



**Defense Acquisition University (DAU)
Funds Management Platinum Card
February 2020**

Life Cycle Cost Composition

Life Cycle Cost

Program Acquisition Cost

Development Cost

RDT&E
Development Costs of PME & Support Items
Systems Engineering
Program Management
Test & Evaluation

MILCON
Facilities

Procurement Cost

Weapon System Cost

Flyaway Cost

PROCUREMENT
Prime Mission Equipment (PME)

PROCUREMENT
Support Items

PROCUREMENT
Initial Spares

Operating & Support

Sustainment
O&M, MILPERS (or others as appropriate)

Disposal
O&M (or others as appropriate)

Cost Estimating Requirements

ACAT IB, IC & ID (MDAP)

POE Program initiation & all subsequent milestones, including FRP DR

CARD MS A & all subsequent milestones including FRP DR
- Draft 180 days prior to OIPT/milestone
- Final 45 days prior to OIPT/milestone

CCE MS A and all subsequent milestones including FRP DR

ICE Required by law for all MDAP programs *
- Prepared by OSD CAPE for ACAT ID, and ACAT IC at discretion of USD(A&S)
- Prepared by component cost agency (AFCAA, DASA-CE, NCCA) for ACAT IC and ACAT IB (if no CAPE estimate)
- In advance of any certification under Title 10, USC, Section 2366a (MS A) and Section 2366b (MS B)
- In advance of any decision to enter low-rate initial production (LRIP) (MS C) or full-rate production (FRP DR)
- In advance of any certification of MDAPs that experience critical cost growth (Title 10, USC, Sec 2433a)

*ICE statutory requirement (Title 10, US Code, Section 2434) and P.L. 111-23, May 22, 2009
Source: DoDI 5000.02 January 7, 2015, Incorporating Change 3, August 10, 2017 and Weapon Systems Acquisition Reform Act of 2009

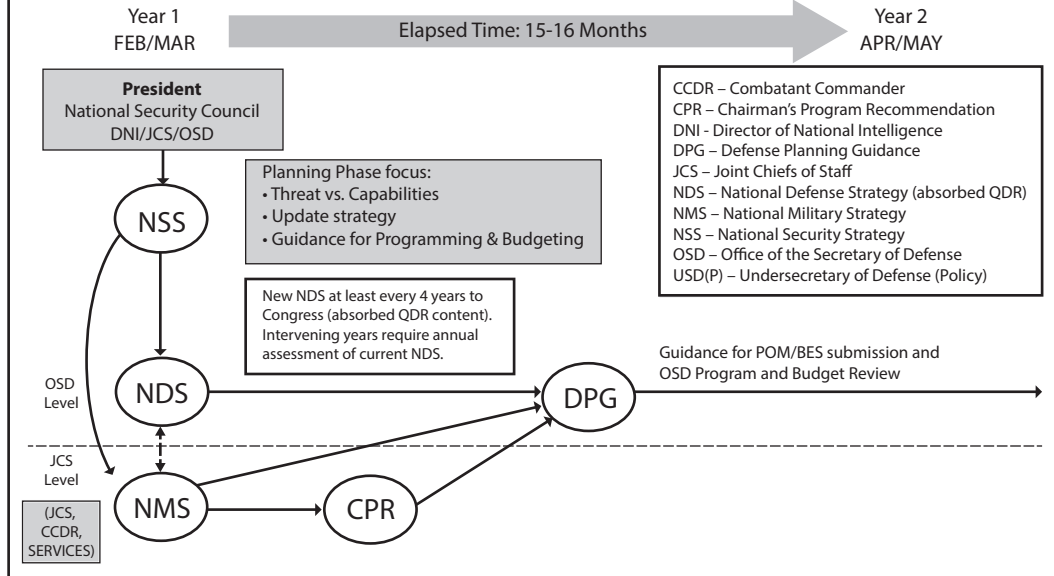
ACAT II & ACAT III: POE (and, at MDA discretion, an independent cost estimate prepared by the component cost agency) at program initiation and all subsequent milestones

AFCAA = Air Force Cost Analysis Agency	DASA-CE = Deputy Assistant Secretary of Army (Cost & Economics)	NCCA = Naval Center for Cost Analysis
ACAT = Acquisition Category	FRP DR = Full Rate Production Decision Review	OIPT = Overarching Integrated Product Team
CAPE = Cost Assessment & Program Evaluation	ICE = Independent Cost Estimate	POE = Program Office Estimate
CARD = Cost Analysis Requirements Description	MDA = Milestone Decision Authority	USD(A&S) = Under Secretary of Defense (Acquisition and Sustainment)
CCE = Component Cost Estimate	MDAP = Major Defense Acquisition Program	

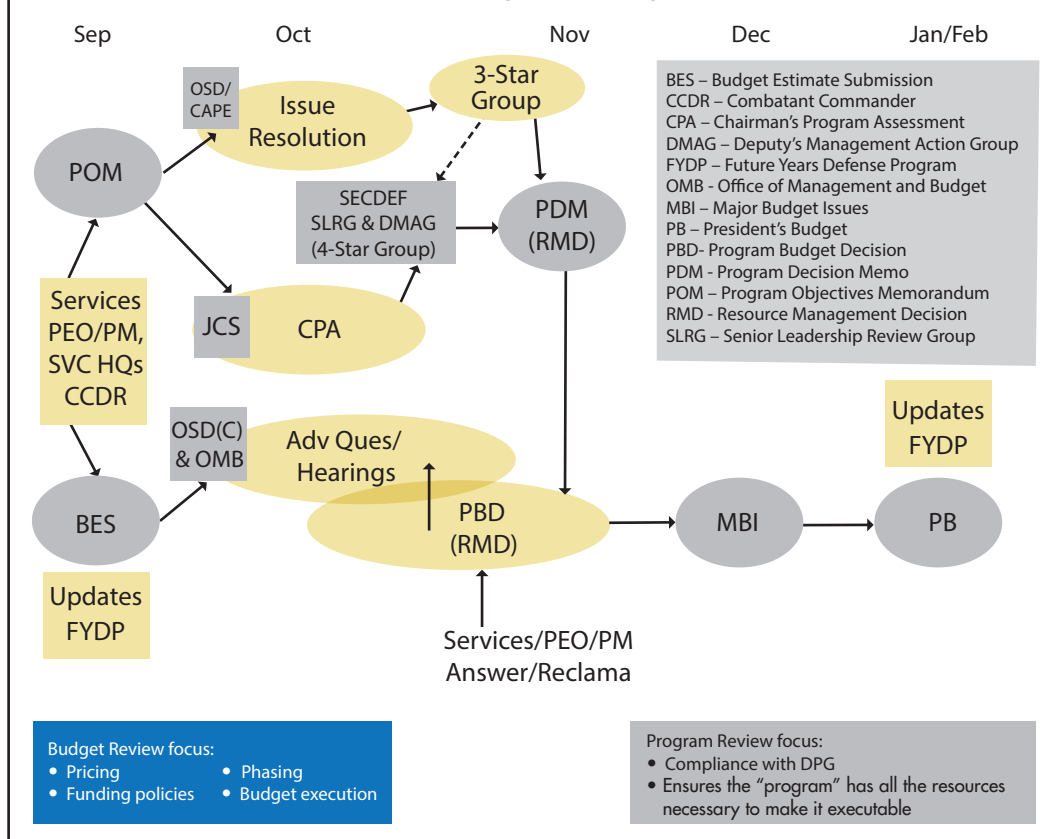
Platinum Card POC: james.krott@dau.edu

<https://www.dau.edu/tools/t/Funds-Management-Platinum-Card>

PPBE—Planning Phase—Lead by USD (P)



Concurrent Program/Budget Review





Below Threshold Reprogramming

Amounts are cumulative over Entire Period of Obligation Availability

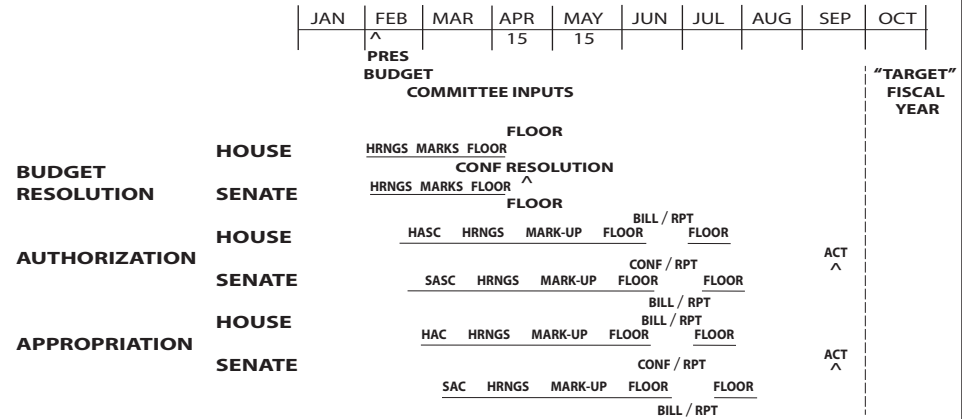
APPRN	MAX INTO	MAX OUT	LEVEL OF CONTROL	OBL AVAIL
RDT&E	Lesser of + \$10 M or + 20%	Lesser of - \$10 M or - 20%	Program Element	2 Years
PROC	Lesser of + \$10 M or + 20%	Lesser of - \$10 M or - 20%	Line Item	3 years SCN: 5 Years
O&M	+ \$10 M	- \$10 M	Budget Activity (or Defense Agency) Some Sub-Activity Limitations on Decreases (see reference below)	1 Year
MILPERS	+ \$10 M	- \$10 M	Budget Activity	1 Year
MILCON	Lesser of + \$2 M + 25%	No Specific Congressional Restriction	Project	5 Years

Reference Sources: DoDFMR 7000.14-R, Volume 3, Chapter 6 (Sept 2015) and Chapter 7 (Mar 2011)
 USD(C) Policy Memo Subject: DD1414 Base for Reprogramming Action, Submission date 9 Jan 2020

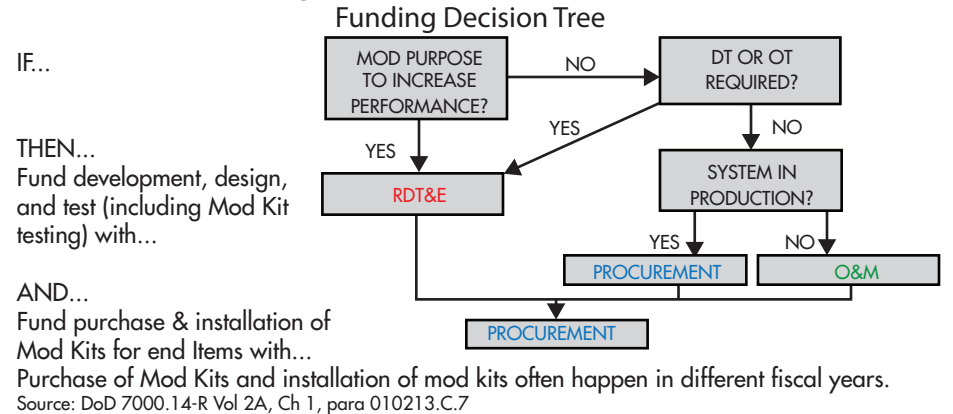
Resource Allocation Process

	2018												2019												2020												2021											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
FY19-23 Cycle	Enactment						Execution 1st Year All Appropriations						Execute 2nd Year						Execute 3rd Year																													
FY20-24 Cycle	Planning						Programming/Budgeting						Enactment						Execution 1st Year All Appropriations						Execution 2nd Year RDT&E, Procurement, and MILCON						Execute 3rd Year																	
FY21-25 Cycle	Planning												Programming/Budgeting						Enactment						Execution 1st Year All Appropriations						Execute 2nd Year																	
FY22-26 Cycle													Planning												Programming/Budgeting						Enactment						Execute 1st Year											
FY23-27 Cycle																									Time Now						Planning						Program/Budget											

Congressional Enactment Timetable



Funding for Product Improvements



Appropriation Life Cycle

	Years										
	1	2	3	4	5	6	7	8	9	10	11
O&M	█	█	█	█	█	█	█	█	█	█	█
RDT&E	█	█	█	█	█	█	█	█	█	█	█
Procurement	█	█	█	█	█	█	█	█	█	█	█
Ships (SCN)	█	█	█	█	█	█	█	█	█	█	█
MILCON	█	█	█	█	█	█	█	█	█	█	█
MILPERS	█	█	█	█	█	█	█	█	█	█	█

█ Current Period: Available for new obligations, obligation adjustments, expenditures, and outlays
 █ Expired Period: Available for obligation adjustments, expenditures, and outlays
 █ Cancelled: Unavailable for obligations, obligation adjustments, expenditures, and outlays