



UNITED STATES MARINE CORPS
MARINE CORPS BASE
CAMP LEJEUNE, NORTH CAROLINA 28542-5001

BBul 12510
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29 May 1987

BASE BULLETIN 12510

From: Commanding General
To: Distribution List

Subj: MANAGING TO PAYROLL

Ref: (a) SECNAVINST 12510.9
(b) MCO 12510.2C
(c) BO 5310.10B

Encl: (1) Delegation of Financial Management Responsibilities
(2) Financial Planning Guidance

1. Purpose. To establish interim instructions relative to the implementation of the Department of the Navy (DoN) program on Managing to Payroll.

2. Information

a. Reference (a) cites the DoN policy that all positions and organizations of the DoN be structured to achieve efficiency and economy in support of the mission of the organization. The instruction also initiates changes in the management of personnel resources. References (a) and (b) delegate to commanders of field activities the authority to classify General Schedule (GS) positions at grades GS-1 through GS/GM-15 and Federal Wage System positions at grades defined in job grading standards issued by Office of Personnel Management (OPM) or DoN. In addition, they authorize activity commanders to redelegate this authority and position management authority, accompanied by associated civilian payroll funds, to lower levels of management. This new concept is titled, "Managing to Payroll."

b. The financial portion of Managing to Payroll was implemented on 1 October 1986 with the allocation of payroll targets for FY87 to the managers as shown on the enclosure. However, due to the increasing uncertainty as to the future availability of funds to support payroll targets and budgeted positions, a final decision on full implementation of the program will be held in abeyance until FY88. In the meantime, the provisions of this bulletin will apply.

3. Action

a. AC/S, Manpower. The AC/S, Manpower, remains the designated Position Management Officer for the command and as such will exercise final authority for the Commanding General over the program.

b. Civilian Personnel Officer. The authority to take final classification action on all positions remains delegated to the Principal Classifier, Civilian Personnel Office, and may not be redelegated. This authority will be exercised in complete conformity with and in strict adherence to current classification standards and instructions issued by appropriate authority. However, the classification staff will fully support and assist line managers in their efforts to develop efficient and economical organizational structures.

c. Department Heads, Organizational Commanders and Command Staff Officers are granted the authority, incentive and flexibility to reallocate personnel resources to meet mission requirements and achieve economy and efficiency of operation within authorized personnel numbers and payroll dollars. However, all changes must be provided to the Position Management Officer prior to implementation. The remaining provisions of reference (c) still apply.

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4. Self-Cancellation. ~~31 December 1987.~~

30 JUNE 88

M. C. Harrington
M. C. HARRINGTON
Chief of Staff

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Delegation of Financial Management Responsibilities

A. Delegation of financial management responsibilities will be made to the Fund Administrators (FA) listed below:

1. FA-12 - Provost Marshal
2. FA-13 - Communications Officer
3. FA-16 - Commanding Officer, Support Battalion
4. FA-23 - Base Maintenance Officer
5. FA-25 - Commanding Officer, Infantry Training School
6. FA-26 - Commanding Officer, Marine Corps Service Support Schools
7. FA-27 - Commanding Officer, Marine Corps Engineer School
8. FA-28 - Commanding Officer, Field Medical Service School
9. FA-30 - Commanding Officer, Headquarters Battalion
10. FA-31 - Director, Regional Automated Services Center
11. FA-32 - Assistant Chief of Staff, Logistics
(includes FAs 18, 19, 22, 24, 51, 52)
12. FA-33 - Superintendent, Dependents' Schools
13. FA-35 - Director, Family Housing
14. FA-36 - Director, Bachelor Housing
15. FA-40 - Commanding Officer, Base Brig
(Managing to Payroll target controlled by AC/S, Manpower)
16. FA-44 - Assistant Chief of Staff, Training and Operations
17. FA-46 - Assistant Chief of Staff, Morale, Welfare and Recreation
18. FA-50 - Complex Officer, East Coast Commissary Complex

B. Delegation of financial management responsibilities will be made to the Work Centers (WC) under FA-10 (Command) listed below:

1. WC 1001 - Assistant Chief of Staff, Comptroller
(to include 1045, 1046)
2. WC 1002 - Budget Officer
3. WC 1003 - Disbursing Officer
4. WC 1007 - Accounting Officer
5. WC 1008 - Joint Public Affairs Officer
6. WC 1009 - Head, Internal Review
7. WC 1010 - Assistant Chief of Staff, Manpower
8. WC 1011 - Assistant Chief of Staff, Facilities
9. WC 1012 - Public Works Officer
10. WC 1013 - Base Adjutant (see note)
11. WC 1016 - Inspector (to include Commanding General)
12. WC 1017 - Staff Judge Advocate
13. WC 1018 - Assistant Chief of Staff Base Operational Support
Management Assistance
14. WC 1019/1022 - Civilian Personnel Officer (see note)
15. WC 1028 - Base Safety Officer (see note)
16. WC 1030 - Postal Officer (see note)
17. WC 1033 - Military Personnel Officer (see note)
18. WC 1034/1035 - Fire Chief
19. WC 1036 - Base Chaplain
20. WC 1043/1044 - Director, Human Services

(NOTE: Managing to Payroll target controlled by AC/S, Manpower)

ENCLOSURE (1)



FINANCIAL PLANNING GUIDANCE

1. Civilian Compensation for the purposes of managing to payroll includes basic compensation and other compensation.

a. Basic Compensation

(1) Basic Compensation for Full-Time Employees represents regular salaries and wages paid or to be paid to civilian full-time employees and other payments that become part of the employee's basic rate of pay (i.e., merit pay increases for GS and WG employees). It includes regular salaries and wages paid to employees while taking compensatory time, or on annual, sick or other paid leave, and terminal leave payments.

(2) Other Basic Compensation represents regular salaries and wages (including terminal leave payments and merit pay increases for GS and WG employees) paid directly to other than full-time permanent employees, that is, part-time or temporary employees.

b. Other Compensation. Relates to payments above the basic rates paid directly to civilian employees, other than overtime and holiday premium. It includes payments above the basic rate for:

(1) Intermittent Employment. Regular pay for consultants and other employees with appointments that require work on an irregular or occasional basis, with hours or days of work not based on a prearranged schedule. Compensation is paid only for time actually employed or services actually rendered.

(2) Cash Incentive Awards. Payments for cash awards that do not become part of the employee's basic rate of pay.

(3) Sunday Pay. Payments for eight (8) hours or less of regularly scheduled work performed on Sundays.

(4) Nightwork Differential. Payments for regularly scheduled nightwork.

(5) Hazardous Duty Pay. Payments caused by assignments involving irregular or intermittent performance of duties that subject the employee to unusual hazards or physical hardships.

c. Overtime. Payments above the basic pay rate for services in excess of the established work period; usually a forty (40) hour week or an eight (8) hour day.

d. Holiday Premium. Payments above the basic pay rate for services of eight (8) hours or less on holidays or days treated as holidays.

e. Other Payments Above Basic Rates. Payments for any other premium pay such as stand-by pay or premium pay in lieu of overtime.

2. Development of the Financial Plan

a. Introduction

The Assistant Chief of Staff, Comptroller, provides managers with payroll limitations as well as information necessary to estimate costs. Upon receipt of this guidance, managers must develop an annual financial plan to ensure that expenditures stay within approved levels. This plan shows current civilian compensation costs and projected costs budgeted for the fiscal year.

Various systems exist for developing financial plans. Regardless of the type of financial plan selected, the plan must ALWAYS consider the impacts of planned variations from existing costs and reflect these in budgetary projections. These variations include:

ENCLOSURE (2)

(1) situations where payroll costs projected may not actually be paid for a period of time, thus making funds available to the manager. Examples:

- vacancies
- leave without pay (LWOP)

(2) situations where payroll costs will exceed projected levels due to cost increases. Examples:

- permanent change of station moving expenses for new hire
- lump sum leave settlement for an unanticipated retirement

b. Developing the Plan

(1) A financial plan serves as a guide for managing and controlling costs; in this case, the management and control of payroll costs. To prepare a financial plan for payroll, all expected payroll costs should be recorded on a worksheet like the one depicted as Chart I. Chart I is a sample financial plan for FY87 extracted from a DoN instructional guide on Managing to Payroll. In order to prepare the financial plan, the manager completed the following steps:

(a) List all employees on a worksheet by organizational component - include grade and step.

NOTE: All vacant positions are listed at step 4.

(b) List WGI/Promotion dates for each position.

(c) Extract salaries for each position from current salary table.

(d) Divide salaries by 2087 hours to determine hourly rate.

1. Multiply hourly rate by 1741 hours to get basic productive cost.

2. Multiply basic productive cost by acceleration rate to get cost of leave and fringe.

3. Enter the total of basic productive cost plus leave and fringe under Annual Salaries/Benefits column.

(e) Divide Annual Salaries/Benefits figure by PAID DAYS in fiscal year (261) to determine salary per day.

(f) Multiply the daily salary figure by the number of work days charged each month.

(g) Repeat the process for each position/month until completed.

(h) Total monthly columns to determine subtotals for each organizational element.

(i) Total all element columns to determine annual budget.

NOTE: Totals in Chart I will not always equal due to rounding.

(2) Chart II is provided for MCB managers as a financial planning worksheet. This form should be used by Fund Administrators and work center supervisors with managing to payroll responsibilities within this command. It is provided to assist in preparing financial plans for payroll. To use it, simply fill in the blanks following the same steps discussed in the sample plan in Chart I above. The numbers listed as "work days charged monthly for FY87" on Chart II are actuals and should be used when projecting payroll costs in the financial plan.

3. Execution of the Financial Plan

a. Basic Concepts

(1) Delegation of Authority

When managers are granted authority to manage civilian compensation funds, they also become directly responsible for ensuring that expenditures do not exceed funded levels. This demands that the manager:

(a) pay a great deal of attention to detail;

(b) use measurement devices which provide frequent data on actual expenditures.

(2) Summary of Critical Aspects of Budget Execution under Managing to Payroll

(a) Regardless of the method used to track actual expenditures against the financial plan, several basic factors exist which the manager should ALWAYS consider during the budget execution process:

1. Regularly measure progress against the plan, analyze variances from it, and take action to adjust effectively to accommodate the variances.

2. Use funds properly, consistent with legal constraints; do not overspend or use funds for purposes other than those approved. Understand all constraints.

3. Use financial resources effectively - strive to get the best payoffs from expenditures. Always ask whether a cheaper, better option exists.

4. Remember that budget execution is an ongoing process. Adjustments to plans originally formulated should continue throughout the year.

5. Train users of funds to identify variances as soon as possible - long before any formal reports or announcements appear. This will provide an excellent management information system.

6. Establish and maintain good communications with the Assistant Chief of Staff, Comptroller, and keep him informed of known or anticipated variances from the financial plan.

CHART I
SAMPLE ANNUAL FINANCIAL PLAN

| Name | Grade/ Step | WGI/ Promo | Annual Salary/ Benefits (261 days) | Salary/ Benefits Per Day | Monthly Salary/Benefits Budget - FY 1987 | | | | | | | | | | | |
|---------------------------------------|----------------|---------------|---|--------------------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | | | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| | | | | | (Work Days Charged Monthly) | | | | | | | | | | | |
| | | | | | (23) | (20) | (23) | (22) | (20) | (22) | (22) | (21) | (22) | (23) | (21) | (22) |
| <u>Comptroller Department</u> | | | | | | | | | | | | | | | | |
| Rogers, Roy | SES5/00 | -- | 76,944 | 295 | 6,781 | 5,896 | 6,781 | 6,486 | 5,896 | 6,486 | 6,486 | 6,191 | 6,486 | 6,781 | 6,191 | 6,486 |
| Bries, Susan | GS-07/05 | 6/25 | 22,624 | 87 | 1,494 | 1,734 | 1,494 | 1,907 | 1,734 | 1,907 | 1,907 | 1,820 | 1,907 | 1,494 | 1,820 | 1,907 |
| | | | | | 8,774 | 7,630 | 8,774 | 8,393 | 7,630 | 8,393 | 8,393 | 8,011 | 8,393 | 8,774 | 8,011 | 8,393 |
| <u>Budget Division</u> | | | | | | | | | | | | | | | | |
| Broderick, Clyde | GM-15/00 | -- | 58,533 | 224 | 5,518 | 4,485 | 5,158 | 4,934 | 4,485 | 4,934 | 4,934 | 4,710 | 4,934 | 5,158 | 4,710 | 4,934 |
| Alberbach, Red | GM-13/00 | -- | 49,463 | 190 | 4,359 | 3,790 | 4,359 | 4,169 | 3,790 | 4,169 | 4,169 | 3,980 | 4,169 | 4,359 | 3,980 | 4,169 |
| Bikum, Cainy | GS-06/01 | 1/4 | 17,965 | 69 | 1,583 | 1,377 | 1,583 | 1,514 | 1,377 | 1,514 | 1,514 | 1,445 | 1,514 | 1,583 | 1,445 | 1,514 |
| Burgress, Andy | GS-03/01 | 4/12 | 12,833 | 49 | 1,131 | 983 | 1,131 | 1,082 | 983 | 1,082 | 1,082 | 1,033 | 1,082 | 1,131 | 1,033 | 1,082 |
| | | | | | 12,231 | 10,636 | 12,231 | 11,699 | 10,636 | 11,699 | 11,699 | 11,167 | 11,699 | 12,231 | 11,167 | 11,699 |
| <u>Accounting Division</u> | | | | | | | | | | | | | | | | |
| Plum, Roberta | GM-14/00 | -- | 59,574 | 228 | 5,250 | 4,565 | 5,250 | 5,022 | 4,565 | 5,022 | 5,022 | 4,793 | 5,022 | 5,250 | 4,793 | 5,022 |
| Barrow, Herbert | GM-13/00 | -- | 47,675 | 183 | 4,201 | 3,653 | 4,201 | 4,819 | 3,653 | 4,019 | 4,019 | 3,836 | 4,019 | 4,201 | 3,836 | 4,019 |
| Render, Elizabeth | GM-13/00 | -- | 54,741 | 210 | 4,824 | 4,195 | 4,824 | 4,614 | 4,195 | 4,614 | 4,614 | 4,404 | 4,614 | 4,824 | 4,404 | 4,614 |
| Bush, Sally | GS-12/06 | 9/28 | 41,316 | 258 | 3,641 | 3,166 | 3,641 | 3,483 | 3,166 | 3,483 | 3,483 | 3,324 | 3,483 | 3,641 | 3,324 | 3,483 |
| | | | | | 17,916 | 15,579 | 17,916 | 17,137 | 15,579 | 17,137 | 17,137 | 16,358 | 17,137 | 17,916 | 16,358 | 17,137 |
| <u>Disbursing Division</u> | | | | | | | | | | | | | | | | |
| O'Connell, Betty | GM-14/00 | -- | 54,738 | 210 | 4,824 | 4,194 | 4,824 | 4,614 | 4,194 | 4,614 | 4,614 | 4,404 | 4,614 | 4,824 | 4,404 | 4,614 |
| Dailey, Mary | GM-13/00 | -- | 47,324 | 181 | 4,170 | 3,626 | 4,170 | 4,989 | 3,626 | 3,989 | 3,989 | 3,808 | 3,989 | 4,178 | 3,808 | 3,989 |
| Hiller, Robert | GM-13/00 | -- | 48,019 | 184 | 4,232 | 3,680 | 4,232 | 4,048 | 3,680 | 4,048 | 4,048 | 3,864 | 4,048 | 4,232 | 3,864 | 4,048 |
| Vacant | GS-12/04 | -- | 38,955 | 149 | 3,433 | 2,985 | 3,433 | 3,284 | 2,985 | 3,284 | 3,284 | 3,134 | 3,284 | 3,433 | 3,134 | 3,284 |
| Vacant | GS-12/04* | -- | 38,955 | 149 | | | 3,433 | 3,284 | 2,985 | 3,284 | 3,284 | 3,134 | 3,284 | 3,433 | 3,134 | 3,384 |
| | | | | | 16,659 | 14,485 | 20,091 | 19,218 | 17,471 | 19,218 | 19,218 | 18,344 | 19,218 | 20,091 | 18,344 | 19,218 |
| * FA expects to fill vacancy 1 Dec 86 | | | | | | | | | | | | | | | | |
| <u>Budget Summary</u> | | | | | | | | | | | | | | | | |
| Total Annual Budget | | | | | 55,580 | 48,330 | 59,012 | 56,447 | 59,316 | 56,447 | 56,447 | 53,880 | 56,447 | 59,012 | 53,880 | 56,447 |
| Salaries and Benefits | | | | | | | | | | | | | | | | |

CHART II

MCB CLNC ANNUAL FINANCIAL PLAN WORKSHEET

| Name | Grade/ Step | WGI/ Promo | Annual Salary/ Benefits (261 days) | Monthly Salary/Benefits Budget - FY 1987 | | | | | | | | | | | | |
|-----------------------|----------------|---------------|---|--|------|------|------|------|------|------|------|------|------|------|------|------|
| | | | | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | |
| <u>Department</u> | | | | (18) | (20) | (20) | (30) | (20) | (20) | (20) | (20) | (20) | (20) | (20) | (30) | (23) |
| | | | | | | | | | | | | | | | | |
| <u>Division</u> | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| <u>Division</u> | | | | | | | | | | | | | | | | |
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| <u>Division</u> | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| <u>Budget Summary</u> | | | | | | | | | | | | | | | | |
| Total Annual Budget | | | | | | | | | | | | | | | | |
| Salaries and Benefits | | | | | | | | | | | | | | | | |

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