



NASA Headquarters
Washington, DC 20546

H OWI-7410-R01^{Baseline}
January 13, 1999

Aero-Space Technology Strategic Enterprise (HQ/Code R)

Office Work Instruction

Enterprise/IPO Budget Formulation

CHECK THE MASTER LIST at

<http://hqiso9000.hq.nasa.gov/>

VERIFY THAT THIS IS THE CORRECT VERSION BEFORE USE

Responsible Office: Code RB

Subject: Enterprise/IPO Budget Formulation

Approved by: Original signed by Spence M Armstrong

1. **PURPOSE** The purpose of this OWI is to document the process used to formulate a) the Enterprise budgets for the Aero-Space Technology Enterprise and b) the IPO budget for it's centers.
2. **SCOPE and APPLICABILITY**
 - 2.1 This OWI applies to the Enterprise/IPO budgets for the Office of Aero-Space Technology (OAT) including SAT, R&PM, ROS and MS. It includes the activities of Code R divisions in their Lead Center roles, i.e. RB for the Code R HQs budget, RS for the Code R operation budget and RW for the Commercial Technology program.
 - 2.2 This instruction applies to the Office of Aero-Space Technology at NASA Headquarters. It does not include the activities of HQ Code B, although it is designed to interface with the Agency Budget Formulation Process. It also does not include the Budget Formulation activities performed at the Centers, although a few of those activities are depicted to show how they interrelate to HQ activities. It does, however, include the activities of HQ Code R divisions acting in their capacity as Lead Centers, i.e. RB for the HQ Code R budget, RS for the Code R operation budget, and RW for the Commercial Technology program.
3. **DEFINITIONS**

AA	Associate Administrator
AAP	Advanced Aircraft Program
Agency Budget Call Letter	Annual request for budget requirements issued by Code B
Code B	Office of the Chief Financial Officer, Hqs NASA
Code BR	Resources Analysis Division, Office of the Chief Financial Officer, Hqs NASA
Budget	New Obligation Authority, or guidelines
CIC	Capital Investment Council
CoF	Construction of Facilities appropriation

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	CR	Continuing Resolution
	CY	Current Year
	DAA	Deputy Associate Administrator
	IPO	Institutional Program Office
	IPP	Initial Phasing Plan. Overall performance-against-metrics plan provided by Lead Centers to Hqs
	NF918	An Agency workforce summary for out-year budget planning
	NHB	NASA Handbook
	NPD	NASA Policy Directive
	NPG	NASA Policy Guideline
	OAT	Office of Aero-Space Technology
	PFP	Program Financial Plan
	POP	Program Operating Plan
	Reclama	Agency response to OMB Pass-back. Includes an impact assessment of OMB's proposed budget decisions
	R&PM	Research & Program Management appropriation
	ROS	Research Operations Support (funding type)
	RLT	OAT Strategic Enterprise (Code R/Hqs) Leadership Team, including the AA, DAA, & Division Directors (RB, RG, RP, RS, & RW)
	SAT	Science, Aeronautics & Technology appropriation
	SMC	Senior Management Council
4. REFERENCE DOCUMENTS	NPD 1000.1	NASA Strategic Plan
	NPG 1000.2	NASA Strategic Management Handbook
	NPD 7120.4A	Program/Project Management
	NPG 7120.5A	NASA Program and Project Management Processes and
	NPD 8730.3	NASA Quality Management System Policy (ISO 9000) Requirements

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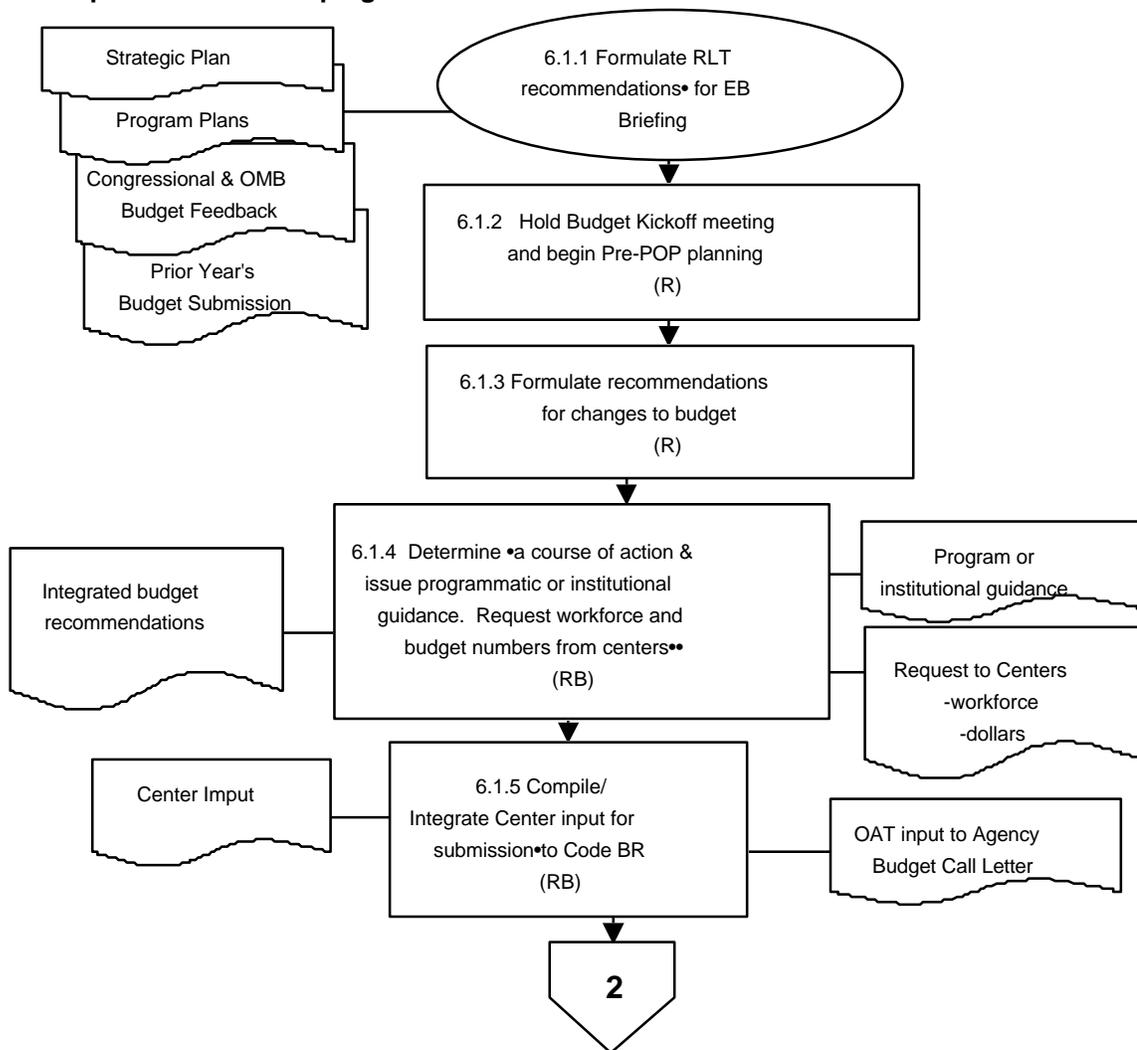
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NHB 1101.3 NASA Organization Handbook
Aero-Space Technology Strategic Plan
Full Cost Implementation Guide

The correct version of the NPD, NPG, NHB documents cited above may be obtained from the NODIS Directives Library at <http://nodis.hq.nasa.gov/Library/processes.html>

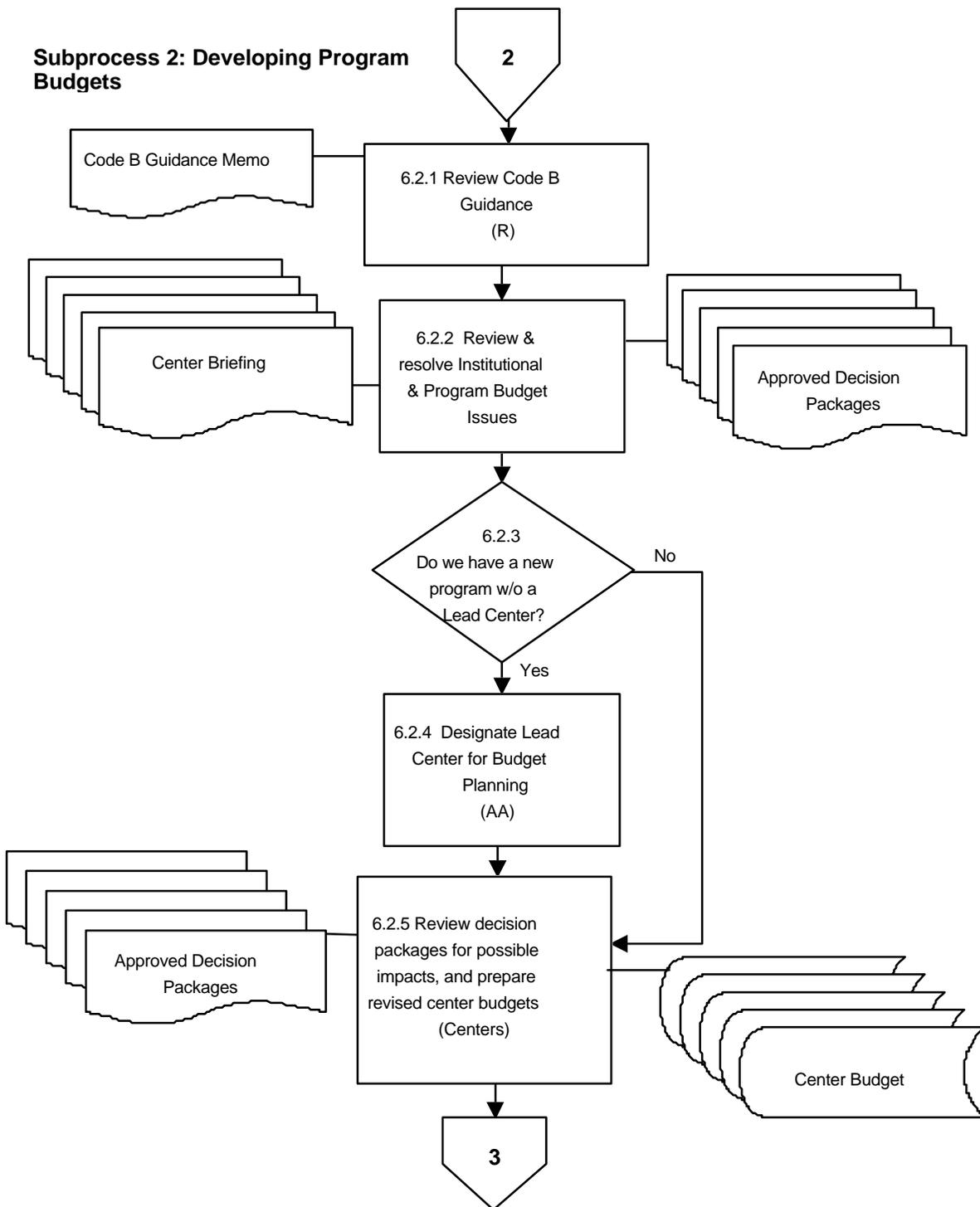
5. Flowchart

Subprocess 1: Developing Guidelines



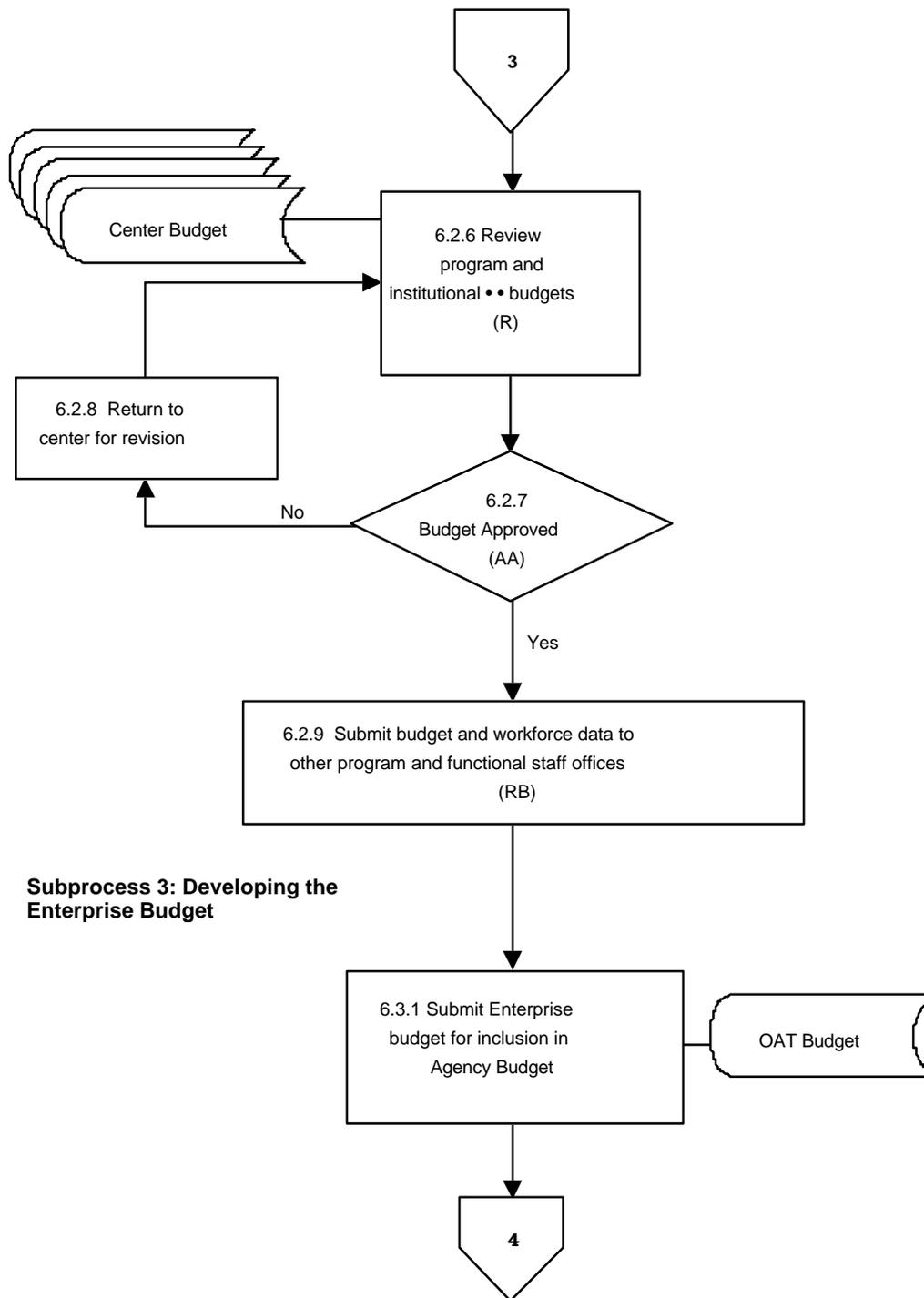
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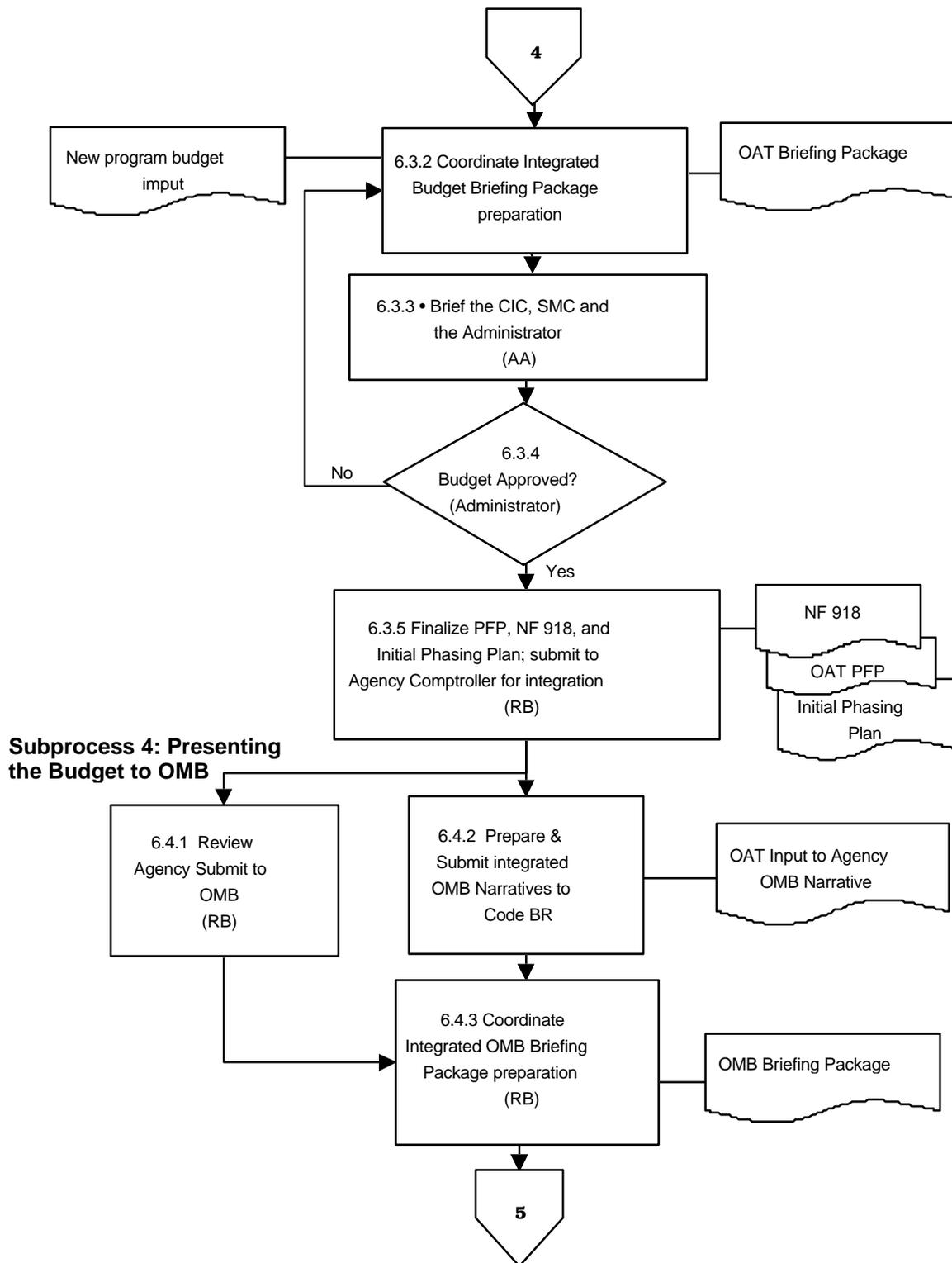
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Subprocess 3: Developing the Enterprise Budget

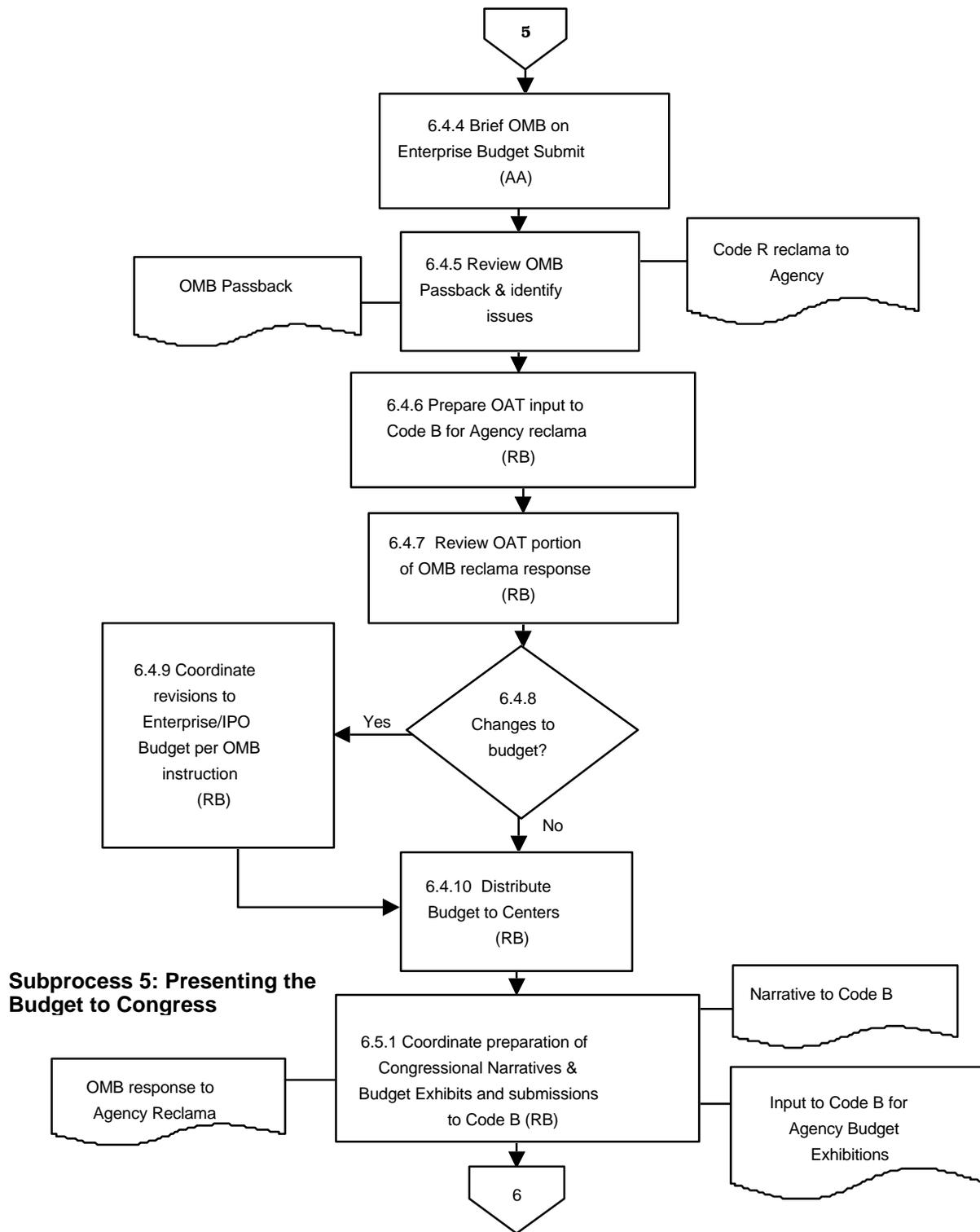
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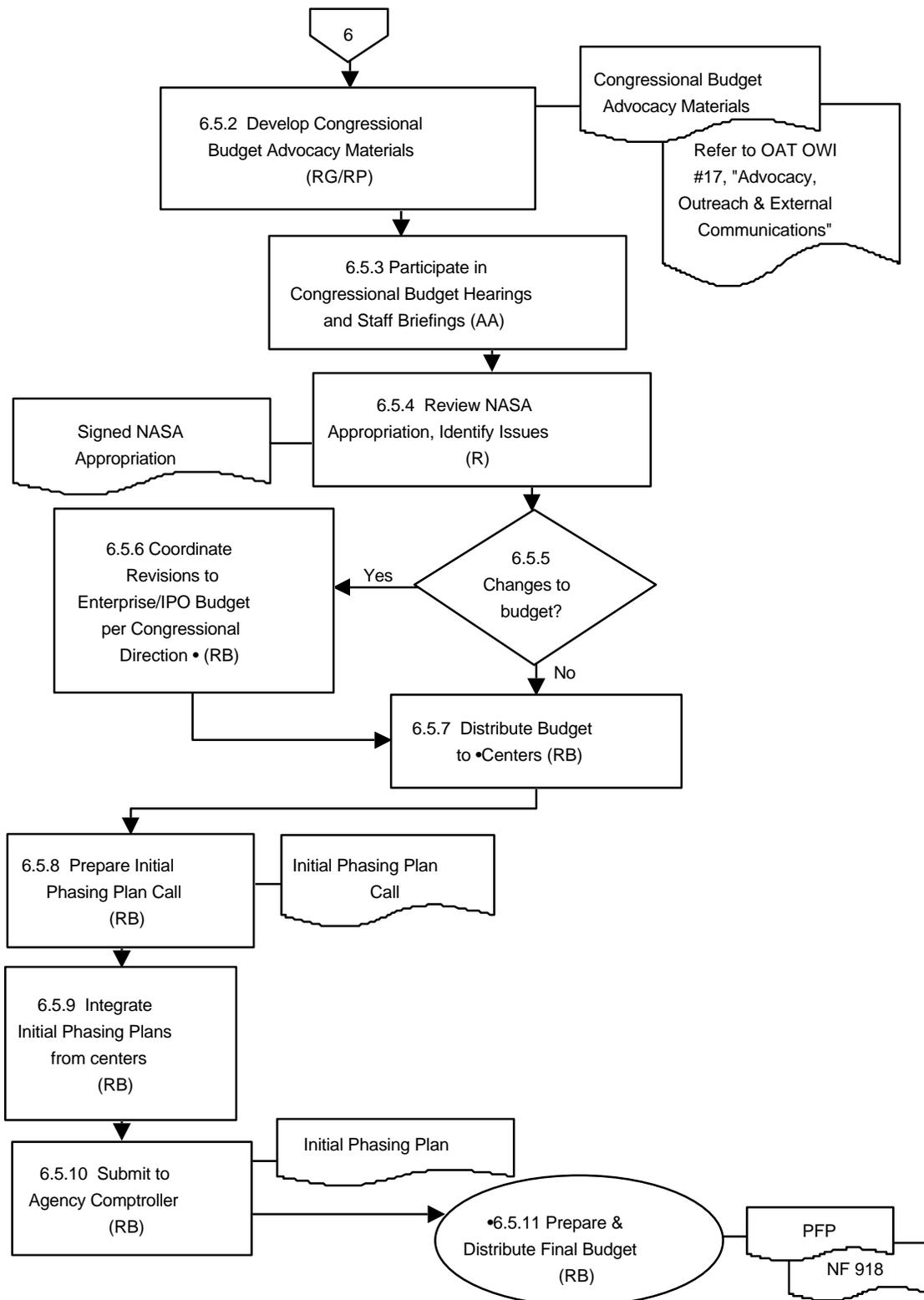
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Subprocess 5: Presenting the Budget to Congress

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6. PROCEDURE

<u>Step</u>	<u>RO</u>	<u>Action</u>
6.0	CODE R	Budget Formulation Process Steps This process consists of five sub-processes, as follows: <ol style="list-style-type: none">1. Developing POP Guidelines and Guidance2. Developing Program and institutional Budgets3. Developing the Enterprise/IPO Budget4. Presenting the Enterprise/IPO budget to OMB (for the Agency)5. Presenting the Enterprise/IPO Budget to Congress (for the Agency and the Administration) The process takes over a year, and is repeated on an annual cycle. For example, it started in January 1998 for the FY2000 Budget Submit to Congress in February of 1999.
6.1		Subprocess 1: Developing Guidelines
6.1.1	CODE R	RLT develops budget recommendations to propose to the Code R EB. RB integrates the collective input into a Code R proposal to the EB.
6.1.2	EB	The Executive Board is briefed on the RLT recommendations at a kick-off meeting to begin preparations for the next POP submission, typically in January. The purpose of the meeting is to identify potential budget issues and proposed changes in budget guidance. These may include policy, strategic, programmatic, and political issues, which reflect OMB and congressional budget feedback. The AA then decides on an overall Enterprise/IPO budget strategy.
6.1.3	CODE R	Compile input from all sources, including the Administrator and the CIC, on anticipated budget requirements, probable cuts, and potential issues. Formulate recommendations for the AA.
6.1.4	AA	After conferring with staff, as appropriate, the AA decides on a budget in the PFP structure, and Code R issues programmatic and/or institutional guidance. Code R sends a request to centers to distribute, by project and by Performing Center, the dollars and workforce, which result from the AA's budget decisions.

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- 6.1.5** RB The centers provide requested input (in the form of a Microsoft Spreadsheet); includes a description of the program outputs and schedule impacts of the current guidelines, and any other issues the Centers have that need to be resolved before the process can continue. RB integrates the Centers inputs for submittal to Code B.
- 6.2** RB **Subprocess 2: Developing Program Budgets**
- 6.2.1** RLT Code R reviews the guidance from the Agency Comptroller and assesses the impact on the Enterprise/IPO.
- 6.2.2** EB The Lead Center Program Managers and Performing Center Institutional Managers present the current budget impacts and issues to Code R Management. The decisions of the AA are reflected in the approved decision packages, which are distributed to the Centers under a memo signed by the AA.
- 6.2.3** AA The AA determines if a new lead center is necessary for planning. If not, proceed to step 6.2.5. In the normal case, this would have been taken care of in the Program Formulation Process.
- 6.2.4** AA If a new lead center is required, the AA determines the Lead Center for Budget Planning for the new program in accordance with the Program Formulation OWI. The new program must provide guidance by Step 6.3.2
- 6.2.5** Centers The centers, including RB for the headquarters budget, RP for the AAP, and RW for Commercial Technology, review the decision packages developed from the EB meeting for possible impacts, and prepares revisions to the center budgets.
- 6.2.6** RB/RG
RP/RS
RW Code R reviews revised Program and Institutional Budgets from all perspectives (e.g. tactical/political, goals, programmatic, and institutional); and recommends approval to the AA.
- 6.2.7** AA If AA approves revised budget, then step 6.2.9. If changes are required, then step 6.2.8.
- 6.2.8** RB If changes are required, Lead Centers are requested to work with Performing Centers to make them, and resubmit to Code R.
- 6.2.9** RB Once AA approves revised budget, the IPO submits budget and workforce data to other program and functional staff offices.

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- 6.3 RB Subprocess 3: Developing the Enterprise Budget**
- 6.3.1 RB** Code R submits the Enterprise budget to the Agency Comptroller.
- 6.3.2 RB** Code RB integrates inputs from all elements of the Enterprise, and prepares a briefing package for the AA.
- 6.3.3 AA** The AA briefs the CIC, SMC and Administrator.
- 6.3.4 RB** If any changes are required, the action is returned to step 6.3.2 for resolving issues and resubmission. If no changes are needed, action proceeds to step 6.3.5.
- 6.3.5 RB** RB prepares and submits a final PFP, initial phasing plan and NF 918 to Code BR.
- 6.4 AA Subprocess 4: Presenting the Budget to OMB**
- 6.4.1 RB** RB reviews Agency's submission to OMB to identify any changes to the Enterprise submits. These are taken into account when preparing the briefing to OMB.
- 6.4.2 RB/RG RP/RW** The various sections of the OMB Narrative are completed by the appropriate division, taking into account the requirements of the NASA Strategic Plan, Code RB assembles an integrated package for submission to Code BR.
- 6.4.3 RB/RG RP/RW** RB coordinates preparation of the OMB Briefing package.
- 6.4.4 AA** The AA briefs OMB on the Enterprise Budget.
- 6.4.5 RB/RG RP/RS RW** All divisions review the OMB Passback to identify issues, and develop recommendations for Code R input to Agency reclama. RB coordinates preparation of a reclama input package.
- 6.4.6 RB** RB submits OAT input for Agency reclama to Code BR.
- 6.4.7 RB** RB reviews OAT portion of OMB feedback to Agency reclama.
- 6.4.8 RB** If there are changes to the OAT budget as a result of the reclama, step 6.4.9; otherwise, 6.4.10.
- 6.4.9 RB** RB coordinates revisions to the Enterprise/Institutional budget with the appropriate HQ division(s).
- 6.4.10 RB** RB distributes the budget to the Lead Centers.
- 6.5 AA Subprocess 5: Presenting the Budget to Congress**

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- 6.5.1** RB/RG
RP/RW The various sections of the Congressional Narratives are completed by the appropriate division, taking into account the requirements of the NASA Strategic Plan. In addition, any budget exhibits required for the Administrator's briefing/back-up package are prepared. Code RB assembles an integrated package for submission to Code BR.
- 6.5.2** RG/RP Congressional Budget Advocacy materials are prepared in accordance with H OWI -1300-R17, "Advocacy, Outreach and External Communications."
- 6.5.3** AA The AA participates in Congressional hearings and staff briefings on the Enterprise Budget.
- 6.5.4** RB/RG
RP/RS
RW All divisions review the signed NASA appropriation and associated language to identify issues, and develop recommendations for a revised Enterprise budget.
- 6.5.5** RB If there are changes to the OAT budget as a result of the reclama, step 6.5.6; otherwise action proceeds to step 6.5.7.
- 6.5.6** RB RB coordinates revisions to the Enterprise budget with the appropriate HQ division(s) as per congressional direction.
- 6.5.7** RB RB Distributes the budget to the Lead Centers.
- 6.5.8** RB RB prepares a phasing plan call memo.
- 6.5.9** RB RB reviews phasing plan inputs from the Centers.
- 6.5.10** RB RB submits phasing plan input to Code B.
- 6.5.11** RB RB prepares and distributes a final budget, which is summarized in the PFP and the NF 918. The PFP is an input to H OWI-7410-R02, "Budget Execution".

7. QUALITY RECORDS

<u>Record ID</u>	<u>Owner</u>	<u>Location</u>	<u>Media</u>	<u>Retention</u>	<u>Disposition</u>
Approved Decision Packages	RB	RB	Electronic and Hardcopy	1 year	Destroy (Agency Filing Scheme [AFS], Schedule 7, Item 21.F)

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NF 918	RB	RB	Electronic and Hardcopy	2 years	Destroy (AFS Schedule7, Item 21.D)
PFP	RB	RB	Electronic and Hardcopy	2 years	Destroy (AFS Schedule7, Item 21.D)
IPP	RB	RB	Electronic and Hardcopy	2 years	Destroy (AFS Schedule7, Item 21.D)
OAT Input to Agency Budget Call Letter	RB	RB	Electronic and Hardcopy	1 year	Destroy (AFS Schedule7, Item 21.F)
OAT Budget	RB	RB	Electronic and Hardcopy	5 years	Destroy (AFS Schedule7, Item 21.E)