(3) Justified on the basis of a valid economic analysis done in accordance with DoD Instruction 7041.3.
(4) Validated as to reasonableness, completeness, and correct appropriation.
(5) Classified properly as having savings or cost avoidance benefits.
(b) Include resources for PECI in programming documents and budget submissions. The level of funding shall be established under quality and productivity plans and goals established by the Component.
(c) Use guidelines for project documentation, pre-investment analysis, financing, and post-investment accountability of PECI projects, when DoD 5010.36–H is published.
(d) Classify PECI projects for financing and aggregated reporting as follows:
(1) PIF projects. PIF projects are competitively selected from candidate proposals and financed through traditional budget appropriation processes from funds set aside for this purpose. PIF projects must cost over $100,000 and must amortize within 4 years from the date that they become operational. Both equipment and facilities investments that conform to public law, or DoD policies governing their qualification, may be included. Projects may include a function at several activities or locations and be Service-wide or Agency-wide. In FY 1994 the threshold will change to $150,000.
(2) PEIF projects. PEIF projects are financed from the DoD Component accounts established in annual appropriations and are expected to amortize within 2 years of the date they become operational. Funding for PEIF projects shall be included in the DoD Component annual appropriations as a single amount to cover projects, as they are proposed throughout the budget year. PEIF projects cannot exceed $100,000 or cost limitations established by the OSD (whichever is greater) and are limited to facility modification and acquisition of “off-the-shelf” equipment requiring little or no modification before use. In FY 1994 the limit changes to $150,000. Justification for those projects shall be based on the potential to improve quality and productivity that is realized through improvements in operating methods, quality, processes, or procedures.
(3) CSI. CSI projects are investments financed from the DoD Component accounts that may have longer amortization periods than the PEIF and may have different DoD Component cost or benefit criteria than those specified for PIF projects. The CSI projects shall be identified and included in the DoD Component’s annual budget.

§ 162.7 Information requirements.
(a) DoD Components shall submit to the ASD (FM&P), by December 15th of each year, an annual status report on all PECI programs as outlined in appendix A to this part. The DoD Components shall maintain the data at a central point to support reporting requirements.

APPENDIX TO PART 162—REPORTING PROCEDURES
A. General
The PECI reporting requirements provide the OSD with summary information required to provide program accountability, and satisfy the congressional concerns on program management. Information may be submitted in memorandum, letter, or other acceptable form.

B. Information Requirements
1. PIF. Each DoD Component that has a funded PIF project must annually report summary PIF information. The information required for each project follows:
   a. Project Identification. Provide the 11-digit code for each project that has been approved for desired funding, such as follows:
      (1) A92BAxxxxx
         (a) “A” is for an Army project.
         (b) “92” is for a FY92 project.
         (c) “BA” is an Approved PIF project.
         (d) “xxxxx” is a DoD Component identifier.
   b. Total Funds Provided. For each project provide the cumulative amount of PEIC funds invested in the project.
   c. Total Amount Obligated. For each project provide the cumulative amount of funds obligated against the project.
   d. Actual Savings. For each project provide the cumulative actual savings generated.