



**DEFENSE ACQUISITION UNIVERSITY**  
**BCF103 – Fundamentals of Business Financial Management**

090223

*Course Learning/Performance Objectives followed by its  
enabling learning objectives on separate lines if specified.*

1	<p><b>Determine when various cost estimates are required to be prepared, what estimating methodology is most appropriate, and what cost data is of interest to various program stakeholders given situational information for an acquisition program.</b></p> <p>Define the following financial management terms: Budget, Authorization, Appropriation, Budget Authority, Commitment, Obligation, Expenditure and Outlay.</p> <p>Define the following terms as they apply to defense acquisition programs: flyaway cost, development cost, weapon system cost, procurement cost, program acquisition cost, life-cycle cost, and total ownership cost.</p> <p>Describe the following ways of presenting acquisition program life-cycle cost and the stakeholders most interested in each approach: appropriations, work breakdown structure, and cost categories.</p> <p>Describe the basic concepts of affordability and the philosophy of Cost as an Independent Variable (CAIV).</p> <p>Recall when, how, and why an Analysis of Alternatives is prepared for a defense acquisition program.</p> <p>Identify when and why each of the following documents is required for ACAT I and ACAT IA acquisition programs: Life-Cycle Cost Estimate, Economic Analysis, Component Cost Analysis, Independent Cost Estimate, and Cost Analysis Requirements Description.</p> <p>Define the roles, responsibilities and perspectives of the organizations that participate in the cost estimating and review process.</p> <p>Define each of the following cost estimating methods: analogy, parametric, engineering, and actual costs.</p> <p>Determine the cost estimating method most appropriate for use in a given situation.</p> <p>Estimate the learning curve for a production process and the number of labor hours required for a future production unit.</p> <p>Describe the concept of Activity Based Costing and its use in DoD.</p>
2	<p><b>Relate a defense acquisition program's cost estimate to its programming and budgeting requirements.</b></p> <p>Identify the purpose(s) for which each of the major appropriation categories of interest to the defense acquisition community (RDT&amp;E, Procurement, O&amp;M, MILCON, and MILPERS) may be used.</p> <p>Identify the funding policy (annual, incremental, or full) that applies to each of the five major appropriation categories of interest to the defense acquisition community (RDT&amp;E, Procurement, O&amp;M, MILCON, and MILPERS).</p> <p>Describe the three major funding policies used in the defense acquisition financial management community (annual, incremental and full).</p> <p>Recognize situations where exceptions to the funding policies are appropriate for the major appropriation categories of RDT&amp;E, Procurement and O&amp;M.</p> <p>Identify the most appropriate time-phased cost estimate and budget request for RDT&amp;E funds for a given program description.</p> <p>Identify the most appropriate time-phased cost estimate and budget request for Procurement funds for a given program description.</p> <p>Identify the proper appropriation used to fund each of the three phases (development, production, and installation) of a product improvement effort.</p> <p>Describe the concept of revolving funds and the impact of revolving fund activities on acquisition program budgets.</p> <p>Relate constant (base year) dollars and then year dollars to each other and to the preparation of program cost and budget estimates.</p>
3	<p><b>Explain the budgeting implications of various types of contracts, given situational information.</b></p> <p>Identify the characteristics of each of these types of fixed-price contracts: firm fixed-price, fixed-price - economic price adjustment, and fixed-price incentive fee (firm target).</p> <p>Identify the budgeting policy for each of these types of fixed-priced contracts: firm fixed-price, fixed-price - economic price adjustment, and fixed-price incentive fee (firm target).</p> <p>Identify the characteristics of each of these types of cost-reimbursable contracts: cost plus fixed fee, cost plus award fee, and cost plus incentive fee.</p> <p>Identify the budgeting policy for each of these types of cost-reimbursable contracts: cost plus fixed fee, cost plus award fee, and cost plus incentive fee.</p> <p>Describe the concepts of termination liability and cancellation ceiling and the budgeting policies that apply to each.</p> <p>Identify the purpose of Earned Value Management (EVM) and its application to various types of contracts.</p> <p>Describe how Earned Value data can be used to estimate the budget requirements of a contract.</p>
4	<p><b>Explain the Planning, Programming, Budgeting, and Execution (PPBE) process, to include the relationship of each phase to the systems acquisition process.</b></p>



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	<p>Recall the primary purpose of each of the three phases of the PPBE process.</p> <p>Identify the inter-relationship between PPBE and the Defense Acquisition System.</p> <p>Identify the purpose, contents and three major dimensions of the Future Years Defense Program (FYDP).</p> <p>Identify the purpose of Major Force Programs and Program Elements and their relationship to the Future Years Defense Program.</p> <p>Identify the principal players, major activities, timeline, and primary inputs and products of the Planning phase of PPBE.</p> <p>Identify the principal players, major activities, timeline, and primary inputs and products of the Programming phase of PPBE.</p> <p>Identify the principal players, major activities, timeline, and primary inputs and products of the Budgeting phase of PPBE.</p> <p>Recognize the significant issues that concern the OSD Budget Analyst during his/her review of budget justification documentation.</p> <p>Recognize reasons that acquisition programs may lose funding during the PPBE process.</p> <p>Recall the characteristics of a good reclama or impact statement.</p>
5	<p><b>Relate the budget exhibits (that is, budget justification documentation) prepared by acquisition program offices to the budget review process conducted during the budgeting phase of PPBE.</b></p> <p>Recognize the roles and responsibilities of the players involved in the preparation and review of budget exhibits prior to their submission to Congress.</p> <p>Identify the purpose, content and conditions requiring submission of the R-1 budget exhibit.</p> <p>Identify the purpose, content and conditions requiring submission of the R-2 and R-2a budget exhibits.</p> <p>Identify the purpose, content and conditions requiring submission of the R-3 budget exhibit.</p> <p>Identify the purpose, content and conditions requiring submission of the R-4 and R-4a budget exhibits.</p> <p>Identify the purpose, content and conditions requiring submission of the P-1 budget exhibit.</p> <p>Identify the purpose, content and conditions requiring submission of the P-40 and P-40a budget exhibits.</p> <p>Identify the purpose, content and conditions requiring submission of the P-3a budget exhibit.</p> <p>Identify the purpose, content and conditions requiring submission of the P-5 budget exhibit.</p> <p>Identify the purpose, content and conditions requiring submission of the P-5a budget exhibit.</p> <p>Identify the purpose, content and conditions requiring submission of the P-21 budget exhibit.</p>
6	<p><b>Describe the congressional processes leading to a budget resolution, Authorization Act and Appropriation Act, and the implications of those process outcomes to defense acquisition programs.</b></p> <p>Identify the roles of key DoD and Service organizations that provide liaison to the congressional committees during the budget enactment process.</p> <p>Describe the budget resolution phase of the congressional budget enactment process.</p> <p>Describe the authorization phase of the congressional budget enactment process.</p> <p>Describe the appropriations phase of the congressional budget enactment process.</p> <p>Determine to whom and for what amount DOD may appeal a committee mark under the general rules of appeal to congressional marks.</p> <p>Recognize when a Continuing Resolution is required, what it provides and what restrictions it places on program operations.</p> <p>Recognize when a program is considered to be a "New Start."</p> <p>Identify the purpose, applicability, and frequency of submission of the Selected Acquisition Report, Unit Cost Report and Defense Acquisition Executive Summary.</p>
7	<p><b>Explain the budget execution process, including legal concerns and the potential impact of poor budget execution.</b></p> <p>Describe how a defense acquisition program receives budget authority through the apportionment process.</p> <p>Recall the rules for using the deferral and rescission provisions of the Budget and Impoundment Control Act of 1974.</p> <p>Describe the funds execution process and problems that may arise during the process.</p> <p>Identify the purposes and contents of obligation plans and expenditure plans.</p> <p>Recognize when and how an acquisition program may be impacted by unfavorable execution of its obligation and expenditure plans.</p> <p>Identify the purpose and contents of the Contract Funds Status Report (CFSR).</p> <p>Describe the DoD rules governing commitments.</p> <p>Describe the DoD rules governing obligations.</p>



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	Identify when an appropriation is current, expired, or cancelled.
	Identify violations of the Misappropriation Act, the Anti-deficiency Act, and the Bona Fide Need Rule.
	Recognize the various categories of re-programmings, including the approval authorities and the types of reprogramming actions covered by each category.
	Describe the rules governing the use of funds during each of the three phases of an appropriation's life-cycle.
	Identify the threshold amounts and level of control for each appropriation category for below-threshold reprogramming.
8	<b>Describe the financial manager's role in acquisition program management with respect to the acquisition strategy and monitoring of contract execution.</b>
	Identify the aspects of the acquisition strategy relevant to financial management.
	Recognize the sections of the uniform contract format that contain information relevant to financial management.
	Identify the purpose of the Statement of Work and the Statement of Objectives.