 provides detailed cost information in support of a line item's budget justification exhibit (P-40) except when a P-40a, P-3a, or P-10 is more appropriate. The P-5 presents its cost information using an appropriate Work Breakdown Structure (WBS) for the program. It is often viewed as the most important budget exhibit submitted for procurement programs.
- The P-5a provides detailed contract award and pricing information on pertinent P-5 WBS elements for future contracts through the end of the second budget year and previously awarded contracts with undelivered assets.

This page completes the lesson. Select a lesson from the Table of Contents to continue.

Module Summary

Module Summary

Congratulations! You have completed the Budget Exhibits Module. The following topics were presented in the Introduction to Budget Exhibits Lesson:

- Types of budget exhibits and their purpose. Budget exhibits are prepared by the DoD Components to support requests for appropriations from Congress. Procurement and RDT&E budget exhibits "tell the story" about the programs. Well-prepared budget exhibits make the program much more defensible and reduce the chance of budget cuts.
- Roles and responsibilities of the players involved in preparing and reviewing budget exhibits.
    - Program offices may prepare their own budget exhibits or submit program information to a higher headquarters. They should ensure that all information is correct, provide adequate explanation of budget anomalies, and, if required, prepare properly completed exhibits that are consistent with one another.
    - Component staff budget analysts review budget exhibits, prepare exhibits that summarize the Component's budget request, and submit the Component's package of budget exhibits to OSD as part of the Program and Budget Review.
    - OSD Comptroller staff budget analysts review budget exhibits submitted with the Program and Budget Review, checking for completeness, consistency, and adequacy of the justifications provided and making adjustments as necessary to make the budget as efficient as practicable.

The following topics were presented in the RDT&E Budget Exhibits Lesson of this module:

- The R-1 exhibit is the basic document for presenting RDT&E requirements to Congress as supporting justification for the President's Budget request. The R-1 is prepared at the Component headquarters level, with one exhibit for each separate RDT&E appropriation account.
- The R-2 exhibit provides summary funding information, program description, and budget justification for each RDT&E program element. For program elements with more than one project, a similar form, the R-2a, is prepared for each project within that program element.
- The R-3 exhibit provides detailed cost for each project under a program element in budget activities 4, 5 and 7, with funding of $1 million or more in any budget year covered by the budget request. If a program element consists of only one project, then the R-3 is prepared for the entire program element. R-3s should be reconciled with the R-2a exhibits at the project level and with the R-2 at the program element level.

Other topics presented include:

- The R-4 exhibit provides a schematic display of major program milestones. This exhibit is required for each project in budget activities 4, 5 and 7, with funding of $1 million or more in any budget year covered by the budget request. If a program element consists of only one project, then the R-4 is prepared for the entire program element.
- The R-4a exhibit provides a tabular display of major program milestones. This exhibit is prepared whenever an R-4 is required and at the same level (program element or project) as the R-4.

The following topics were presented in the Procurement Budget Exhibits Lesson of this module:

- The P-1 is prepared at the Component headquarters level, with one exhibit for each separate procurement appropriation account. It lists, by line item, the procurement requirements included in the President's Budget request, in millions of dollars.
- The P-40 provides overall narrative justification and total procurement costs for a line item in the procurement budget request. A P-40 is submitted for each line item on the P-1 budget exhibit with funding of $5 million or more in any of the years shown on the P-1.
- The P-3a provides a narrative justification and total procurement costs for each individual weapon system modification with costs greater than $5 million.
- The P-10 provides detail for each Advance Procurement line item on the P-1, including when in the manufacturing process each advance procurement-funded item is required for incorporation into the end item.
- The P-21 provides detailed information regarding the production of all applicable items, including annual production rates and monthly production schedules. It is required for all ACAT I programs and any other programs requiring specific quantity authorization by Congress.

Finally, the following topics were also presented in this module:

- The P-5 provides detailed cost information in support of a line item's budget justification exhibit (P-40) except when a P-40a, P-3a, or P-10 is more appropriate. The P-5 presents its cost information using an appropriate Work Breakdown

Structure (WBS) for the program. It is often viewed as the most important budget exhibit submitted for procurement programs.

- The P-5a provides detailed contract award and pricing information on pertinent P-5 WBS elements for future contracts through the end of the second budget year and previously awarded contracts with undelivered assets.

This page completes the Module Summary. Select a lesson from the Table of Contents to continue.