

REGULATION

PLANS, PROGRAMS, AND PROJECTS
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**AGENCY ACTIVITIES APPROVAL SYSTEM
AND REVIEW OF OPERATING BUDGETS**

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1. PURPOSE

The purpose of this regulation is to outline the general policies and practices which are to be followed in the submission, consideration, and approval of Agency programs, projects, and related support (operating, administrative, and technical) activities and to provide for Project Review Committee review of Agency operating budgets. More specific instructions for the implementation of the general policies and practices outlined herein are contained in other Agency regulatory issuances.

2. DEFINITIONS

a. PROGRAM

A program is a major classification of work or effort of an Agency component for a fiscal year which involves a comprehensive plan of stated strategy to accomplish stated objectives. Programs presented for approval will include all new projects and support activities as well as projects and support activities that were approved in the prior fiscal year or years and are being recommended for continuance during the current fiscal year. As used in this regulation, the term "program" applies only to the activities of the Deputy Director (Plans) until such time as other components of the Agency may adopt the planning of their activities on a program basis.

b. PROJECT

A project is an operational entity or unit of operations, to which funds and other resources are allotted for use in performance. A project may be an integral part of an overall program. A project outline describes a specific objective or objectives, means to be employed, and support requirements in sufficient detail necessary to obtain consideration and approval of the project.

c. SUPPORT ACTIVITIES

The term "support activities" as used in this regulation means all internal and external operations of an Agency component other than direct project operations, including the operating and administrative activities of headquarters and field installations.

d. BUDGET

(1) FORMULATION

For the purpose of this regulation ~~the~~ budget formulation provides the mechanism and device, known as the budget, by which Agency programs and other activities are translated into terms of manpower, material, and money requirements, and is the vehicle by which this Agency informs the Congress of the funds required to carry out the missions assigned to this Agency.

(2) EXECUTION

After appropriation of funds by Congress, budget execution provides the mechanism and device, known as the operating budget, to reflect current conditions and costs. The operating budget becomes the authorized ceiling of funds within which all Agency programs, projects, and support activities shall be conducted.

e. **PROJECT REVIEW COMMITTEE**

This is a committee appointed by the Director of Central Intelligence to review all Agency programs, projects, and support activities, and operating budget fund limitations, subject to the exceptions listed in paragraph 4 of Regulation No. [REDACTED] and make recommendations thereon to the Director.

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3. **AGENCY MISSIONS AND SOURCE OF FUNDS**

- a. The missions of this Agency are established by statute and National Security Council Directives. These general missions are the objectives toward the attainment of which the Agency is functionally organized and its programs are planned and directed.
- b. The funds required to carry out the missions assigned to the Agency are secured through a process of budget submissions and reviews beginning at the office level and culminating in an appropriation of funds by the Congress. The budget cycle from the formulation stage through the execution stage covers a period of about 24 months. The steps and timing in the preparation and adoption of the Agency's budget are outlined in other Agency regulatory issuances.
- c. The amount of funds appropriated by the Congress represents the authorized ceiling within which all Agency activities shall be conducted. Upon appropriation of funds by the Congress, representatives of the Comptroller (CIA) will obtain operating budgets from each office for the purpose of preparing recommendations to be submitted to the Project Review Committee and the Director of Central Intelligence for the determination of the amount of the final allowance of funds to be made available to each major component. In preparing these recommendations, distinction will be made between funds necessary to:
- (1) Meet the normal costs of administering and maintaining the functional

organization which will plan, direct, and perform the responsibilities assigned to each organizational component concerned.

- (2) Conduct continuing or contemplated substantive projects developed for the accomplishment of the overall CIA mission.

d. The determination of allowances by the Director of Central Intelligence constitutes authority:

- (1) To the Comptroller to:

- (a) Determine, in consultation with the Deputy Directors, the allocation of funds to the offices and staffs under the jurisdiction of each Deputy Director.

- (b) Issue allotment advices within the approved allocations against which funds may be obligated and expended, for the following:

- 1 The administration and maintenance of the functional organization and the performance of the internal functions assigned to the organizational components.

- 2 Such continuing projects (paragraph 3c(2), above) as the Comptroller and the Deputy Director concerned shall jointly determine, have been set forth in sufficient detail in the approved budget to justify the issuance of allotment advices; in the event of disagreement between these officials, the issue shall be referred through the Project Review Committee to the Director of Central Intelligence for determination.

- (2) To the Deputy Directors to submit for consideration and approval within the limits of the allowances authorized for the conduct of their activities, those programs, projects, and activities not set forth in sufficient detail in the approved budget to justify an allotment of funds.

4. POLICY

a. GENERAL

- (1) The Agency's activities approval system is an integral part of the budget system in that it is the mechanism and device by which the Agency's assigned missions are developed and translated into terms of manpower, material, and money requirements. This approval system also establishes the mechanism and device by which Agency officials, subsequent to the appropriation of funds, are authorized to spend the resources available for the accomplishment of the Agency's assigned missions. This system is augmented by special procedures relating to the submission and approval of any operation or activity not set forth in sufficient detail in the approved budget to justify an allotment of funds.
- (2) The operating budgets reflect the current estimated outlook for operations in the ensuing fiscal year based on the budgeted program as presented to the Congress and current fiscal year operations. After allocations have been determined, responsible officials will provide for the review of all plans proposed in the Congressional budget, in the light of current developments, to determine essentiality and estimated costs. In this review and in the preparation of the operating budget, certain elements of the original plans may have to be altered and additional ones considered. Some of these are:
 - (a) Consideration of new policies and directives from the National Security Council.
 - (b) Elimination or modification of parts of the planned operations in the original estimates.

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- (c) Alteration of time schedules for the completion of the operation which may require during the ensuing year use of resources at variance with the original estimates.
 - (d) Changes in organizational relationships which may be desired to improve work; centralization or decentralization, combination of organizational units, reassignment of functions.
 - (e) Improvements in work methods, procedures, and facilities to secure more efficient and effective uses of resources.
 - (f) Redistribution of personnel, equipment, supplies, and facilities among programs or organizational areas.
 - (g) Changes in the method of conducting and financing activities.
- (3) Approval of operating budgets, programs, projects, and other activities is obligatory prior to entering into any commitments or obligating funds. The system of approval provides for different levels of approval authority commensurate with the magnitude, sensitivity, and significance of the activities. Although approval of projects by appropriate authority, and the issuance of allotment advices by the Comptroller constitute authority to enter into commitments and to obligate and expend funds, this shall only be done in full compliance with Agency regulations governing each particular function involved, including specific authorization of Agency officials charged with responsibility for any such function (e.g., procurement of real estate must be accomplished in accordance with regulations governing procurement of real estate).
- (4) Prior to granting his approval, the official authorized to finally approve a project shall ensure that it has been properly coordinated with other components of the Agency whose functions are materially affected.

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b. OPERATING BUDGET APPROVAL

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- (1) Approval of the Director of Central Intelligence is required for the coordinated and unified Agency operating budget reflecting the estimated costs of each of the major components. The procedure for the preparation and submission of operating budgets is found in the [redacted] series of Agency regulatory issuances.
 - (2) The Office of the Comptroller will review and summarize the operating budgets of the offices and, to the extent necessary, hold hearings on the estimates. The Comptroller will make recommendations to the Project Review Committee of allowances for each major component, based upon the summarized operating budgets. The Project Review Committee will make its recommendations to the Director of Central Intelligence based upon the Comptroller's recommendations and its own review of the operating budgets.
 - (3) Approval by the Director of allowances to the major components constitutes authority as outlined in paragraph 3d.

c. PROGRAM APPROVAL

- (1) Approval of the Director of Central Intelligence is required for all programs.
- (2) Programs may be submitted to the Director of Central Intelligence for approval in principle and general earmarking of funds at any time. Funds so earmarked constitute the limits within which specific projects may be submitted for approval. Projects submitted within such programs must be sufficiently identifiable to permit the ready determination of the relationship between the project and the program it is designed to implement.

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- (3) Approval of a program constitutes:
- (a) Authorization to the Comptroller to issue allotment advices for those projects or other activities itemized therein which are continued from the previous fiscal year with no substantial change in policy, method, or objective.
 - (b) Authorization to the Comptroller to issue allotment advices for itemized new projects or activities and new portions of continuing projects or activities when the Comptroller and the Deputy Director concerned have made a positive determination that such projects or activities are set forth in sufficient detail in the program submission to justify the issuance of allotment advices.
 - (c) Approval in principle only, and a general earmarking of funds for the balance of the approved program which has not been set forth in sufficient detail to warrant the specific allotment of funds for activation of particular projects or activities which will be submitted in detail later in the fiscal year.

d. PROJECT APPROVAL

- (1) Approval of the Director of Central Intelligence is required for all projects and activities except as outlined below:
 - (a) Special authority to approve designated types of projects may be given to individual officials by the Director, to be exercised within specific monetary and other limitations.
 - (b) The Project Review Committee or any Deputy Director may act finally on projects not exceeding \$25,000 in any one fiscal year, provided that funds are available within the budget under which the project is proposed.

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- [REDACTED]
- (2) Upon the approval of projects the Comptroller shall issue allotment advices which constitute authorization to obligate and expend funds for the activation and implementation of the projects concerned in full compliance with applicable Agency regulations.
 - (3) After approval of a project, any commitments to an outside agency involving the possible transfer of funds from CIA may only be made by the Comptroller.
 - (4) All financial arrangements involving transfers of funds shall be made by the Comptroller.

e. **FUNCTION OF THE PROJECT REVIEW COMMITTEE**

- (1) The Project Review Committee performs a staff function for the Director of Central Intelligence in the consideration of programs, projects, and operating budgets for approval.
- (2) The Project Review Committee, its operation and general criteria governing material to be submitted for Project Review Committee consideration are set forth in Regulation No. [REDACTED] the standards and procedures governing the submission of annual programs to the Committee are prescribed in Regulation No. [REDACTED] and the submission of projects to the Committee is governed by Regulation No. [REDACTED]

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