

SECTION C. STATUS OF RECOMMENDATIONS AND POTENTIAL MONETARY BENEFITS

FINDING NO.	RECOMMENDATION NO.	PAGE	RECOMMENDATION	S A 2/US	ACTION CODE	TARGET COMPLETION DATE	POTENTIAL MONETARY BENEFITS (\$000) 5/			APPROPRIATION 4/
							CAT 3/	AMOUNT CLAIMED	AGREED TO	

1/ + Indicates repeat finding.
 2/ O = Recommendation is open; C = Recommendation is closed with all action completed; U = Recommendation is unresolved.
 3/ A1 = One-time potential cost avoidance; A2 = Annual potential collection or budget reduction;
 B1 = One-time potential cost avoidance; B2 = Annual potential cost avoidance; C = Undetermined.
 4/ Includes appropriation (and subhead if known).
 5/ See back for explanation of Potential Monetary Benefits.

POTENTIAL MONETARY BENEFITS

Potential monetary benefits are classified as either, (A) collections and budgetary reductions, or (B) potential cost avoidance. These categories are further classified as to their occurrence--that is, whether they are one-time or annual (recurring).

1. Category A - Collections and Budgetary Reductions

a. Collections. This category applies when action on a finding leads to: (1) an actual or prospective monetary collection for Government property, work, or services, or (2) an actual or prospective collection of money erroneously disbursed.

b. Budgetary Reduction. A budget reduction represents a planned action where funds allocated and appropriated based on an approved budget are not used. Budget reductions that result in reprogramming of funds for other uses within the command are reportable as potential cost avoidances, which are defined in the next paragraph.

2. Category B - Potential Cost Avoidance. This category includes instances where alternate means of carrying out a function will free up resources (funds, personnel, or property) that might otherwise be used to accomplish the function. The freed-up resources could be reallocated for other necessary purposes, thus avoiding the need to request additional funding for those purposes. In such cases, there will be no actual monetary collections. Most potential monetary benefits fall in this category.

3. One-time. Potential monetary benefits that occur for a limited time frame are classified as one-time. Many recommendations produce benefits that are realized only once and thus are readily identifiable as one-time benefits. Examples are reduction in requisitioning objectives, or recoupment of funds erroneously paid out, or reductions of material requirements. However, there are also instances when a one-time management action will result in benefits affecting several identifiable fiscal years, such as lease versus purchase of data processing equipment or cancelling plans to acquire major items of equipment over a number of years. Such benefits are considered one-time benefits, and the identified potential benefits shall be limited to the period covered by the most current Program Objective Memorandum or Five-Year Defense Plan. Budgetary reductions will be claimed for reductions in funded programs and cost avoidances claimed for unfunded (future year) programs.

4. Annual. Potential monetary benefits that continue indefinitely (recurring) will be classified as annual. Recommendations to permanently reduce operating costs such as payrolls and other operating expenses are included in this category.