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THESIS

LEARNING OBJECTIVES FOR
DEPARTMENT OF THE NAVY
ENTRY-LEVEL BUDGET ANALYSTS (SERIES GS-560)

by

Heidi H. Holfert

December 1991

Thesis Advisor:

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Learning Objectives for Department of the Navy
Entry-Level Budget Analysts (Series GS-560)

by

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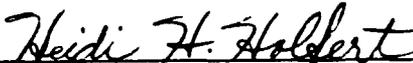
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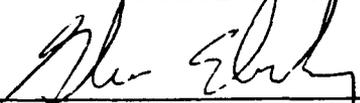
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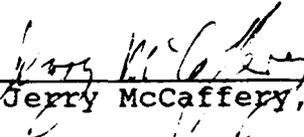


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ABSTRACT

This thesis identifies learning objectives which Department of the Navy (DoN) entry-level budget analysts should learn during their first year on the job in order to perform effectively and efficiently. It provides various demographics of budget analysts, including job requirements and the types and locations of assignments. A discussion of the Department of Defense financial management environment focuses on current and future trends which are or will be impacting budget analysts. In addition, training courses and programs that are currently available to DoN entry-level budget analysts are examined. The primary conclusion of this research was that there is a dire need for quality training of DoN entry-level budget analysts. Recommendations are offered on how the learning objectives identified by this study can be utilized to assist in the development of quality training courses, materials, and programs.



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I. INTRODUCTION

A. PURPOSE

The purpose of this research is to identify the specific learning objectives which Department of the Navy (DoN) entry-level budget analysts (GS-560 Series) must fulfill in order to perform their jobs efficiently and effectively. A survey of various DoN budget analysts was conducted to determine which learning objectives they felt were the most important for budget analysts to learn during their first year on the job.

Recent budget cuts, as well as the expected reduction in the future work force, have forced the Department of Defense (DoD) to take a serious look at its training and education practices. With decreased funding and a smaller work force, a strong training and education system will be essential in producing quality workers.

Presently there are two major DoD programs underway which highlight the importance of training and education for the future quality of the DoD work force, as well as for the economic benefits which derive from a quality work force. The first is the Total Quality Leadership (TQL) program which stresses continual improvement. W. Edwards Deming's Total Quality Management (TQM) philosophy, on which TQL is based,

engenders two fundamental concepts related to the purpose of this study in its "14 Points for Management":

Point 5: Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease costs.

Point 13: Institute a vigorous program of education and self-improvement. [Ref. 1:pp. 23,24]

Deming also emphasizes that quality "must be built in at the design stage" and continual improvement must involve input from all members of the organization, especially those directly involved with the actual work. [Ref. 2:p. 66] In support of this idea, the survey conducted for this research was distributed to budget analysts (because it was assumed that they know best what budget analysts do) to identify which learning objectives (a basic element in the design of training and education programs) they thought were most important.

The second DoD program that has been established is one that was initiated by the DoD Comptroller, Sean O'Keefe, to reform the training and education of DoD financial management personnel. As stated in the Management Plan for this program, "The purpose of this initiative is to create a management structure to ensure that education and training programs for members of the financial management community meet their needs effectively and efficiently." [Ref. 3:p. 4] The Plan goes on to delineate how the identification of learning objectives for entry-level budget analysts will help in changing the present system:

Changes in the way financial management education and training is done will rely on a firm analytic base. This base will outline the major functions and tasks of the financial management community at specific skill levels. The population in the community will be identified, surveyed, and analyzed to determine the level of skills and knowledge existing today. Training requirements will then be determined by comparing needs with what exists today. Those courses that do not meet clear needs or which needlessly overlap other offerings will be phased out of the system. Conversely, gaps and needed augmentations will be identified.... [Ref. 3:p. 5]

The importance of identifying learning objectives prior to the actual development of training material is emphasized once again in this statement from a working paper prepared by the Technology Working Group for the Symposium on Financial Management Education and Training:

All the visionary thinking, strategic directions, long-range planning, and high tech hardware are useless unless they can be transformed into a reliable, cost effective, and useful medium for training. In the Systems Approach to Training, that "useful medium for training"... is determined after a thorough front-end analysis of the course content, learner characteristics, learner objectives, and available resources. Financial Management will need to know more about what is going to be taught before choosing how best to deliver the instruction. [Ref. 4:p. 62]

To summarize, by identifying the learning objectives that are fundamental to entry-level budget analysts, this study will supply formulators with the building blocks for developing quality budget analysts, who will benefit the DoD in the long run through efficient and effective job performance.

B. OBJECTIVES

In conjunction with the purpose of this study, as mentioned above, the primary objectives of this research are to:

- define who, what, and where Navy budget analysts are
- determine current and future trends impacting the training needs of Navy entry-level budget analysts
- identify the learning objectives that are essential for DoN entry-level budget analysts to perform their jobs effectively and efficiently
- recommend how the specified objectives can be utilized to enhance DoD and DoN training and education of entry-level budget analysts.

C. RESEARCH QUESTIONS

This research will focus on one primary question: What are the learning objectives that are necessary for DoN entry-level budget analysts to perform their jobs efficiently and effectively?

In order to answer this question and explore applications of this topic, the following subsidiary questions will also be explored:

- Which job skills and required knowledge are generic to all DoN budget analysts?
- In order to perform efficiently and effectively, which job skills and knowledge are necessary for DoN budget analysts to learn during their first year on the job?
- Which types of training (in-house and other) are utilized most for DoN entry-level budget analysts?

- What are the education and experience levels of newly hired DoN budget analysts?

D. SCOPE, LIMITATIONS, AND ASSUMPTIONS

1. Scope

This study focuses on specifying learning objectives that are necessary for entry-level DoN budget analysts to learn. **Learning objectives** have been selected as the focal point of this research because the Navy has no list of common learning objectives for budget analysts. Such a list will be needed as a starting point for conducting the changes in training programs and education courses that will be required by the DoD Comptroller's plan. The learning objectives identified in this study are intended to be generic; they are not meant to be specific to any particular type of command or budget analyst job. Available training programs and courses will not be the emphasis here, since they have already been identified in other research [Refs. 5,6,7].

Due to the variety and number of DoD personnel that could be addressed in this research, it was necessary to narrow the scope down to **DoN entry-level budget analysts**. Budget analysts were selected as the target group because they constitute a substantial portion of financial management personnel. The field of study was further limited by looking

only at Navy Department (including the Marine Corps)¹ budget analysts, since their required job skills and knowledge differ significantly from those of the other services. Entry-level budget analysts have been focused on because training is most important and least available at the entry level. Training and education at the entry level sets the stage for the success of future development.

2. Limitations

There were two principal limitations on this research effort, both of which apply to the survey responses. The first limitation involved the characteristics of the respondents. Although the survey included demographic questions, it did not inquire about a person's age, race, gender, or level of the activity at which he/she worked. Other unknown factors may also have been unaccounted for. As a result, the findings of the study may not be representative of the population of budget analysts.

An additional limitation on this study was the variety of Navy commands and personnel surveyed. Major differences exist in the types of commands, as well as in the various ways in which each command operates. Also, since the questionnaire was to be distributed to budget analysts, supervisors, and comptrollers, some respondents may have never actually served

¹Use of the term "Navy" throughout this text will imply the DoN, and will thus include both Navy and Marine Corps personnel, unless stated otherwise.

as budget analysts. Because of these factors and because neither the DoD nor the Navy have standardized training programs for all budget analysts², the results of the questionnaire represent a diversity of perspectives on this issue.

3. Assumptions

In carrying out this research, two basic assumptions were made: 1) there are skills and knowledge that are common to all DoN entry-level budget analysts and 2) certain of these skills and pieces of knowledge are necessary for efficient and effective job performance.

E. RESEARCH METHODOLOGY

1. Literature Review

The initial step in gathering information on the research topic was a thorough review of pertinent literature. The first document that was reviewed was a thesis written by Dean Kiyohara, entitled Financial Management Training for Navy Ashore Commands [Ref. 5]. Kiyohara provided an in-depth look at Navy financial management training and education, and recommended further research related to the training of Navy budget analysts.

²The DoN does sponsor a training program for select budget analysts, accountants, and auditors called the Centralized Financial Management Trainee Program. However, this program is not structured solely for budget analysts and not all budget analysts are eligible to participate in it.

Additional background information was accumulated from magazine and periodical articles, working papers for the Financial Management Education and Training Initiatives Symposium, and specific documents directly associated with the DoD Comptroller's reform program. Literature utilized in the development of the questionnaire included books on designing surveys, DoD and Office of Personnel Management (OPM) course catalogs, and various course texts and objectives.

2. Interviews

Personal interviews were conducted to help in focusing the scope of the thesis, to assist in developing the survey format and specific learning objectives included in the survey, and to obtain a realistic perspective on the current situation for budget analysts. A personal interview with Prof. John Keller of the Defense Resources Management Education Center (DRMEC) provided the background and current status of the DoD Financial Management Education and Training Initiative [Ref. 8]. In addition, numerous interviews were conducted with deputy comptrollers, budget officers, and budget analysts [Refs. 9-18]. By talking with various levels of budget personnel, a more accurate overall picture of the actual training issues was provided. To minimize travel costs, personal interviews were conducted at a variety of local commands.

Phone interviews were generally utilized to request background information and to clarify and supplement data collected through the survey. One such interview with Mr. Bob Ryan, Director of the Navy Comptroller Program Management Office (NAVCOMPTPMO), was especially beneficial [Ref. 19]. Mr. Ryan substantiated the need for this research and strongly encouraged this type of study to assist his Office in providing the best possible training for Navy financial managers.

3. Survey Questionnaire

The primary source of data collected for this study was a questionnaire (Appendix A), which was mailed or hand carried to a predetermined assortment of Navy commands employing various levels of budget analysts. The survey was conducted mainly to identify the learning objectives which are necessary for budget analysts to learn during their first year on the job. It also questioned personnel on their levels of education and experience, and present and prior training sources. Response to the questionnaire was over fifty-five percent (120 out of 213 sent).

F. ORGANIZATION OF THESIS

1. Background

In order to understand the group that is the main focus of this study, this chapter begins with an overview of the demographics of Navy budget analysts--who, what, and where

they are. This is followed by a look at the financial management environment, including current and future trends affecting financial management training and education. This section also covers currently available training; specifically, courses, in-house training, and the DoN Centralized Financial Management Trainee Program (CFMTP).

2. Survey Methodology and Results

This chapter discusses in detail the methodology used in the development and distribution of the questionnaire. It also presents the specific results of the survey. Results are provided in actual numbers and percentages, and comments and recommendations from respondents are included.

3. Conclusions and Recommendations

Based on the background information gathered and the results of the survey, this final chapter integrates the findings of this study to reach conclusions and make specific recommendations. Discussions focus on the need for quality training, and how the learning objectives identified by this study can be utilized to provide this training. The specific recommendations suggest future development of training and education courses, written material, and programs, and other applications for entry-level DoN budget analysts. To conclude, further areas of research are proposed.

4. Appendix A

Appendix A provides a copy of the cover letter and questionnaire that were distributed to gather the data for this study.

5. Appendix B

Appendix B identifies the duties of GS-5, 7, and 9 (entry-level) budget analysts as established by the OPM Position-Classification Standard for Budget Analysis Series GS-560.

6. Appendix C

Appendix C is a list of primary and ancillary budget courses sorted by level and DoD component. It also includes a key to the table.

7. Appendix D

Appendix D provides the specific answers to question #8 of the questionnaire, which asked: During your first year as a budget analyst, what training/resources were not available to you that you wish had been?

8. Appendix E

Appendix E identifies the budget terms which survey respondents recommended should be added to those listed in the questionnaire.

9. Appendix F

Appendix F lists the learning objectives, terms, and reports/forms that were identified through the survey as being the most important for budget analysts to learn during their first year on the job.

II. BACKGROUND

This chapter offers an in-depth look at budget analysts and the environment in which they operate. The first half of this section describes the Navy budget analyst. It provides various demographics, describes the job (including related knowledge and abilities required of budget analysts), and identifies the types and locations of the assignments. The second half discusses the DoD financial management environment, including current and future trends which are or will be impacting budget analysts. This discussion also covers training courses and programs that are currently available to DoN entry-level budget analysts.

A. NAVY BUDGET ANALYSTS

1. Demographics

Navy budget analysts, as discussed in this study, constitute only one of the three positions which make up the Budget Analysis Series GS-560 (as classified by the Office of Personnel Management). Budget officers and budget examiners are also included in this Series. Most available demographic information regarding budget analysts applies to the entire GS-560 Series and is broken down only by DoD component. Therefore, the statistics cited in this study will refer to

all DoN (Navy and Marine Corps) personnel in the GS-560 Series, unless otherwise indicated.

Although a small number of personnel involved in budget analysis are military officers, by far the majority are civilians. Therefore, any mention of budget analysts in this study will imply those civilians in the GS-560 Series, as discussed above.

a. Number of Budget Analysts

As a group, budget analysts make up a large portion of the DoD financial management work force. According to the Defense Manpower Data Center (DMDC), there are 9087 DoD budget analysts. This represents almost one-third of all financial management personnel (500 - 599 Series) and approximately 13 percent of the professional/administrative positions in the financial/resource management community. Of this number, 2993 (one-third of all budget analysts) work for the Department of the Navy. [Ref. 6:p. 10]

b. Grades

Although the lowest grade for budget analysts is GS-5, they hold positions up to and including the GS/GM-15 level. Nearly three-quarters of budget analysts fall into the middle four grades of this range. Specifically, 72 percent make up the grades from GS-9 to GS/GM-12, while only 18 percent are included in the GS/GM grades 13 to 15, and a mere 10 percent fall within the GS-5 to 8 range. [Ref. 20:p. 1015].

Newly hired budget analysts may start at the GS-5, 7, or 9 level, depending on their previous education and experience.

c. Education

Overall, Navy budget analysts are well educated. Over one-third of them hold a bachelor's degree or higher. The education levels of DoN budget analysts are very similar to those of DoD financial management personnel and DoD budget analysts, in general [Ref. 6:p. 17, Ref. 21:p. 1]. The following table shows a comparison of the education levels of budget analysts working for the three service departments and for DoD as a whole [Ref. 21:p. 1]:

| <u>Education</u> | <u>DoD (#/%)</u> | <u>DoN (#/%)</u> | <u>Army(#/%)</u> | <u>AF (#/%)</u> |
|------------------|------------------|------------------|------------------|-----------------|
| HS+ | 5798/63.8 | 2068/64.5 | 2525/66.0 | 1030/61.1 |
| BA/BS+ | 2550/28.1 | 906/28.2 | 1047/27.4 | 480/28.5 |
| MA/MS+ | 686/ 7.5 | 218/ 6.8 | 222/ 5.8 | 171/10.1 |

In addition, the survey conducted for this study disclosed that well over three-fourths of those who have taken at least some college level courses majored in business or business-related fields (e.g., accounting, business/public administration, finance, economics, financial management).

d. Experience

Navy budget analysts have a great deal of government work experience. The largest percentage--over 70 percent--has more than 10 years of service, and the average

length of service is 16 years. The following provides a detailed breakdown of the number of years Navy budget analysts have served in government:

| <u>Length of Service</u> | <u>#</u> | <u>%</u> |
|--------------------------|----------|----------|
| < 5 Years | 237 | 7.4 |
| 5-10 | 690 | 21.5 |
| 11-20 | 1312 | 40.9 |
| 21-30 | 792 | 24.7 |
| > 30 | 177 | 5.5 |

Comparative statistics for Army, Air Force, and DoD (total) budget analysts are much the same, with the largest percentage of personnel in the 11 to 20 year range. However, compared to DoN personnel these groups all have slightly higher average years of service. [Ref. 21:p. 1]

The above statistics indicate total length of government service. The survey conducted for this study looked specifically at the number of years people had been employed as budget analysts. Sixty percent of respondents had more than five years of experience as budget analysts.¹ The survey also showed that many budget analysts have held other financial management-related government jobs, primarily as accounting technicians and budget assistants.

¹These results may have been skewed due to the fact that the majority of the respondents were at the GS-11 level or above.

e. Age

Navy budget analysts exemplify the trend in the aging of the U.S. population. "Baby boomers" now make up the largest percentage of the population, which is directly reflected in the average age of DoN budget analysts: 42.7 years. The following table shows the various age groups of budget analysts employed by DoN [Ref. 21:p. 1]:

| <u>Age</u> | <u>#</u> | <u>%</u> |
|------------|----------|----------|
| < 31 | 338 | 10.5 |
| 31-40 | 1066 | 33.2 |
| 41-50 | 1145 | 35.7 |
| 51-60 | 575 | 17.9 |
| > 60 | 84 | 2.6 |

f. Gender and Minority Makeup

By far the majority of budget analysts are female. Navy budget analysts, much like the total DoD budget analyst population, are represented by 73 percent women and only 27 percent men. This same general ratio of females to males is mirrored in the minority population of budget analysts where 75 percent of minorities are female and 25 percent are male. Overall, minorities hold approximately 23 percent of all Navy budget analyst positions. This is similar to the minority makeup of the entire American labor force. [Ref. 21:p. 1]

2. Job Description

The DoD categorizes budget analysts as a subgroup of the "Professional/Administrative Positions" (vice its other major category "Technician/Clerical Positions"). This seems to indicate that budget analyst positions require at least a relatively high level of knowledge, skills, and analytical abilities. Although these attributes are often associated with management-level work, in fact, budget analysts hold both supervisory and nonsupervisory positions. Those budget analysts who meet the OPM criteria for evaluation as supervisors are called Supervisory Budget Analysts. According to a Navy-wide Summary of GS/GM Civilian Employees, approximately 15 percent of all DoN budget analysts are in a supervisory position [Ref. 20:p. 1015].

A more precise definition of what budget analysts do is offered by the OPM, which describes the Budget Analysis Series GS-560 as including

all positions the paramount duties of which are to perform, advise on, or supervise work in any of the phases or systems of budget administration in use in the Federal service, when such work also primarily requires knowledge and skill in the application of related laws, regulations, policies, precedents, methods and techniques of budgeting [Ref. 22:p. 1].

A better understanding of the role of budget analysts can be gained by reviewing the required "Knowledges and Abilities for 560 Budget Analysts," as identified by the Career Structures Working Group [Ref. 6:p. G-22]:

Knowledges for 560 Budget Analysts

Knowledge of budget formulation and associated documents (e.g., schedules, exhibits, program guidance).

Knowledge of budget execution phases (e.g., obligations, commitments, disbursements, unobligated balances, outlays).

Knowledge of budget analysis techniques (e.g., validation and identification of trends, resource requirements and fund availability comparison and reconciliation).

Knowledge of legislative limitations, ceilings, floors, targets, and special interest items.

Knowledge of interrelationships between and uses of budget programs, appropriations, and funds (e.g., operating, investment, revolving).

Knowledge of the interrelationship between resource requirements (e.g., manpower, dollars, materiel) and budgeting in support of mission accomplishment.

Knowledge of the interrelationship between financial and manpower programs (e.g., manpower authorizations vs budget restrictions).

Knowledge of alternative methods, sources, and timing required to develop budget formulation and execution strategies (e.g., obligation plans, reprogramming).

Knowledge of evaluation factors (e.g., workload, personnel requirements, performance factors) and techniques (e.g., comparison of planned vs actual performance, historical trends) for assessing program accomplishments.

Knowledge of the concept of single year appropriations and their characteristics, uses, applications, and structure.

Knowledge of the concept of multiyear appropriations and their characteristics, uses, applications, and structure.

Knowledge of the concept of revolving funds and their characteristics, uses, applications, and structure.

Abilities for 560 Budget Analysts

Ability to review and analyze budget calls, approved programs, and directives from higher headquarters.

Ability to accurately forecast and interpret trends of program performance.

The knowledge and abilities required of entry-level budget analysts naturally are less than those included in the broad listing above. The OPM "Position-Classification Standard for Budget Analysis Series GS-560" [Ref. 22] provides specific duties and knowledge required of budget analysts at various GS levels. In order for the reader to better understand what is required of an entry-level budget analyst, the duties for GS-5, 7, and 9 budget analysts are listed in Appendix B.

3. Types and Locations of Assignments

Budget analysts are assigned to a vast array of DoN shore commands located throughout the world. They are employed by a wide range of operational and administrative commands, including air stations, naval stations, submarine bases, staff commands, shipyards, hospitals, training commands/service schools, supply centers, and a variety of equivalent Marine Corps commands. In terms of types of financial management activities, the aforementioned Navy commands can be categorized as belonging to basically one of two distinct levels, fund administrating and headquarters. At the fund administrating level, there are Resource Management

System (RMS) activities, which are funded by Operation and Maintenance, Navy (O&M,N) appropriations (e.g., air stations, naval stations, submarine bases, hospitals) and non-RMS activities. The non-RMS activities operate with revolving and procurement funds and include Navy Industrial Fund (NIF), Navy Stock Fund (NSF), and procurement (e.g., systems commands) activities. The headquarters level is comprised of the staffs of type commanders, claimants, and the Navy Comptroller (NAVCOMPT). Therefore, Navy budget analysts are represented in nearly all types of DoN financial management activities, as well as throughout the Navy shore community.

Budget analysts work throughout the world. The majority of them are employed in 35 of the 50 states--including Hawaii and Alaska--and the District of Columbia. They are also located in nine U.S. territories and foreign countries, such as Puerto Rico, Great Britain, Italy, Japan, and Guam. [Ref. 20]

B. THE FINANCIAL MANAGEMENT ENVIRONMENT

1. Current and Future Trends

a. Budget and Personnel Cuts

Certainly one of the strongest forces impacting decision-making in the DoD today is the drastic cuts in federal funding implemented by Congress in the last two fiscal years. In An Analysis of the President's Budgetary Proposals for Fiscal Year 1992, the Congressional Budget Office predicts

that by 1995 defense budget authority will have undergone a real decline of 22 percent as compared with 1990. Of this, the O&M appropriation, which funds training and the salaries of civilian personnel, including budget analysts, is due to decrease by \$68 billion (in real dollars)--a reduction of 26 percent. In conjunction with these budget cuts, a cutback in personnel is also projected. Between fiscal years 1990 and 1995, civilian manpower is expected to decrease by 12 percent. [Ref. 23:pp. 68,69] This reduction trend is expected to continue indefinitely. Congress regards the defense budget as a panacea for the country's economic woes, and continues to seek the potential benefits of the "peace dividend" by calling for even further cuts in defense.

b. Centralization and Standardization

Faced with such a sharp decline in its budget, the DoD has instituted two major changes to increase efficiency and effectiveness within the DoD financial management community. The central themes of both of these are centralization and standardization. The first of these changes, instituted by Defense Management Report Decision (DMRD) 912, was the formation of the Defense Finance and Accounting Service (DFAS) in January 1991. The purpose of DFAS was to form a single organization for defense finance and accounting. By consolidating the finance and accounting organizations of the separate services into one, DFAS hopes to realize a significant cost savings by utilizing common data

elements, terms, procedures, and systems; improving data exchange; producing economies of scale; ending duplication of effort; and standardizing training.

The second change established by the DoD is the Financial Management Education and Training Initiative, a direct result of DMRD 985, which asked the question, "What can be done to provide more, and more effective, financial management education and training with greater efficiency?" [Ref. 24:p. 1]. The Management Plan for the initiative discusses the objective of this program and the importance of standardization in fulfilling this objective:

Financial management, as a support activity, ... has a direct obligation to make itself more efficient and effective. A major way of achieving this objective is to standardize, whenever practicable, financial management systems and procedures across the Department. Standardizations themselves should yield economies as well as provide the basis for judicious consolidations and resultant gains through reduced overhead and other "economies to scale." [Ref. 3:p. 4]

Consistent with the DoD Comptroller's Charter (DoD Directive 5118.3), DMRD 985 "centralizes oversight responsibility" for the implementation of the Financial Management Education and Training Initiative with the DoD Comptroller. The formulators of DMRD 985 believe that "economies can be achieved through centralizing the management of this function and moving to increasing use of innovative, and more cost effective instructional delivery systems." [Ref. 24:p. 1] Once again, as with the formation of DFAS, the key elements of increasing efficiency and effectiveness in the

DoD financial management community are centralization and standardization.

c. Changes in How DoD Conducts Business

As of October 1, 1991 DoD began operation of the Defense Business Operations Fund (DBOF). This fund involves many new concepts for DoD financial management. The primary concepts are unit costing and reimbursability. Unit costing deals with measuring the costs incurred at an activity or within a function based on the output of the activity or function. Total cost is based on the cost per unit of output and the amount of output. Reimbursability refers to the idea of putting funds in the hands of the consumers, and not the providers, as is currently most often the case. Those activities providing the services and materials (the providers) charge the activities receiving the benefit of those services and materials (the customers) for the actual costs incurred.

The concepts of unit costing and reimbursability underlie the four basic principles of the DBOF. The first principle is that decisions on specifications and the level of performance required of a support organization (the provider) should be made by the customer of the organization. The second is that prices will include all costs, direct and indirect. The third is that differences in cost of the various levels of support should be reflected in

prices charged to customers. The final principle of the DBOF is that provider activities must meet unit cost goals.

Another major change that is taking place in DoD financial management is the elimination of the "M" account. Starting in fiscal year 1992, the "M" account will no longer be utilized for new accounts. Accounts which expired prior to this time will continue to be paid out of existing "M" account funds for the next two years. [Ref. 15] Formerly, the "M" account provided a holding account for lapsed appropriations which had outstanding obligations. As a result of the elimination of the "M" account, expired outstanding obligations will be canceled after five years. Additionally, detailed expired appropriation accounting records will have to be maintained for five vice two years, as was previously required. Accordingly, the work imposed by this requirement will more than double the already heavy workload.

What do these changes mean for DoD financial management, and for budget analysts, in particular? Basically, they mean that more detailed cost accounting will be required as a result of more reimbursables and billings. Likewise, more accounting transactions will take place. Because activities will be held more financially accountable for their costs, greater accuracy will also be essential. Specifically, for budget analysts this means that budget submissions will no longer call for a wish list of funding

requirements. Since funding will be based on the number of work units produced by an activity, budget analysts will have to be able to accurately determine the number of work units to ensure that their commands receive the full amount of funding to which they are entitled. This again will require more work, and it will have to be quality work. But the more will have to be done with less--less money and less personnel.

d. Work Force 2000

The work force of the future will differ in many ways from that of today. Changes are projected in the gender and minority makeup, as well as in the average age, of workers. The Hudson Institute's study, Workforce 2000, Work and Workers for the 21st Century, Executive Summary, identifies five demographic shifts (transitions) as the most important:

- 1) Population and workforce will grow more slowly than at any time since the 1930's. Slow growth rates will tend to slow down the nation's economic expansion, shift economy toward luxury goods and services, and may tighten labor markets.
- 2) Average age of the population and the workforce will rise, and the pool of younger workers entering the labor market will shrink. Average age of the workforce will climb from 36 today to 39 by 2000. Companies that have grown large by hiring large numbers of flexible, lower-paid young workers will find the supply low in the 1990's.
- 3) More women will enter the workforce. By the year 2000, almost two-thirds of those entering the workforce will be women. Even though they will be entering higher-paying professional and technical fields, women will still be concentrated in jobs that traditionally pay less than men's jobs.

- 4) Minorities will be a larger share of new entrants into the labor force. Approximately 29 percent of the new entrants to the workforce by 2000 will be non-whites.
- 5) Immigrants will represent the largest share of the increases in the population and the workforce since the first World War. Throughout the rest of this century, over half a million legal and illegal immigrants are projected to enter the United States each year. [Ref. 26:p. K-1]

2. Currently Available Training

a. Courses

There are numerous classroom and self-study courses available to budget analysts within the DoD. However, few are offered through the Navy. Out of 61 DoD budget courses identified by the Career Structures Working Group, only 14 (23 percent) are Navy offerings [Ref. 6:pp. 152-153]. Of these 14, two are not open to civilians [Ref. 27: Section III]. Three are also taught as correspondence courses: Principles of Navy Budgeting, Introduction to Navy Financial Management and Accounting, and Introduction to the Navy Industrial Fund.² A correspondence-only course, Financial Management in the Navy, is also available. The Independent Study Working Group has recommended three of these four Navy self-study courses to be developed as DoD-wide courses: Principles of Navy Budgeting, Introduction to the Navy Industrial Fund, and Financial Management in the Navy

²According to Mr. Tom Steinberg, Deputy Director of the Navy Comptroller Program Office (NAVCOMPTPMO), the Introduction to the Navy Industrial Fund course has been suspended until the DFAS has defined the DBOF and its impact [Ref. 28].

[Ref. 26:p. 24]. All four of these correspondence courses are categorized as entry-level by the DoN.

Several different organizations sponsor the courses that are available to Navy budget analysts. These include the Navy Comptroller Program Management Office (NAVCOMPTPMO), the Naval Education and Training Program Management Support Activity (NETPMSA), the Office of Personnel Management (OPM), the DoN Program Information Center (DONPIC), the Fiscal Director of the Marine Corps, and the Defense Resources Management Education Center (DRMEC). Courses offered by the OPM are open to all federal (civilian and military), state, and local government employees.

All entry-level courses are offered by the first three organizations mentioned above. Although the Navy provides the least total number of budget courses out of the three services, it offers the most entry-level budget courses, classroom and self-study. Of the 61 budget courses previously referred to, the Career Structures Working Group classifies only two as entry-level: Introduction to Navy Financial Management and Accounting and Introduction to the Navy Industrial Fund³ [Ref. 6:p. 152]. Both of these are Navy. The OPM also offers entry-level courses in Federal Budgeting, Budget Formulation, Budget Execution, Writing Effective Budget Justifications, and Federal Appropriations Law. In addition

³The correspondence-only course is not included in this list, and the Career Structures Working Group has categorized Principles of Budgeting as a level 3 (Journeyman) course.

to budget courses, the OPM also conducts courses in computer, communication (oral and written), analytic, and quantitative skills, which are also beneficial to entry-level budget analysts.

The following table provides an overview of the Navy entry-level budget courses that are presently available [Refs. 6,26,27,29]. The P/X heading refers to whether the course is considered to be a primary (P) budget course or an ancillary (X) one, providing budget-related information but not focusing solely on budgeting.

| <u>Course Title</u> | <u>Length</u> | <u>P/X</u> | <u>Classroom/ Self-study</u> | <u>Sponsor</u> |
|---|---------------|------------|----------------------------------|----------------|
| Intro to Fed Budgeting | 4 days | P | classroom | OPM |
| Budget Formulation | 4 days | P | classroom | OPM |
| Budget Execution | 4 days | P | classroom | OPM |
| Fed Appropriations Law | 3 days | P | classroom | OPM |
| Writing Effective Budget Justifications | 4 days | P | classroom | OPM |
| Prin of Navy Budgeting | 4 days | P | both | NAVCOMPTPMO |
| Intro to Navy Financial Management & Acctg | 4 days | X | both | NAVCOMPTPMO |
| Financial Management in the Navy | 11 mo. | X | self-study | NETPMSA |

A complete listing of all Navy, Army, and Air Force budget courses--including course number, course title, DoD component, course level, course length, primary/ancillary identification for various financial management categories, and the page number of the course in the Financial Management Training and

Education Catalog--is provided in Appendix C. The OPM 1992 Annual Catalog of Training Courses [Ref. 29] provides information on available budget, budget-related, and other courses that are beneficial to budget analysts.

The cost of these courses varies. Budget courses offered by the OPM range from \$350 to \$400. Courses in computer, communication, analytic, and quantitative skills cost between \$100 and \$500 (Most classes are \$100 per day, with the majority lasting one to five days) [Ref. 29]. The other organizations do not currently charge students; however, this is likely to change with the introduction of the DBOF and unit costing. Available data shows that the unit cost is \$65 and \$50 per student for the NAVCOMPTPMO and NETPMSA courses, respectively [Ref. 26:pp. G-3 - G-24].

One of the major goals of the DoD Financial Management Training and Education Initiative is to consolidate as many courses as possible within and among the various services. Specifically related to entry-level budget courses is a Career Structures Working Group recommendation to "review the basic budget training courses to determine if some consolidation is feasible for personnel at the headquarters and major command levels." [Ref. 6:p. 285] Consolidations such as these can assist in bringing together the best available course information, which, in turn, can help meet the need for standardization, financial savings, and quality training material.

b. In-House Training

In-house training is often preferred by activities because it is relatively inexpensive compared to courses and training provided outside the command. The minor dollar output involved is primarily for the reoccurring costs of materials related to training (e.g., printed information, pens/pencils, chalk) and, in some cases, start-up costs (e.g., facilities, furniture, equipment). The real costs of in-house training are the time and personnel required. A command must be totally committed to its in-house training program in order to make it successful. It must be willing to consistently allot time out of the regular work schedule and excuse personnel from their normal duties to accomplish training objectives. Most commands are not willing to do this. The results of the survey conducted for this study bear this out: during their first year as budget analysts, 95 percent of the respondents were trained through OJT (which requires the least time, if any, away from the job), while only 43 percent attended formal classroom courses (which require the most time away from the job). Personal interviews with local activity personnel suggest that the current situation is no different.

In-house training programs vary in the degree to which they are structured. They can be very structured, providing formal classes taught by command personnel; semi-structured, like command performance qualification standards (PQS) programs; or completely unstructured, as is on-the-job

training. Some in-house training programs incorporate a variety of these. However, the most popular by far is OJT. When listed separately from in-house training as a type of training received, OJT was selected by nearly 95 percent of the respondents of the survey conducted for this study. The obvious minimal command commitment in dollars, time, and personnel required for OJT is the reason for its popularity. As a result, OJT has become the major form of training for entry-level personnel.

Training budget analysts on the job sometimes involves cross-training. Since the job of a budget analyst is made easier by knowing and understanding the workings of various aspects of financial management, many of the budget analysts interviewed for this study recommended that cross-training be part of the budget analyst's training. Some of those interviewed advised that this occur during the first year and others said "wait till later." [Refs. 9,10,13,17,18]

Because OJT is so widely used to train budget analysts, it is important for personnel to have sources of information that they can consult. Of course, co-workers and supervisors are usually the most accessible and easiest to get information from. In fact, the results of the survey conducted for this study indicate that co-workers and supervisors are especially valuable to entry-level budget analysts. Three-quarters of the respondents claimed that co-workers and supervisors were very helpful during their first

year as a budget analyst; only eight percent said that they were not helpful.

Other sources of information are primarily written materials, including desk guides, Standard Operating Procedures (SOPs), instructions, regulations, and manuals. Desk guides and SOPs are normally developed by the individual activities, whereas instructions, regulations, and manuals can be initiated by individual commands or, as is most often the case, by higher level organizations, such as the NAVCOMPT and the DoD. The most common and useful of these written materials appears to be the NAVCOMPT Budget Guidance Manual. Almost 80 percent of the respondents of the survey conducted for this study indicated that it was presently available to them, and over 85 percent of them said that it was either very or somewhat helpful during their first year as a budget analyst. This same survey also suggests that desk guides and SOPs, which require the time and effort of individual activities, are notably absent from many commands. Less than one-third of the respondents identified desk guides or SOPs as being currently available to them.

c. DoN Centralized Financial Management Trainee Program

The DoN Centralized Financial Management Trainee Program (CFMTP) is an entry-level program which provides structured training for prospective financial management personnel. It is

... a two-year program in which college-caliber personnel are centrally hired as Budget Analysts, Accountants and Auditors. ... Trainees may be selected from Office of Personnel Management registers, Merit Promotion vacancy announcements, upward mobility, referrals, and priority placement programs. Trainees are officially assigned to the Navy Comptroller Program Management Office, Pensacola FL, but are stationed at various Navy and Marine Corps "homeport" activities throughout the continental United States, Hawaii and Guam. [Ref. 30: cover page]

According to Kendall Ruse, the CFMTP Program Manager, the main purpose of this program is "to recruit and groom financial managers." [Ref. 31] The program is designed for high quality people; therefore, those selected must have at least a bachelor's degree (those hired as budget analysts may substitute 36 months of field-related experience in lieu of the degree) [Ref. 32]. Personnel enter the program at the GS-5 or 7 levels, depending on their experience and potential.

The training involved in CFMTP emphasizes cross series training, a broad range of work experience, and academic training [Ref. 33:p. 2]. The DoN clearly regards cross-training as one of the most important elements in the training of entry-level financial managers. Bob Ryan, Director of the NAVCOMPTPMO, explains:

The first two years of employment is the prime time to have broad job experiences. Trainees have an opportunity to see what areas they are interested in, and management can see where their strengths lie. Specifically, cross series training is important because of the interdependence of accounting and budgeting. The more a person understands of the world of financial management, the better the manager (s)he will be. [Ref. 32]

The CFMTP also requires completion of specific courses. The CFMTP Procedures Manual states that "trainees

may pursue courses through classes or self-study, and classes may be taken through OPM, the Consolidated Civilian Personnel Office (CCPO), private vendors, or local colleges." The specific required courses listed in the Manual are:

- The three DoN Financial Management Entry-Level Courses:
 - Introduction to Navy Financial Management and Accounting
 - Principles of Navy Budgeting
 - Introduction to Navy Industrial Fund
- A job-related Computer Software Course
- A course in written communication. Recommend that such course focus on preparation of reports, writing for the Navy, technical writing, or other study which enhances trainee's actual writing skills
- A course in oral communication. Recommend that such course focus on preparation of oral presentations, including displays and exhibits, briefing techniques, or other study which enhances trainee's actual oral communication skills
- Quantitative Analysis or Statistics course (Required for Budget Analysts only)

Additional courses are also recommended or identified as desirable, including Accounting for Budget Analysts.

[Ref. 30:pp. V-1, V-2] It is obvious from this list that in addition to basic budget knowledge, the DoN considers computer, written/oral communication, and analytical skills essential in establishing a firm foundation in the budget analyst's education.

The CFMTP is not a widely utilized program. It hires only 70 new trainees each year and has an annual end strength of 129 trainees at over 70 DoN activities

[Ref. 6:p. 85]. The survey results for this study support

this assumption; only 13 percent of respondents indicated that they were presently or had previously been a trainee in the CFMTP. Since this program is primarily aimed at developing personnel with upper management potential, its goal is to fill only 50 percent of annual job openings with graduates of the CFMTP. However, due to funding limitations, the actual yearly figure is closer to 35 or 40 percent. [Ref. 32]

C. CONCLUSION

Numerous economic and operational changes are currently taking place within the DoD financial management community, and more are expected. These changes are occurring very rapidly, some due to uncontrollable factors. Many of these changes--the DoD centralization and standardization efforts, the introduction of the DBOF and unit costing, and the elimination of the "M" account--involve much more work than before. Unfortunately, the budget and personnel cuts prevent the increase in funding and workers needed to make these transitions easier. The fact is that more is going to have to be done with less.

Because of their large numbers, their pervasiveness, and the nature of their work, budget analysts--and specifically their performance--have a significant impact on the success of DoD financial management. On the average, budget analysts are well educated and have substantial work experience. However, the future work force will not provide them with the numbers

the future work force will not provide them with the numbers or quality needed to increase (let alone maintain) the level of work required by the changes in DoD financial management. It is, therefore, mandatory that the training and education of budget analysts become a major priority for the DoD and the Navy. Quality courses and training programs can greatly influence the quality of an employee's performance. In order for this training to be most effective, it should start at the beginning of the budget analyst's career--at the entry level. Thus, the success of the changes being implemented by the DoD will largely depend on the provision of quality training to entry-level budget analysts.

III. SURVEY METHODOLOGY AND RESULTS

A. METHODOLOGY

Prior to conducting the research for the development of the survey, several sources were consulted to identify the variables which would be most important in conducting effective interviews and in constructing a valid questionnaire. Information regarding proper interviewing techniques suggested starting with a few questions which could be expanded on, informing interviewees that they would remain anonymous (when possible), taping the interview, and adding as much as possible to the interview notes as soon as the interview was over. In the development of a valid questionnaire, major topics included proper survey format, population sampling, effective wording of questions, and length of the survey.

In order to get a better understanding of the real life situation for DoN budget analysts, the first step in the construction of the survey was to conduct personal interviews with people who could offer different perspectives (as a result of direct and indirect knowledge) about the training and education of budget analysts. One interview was with a GS-11 budget analyst working for the Naval Postgraduate School (NPS) Comptroller Department. She was questioned primarily about the types of training and knowledge that she thought

were the most important to entry-level budget analysts.

[Ref. 34] Another interview was with Prof. John Keller of the Defense Resources Management Education Center (DRMEC).

Prof. Keller, who is one of the primary individuals responsible for carrying out the DRMEC's role in the DoD Financial Management Training and Education Initiative, summarized the background and current status of the Initiative. He also provided an overview of the present and future financial management environment, and the subsequent need for the development and improvement of DoD training and education. [Ref. 8] In addition, an interview was conducted with the NPS Comptroller to get his ideas on the training of budget analysts [Ref. 35].

The second step of the survey formulation was to gather specific information regarding budget analyst training at Navy commands. Personal interviews were conducted with the personnel of the comptroller departments of four San Francisco Bay Area activities: NAS Moffett Field, NAS Alameda, Naval Supply Center Oakland, and Mare Island Naval Shipyard (a NIF activity). Ten DoN employees of varying levels and responsibilities were interviewed, including two deputy comptrollers, two budget officers, and six budget analysts ranging from the GS-7 to the GS-11 level [Refs. 9-18]. The specific questions addressed to these personnel were as follows:

- What are the education and experience backgrounds of incoming budget analysts?
- Does this command/department have an in-house training program?
- Are desk guides available for budget analysts?
- What types of general training do entry-level budget analysts need?
- Which courses (classroom and self-study) are available to entry-level budget analysts? How effective are they?
- Do you think cross-training is important for entry-level budget analysts? If so, with which sections, departments, and activities?
- Which documents and budget exhibits must entry-level budget analysts know how to work with?

Developing a sample survey was the third step. This involved reducing the list of skills and knowledge requirements that had been collected. This was done to narrow the scope of learning objectives, terms, and reports/forms from those that applied to all budget analysts to those that pertained more to entry-level budget analysts. The sources of this information were the personal interviews discussed previously, course books for Principles of Navy Budgeting and Introduction to Navy Financial Management and Accounting, the OPM course catalog, and the list of learning objectives for the Practical Comptrollership Course (PCC) offered at the NPS [Refs. 9-18,36,37,29,38]. The PCC objectives were the major source of the learning objectives used in the survey, since they were the most detailed and encompassing of those related to the work of budget analysts. Because the purpose of this

research was to identify learning objectives that applied to all entry-level budget analysts, the objectives developed for the survey attempted to be generic and not specific to any particular type of budget analyst job.

Once the pertinent information was identified, the survey was drafted and divided into four sections. The first section requested background data focusing on personal education, experience, and training. The second section listed numerous learning objectives and instructed respondents to check those which they thought were necessary for budget analysts to learn during their first year in the job. The third section included a list of budget terms and reports/forms, and again requested responses based on what should be learned during the first year. (It was decided that in order to establish a reasonable time frame for respondents to refer to, the focus should be on the first year in the job.) Throughout sections II and III space was provided for respondents to add learning objectives, terms, and reports/forms that they thought were important but that had not been listed. The fourth and final section offered space for additional comments or recommendations.

After the sample survey was completed, it was reviewed and critiqued by the NPS Comptroller, an NPS budget analyst, and the PCC instructor. Recommended changes were then made and a final version of the survey was printed.

The fourth and last step in the survey process involved the distribution of the questionnaires. A computer listing of all Navy commands with 560 series budget analysts was obtained from the Office of Civilian Personnel Management [Ref. 20]. From this list, 72 activities were selected, representing a diversity of types and locations. They included six naval stations, five submarine bases, 15 air stations, four supply centers, four shipyards, three hospitals, three public works centers, and a variety of other commands.

Once the commands were identified, three surveys were mailed to each (three commands were sent two surveys because they only had two budget analysts). So that a broad mix of perspectives could be obtained, each activity was asked to have the questionnaires completed by: (1) a junior budget analyst, (2) a budget analyst's supervisor, and (3) a budget officer or comptroller. A cover letter (Appendix A) was also enclosed explaining the purpose of the questionnaire and requesting the correct distribution of the three copies. The total number of surveys mailed was 213.

B. RESULTS OF THE SURVEY

Of the 213 questionnaires sent out, 120 were returned. This represents over a 55 percent response rate. In general, the surveys were completed properly, except for a few which were left with one or two unanswered questions in Section I. This explains the irregular totals in some cases.

Approximately 80 percent of the responses came from three types of activities: RMS, NIF, and major/sub claimant. Of those who responded, 84 percent identified themselves as members of the Budget Analysis Series GS-560 (budget analysts or budget officers). The majority of the others held comptroller or financial management positions. The distribution of the respondents' grades was fairly similar to that of the general population; however, the survey distribution had a larger percentage in the upper level. None of the respondents was below the GS-6 level. The middle grades (GS-9 through GS-12) accounted for nearly 60 percent of those who responded, and the upper grades (GM-13 and above) for slightly less than one-third. The education levels of respondents also generally corresponded to those of the population. In accordance with the higher average grade level of the respondents, the sampled group had a greater percentage of college graduates (bachelor's degree or above).

The comments and recommendations offered by respondents provided some helpful insights regarding the training of DoN entry-level budget analysts. On-the-job training and accounting and computer experience or knowledge were often mentioned as essential to effective job performance. Overall, the comments seemed to identify one primary deficiency in the training of entry-level budget analysts: some sort of structured training, whether provided through courses,

in-house programs, or written sources of information (e.g., desk guides, SOPs).

The following is a presentation of the exact results of the questionnaire. The actual number and associated percentage (in parenthesis) of responses for each choice is given.

Section I: Background Data

The following questions were answered as recorded:

1. At what type of activity do you work?

35 (29%) NIF Activity
32 (27%) Major/Sub Claimant
30 (25%) RMS Activity
7 (6%) FIPC/AAA
0 (0%) NSF (Navy Stock Fund) Activity
11 (9%) Other (please specify):
 3 (3%) MIF (Naval Ship Systems Engineering Station)
 2 (2%) Health care service
 2 (2%) Fund Administrator
 2 (2%) Marine Corps Procurement
 1 (1%) NAS
 1 (1%) Type Commander

2. What is your job title and grade?

Job Title:

52 (43%) Budget Analyst
21 (18%) Supervisory Budget Analyst
21 (18%) Budget Officer
5 (4%) Comptroller
4 (3%) Budget Assistant
4 (3%) Financial Manager
3 (3%) Deputy Comptroller
2 (2%) Senior Budget Analyst
2 (2%) GS-560

The following each had one (1) response: Financial Management Officer, Branch Head, Director of Financial Management, Budget Officer/Deputy Comptroller, Budget/Accounting Officer.

Grade:

2 (2%) GS-6
5 (4%) GS-7
26 (22%) GS-9
24 (20%) GS-11
18 (15%) GS-12
20 (17%) GM-13
10 (8%) GM-14
2 (2%) GM-15
2 (2%) SES
3 (3%) O-5 (military)

3. How many years experience do you have as a budget analyst? (Please include budgeting experience only, not accounting or any other area.)

3 (3%) less than 1 year
25 (21%) 1-3 years
17 (14%) 3-5 years
73 (61%) more than 5 years

4. What is your educational background?

0 (0%) some high school
11 (9%) high school diploma
36 (30%) some college level courses
15 (13%) two-year college degree
29 (24%) four-year college degree
29 (24%) graduate courses or above

5. If you have had college level courses or have a college degree, what was your major area of study?

| | |
|---|-----------------------------------|
| <u>38</u> (32%) Accounting | <u>3</u> (3%) History |
| <u>34</u> (28%) Business/Business Admin/ Business Management | <u>3</u> (3%) English |
| <u>6</u> (5%) Finance | <u>2</u> (2%) Computer Science |
| <u>6</u> (5%) Education | <u>2</u> (2%) Management |
| <u>5</u> (4%) Financial Management | <u>2</u> (2%) Pre-Law |
| <u>4</u> (3%) Economics | <u>2</u> (2%) Psychology |
| <u>4</u> (3%) Social Sciences | <u>2</u> (2%) General |

The following each had one (1) response: Banking and Insurance, Public Administration, Human Resources Management, Math, Human Relations and Organizational Behavior, Chemistry, Engineering, Health and Science, Medical, Social Work, Home Economics.

6. What government job experience did you have prior to becoming a budget analyst?

| | Average No. of Years |
|---|-------------------------|
| <u>9</u> (8%) accounting clerk | <u>2.7</u> |
| <u>48</u> (40%) accounting technician | <u>5.6</u> |
| <u>34</u> (28%) budget assistant | <u>2.7</u> |
| <u>12</u> (10%) none | |
| <u>73</u> (61%) other (please specify): | <u>5.8</u> |
| <u>9</u> (8%) clerk typist | |
| <u>7</u> (6%) accountant | |
| <u>7</u> (6%) management analyst | |
| <u>6</u> (5%) budget clerk | |
| <u>6</u> (5%) payroll clerk | |
| <u>6</u> (5%) admin/clerical | |
| <u>5</u> (4%) admin officer | |
| <u>3</u> (3%) auditor | |
| <u>3</u> (3%) supply clerk | |

The following each had one (1) response:
 assistant budget officer, personnel clerk,
 claims representative, logistics and fund
 administrator, summer intern, key punch
 operator, support service supervisor, supply,
 claims authorizer, purchasing agent, supply
 cataloger, program support assistant,
 facilities assistant, housing manager, NAF,
 voucher examiner, naval officer, program
 analyst, statistical clerk, shipyard
 production department, peripheral equipment
 operator.

7. What type(s) of training did you receive during your first year as a budget analyst?

114 (95%) on-the-job training (OJT)
35 (29%) in-house training (training provided by your activity)
29 (24%) correspondence courses
2 (2%) none
51 (43%) DOD/Navy formal courses (officially conducted classroom courses) Please list:
19 (16%) Budget Formulation
17 (14%) Budget Execution
10 (8%) Principles of Navy Budgeting
7 (6%) Introduction to the Navy Industrial Fund
5 (4%) Practical Comptrollership Course
4 (3%) Internal Review (NAVCOMPT)
3 (3%) The Federal Budget Process (OPM)
3 (3%) OPM financial courses
2 (2%) Navy Accounting & Budgeting

- 2 (2%) DoN Planning & Management Systems
- 2 (2%) Accounting (NAVCOMPT)
- 2 (2%) Shore Activity Accounting & Budgeting
- 2 (2%) NIF Manager's Course (note: one person said that (s)he had taken it too early to benefit)

The following each had one (1) response:
 Advanced Budget Analysis, Justifications, Cost Center Budgeting, NAVCOMPT Trainee requirements, Army Materiel Command Intern Program, Data Collection Analysis (OPM), PPBS, Sub-claimancy budget package training (COMNAVLOGPAC), Medical terminology, WordPerfect 5.1, levels 1 & 2 DBASE III, supervisor management training, Funds Administration, SSGS Planning Process, Financial Management and Accounting, Writing Plain English in Government Correspondence, Introduction to Federal Financial Management.

- 10 (8%) other (please specify):
 - 3 (3%) Computer software
 - 2 (2%) Principles of Accounting

The following each had one (1) response:
 in-house training by peers, Professional Development Institute ASMC, Transportation Management School, Professional Military Comptroller School, Introduction to ADP, budget seminars.

8. During your first year as a budget analyst, what training/resources were not available to you that you wish had been?

The majority of the respondents identified budget and budget-related courses as the training they wish they had had during their first year in the job. Several comments were also made regarding skills training and written sources of information that would have helped them in the actual performance of their jobs (e.g., preparing budget justifications, budget presentation, desk guides, and SOPs). See Appendix D for specific answers.

9. Which of the following sources of information are presently available to you?

- 107 (89%) co-workers/supervisors
- 95 (79%) NAVCOMPT Budget Guidance Manual
- 38 (32%) standard operating procedures (SOPs)
- 32 (27%) desk guides
- 1 (1%) none of the above
- 22 (18%) other (please specify):
 - 3 (3%) DoD Budget Guidance Manual
 - 2 (2%) guidance and budgets from previous years
 - 2 (2%) former employees of the activity
 - 2 (2%) BUMED Budget Manual
 - 2 (2%) NAVSEA Instruction 7670.1

The following each had one (1) response: headquarter and field personnel, NAVCOMPT Manual (Vol. 2,3,5,7), GAO decisions, NAVFAC guidance, IDAFMS System, other TYCOM budget officers, governing regulations, PCC book, COMNAVAIRLANT instructions, NIF Manual, DoD/NAVCOMPT directives/instructions, major/sub claimant instructions, MCRs/Vas, sponsors.

10. How helpful was each of the above sources of information during your first year as a budget analyst?

| | <u>very helpful</u> | <u>somewhat helpful</u> | <u>not helpful</u> |
|------------------------|---------------------|-------------------------|--------------------|
| desk guides | <u>14</u> (12%) | <u>17</u> (14%) | <u>3</u> (3%) |
| SOPs | <u>17</u> (14%) | <u>18</u> (15%) | <u>6</u> (5%) |
| Budget Guidance Manual | <u>36</u> (30%) | <u>47</u> (39%) | <u>10</u> (8%) |
| co-workers/supervisors | <u>92</u> (77%) | <u>18</u> (15%) | <u>9</u> (8%) |
| other | <u>12</u> (10%) | <u>5</u> (4%) | <u>0</u> (0%) |

Note (1): Those who did not check one of the above three choices either checked "NA" or did not check any choice.

Note (2): The data for this question may be skewed, since the answers indicated that some respondents had answered the question correctly, while others answered only for those sources which they had selected in question #9.

11. Are you presently or were you previously a trainee in the DON Centralized Financial Management Trainee Program?

104 (87%) no
15 (13%) yes

Note: Two people indicated that they had been trained through other programs (the NAVSEASYS COM Budget Analyst Trainee Program and the NAVSUP Intern Development Program (Financial)).

Section II: Learning Objectives

This section was introduced with the following information and instructions:

Listed below are learning objectives which may be important for entry-level budget analysts to know. These objectives are meant to be generic and not to be specific to any particular type of budget analyst job. Keeping this in mind, please check those learning objectives which you think are necessary for budget analysts to learn during their first year in the job. (The objectives listed are not necessarily all-inclusive; please add any that you feel should be included.)

GENERAL BACKGROUND INFORMATION

97 (81%) Know applicable accounting terms and acronyms
110 (92%) Understand the basic accounting concepts and procedures which are related to budget formulation
103 (86%) Be able to demonstrate basic computer skills and use command software
53 (44%) Demonstrate writing skills sufficient to write instructions, letters, messages, and Interservice Support Agreements
85 (71%) Be able to effectively communicate orally, including discussing and exchanging information in a professional manner (e.g., to explain and summarize the reasons for changes in funding needs or expenditures for specific line items in the budget)
104 (87%) Know the organizational structure, mission, functions, policies, and regulations of your activity
99 (83%) Be familiar with applicable budgetary regulations
52 (43%) Be able to prepare budget data for Financial and Operating Statements

- 45 (38%) Be familiar with the revolving fund concept
- 30 (25%) Understand that MWR activities are placed in different categories and that the level of appropriated funding support is limited depending upon the nature of the activities contained in each category
- 75 (63%) Differentiate between appropriated and non-appropriated fund support

Support Agreements and Reimbursables:

- Be able to differentiate between the following:
 - 49 (41%) intraservice and interservice support
 - 33 (28%) common and cross service
 - 62 (52%) host, supporting, and tenant activity
 - 28 (23%) common, joint, and sole-use facility
 - 100 (83%) a Project Order and an Economy Act Order (work request)
- 33 (28%) Understand the primary rules regulating Interservice Support Agreements
- 29 (24%) Know the primary references for Interservice Support Agreements
- 85 (71%) Describe what reimbursable accounting is and how it works
- 62 (52%) Understand the accounting problems associated with reimbursables
- 92 (77%) Know what a Request for Contractual Procurement (RCP) is and how it differs from a Project or Economy Act Order

Commercial Activities (CA) and Efficiency Review Programs:

- 41 (34%) Be familiar with the general requirements of OMB Circular A-76
- 24 (20%) Know the reasons for retaining government operation of CA functions
- 27 (23%) Describe the purposes of the Efficiency Review Program
- 21 (18%) Understand potential problem areas associated with utilizing commercial activities

Civilian Personnel:

- Be able to differentiate between the following:
 - 75 (63%) career, career-conditional, term, and temporary appointments
 - 75 (63%) a time card and a labor distribution card
- 90 (75%) Identify direct, fringe, and other civilian personnel costs

- 55 (46%) Describe how acceleration works with respect to reimbursable civilian labor cost distribution
- 77 (64%) Understand the significance of civilian payroll costs with respect to the size of an activity's budget
- 82 (68%) Describe the Managing to Payroll (MTP) concept
- 74 (62%) Be familiar with budget execution problems associated with the application of Managing to Payroll (MTP)

Financial Management Organization:

- 72 (60%) Understand the basic organization of the Department of Defense and the Department of the Navy
- 13 (11%) State the general duties assigned to: OP-08, OP-80, OP-82/NCB
- 28 (23%) Understand the differences between and the responsibilities of Resource, Appropriation, and Assessment Sponsors
- 26 (22%) Understand the duties of the Defense Finance & Accounting Service (DFAS)
- 106 (88%) Understand the typical comptroller department organization and general responsibilities of each division, including those of the comptroller
- 68 (57%) Be familiar with a Navy financial manager's primary responsibilities
- 54 (45%) Be familiar with the significant challenges facing today's Navy financial managers

Comptroller's Role in Facilities Management:

- 42 (35%) Differentiate between a public works department and a public works center
- 34 (28%) Identify the different appropriations related to public works operations
- 34 (28%) List examples of public works O&M,N subfunctional categories
- 79 (66%) Be familiar with Maintenance of Real Property (MRP) and Minor Construction limitations
- 22 (18%) Understand the purpose of the annual inspection summary
- 39 (33%) Describe how to prepare for mid-year and end-of-year release funds with respect to public works
- 58 (48%) Understand the importance of facilities management funding with respect to its portion of an activity's operating budget

Suggestions for additional General Background Information learning objectives:

- Some basic statistical skills would be helpful, i.e., converting data to graphs and charts for upper management use.
- More information specifically related to NIF.
- Understand various types of contracts, i.e., firm fixed, indefinite quantity, requirements, etc.
- NAVCOMPT's role in relationship to the various budget cycles.
- Sound understanding of Principles of Accounting
- Pitfalls of the comptroller role.
- Understand concept and options for Retirement System (FERS).
- What CONs (Customer Order Numbers) are and their functional purpose.
- Be familiar with all types of funding documents, developmental and processing.
- Service contracts (maintenance).

GENERAL ACCOUNTING KNOWLEDGE

- Be able to differentiate between the following:
- 86 (72%) liquidated and unliquidated obligations
 - 75 (63%) an undelivered order and an outstanding obligation
 - 55 (46%) undistributed and unmatched disbursements/transfers
 - 99 (83%) obligation, commitment, initiation, and expenditure
 - 74 (62%) expense and expenditure
 - 65 (54%) accounts payable and accounts receivable
 - 70 (58%) obligational, accrual and cost accounting

 - 51 (43%) Understand the significance of undistributed and unmatched disbursements/transfers with respect to the accuracy of accounting reports
 - 88 (73%) Understand the significance of large amounts of outstanding obligations or undelivered orders with respect to effective utilization of funds
 - 36 (30%) Understand the concept of fluctuating outlay levels from fiscal year to fiscal year
 - 98 (82%) Know why outstanding obligations should be validated
 - 57 (48%) Describe what the Navy Accounting Classification Spread is used for and its key elements
 - 92 (77%) Describe what job order numbers are, and what they are used for
 - 55 (46%) Be familiar with the potential problem areas associated with job order accounting

- 46 (38%) Be familiar with how to overcome potential accounting code input problems
- 56 (47%) Be familiar with the overall structure of Navy General Ledger Accounting
- 98 (82%) Know how to analyze and evaluate progress of budgeted vs. actual expenditures

Suggestions for additional General Accounting Knowledge learning objectives:

- Know how to review for trends in obligations.
- Do hands-on training.
- Work with job orders.
- Awareness of how accounting knowledge aids a budget analyst.
- Understand what a billing is.
- Orient personnel to be cognizant of the fact that unauthorized commitments flow through the accounting system and they must be identified before adverse results are experienced.
- Understand STARS and accounting reports and resources.
- Knowledge of P3006.
- Have additional computer systems knowledge.

APPROPRIATIONS

- Be able to differentiate between the following:
- 109 (91%) commitments, obligations and expenditures
 - 67 (56%) expense and investment appropriations
 - 54 (45%) fully and incrementally funded appropriations
 - 34 (28%) regular, supplemental, and deficiency appropriations
 - 85 (71%) expired and lapsed appropriations
 - 92 (77%) annual, multiple year, and continuing appropriations
 - 56 (47%) open and closed appropriation accounts
 - 114 (95%) Define fiscal year and its duration
 - 61 (51%) Understand what a Successor "M" Account is used for
 - 51 (43%) Understand the significance of allowing funds to lapse into the "M" account.
 - 71 (59%) Know the three limits of appropriations: time, money, purpose
 - 82 (68%) Understand what the following appropriations are used for: O&MN, MPN, RDT&E, APN, WPN, SCN, OPN and MC,N
 - 61 (51%) Know the difference between reprogramming and transferring, and the restrictions of each

- 91 (76%) Know the time limits of obligational and expenditure availability periods
- 80 (67%) Know the expense/investment criteria for OPN funding
- 52 (43%) Know the circumstances under which activities may knowingly overobligate total obligational authority (TOA)
- 52 (43%) Understand what must be done when obligational authority expires
- 86 (72%) Understand the provisions of Title 31, Sections 1301 and 1517, and the penalties for violations of it
- 75 (63%) Be familiar with the major causes of Title 31 (1517) violations

Suggestions for additional Appropriations learning objectives:

- More NIF-specific information.
- Understand NIF appropriation.
- Understand fund control processes needed to prevent 1517.

Note: Several people indicated that learning objectives regarding the "M" account were no longer appropriate, since it was being phased out.

BUDGET FORMULATION

Be able to differentiate between the following:

- 94 (78%) a budget call and a budget request
- 53 (44%) programming and traditional budgeting
- 39 (33%) centralized and decentralized control
- 69 (58%) fixed, variable, controllable, and non-controllable costs

- 90 (75%) Understand what a budget base represents
- 33 (28%) Be familiar with factors involved with padding budget requests
- 96 (80%) Know the necessary elements in formulating a budget
- 42 (35%) Be familiar with shore activity spending areas
- 72 (60%) State the fiscal years of financial data that are usually included in a budget request
- 72 (60%) Know the elements of a budget call to cost centers
- 41 (34%) Understand the separate nature of an OPN/IPE budget call/request
- 63 (53%) State three reasons for preparing a budget
- 83 (69%) Understand what the budget formulation process incorporates

- 62 (52%) Be able to identify the key figures in the budget process and understand their assigned roles (e.g., NAVCOMPT, AO, major/sub claimant, FAA, cost center)
- 50 (42%) Identify the characteristics of a good budget call
- 27 (23%) Be able to list the three possible approaches utilized by fund administering activities in formulating activity budget calls
- 70 (58%) Trace the path the budget follows as it is being developed
- 65 (54%) Be familiar with the biennial budget concept
- 55 (46%) Understand the purpose of a supplemental budget
- 75 (63%) Be able to discuss the importance of unfunded requirements submissions and the techniques utilized in successful funding of requirements
- 26 (22%) Describe budget incrementalism
- 84 (70%) Understand the formulation and administration of the command budget

Suggestions for additional Budget Formulation learning objectives:

- Be actively involved in the formulation process.
- Understand problems associated with and techniques for overcoming problems with budget submissions, i.e., timeliness, accuracy, completeness, etc.
- Understand the differences between NIF budgeting and O&M,N.
- Describe DoD/DoN phases of the budget process.
- Define basic budget concepts and terminology.
- Know key DoN directives/instructions that provide budget guidance.
- Explain the 3 budget cycles.
- Know the time frames associated with various cycles.

BUDGET REVIEW

- 69 (58%) Differentiate between a mark and a reclama
- 43 (36%) Know how to prepare an effective reclama
- 78 (65%) Understand the purpose of the Navy budget review process
- 32 (27%) Describe what NAVCOMPT focuses on when it conducts budget review hearings
- 34 (28%) Understand and be able to describe the NAVCOMPT and OSD-OMB budget review process
- 44 (37%) Understand what happens during the Apportionment Review Process and the purpose of the review
- 22 (18%) Know when NAVCOMPT determines the amount of funds that are to be held in reserve or deferred

- 95 (79%) Understand the significance of Mid-Year Review and preparation required on the part of an activity comptroller
- 56 (47%) Know when the President submits his budget to Congress

Suggestions for additional Budget Review learning objectives:

- Ability to articulate in writing and verbally what programs are about and why programs are increasing and decreasing.
- Know command structure and fixed costs.
- Be a participant in a budget review.
- Follow up all marks and reclaims with higher authority.
- Know the basics of how to brief budgets at all levels.
- Explain the elements of a good budget.
- Know the complete Budget Review Cycle (from NAVCOMPT to the President's budget).

THE PLANNING, PROGRAMMING, AND BUDGETING SYSTEM (PPBS)

- 28 (23%) Describe the ways in which Navy resources can be divided, including major programs, program elements, appropriations, pillars, and Naval Warfare Tasks.
- 46 (38%) Know what the three main phases of the Federal Resource Allocation Process are: executive formulation, congressional action, budget execution
- 65 (54%) Describe what the Planning, Programming and Budgeting System (PPBS) is, how it works, and how it affects the budget formulation process
- 29 (24%) Be familiar with the four ways Navy financial resources are managed
- 28 (23%) Understand what a Resource Allocation Display (RAD) is used for
- 84 (70%) Understand the purpose of the Program Objectives Memorandum (POM)
- 69 (58%) Know how many years the Navy POM covers
- 59 (49%) Know what POM Issue Papers are used for
- 46 (38%) Know the kinds of information usually provided in a POM Issue Paper
- 33 (28%) Understand the standards of writing a good POM Issue Paper

Suggestions for additional PPBS learning objectives:

- Talk and coordinate with program sponsors on POM issues.
- Know the time frames associated with various aspects of PPBS.
- Understand the purpose of the planning and budgeting phases.
- Understand the program sponsor's role in the programming and budgeting phases.
- Define end game.
- Understand that much of what can be learned depends on where you are logistically in the organization. This understanding should come from working in a program office or at NAVCOMPT where there's main involvement.
- PPBS is important to know but the training given in regard to this is boring. Update the training!

BUDGET EXECUTION

- Be able to differentiate between the following:
- 93 (78%) an allotment, an operating budget and an OPTAR
 - 85 (71%) direct and indirect funding
 - 77 (64%) new and total obligational authority
 - 52 (43%) a responsible office and an administering office

 - 49 (41%) Know the Navy Appropriation key players and their responsibilities (e.g., NAVCOMPT, AO, FAA, NRFC, FIPC/AAA)
 - 51 (43%) Know when a fund administering activity (FAA) receives obligational authority and when a Comptroller knows the "bottom line" funding wise, for a particular fiscal year
 - 33 (28%) Describe what an FAA spending plan is
 - 45 (38%) Describe the flow of funds from the President to the cost center
 - 40 (33%) Know how annual and multi-year appropriations are apportioned
 - 10 (8%) Know the purpose of a Treasury issued warrant
 - 52 (43%) Understand the importance of passing obligational authority in writing
 - 52 (43%) Understand why appropriated funds are apportioned
 - 30 (25%) Be familiar with methods to deal successfully with a FIPC
 - 30 (25%) Be familiar with the flow of financial information in the Navy accounting system, including FRS and CERPS
 - 32 (27%) Describe the IDA flow of financial information
 - 32 (27%) Be familiar with the problems associated with IDA and the FIPC environment

- 49 (41%) Understand the significance of large balances in the Suspense Account
- 40 (33%) Be familiar with the Obligational Recording/Reconciliation Cycle
- 81 (68%) Be familiar with the critical aspects of budget execution
- 82 (68%) Know what budget execution pulse points a Navy financial manager should monitor (obligation/expenditure rates; outstanding obligations/undelivered orders; unmatched expenditures, disbursements, and transfers; reimbursable execution; outstanding travel advances; interest payments; credit status)
- 59 (49%) Know what is involved in reconciling financial transactions
- 55 (46%) Be familiar with potential accounting transaction problem areas
- 27 (23%) Be familiar with strategies for effective/efficient reconciliation action
- 54 (45%) Know why activities/cost centers have to reconcile financial records
- 53 (44%) Be familiar with strategies to handle year-end dumps
- 33 (28%) Understand the importance of contingency planning
- 21 (18%) Trace the Resource Management System (RMS) accounting report cycle
- 48 (40%) Be familiar with factors that can affect accounting report accuracy
- 50 (42%) Understand the difference between official and non-official accounting reports
- 37 (31%) Understand the reasons for maintaining unofficial accounting records/reports at the FAA and cost center level.
- 19 (16%) Provide several methods to minimize accounting report errors
- 45 (38%) Understand what the Prompt Pay Act is and the general provisions of the Act
- 37 (31%) Understand the importance of avoiding interest payments

Suggestions for additional Budget Execution learning objectives:

- Coordinate with activities to ensure total obligations of funds for the fiscal year.
- Understand the specific responsibilities of primary parties responsible for budget execution (for the CO, comptroller, budget officer, accounting officer, program manager, budget analyst).
- NIF emphasis.
- First year budget analysts probably used to be trained to the greatest extent in execution.

- Understand the purpose and use of various funding documents.
- Understand the accounting process (how fund's status is reflected and why).
- Funding document types, purpose of each, and status of each in accounting system.
- Understand the mechanisms in place (STARS, etc.) in the execution process within the organization.

Section III: Terms and Reports/Forms

This section requested respondents to check those terms and reports/forms which they thought entry-level budget analysts should learn during their first year in the job.

TERMS

| | | |
|------------|-------|-------------------------------------|
| <u>116</u> | (97%) | budget |
| <u>114</u> | (95%) | budget execution |
| <u>114</u> | (95%) | appropriation |
| <u>113</u> | (94%) | budget formulation |
| <u>102</u> | (85%) | unfunded requirement |
| <u>98</u> | (82%) | authorization |
| <u>92</u> | (77%) | continuing resolution |
| <u>86</u> | (72%) | activity/subactivity group (AG/SAG) |
| <u>82</u> | (68%) | budget authority |
| <u>76</u> | (63%) | annual planning figure |
| <u>74</u> | (62%) | allocation |
| <u>73</u> | (61%) | budget fences (ceiling/floor) |
| <u>65</u> | (54%) | base year |
| <u>64</u> | (53%) | apportionment |
| <u>63</u> | (53%) | undelivered order |
| <u>59</u> | (49%) | program element |
| <u>59</u> | (49%) | gross adjusted obligations |
| <u>57</u> | (48%) | allotment |
| <u>52</u> | (43%) | control number |
| <u>49</u> | (41%) | budget project |
| <u>48</u> | (40%) | work unit |
| <u>42</u> | (35%) | audit |
| <u>22</u> | (18%) | unprecedented disbursement |
| <u>15</u> | (13%) | event cycle |
| <u>14</u> | (12%) | vulnerability assessment |
| <u>10</u> | (8%) | assessable unit |

Suggestions for additional budget terms:
See Appendix E.

REPORTS/FORMS

| | | | |
|------------|-------|-----------|--|
| <u>104</u> | (87%) | NC 2275 | Project Order/Work Request |
| <u>101</u> | (84%) | NC 2276 | Request for Contractual Procurement |
| <u>88</u> | (73%) | | Job Order |
| <u>80</u> | (67%) | NC 2193 | Reimbursable Status Report |
| <u>77</u> | (64%) | OC 11 | Managing to Payroll |
| <u>72</u> | (60%) | NC 2277 | Collection/Disbursement Document |
| <u>70</u> | (58%) | NC 2171 | Report by AG/SAG Expense Element |
| <u>67</u> | (56%) | NC 2270 | CPERS (Civilian Personnel Resource Reporting System) |
| <u>66</u> | (55%) | NC 2168-1 | Resource Authorization |
| <u>66</u> | (55%) | | Budget exhibits (A-11, Workload) |
| <u>59</u> | (49%) | | Job Cost Status Report |
| <u>58</u> | (48%) | NC 2199 | Trial Balance Report |
| <u>56</u> | (47%) | DD 1348 | Servmart form |
| <u>53</u> | (44%) | SF-50 | Changes to Pay |
| <u>48</u> | (40%) | DD 1144 | ISA (Interservice Support Agreement) |
| <u>38</u> | (32%) | UMR-C | Uniform Management Report-C |
| <u>33</u> | (28%) | | Transaction Listing |
| <u>29</u> | (24%) | NC 2035 | Summary of Accounting Data |
| <u>29</u> | (24%) | 2178 | RWO Reimbursable Work Order |

Suggestions for additional budget reports/forms:

- NC 2276A Reimbursable Funding and Direct Funding of RCP
- DD 448 Military Interdepartmental Purchase Request
- F & O Statements
- Budget and Actual Reports
- Financial Statement
- 7430/1 Military Labor
- 1149 Requisitions
- Job Order Expense Report
- 485 Smooth Payroll
- 2058 APF
- Weekly Fund Status

Note: One person indicated that the list of reports/forms was top heavy on accounting.

Section IV: Additional Comments

This section requested respondents to add their comments or recommendations regarding any aspect of the training of **entry-level** budget analysts. The following are their responses:

--Travel to program resources is vitally important in relating to programs (see what you are supporting).

--The most important skills a good budget analyst needs are inquisitiveness, common sense, remaining calm under pressure, and be willing to continue asking questions until a thorough understanding is reached.

--The questions are heavily geared to NIF activity budget analysts.

--Retention will be greater with hands-on experience.

--A lot of the training is OJT. A basic course of instruction for new analysts covering a broad range of subjects would be beneficial (similar to the Practical Comptrollership Course but more basic).

--Entry-level budget analysts should be required to have accounting experience or background. The accounting knowledge I have has helped me do a better job as a budget analyst.

--Most of the learning objectives listed are for personnel who deal in command budget formulation/execution and who have direct interrelationships with Congress. Most field activities supply data only and are not involved in these types of objectives. Plus many budget analysts deal only with acceptance and tracking obligations on funding documents. I don't feel these positions are well covered.

--It is absolutely essential that first year budget analysts be trained in accounting and basic computer work sheet construction.

--An entry-level analyst should never be given the NAVCOMPT manuals to start using on his/her first day. He/she should first become familiar with the general operations of the office.

--The first year needs to be geared to OJT and rotational assignments to provide a broad overview of the budget process.

--Computer literacy is a must.

--Budget analysts must be provided with the proper, detailed training from the base on up.

--Make budget formulation and execution courses mandatory!

--Entry-level analysts should receive some cross-training in the Accounting Division.

--The hands-on experience gained in the first year will provide the most valuable training.

--The best training vehicle is the NAVCOMPT-sponsored core courses, particularly the Introduction to Financial Management and Principles of Navy Budgeting. For most field level budget analysts, the higher level (OPM/contracted instructors) training has little applicability.

--Completion of at least 3 years as a budget assistant should be firmly established as prerequisite to becoming a budget analyst.

--A lot of the training should come from OJT. Manuals and desk guides should be made available.

--Entry-level budget analysts should be provided the information required to generally understand PPBS, budget formulation/execution, allocation of funds, distinctions between appropriations, the Navy Industrial Fund, and DoD/DoN organizational structures and missions. They should be able to articulate their ideas and thoughts clearly and concisely, verbally and in writing.

--Four main courses should be incorporated into entry-level budget analyst training: The Federal Budget Process, Budget Formulation, Budget Execution, Budget Presentation and Justification.

--It is hard to write generic needs for all budget analysts from the activity level to NAVCOMPT, but many of these items do not pertain to the field level. Structured learning at the GS-5/7/9 levels makes better budget analysts.

--Entry-level budget analysts should have a working knowledge of budget exhibits and their purpose.

--Information on PPBS, POM, and accounting reports should be broad overviews as a starting point.

--Entry-level financial personnel at a NIF activity could benefit from NIF-specific training. Most of the terms and forms above refer to the RMS method of accounting.

--Given the wide range of activities to which budget analysts are assigned, it would be difficult to develop one meaningful, relevant qualification program unless those differences are taken into account. A general budget analyst qualification program with concentrations in a few specific areas should be considered.

--Since the bulk of training is OJT, consideration should be given to training the trainers in the proper method of conducting OJT.

--Entry-level budget analysts require analytical training.

--There is a lack of knowledge on how to gather historical data. The majority of budget analysts do not know the source documents that need to be reviewed or their purposes.

IV. CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSIONS

1. Quality Training is Needed

The DoD financial management environment of today highlights the need for quality training of budget analysts. The cuts in funding and personnel, the numerous organizational and operational changes taking place in the DoD financial management community, the characteristics of the work force of the future, and the limited training that is now available to budget analysts all play a role. The impact of these factors on budget analyst positions necessitates a focus on better education and training of personnel to ensure the future success of DoD financial management operations. This point is emphasized in the Management Plan for the Review of Financial Management Education and Training:

... improved financial management, because it is so central to the management of all other support activities, has the potential for enhancing ... effectiveness and efficiency. In the world of support activities, therefore, better financial management can play a role analogous to that of "force multipliers" in the world of forces and weapons.

Key to achieving these objectives is a better educated and trained financial management work force. This objective is critical to the Department of Defense (DoD) Comptroller's plan to increase the level of professionalism within the financial management community. It is a key mechanism to build a better qualified and highly motivated work force that will be able to handle the increased challenges of a rapidly changing environment and reduced resources. [Ref. 3:p. 4]

The impact of the on-going budget cuts will be felt primarily in terms of work force end strength. The number of budget analysts now working for the DoN will decrease in the next few years, and if Congress continues to use defense funds to finance other programs, these cuts may continue indefinitely. Furthermore, because O&M has been one of the hardest hit appropriations, training of personnel will inevitably suffer. Fewer budget analysts and less training mean that those who are left will not only have to be better trained, but they will also have to know more and be able to perform a wider variety of functions. In order for activities to economically and effectively provide for this, OJT and cross-training will become even more important. The Independent Study Working Group stresses the future significance of cross-training: "As the work force becomes smaller, there may be a need to cross-train people in other specialties, and they will need to possess functional knowledge in greater depth." [Ref. 26:p. 18]

The budget cuts also mean that each activity will be receiving less funding. It is, therefore, imperative that command budget analysts pay even closer attention to the numbers they are working with, so that each command is assured of getting every dollar to which it is entitled. "In an era of increasing competition for limited resources and close scrutiny of fiscal management by Congress and the public, it

is essential to spend properly and account accurately for these resources." [Ref. 38:p. K-43]

The changes taking place throughout the DoD financial management community add to the need for quality training. The centralization and standardization efforts which have been initiated within the DoD are leading to the development of uniform procedures for all service components. These procedures will require budget analysts to learn new operational methods and systems. In addition, the drastic changes created by the DBOF, unit costing, and the elimination of the "M" account add to the amount of work budget analysts must do, and put a major burden on personnel to learn new ways of conducting business.

To date, there has been little effort to provide the training that is needed. As mentioned previously, there are few entry-level courses available to Navy budget analysts. In addition, organized training that is essential in carrying out the changes in DoD finance and accounting is basically non-existent. In fact, the DFAS itself does not have an overall training plan in place, and a report prepared by the Curriculum Configuration Control and Quality Assurance Working Group states: "A major deficiency in the field of finance and accounting is an almost complete lack of training to support the move to DBOF and unit costing in FY 1992." [Ref. 7: pp. 9,iv] With the absence of needed training and the requirement for budget analysts to learn and do more, it is

essential that the most effective training possible be made available.

2. Utilization of the Learning Objectives

The learning objectives identified by this study can offer a good base from which to develop quality training. The purpose of this research was to identify learning objectives which would be most appropriate for entry-level DoN budget analysts. The results of the survey conducted for this study were used to establish a list of 31 learning objectives, including budget terms and reports/forms, (Appendix F) which accomplish this purpose. (This list was compiled from those objectives which were checked affirmatively by 70 percent or more of the respondents.)

Training provides either new information to those who have recently been hired or updated/revised information to qualified personnel. The objectives identified by this research can now be utilized in a variety of ways to develop, revise, or update many forms of training, from individual courses to entire training programs. If these improvements in training are to be truly effective, it is essential that all of the major organizations which impact Navy budget analysts--DoD, DoN, and individual activity--be involved in the application of these learning objectives.

B. RECOMMENDATIONS

Based on the results of this research, the following are suggestions on how the learning objectives identified in Appendix F can be utilized in the improvement of DoD financial management education and training of Navy budget analysts. The specific recommendations include using these objectives to:

- **Develop, revise, and review budget courses**

The learning objectives could be used by the DoD, NAVCOMPTPMO, NETPMSA, OPM, and the other organizations which offer budget and budget-related courses to develop and revise their courses (classroom and self-study). Local activities which have or are developing their own in-house courses could use the objectives in the same way. The general concepts of the objectives should be contained in the various courses to ensure that entry-level budget analysts are receiving all of the basic information that they need to perform effectively and efficiently. The Independent Study Working Group highlights the importance of starting with the basic requirements of a job when developing courses:

In order to properly develop training course materials the first step in the process involves a detailed analysis of the job requirements starting with a task analysis. This could help to identify transferable skill and obsolete skills, particularly when processes are changing.
[Ref. 26:p. 13]

One of the recommendations of the Career Structures Working Group was "that the appropriate standing committees be

tasked to establish a system of course evaluation and conduct periodic reviews." [Ref. 6:p. 288] The learning objectives could also provide a checklist to those carrying out the reviews of entry-level budget courses to ensure that the material being taught included the minimal required information.

- **Consolidate and standardize budget courses**

One of the primary goals of the DoD Financial Management Education and Training Initiative is to consolidate and standardize training. In order for this to take place, the plan calls for

an analysis of the major functions and tasks of the financial management community at specific skill levels. The population will be examined to determine the level of skills and knowledge existing today. Training requirements will then be determined by comparing needs with what exists today. Those courses that do not meet clear needs or which needlessly overlap other offerings will be phased out of the system. Conversely, gaps and needed augmentations will be identified to round out a balanced and comprehensive, ... program of educational and training offerings. [Ref. 3:p. 5]

This research has accomplished part of this plan by identifying the major functions and tasks (in terms of learning objectives) of Navy budget analysts at the entry level. The needs of entry-level budget analysts, as established by the learning objectives identified in this study, could be compared with the skills and knowledge that exist. Training requirements for budget courses could then be specified.

The learning objectives in Appendix F could also be compared with corresponding Army and Air Force objectives to distinguish which are the same for all services. These objectives could then be incorporated into courses which provide standard, general information and, therefore, could be taught to all components.

• **Develop SOPs, desk guides, and training manuals**

Few commands have locally written sources of training, as the survey for this study indicated--desk guides and SOPs were available to only 27 percent and 32 percent of respondents, respectively. Locally developed SOPs, desk guides, and training manuals are necessary for budget analysts to perform their jobs effectively and efficiently because they provide procedural guidance that is unique to an activity. Standard operating procedures can be comprised of many different types of reference material, including higher-authority instructions, activity instructions, desk guides, and computer software used to standardize record keeping. To ensure a smoothly operating system, the SOPs should specify the responsibilities of each position in the command.

[Ref. 38:p. K-44,K-45]

When writing instructions and desk guides for local use, the learning objectives identified by this study could be used as the basis of discussions regarding the performance and knowledge required of budget analysts. In describing how SOPs

and desk guides should be written, the Practical Comptrollership Course manual states that

Standard operating procedures, particularly desk guides, should be written with the user in mind. The desk guide should be clear, concise, and comprehensive. A clear guide is written in clear English ... and should provide a glossary of terms. It should explain difficult concepts on a level that can be understood by someone with no knowledge of the system.... A comprehensive guide consolidates all knowledge in a readily available source.... [Ref. 38:p. K-44]

The learning objectives in Appendix F could help in implementing these guidelines. They provide a specific, comprehensive list of information--including objectives, terms, and reports/forms--that entry-level budget analysts must know. Since the level of the user has been specified, the learning objectives could also focus the writing of the material toward those with no knowledge of the system. (Additional guidelines for writing SOPs and desk guides can be found in Ref. 38: Module K.)

- **Develop performance qualification programs**

The military has established performance qualification standards (PQS) as a means of making certain that personnel learn pertinent aspects of their jobs. Once they have proven that they know what they are doing, personnel get specific performance and learning objectives signed off by a superior. They can then be designated as qualified to perform certain jobs. A similar program could be set up for Navy budget analysts. Such a program would be especially beneficial to

entry-level budget analysts, since it would provide them with direction, and help them focus on what exactly they needed to learn. The learning objectives identified by this study could be utilized in two ways in the development of this type of program. First, they could be used to develop job-related performance objectives. Second, they could simply be incorporated into the list of objectives as learning objectives. To provide the standardization that the DoD Comptroller is striving for in financial management training, the DoD and DoN should each establish their specific requirements, so that the activity only has to add its local requirements to the list.

- **Assist activities in the development or revision of their performance review systems**

Activities are required to evaluate their employees' performance on an annual basis. Most review systems include position descriptions and/or a list of specific tasks which each person must accomplish prior to his/her next evaluation. The learning objectives in Appendix F could be used to develop position descriptions and job performance objectives which apply specifically to budget analysts during their first year on the job. They could also be helpful in the revision of an activity's performance review system. Referring to the learning objectives could ensure that the major aspects of the job were being covered. A well-defined, comprehensive performance review system is essential in informing budget

analysts what is expected of them and in providing objective criteria for promotion.

- **Assist commands involved in the Centralized Financial Management Trainee Program (CFMTP) in the development of Individual Development Plans**

An Individual Development Plan, the personalized training program for each person participating in the CFMTP, is required to include a list of performance objectives that an individual must be able to do when each work assignment has been completed. Although the financial manager at the homeport activity is responsible for writing the Individual Development Plan--including all performance objectives--the CFMTP Procedures Manual does not supply much guidance on how to write one. The learning objectives provided by this study could assist financial managers in developing appropriate performance objectives for first year budget analysts.

- **Develop and enhance in-house training programs**

With the on-going budget cuts and expected decrease in the federal work force, activities will be even more reluctant to let personnel attend formal training outside the command. As a result, in-house training will become even more important. In fact, a Department of Treasury study, Training 2000, states that one of the work force trends expected to impact training in the future is more emphasis on training delivered at the work site [Ref. 26:p. 16]. As previously

mentioned, OJT is already widely used as a form of training for budget analysts, and, of course, training is more effective when personnel are directly involved in doing the work. Many of the respondents to the survey stressed this point. The primary problems with OJT, however, are that there is no standardization in what is taught and few of the "teachers" are told what to teach. Appendix F could provide a standard reference list for those who are training new budget analysts.

In addition to OJT, the learning objectives identified in this study could also be beneficial in the development of other components of an in-house training program; namely, locally developed courses, SOPs, desk guides, training manuals, and qualification programs. The utility of the learning objectives in the development and enhancement of these components has already been discussed. Once again, the DoD Office of the Comptroller could greatly encourage standardized in-house training by creating in-house training packages, instructing activities how to develop a strong training program and listing specific objectives required by the DoD.

In summary, the learning objectives identified by this study could be applied in many different ways to improve training for entry-level budget analysts. If standardization is to be achieved, it is essential that the DoD Comptroller's

Office initiate the identification and distribution of DoD standards for each GS series of financial management personnel. Likewise, DoN must follow through with this effort by attaching their requirements to the list. Local activities can then work from this base to develop their own training applications.

C. AREAS FOR FURTHER RESEARCH

Several areas related to the training of budget analysts, but which fell outside the present study, warrant further research. These areas were identified through the research done for this study and from the comments submitted on the surveys. Further research is needed to:

- Identify NIF-specific learning objectives for entry-level DoN budget analysts.
- Identify field level learning objectives for entry-level Navy budget analysts. (Several of the comments on the survey indicated that the list of learning objectives provided in the survey did not apply very well to field level activities.)
- Identify performance (vice learning) objectives for entry-level DoN budget analysts.
- Categorize the learning objectives identified by this study according to organizational level (e.g., field activity, major command) application.
- Develop learning objectives for DBOF and unit costing.
- Identify learning objectives for Army and Air Force entry-level budget analysts.
- Determine which of the learning objectives identified by this study could be consolidated with equivalent Army and Air Force objectives to be used as DoD-wide standards.
- Develop a comprehensive training program for Navy budget analysts.

APPENDIX A

30 Aug 91

MEMORANDUM

From: Heidi H. Holfert, LT, USN, Naval Postgraduate School
To: Comptroller/Fiscal Officer

Subject: THESIS SURVEY QUESTIONNAIRES

Enclosures: (1) Three questionnaires: "Learning Objectives for
Navy Budget Analysts (GS-560 series)"
(2) Return envelope

1. I am a student enrolled in the Financial Management Master's Degree program at the Naval Postgraduate School in Monterey, California. The enclosed questionnaire represents a vital part of the data collection phase of my thesis requirement. Your participation in ensuring the completion and return of the enclosed questionnaires is crucial to the success of my thesis study.

2. The Navy's financial community is likely to see turbulent times ahead. Decreased funding and cuts in personnel will greatly increase the importance of quality training. My thesis attempts to establish common learning objectives for entry-level GS-560 series budget analysts. Once established, these objectives could be used to create a qualification program for government civilian employees similar to the Personnel Qualification Standards (PQS) applied to the Navy's military personnel.

3. To achieve the proper mix of perspectives from the questionnaire responses, would you please have the questionnaires (enclosure (1)) completed by the following personnel wherever possible:

- (a) junior budget analyst (with at least 1 year experience)
- (b) budget analyst's supervisor
- (c) budget officer or comptroller

4. Please return the completed questionnaires in the prestamped envelope provided, by 20 September 1991. Thank you in advance for taking the time to complete and return my questionnaires.

Heidi H. Holfert

Heidi H. Holfert, LT, USN
Naval Postgraduate School
Code ASER
Monterey, CA 93943

QUESTIONNAIRE

LEARNING OBJECTIVES FOR NAVY BUDGET ANALYSTS
(GS-560 Series)

Section I: Background Data (please circle the appropriate answer)

1. At what type of activity do you work?
 - a. FIPC/AAA
 - b. RMS Activity
 - c. NIF Activity
 - d. NSF (Navy Stock Fund) Activity
 - e. Major/Sub Claimant
 - f. Other (please specify) _____

2. What is your job title and grade? _____

3. How many years experience do you have as a budget analyst? (Please include budgeting experience only, not accounting or any other area.)
 - a. less than 1 year
 - b. 1-3 years
 - c. 3-5 years
 - d. more than 5 years

4. What is your educational background?
 - a. some high school
 - b. high school diploma
 - c. some college level courses
 - d. two-year college degree
 - e. four-year college degree
 - f. graduate courses or above

5. If you have had college level courses or have a college degree, what was your major area of study? _____

6. What government job experience did you have prior to becoming a budget analyst?

| | No. of years |
|---------------------------------|-----------------|
| a. accounting clerk | _____ |
| b. accounting technician | _____ |
| c. budget assistant | _____ |
| d. other (please specify) _____ | _____ |
| e. none | _____ |

7. What type(s) of training did you receive during your first year as a budget analyst? (Please circle all that apply.)
 - a. on-the-job training (OJT)
 - b. in-house training (training provided by your activity)
 - c. correspondence courses
 - d. DOD/Navy formal courses (officially conducted classroom courses) Please list _____
 - e. other (please specify) _____
 - f. none

8. During your first year as a budget analyst, what training/resources were not available to you that you wish had been?

9. Which of the following sources of information are presently available to you?

- a. desk guides
- b. standard operating procedures (SOPs)
- c. NAVCOMPT Budget Guidance Manual
- d. co-workers/supervisors
- e. other (please specify) _____
- f. none of the above

10. How helpful was each of the above sources of information during your first year as a budget analyst?

| | very helpful | somewhat helpful | not helpful | N/A |
|------------------------|--------------|------------------|-------------|-------|
| desk guides | _____ | _____ | _____ | _____ |
| SOPs | _____ | _____ | _____ | _____ |
| Budget Guidance Manual | _____ | _____ | _____ | _____ |
| co-workers/supervisors | _____ | _____ | _____ | _____ |
| other | _____ | _____ | _____ | _____ |

11. Are you presently or were you previously a trainee in the DON Centralized Financial Management Trainee Program?

- a. yes
- b. no

Section II: Learning Objectives

Listed below are learning objectives which may be important for entry-level budget analysts to know. These objectives are meant to be generic and not to be specific to any particular type of budget analyst job. Keeping this in mind, please check those learning objectives which you think are necessary for budget analysts to learn during their first year in the job. (The objectives listed are not necessarily all-inclusive; please add any that you feel should be included.)

GENERAL BACKGROUND INFORMATION

- _____ Know applicable accounting terms and acronyms
- _____ Understand the basic accounting concepts and procedures which are related to budget formulation
- _____ Be able to demonstrate basic computer skills and use command software
- _____ Demonstrate writing skills sufficient to write instructions, letters, messages, and Interservice Support Agreements

- ___ Be able to effectively communicate orally, including discussing and exchanging information in a professional manner (e.g., to explain and summarize the reasons for changes in funding needs or expenditures for specific line items in the budget)
- ___ Know the organizational structure, mission, functions, policies, and regulations of your activity
- ___ Be familiar with applicable budgetary regulations
- ___ Be able to prepare budget data for Financial and Operating Statements
- ___ Be familiar with the revolving fund concept
- ___ Understand that MWR activities are placed in different categories and that the level of appropriated funding support is limited depending upon the nature of the activities contained in each category.
- ___ Differentiate between appropriated and non-appropriated fund support

Support Agreements and Reimbursables:

- ___ Be able to differentiate between the following:
 - ___ intraservice and interservice support
 - ___ common and cross service
 - ___ host, supporting, and tenant activity
 - ___ common, joint, and sole-use facility
 - ___ a Project Order and an Economy Act Order (work request)
- ___ Understand the primary rules regulating Interservice Support Agreements
- ___ Know the primary references for Interservice Support Agreements
- ___ Describe what reimbursable accounting is and how it works
- ___ Understand the accounting problems associated with reimbursables
- ___ Know what a Request for Contractual Procurement (RCP) is and how it differs from a Project or Economy Act Order

Commercial Activities (CA) and Efficiency Review Programs:

- ___ Be familiar with the general requirements of OMB Circular A-76
- ___ Know the reasons for retaining government operation of CA functions
- ___ Describe the purposes of the Efficiency Review Program
- ___ Understand potential problem areas associated with utilizing commercial activities

Civilian Personnel:

- ___ Be able to differentiate between the following:
 - ___ career, career-conditional, term, and temporary appointments
 - ___ a time card and a labor distribution card
- ___ Identify direct, fringe, and other civilian personnel costs

- ___ Describe how acceleration works with respect to reimbursable civilian labor cost distribution
- ___ Understand the significance of civilian payroll costs with respect to the size of an activity's budget
- ___ Describe the Managing to Payroll (MTP) concept
- ___ Be familiar with budget execution problems associated with the application of Managing to Payroll (MTP)

Financial Management Organization:

- ___ Understand the basic organization of the Department of Defense and the Department of the Navy
- ___ State the general duties assigned to: OP-08, OP-80, OP-82/NCB
- ___ Understand the differences between and the responsibilities of Resource, Appropriation, and Assessment Sponsors
- ___ Understand the duties of the Defense Finance & Accounting Service (DFAS)
- ___ Understand the typical comptroller department organization and general responsibilities of each division, including those of the comptroller
- ___ Be familiar with a Navy financial manager's primary responsibilities
- ___ Be familiar with the significant challenges facing today's Navy financial managers

Comptroller's Role in Facilities Management:

- ___ Differentiate between a public works department and a public works center
- ___ Identify the different appropriations related to public works operations
- ___ List examples of public works O&M,N subfunctional categories
- ___ Be familiar with Maintenance of Real Property (MRP) and Minor Construction limitations
- ___ Understand the purpose of the annual inspection summary
- ___ Describe how to prepare for mid-year and end-of-year release funds with respect to public works
- ___ Understand the importance of facilities management funding with respect to its portion of an activity's operating budget
- ___ Your suggestions for additional General Background Information learning objectives:

GENERAL ACCOUNTING KNOWLEDGE

- ___ Be able to differentiate between the following:
 - ___ liquidated and unliquidated obligations
 - ___ an undelivered order and an outstanding obligation
 - ___ undistributed and unmatched disbursements/transfers
 - ___ obligation, commitment, initiation, and expenditure
 - ___ expense and expenditure
 - ___ accounts payable and accounts receivable
 - ___ obligational, accrual and cost accounting

- ___ Understand the significance of undistributed and unmatched disbursements/transfers with respect to the accuracy of accounting reports
- ___ Understand the significance of large amounts of outstanding obligations or undelivered orders with respect to effective utilization of funds
- ___ Understand the concept of fluctuating outlay levels from fiscal year to fiscal year
- ___ Know why outstanding obligations should be validated
- ___ Describe what the Navy Accounting Classification Spread is used for and its key elements
- ___ Describe what job order numbers are, and what they are used for
- ___ Be familiar with the potential problem areas associated with job order accounting
- ___ Be familiar with how to overcome potential accounting code input problems
- ___ Be familiar with the overall structure of Navy General Ledger Accounting
- ___ Know how to analyze and evaluate progress of budgeted vs. actual expenditures
- ___ Your suggestions for additional General Accounting Knowledge learning objectives:

APPROPRIATIONS

- ___ Be able to differentiate between the following:
 - ___ commitments, obligations and expenditures
 - ___ expense and investment appropriations
 - ___ fully and incrementally funded appropriations
 - ___ regular, supplemental, and deficiency appropriations
 - ___ expired and lapsed appropriations
 - ___ annual, multiple year, and continuing appropriations
 - ___ open and closed appropriation accounts

- ___ Define fiscal year and its duration

- ___ Understand what a Successor "M" Account is used for
 - ___ Understand the significance of allowing funds to lapse into the "M" account.
 - ___ Know the three limits of appropriations: time, money, purpose
 - ___ Understand what the following appropriations are used for: OM&N, MPN, RDT&E, APN, WPN, SCN, OPN and MC,N.
 - ___ Know the difference between reprogramming and transferring, and the restrictions of each
 - ___ Know the time limits of obligational and expenditure availability periods
 - ___ Know the expense/investment criteria for OPN funding
 - ___ Know the circumstances under which activities may knowingly overobligate total obligational authority (TOA)
 - ___ Understand what must be done when obligational authority expires
 - ___ Understand the provisions of Title 31, Sections 1301 and 1517, and the penalties for violations of it
 - ___ Be familiar with the major causes of Title 31 (1517) violations
 - ___ Your suggestions for additional Appropriations learning objectives:
-
-
-

BUDGET FORMULATION

- ___ Be able to differentiate between the following:
 - ___ a budget call and a budget request
 - ___ programming and traditional budgeting
 - ___ centralized and decentralized control
 - ___ fixed, variable, controllable, and non-controllable costs
- ___ Understand what a budget base represents
- ___ Be familiar with factors involved with padding budget requests
- ___ Know the necessary elements in formulating a budget
- ___ Be familiar with shore activity spending areas
- ___ State the fiscal years of financial data that are usually included in a budget request
- ___ Know the elements of a budget call to cost centers
- ___ Understand the separate nature of an OPN/IPE budget call/request
- ___ State three reasons for preparing a budget
- ___ Understand what the budget formulation process incorporates
- ___ Be able to identify the key figures in the budget process and understand their assigned roles (e.g., NAVCOMPT, AO, major/sub claimant, FAA, cost center)
- ___ Identify the characteristics of a good budget call
- ___ Be able to list the three possible approaches utilized by fund administering activities in formulating activity budget calls
- ___ Trace the path the budget follows as it is being developed
- ___ Be familiar with the biennial budget concept
- ___ Understand the purpose of a supplemental budget

- ___ Be able to discuss the importance of unfunded requirements submissions and the techniques utilized in successful funding of requirements
- ___ Describe budget incrementalism
- ___ Understand the formulation and administration of the command budget
- ___ Your suggestions for additional Budget Formulation learning objectives:

BUDGET REVIEW

- ___ Differentiate between a mark and a reclama
- ___ Know how to prepare an effective reclama
- ___ Understand the purpose of the Navy budget review process
- ___ Describe what NAVCOMPT focuses on when it conducts budget review hearings
- ___ Understand and be able to describe the NAVCOMPT and OSD-OMB budget review process
- ___ Understand what happens during the Apportionment Review Process and the purpose of the review
- ___ Know when NAVCOMPT determines the amount of funds that are to be held in reserve or deferred
- ___ Understand the significance of Mid-Year Review and preparation required on the part of an activity comptroller
- ___ Know when the President submits his budget to Congress
- ___ Your suggestions for additional Budget Review learning objectives:

THE PLANNING, PROGRAMMING, AND BUDGETING SYSTEM (PPBS)

- ___ Describe the ways in which Navy resources can be divided, including major programs, program elements, appropriations, pillars, and Naval Warfare Tasks.
- ___ Know what the three main phases of the Federal Resource Allocation Process are: executive formulation, congressional action, budget execution
- ___ Describe what the Planning, Programming and Budgeting System (PPBS) is, how it works, and how it affects the budget formulation process
- ___ Be familiar with the four ways Navy financial resources are managed
- ___ Understand what a Resource Allocation Display (RAD) is used for

- ___ Understand the purpose of the Program Objectives Memorandum (POM)
 - ___ Know how many years the Navy POM covers
 - ___ Know what POM Issue Papers are used for
 - ___ Know the kinds of information usually provided in a POM Issue Paper
 - ___ Understand the standards of writing a good POM Issue Paper
 - ___ Your suggestions for additional PPBS learning objectives:
-
-
-

BUDGET EXECUTION

- ___ Be able to differentiate between the following:
 - ___ an allotment, an operating budget and an OPTAR
 - ___ direct and indirect funding
 - ___ new and total obligational authority
 - ___ a responsible office and an administering office
- ___ Know the Navy Appropriation key players and their responsibilities (e.g., NAVCOMPT, AO, FAA, NRFC, FIPC/AAA)
- ___ Know when a fund administering activity (FAA) receives obligational authority and when a Comptroller knows the "bottom line" funding wise, for a particular fiscal year
- ___ Describe what an FAA spending plan is
- ___ Describe the flow of funds from the President to the cost center
- ___ Know how annual and multi-year appropriations are apportioned
- ___ Know the purpose of a Treasury issued warrant
- ___ Understand the importance of passing obligational authority in writing
- ___ Understand why appropriated funds are apportioned
- ___ Be familiar with methods to deal successfully with a FIPC
- ___ Be familiar with the flow of financial information in the Navy accounting system, including FRS and CERPS
- ___ Describe the IDA flow of financial information
- ___ Be familiar with the problems associated with IDA and the FIPC environment
- ___ Understand the significance of large balances in the Suspense Account
- ___ Be familiar with the Obligational Recording/Reconciliation Cycle
- ___ Be familiar with the critical aspects of budget execution
- ___ Know what budget execution pulse points a Navy financial manager should monitor (obligation/expenditure rates; outstanding obligations/undelivered orders; unmatched expenditures, disbursements, and transfers; reimbursable execution; outstanding travel advances; interest payments; credit status)
- ___ Know what is involved in reconciling financial transactions
- ___ Be familiar with potential accounting transaction problem areas

- ___ Be familiar with strategies for effective/efficient reconciliation action
- ___ Know why activities/cost centers have to reconcile financial records
- ___ Be familiar with strategies to handle year-end dumps
- ___ Understand the importance of contingency planning
- ___ Trace the Resource Management System (RMS) accounting report cycle
- ___ Be familiar with factors that can affect accounting report accuracy
- ___ Understand the difference between official and non-official accounting reports
- ___ Understand the reasons for maintaining unofficial accounting records/reports at the FAA and cost center level.
- ___ Provide several methods to minimize accounting report errors
- ___ Understand what the Prompt Pay Act is and the general provisions of the Act
- ___ Understand the importance of avoiding interest payments
- ___ Your suggestions for additional Budget Execution learning objectives:

Section III: Terms and Reports/Forms

The following includes a list of budget terms and reports/forms. Please check those which you think entry-level budget analysts should learn during their first year in the job.

TERMS

- | | |
|---|--------------------------------|
| ___ appropriation | ___ gross adjusted obligations |
| ___ budget | ___ undelivered order |
| ___ unfunded requirement | ___ unpreceded disbursement |
| ___ control number | ___ work unit |
| ___ program element | ___ budget project |
| ___ apportionment | ___ vulnerability assessment |
| ___ budget fences (ceiling/floor) | ___ audit |
| ___ allotment | ___ assessable unit |
| ___ continuing resolution | ___ event cycle |
| ___ annual planning figure | ___ activity/subactivity group |
| ___ budget formulation | ___ (AG/SAG) |
| ___ budget execution | ___ base year |
| ___ authorization | ___ allocation |
| ___ budget authority | |
| ___ Your suggestions for additional budget terms: | |

REPORTS/FORMS (should know what they are and how to use them)

- ___ NC 2035 Summary of Accounting Data
- ___ NC 2168-1 Resource Authorization
- ___ NC 2171 Report by AG/SAG Expense Element
- ___ NC 2193 Reimbursable Status Report
- ___ NC 2199 Trial Balance Report
- ___ NC 2270 CPERS (Civilian Personnel Resource Reporting System)
- ___ NC 2275 Project Order/Work Request
- ___ NC 2276 Request for Contractual Procurement
- ___ NC 2277 Collection/Disbursement Document
- ___ DD 1348 Servmart form
- ___ DD 1144 ISA (Interservice Support Agreement)
- ___ UMR-C Uniform Management Report-C
- ___ OC 11 Managing to Payroll
- ___ SF-50 Changes to Pay
- ___ 2178 RWO Reimbursable Work Order
- ___ Transaction Listing
- ___ Job Order
- ___ Job Cost Status Report
- ___ Budget exhibits (A-11, Workload)
- ___ Your suggestions for additional budget reports/forms:

Section IV: Additional Comments

Please use the following space to add your comments or recommendations regarding any aspect of the training of **entry-level** budget analysts.

APPENDIX B

DUTIES OF ENTRY-LEVEL BUDGET ANALYSTS

GS-5 Duties:

- Receives intensive on-the-job and classroom training in the application of concepts, principles, practices, and procedures of budgeting.
- In the formulation of budget estimates, compares projected costs for selected line items in the budget with prior year expenditures for the same items.
- In the execution of approved operating budgets, checks and monitors the rate and amount of obligations and expenditures for assigned line items and work units.
- Consolidates budgetary data from forms or worksheets and enters data in proper format on similar budget schedules.
- Researches legal and regulatory material to obtain factual information and/or interpretations for use by the supervisor or co-workers.
- Attends meetings and conferences to observe the proceedings.

GS-7 Duties:

- Gathers extracts, reviews, verifies, and consolidates a variety of narrative information and statistical data needed in the formulation and presentation of budget requests (e.g., estimates of the funding needs of subordinate organizational components).
- Cross-checks the accuracy of budget and program data in related budgetary forms, schedules, and reports. Changes or recommends the adjustment of inconsistent totals, subtotals, and individual entries.
- Compares figures in current estimates of funding needs by line item or object class with prior year expenditures and brings significant variations to the attention of the supervisor.

- Researches guides to extract legal, regulatory, program, and budgetary information for use by the supervisor or higher-graded analysts. Prepares summaries of narrative, quantitative, and statistical data in budget forms, schedules, and reports.
- Prepares preliminary budget estimates and reviews justifications for a few relatively stable program and/or program support activities.
- Receives, screens, and recommends approval, disapproval, or modification of budget execution documents (e.g., requests for allotments of funds, requests for personnel action to fill vacancies, and travel orders) when such recommendations can be made on the basis of availability of funds and compliance with regulatory requirements.

GS-9 Duties:

- Formulates and revises the annual budget estimate for base support activities and components (e.g., communications, personnel management, automated data processing, maintenance, supply, and transportation). Researches, compiles, and summarizes data concerning personnel salaries and expenses and similar object class and line item information needed for formulation of budget estimates. Selects and enters budgetary information on a wide variety of related forms, schedules, and reports.
- Monitors and tracks obligations and expenditures for base support functions throughout the execution phase of the annual operating budget. Verifies that obligations and expenditures occur on a timely basis in accordance with the annual work plan and regulatory controls, and are within amounts programmed. Reports variations in excess of accepted funding limitations to activity managers.
- Recommends transfer of funds between object class and line item accounts under the same appropriation or allotment when funds needed to cover increases in obligations or expenditures fall within established limits.
- Checks the accuracy and adequacy of budget justification data submitted in support of budget estimates or requests for allotments by comparison with source documents (e.g., employment statistics, project reports, payroll records, and supply inventory records).

- Prepares data summaries for inclusion in routine and special reports on budget execution. Tabulates cost data on individual projects (e.g., construction, research, or maintenance) and applies basic statistical formulas (e.g., cost-benefit ratios) to budgetary data to illustrate the effects of changes in levels of funding for current projects.
- As assigned, performs designated segments of more complex budgetary assignments of higher-graded co-workers.
- Drafts procedural guidance to installation managers concerning the format for submission of annual estimates of funding needs. [Ref. 22]

APPENDIX C

PRIMARY AND ANCILLARY BUDGET COURSES
SORTED BY LEVEL AND DoD COMPONENT

KEY TO TABLE COLUMN HEADINGS

| <u>NAME</u> | <u>MEANING</u> |
|---------------|---|
| Pg | Page number of the course in the Financial Management Course Catalog |
| Course Number | DoD Component Course Number |
| DoD Component | DoD Component responsible for the course |
| Course Title | Course Title |
| Level | Course level. Code: 1 = Entry/Technician 2 = Inter 3 = Journeyman 4 = Manager 5 = Senior Manager |
| Len | Length in academic days |

Financial Management Categories (P = Primary, X = Ancillary)

| | |
|------------------------|----------------------------------|
| Comptrollership | |
| Fi | Financial Management |
| Budget | |
| Bu | Budget |
| Finance and Accounting | |
| Ac | Accounting |
| Di | Disbursing |
| Audit | |
| Au | Auditing |
| Analysis | |
| Pr | Program Analysis |
| Ca | Contract Analysis |
| Ec | Economic Analysis |
| Op | Operations Research |
| Co | Cost Analysis |
| AA | Actuarial Analysis |
| MO | Management/Organization Analysis |
| MP | Manpower Analysis |

| Pub | Course Number | Comp | Course Title | Lev | Len | Fl | bu | Ac | DI | AU | Pr | Ca | Ec | Up | Co | AA | MU | MP |
|-----|----------------|------|--------------------------------------|-----|-----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 77 | 7A-F44 | ARMY | EXECUTIVE ROUND TABLE | 4 | 3 | P | X | X | | X | X | | X | X | X | | X | X |
| 86 | 5F-F12 | ARMY | FISCAL LAW | 4 | 4.5 | P | X | X | | X | X | | | | | | | |
| 89 | AMEC-179 | ARMY | INFORMATION RESOURCE MANAGEMENT FOR | 4 | 1 | P | X | X | | X | X | | | | | | X | X |
| 108 | 7A-F37 | ARMY | MANAGEMENT DEVELOPMENT COURSE | 4 | 5 | P | X | X | | X | X | | | | | | X | X |
| 109 | 7A-F38 | ARMY | MANAGEMENT OF MANAGERS | 4 | 5 | P | X | X | | X | X | | | | | | X | X |
| 111 | AMEC-206 | ARMY | MANAGEMENT SKILLS DEVELOPMENT | 4 | 5 | P | X | X | | X | X | | | | | | X | X |
| 128 | INFORMATION NU | ARMY | PERSONNEL MANAGEMENT FOR EXECUTIVES | 4 | 3.5 | P | X | X | | X | X | | | | | | | |
| 134 | 7A-F20 | ARMY | PRODUCTIVITY ORIENTATION FOR MANAGER | 4 | 2.5 | P | X | X | | X | X | | | | | | | |
| 140 | AMEC-184 | ARMY | PRODUCTIVITY PERSPECTIVES FOR MILITA | 4 | 39 | P | X | X | | X | X | | | | | | | |
| 158 | AMEC-189 | ARMY | STRATEGIC PLANNING | 4 | 3 | X | X | X | | X | X | | | | | | | |
| 8 | 4246V | NAVY | DEPARTMENT OF THE NAVY CENTRALIZED F | 4 | 500 | P | P | P | | P | | | | | | | | |
| 22 | NOVMA11 | NAVY | MARINE CORPS PRACTICAL COMPTROLLERSH | 4 | 9 | P | X | X | | X | X | | | | | | | |
| 40 | MLMUC 501 | USAF | PROFESSIONAL MILITARY COMPTROLLER CO | 4 | 39 | P | X | X | | X | X | | | | | | | |
| 42 | MLMUC 502 | USAF | AIR RESERVE FORCES PROFESSIONAL MILI | 4 | 10 | P | X | X | | X | X | | | | | | | |

[Ref. 6:pp. 152 - 153]

APPENDIX D

SPECIFIC ANSWERS TO QUESTION 8 OF THE SURVEY

- 5 (4%) DoD/Navy courses
- 4 (3%) OPM classes
- 4 (3%) desk guides
- 4 (3%) Budget Execution
- 3 (3%) Budget Formulation
- 3 (3%) Practical Comptrollership Course
- 3 (3%) computer training (including ADP/Prime)
- 3 (3%) preparing budget justifications
- 2 (2%) classroom training in budget
- 2 (2%) Appropriation Law
- 2 (2%) SOPs
- 2 (2%) Financial Management Trainee Program
- 2 (2%) budget analyst courses
- 2 (2%) Principles of Navy Budgeting
- 2 (2%) in-house training

The following each had one (1) response:

- classes not scheduled during budget formulation time frame or after
- courses on DoD/Navy organizational structure
- Navy Industrial Fund, Appropriation Accounting, RMS Accounting, Economic, Decision Trend Analysis
- Background material pertinent to each specific position
- Naval manuals for systems and programs like STARS/AAA
- budget presentation
- classes on how to interpret financial reports
- federal budgeting
- workshop on preparing NIF A-11 budget exhibits
- writing skills
- intern or structured program
- the Planning, Programming, and Budgeting System (PPBS)
- more courses providing interrelationships between the Navy/DoD macro-budget concept

APPENDIX E

LIST OF ADDITIONAL SUGGESTED BUDGET TERMS

| | |
|--|--------------------------|
| manage to payroll | budget activity object |
| object class 11 & 12 | NIF-specific terms |
| activity | acceleration rate |
| budget track sheet | cost analysis |
| end strength | work year |
| MTP cost | labor cost |
| sponsor | major claimant |
| shortfall | projection |
| budget cuts | budget exhibits |
| budget hours | impact statement |
| midyear review | justification |
| RAD | priority |
| reclama | work load data |
| mark | investment category (IC) |
| net operating results | cost center |
| accumulated operating results | department/office |
| AFMB | cost class |
| BOS | reimbursement |
| ISSA | net overhead |
| nonappropriated | gross overhead expense |
| direct/indirect cost | paid/unpaid leave |
| productive ratio | orders |
| overtime percentage | revenue |
| stabilized billing rate | expended |
| applied expense | expensed |
| P-1 (Other Engineering Support) category | |

APPENDIX F

LEARNING OBJECTIVES FOR DoN ENTRY-LEVEL
BUDGET ANALYSTS (SERIES GS-560)

Learning Objectives:

1. Know applicable terms and acronyms.
2. Understand the basic accounting concepts and procedures which are related to budget formulation.
3. Be able to demonstrate basic computer skills and use command software.
4. Be able to effectively communicate orally, including discussing and exchanging information in a professional manner (e.g., to explain and summarize the reasons for changes in funding needs or expenditures for specific line items in the budget).
5. Know the organizational structure, mission, functions, policies, and regulations of your activity.
6. Be familiar with applicable budgetary regulations.
7. Be able to differentiate between a Project Order and an Economy Act Order (work request).
8. Describe what reimbursable accounting is and how it works.
9. Know what a Request for Contractual Procurement (RCP) is and how it differs from a Project or Economy Act Order.
10. Identify direct, fringe, and other civilian personnel costs.
11. Understand the typical comptroller department organization and general responsibilities of each division, including those of the comptroller.
12. Be able to differentiate between liquidated and unliquidated obligations.
13. Be able to differentiate between obligation, commitment, initiation, and expenditure.

14. Understand the significance of large amounts of outstanding obligations or undelivered orders with respect to effective utilization of funds.
15. Know why outstanding obligations should be validated.
16. Describe what job order numbers are and what they are used for.
17. Know how to analyze and evaluate progress of budgeted vs. actual expenditures.
18. Be able to differentiate between commitments, obligations, and expenditures.
19. Be able to differentiate between expired and lapsed appropriations.
20. Be able to differentiate between annual, multiple year, and continuing appropriations.
21. Define fiscal year and its duration.
22. Know the time limits of obligational and expenditure availability periods.
23. Understand the provisions of Title 31, Sections 1301 and 1517, and the penalties for violations of it.
24. Be able to differentiate between a budget call and a budget request.
25. Understand what a budget base represents.
26. Know the necessary elements in formulating a budget.
27. Understand the formulation and administration of the command budget.
28. Understand the significance of Mid-Year Review and preparation required on the part of an activity comptroller.
29. Understand the purpose of the Program Objectives Memorandum (POM).
30. Be able to differentiate between an allotment, an operating budget, and an OPTAR.
31. Be able to differentiate between direct and indirect funding.

Terms:

budget
budget execution
appropriation
budget formulation
unfunded requirement
authorization
continuing resolution
activity/subactivity group (AG/SAG)

Reports/Forms:

NC 2276 Request for Contractual Procurement
Job Order

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