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Making Informed Policy Decisions

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- Non-attribution
 - Cell Phones
 - Me
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Agenda



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- EDSO
 - Tolerance for Financial Decision-making
 - Real-World Example
 - Policy Review Board
 - Final Thoughts
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EDSO (C) - Neuroscience



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Endorphin

- Runner's high -- Mask physical pain Chemical
- Enjoy getting it right – Finish an assignment and get that “I am great” feeling
- Challenge: No long-term enjoyment, but addictive; difficulty finishing problems that have ups/downs

Dopamine

- Cross off the To-do List – Goal Achieving Chemical
- Helps us “get stuff done”
- Needs tangible goals – exact goals/facts
- Challenge: Highly addictive-this can be troublesome; never enough

Serotonin

- Feel pride, status – Leadership Chemical
- Awards; achievements, recognition
- Material in nature; not based on “relationship” feelings
- Challenge: Not a sustaining feeling; still need people

Oxytocin

- Unicorns and Rainbows – Human Generosity – Feel Good Chemical
- Companionship/Sharing; acts of generosity
- More time and energy – sacrificing your time gives you Oxytocin
- Challenge: Need EDS; can't “live” in only Oxytocin at work

Cortisol

- Stress Chemical
 - Clammy hands, nervousness, aggravation, shared across people
 - Great in very short bursts (survival); not needed or wanted long-term
 - Challenge: Can be debilitating; don't get stuck here!
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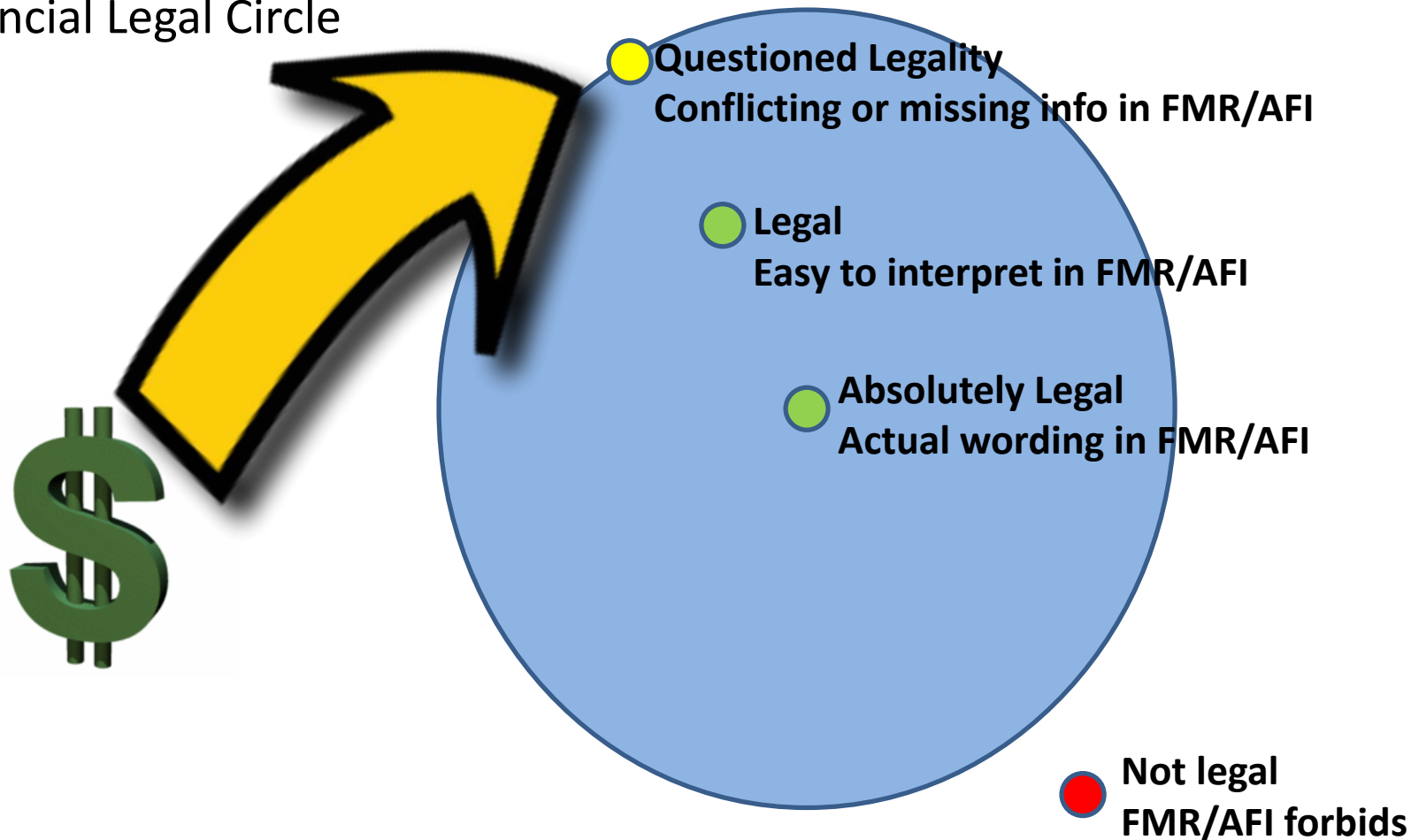


Tolerance Level?

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Financial Legal Circle





High-Performing FM-ers

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NO

- Avoid the immediate.....
 - Support mission interests within the law
- Take on tough fiscal issues
- Utilize Regulations, Instructions, Red Book
 - Recognize they are not ‘Perfect’
- Garner insight/experience from colleagues





Process: How to say



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1. What is the question?
 2. Build the Facts
 3. Research & Document
 4. Decide and Share
 5. Document Decision
 6. And if needed.....PRB
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Real World Example

What is the Question?



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- Modification: PM procuring Cyber equipment and installing at 35 AF Bases
 - Total estimate is \$2.5M
 - Includes \$150K of Palo Alto software (SW) subscriptions
 - 3080 available for this requirement
 - Can I purchase SW subscriptions with 3080?
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Real World Example

Build The Facts



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- Each subscription costs \$15K; total is \$150K for 10
 - Software is never owned by the Air Force (annual fee)
 - PM will award contract to a Vendor that will
 - buy HW, SW, and Servers
 - integrate/test the equipment at the Vendor's facility
 - install each unit at 35 Bases
 - PM requires all items and process to provide his military useable end item
 - PM has 3080 procurement dollars to fund
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Real World Example



Research and Document “Against”

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- AFI 65-601, 4.4.3
 - Use O&M for acquiring software for minor mods, new releases, one-time projects
 - Uh-oh. I've got 3080
 - AFI 4.4.2, 4.4.3.2
 - Investment (3080) threshold is \$250K; under \$250K, use O&M; it is an expense
 - Uh-oh. Total SW cost is \$150K
 - FMR 010212
 - Proprietary software is an investment, subject to the expense-investment criteria, unless it is financed on an "annual fee" basis
 - Uh-oh. A SW subscription is purchased annually
-



Real World Example



Formulate Opinion/Decision “For”

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- AFI 65-601, 4.3.1.2
 - Ensure that network segment system mod definition is not an attempt to circumvent the Expense & Investment Threshold
- AFI 4.4.2.5
 - Do not fragment the reqmt in a piecemeal fashion in order to circumvent the expense-investment criteria guidance
- FMR 010212
 - Acquiring and deploying a complete system with a cost of \$250,000 or more is an investment and should be budgeted in a Procurement appropriation. Complete system cost is the aggregate cost of all components





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Decide and Share



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- **FM Decision: 3080: SW subscription is an integral part of the system modification (non-severable)**
- **Why?**
 - PM requires all items and process to provide his military useable end item
 - Total system modification \$2.5M is >\$250K investment/expense threshold
- **Share: Supervisor, CFO, FM-OSF, JA, Colleagues**
- **Final: Prepare MFR**

.....**HOWEVA**.....



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Difficult Decisions Policy Review Board



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- AFLCMC/FM Process
- Allows FM Center-level leadership to concur/non-concur on your review and decision
- Prepare/edit/send up through your OSF-FM

How? Utilize 'Tongue and Quill' Position Paper

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Position Paper <ul style="list-style-type: none">• Single issue or several related issues and impact• Multi-page• Full sentences, details• Numbered paragraphs | Working with proposals for new program, policy, or procedure, or plan for working a problem <ul style="list-style-type: none">• Circulate a proposal to generate interest (initiate the idea)• Evaluate a proposal (respond to another's idea)• Advocate a position on a proposal to decision makers |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

POSITION PAPER

ON

TITLE



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Issue: *AFLCMC/HNI CFO requests policy review board confirmation that 3080 is the correct appropriation to use when purchasing SW subscriptions as part of a modification*

Background:

- a) State the current facts and the appropriation concerns based on policy and regulation conflicting guidance
- b) State the alternatives
 - 1) Option 1
 - 2) Option 2
- c) State the proposed solution and in general terms why
- d) Add in clarification comments that are needed to ensure reader understands
- e) Restate the Issue. *AFLCMC/HNI CFO is requesting definitive policy guidance from AFLCMC/FM on the use of 3080 for*



POSITION PAPER

ON

TITLE



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References:

a) Add in references that support your proposed solution.

b) *AFI 65-601v1, Section 4B excerpts:*

4.3.1.1. Network Acquisition. Include the total cost of the entire discrete network segment within the scope of effort, when applying the \$250,000 expense and investment criteria to a procurement action. Include any additional network installation costs (e.g., quality assurance, system engineering, equipment installation, testing, etc.) in the aggregate cost of all equipment items being acquired to make the network segment operate.



POSITION PAPER

ON

TITLE



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Discussion:

a) Get into more detail here

b) *Expense and Investment threshold criteria for both DoD FMR and AFI 65-601v1 require the total cost of all components to meet an approved, documented requirement. Accordingly, AFLCMC/HNI contends the initial software subscription should be included in the overall 3080 cost of the military useable end item, and all subsequent annual renewals are financed as an O&M expense.*

c) *AFI and DoD FMR references regarding software financed on an “annual fee basis” (AFI para 4.4.3.2) are more applicable to stand-alone software requirements whose functionality is...*

Recommend 3 pages or Less



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Back-Up



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How to Prevent an ADA



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- A Simple Three (3) Step Approach:
 - (1) Determine Whether the Appropriation is Available for the **Purpose** Served by the Obligation and Expenditure
 - (2) Determine Whether the Appropriation is Available at the **Time** of the Obligation and Expenditure
 - (3) Determine Whether the Appropriation is Available in the **Amount** of the Obligation and Expenditure
-



ADA - It's the Law!



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- ADA violation means the law has been broken -- intentionally or unintentionally
 - Affects perception of Congress and the public on how well we manage funds
 - Must be investigated quickly and thoroughly
 - Corrective action taken, if possible
 - Criminal Penalties
 - Up to \$5,000 Fine...
 - Up to 2 Years Imprisonment OR
 - BOTH
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