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MOUND LABORATORY-MONSANTO
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MEMORANDUM

April 10, 1952

TO: Brig. Gen. K. E. Fields, Director of Military Application
FROM: Lindsley H. Noble, Controller
SUBJECT: BUDGET AND REPORTING CLASSIFICATION FOR PROGRAM 3000
SYMBOL: FPAC:EJK

THIS DOCUMENT CONSISTS OF 1 PAGE(S)
THIS IS COPY 3 OF 4 SERIES A

Attached is the revised budget and reporting classification for Program 3000 activities at the operations offices under the jurisdiction of the Division of Production. This classification is to be used in the preparation of budget estimates for fiscal year 1954 and in preparing the monthly reports comparing costs with budget estimates beginning with the report for July 1952. Since all the required data are not available, it will not be necessary to recast the cost report for the current fiscal year on the basis of the revised classification after a preliminary closing at June 30, 1952 on the old basis. However, in the absence of this recast report it will be necessary to request some supplemental data at a later date to complete the budget presentation.

This classification requires the transfer of Program 3000 costs between offices for budgetary purposes and will permit the budgeting and reporting of all Program 3000 costs either as changes in work in process or production transferred to ultimate users.

We should like to have any comments and suggestions of the divisions and offices affected by these revisions. These should be in by May 15, 1952 so that they may be considered before the final printing of the GM Bulletin. In this connection, the principle of cost transfers has been accepted by the Division of Production and should not be considered a point at issue.

Attachment -

GROUP 1
Excluded from automatic
downgrading and
declassification

CLASSIFICATION REVIEW	
1ST REVIEW DATE: <u>9/15/57</u>	DETERMINATION (CIRCLE NUMBER(S))
AUTHORITY: <input type="checkbox"/> DAC <input type="checkbox"/> ADC <input type="checkbox"/> JDD	1. CLASSIFICATION RETAINED
NAME: <u>J. McFLADD</u>	2. CLASSIFICATION CHANGED TO: _____
2ND REVIEW DATE: <u>11/10/57</u>	3. CONTAINS NO DOE CLASSIFIED INFO
AUTHORITY: <u>Bob Patay</u>	4. COORDINATE WITH: _____
NAME: _____	5. CLASSIFICATION CANCELLED
	6. CLASSIFIED INFO DELETED
	7. OTHER ACTION: _____

When separated from enclosures, handle
this document as unclassified

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SECURITY INFORMATION

This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

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3402 Start-up Operations

Includes all costs incurred for operational testing, training of operating staffs, and similar expenses involved in preparations for production operations of new facilities or reactivated standby facilities up to (a) the time when normal uranium or nuclear feed materials are introduced into the process or fabrication facilities with the intent to produce the plant product, or (b) the effective date of the production schedule developed by the AEC production schedules for products produced by facilities using all non-nuclear materials (exclusive of normal uranium). In cases where facilities are brought into operation in stages or piecemeal, the word "product" refers to any intermediate products or materials produced between the initial material and the final product of a plant. For example, a plant using processes A, B, and C to produce a single product brings each process in at two month intervals after the plant is turned over by the construction contractor. During the first two months intermediate products are produced in process A and during the third and fourth months in both processes A and B. During the first two months costs incurred on processes B and C will be considered start-up costs and costs incurred on process A will be considered operating costs. During the third and fourth months only process C will be considered in start-up operations.

WEAPONS DESIGN, DEVELOPMENT AND TESTS SUBPROGRAM

Dayton

3705 Initiator Systems

Includes all costs incurred in connection with improvements in the techniques of initiating fission reactions through production of special types of steady and modulated neutron sources, through increased understanding of phenomena taking place in the activation of initiators of current design, through external sources of neutrons and gamma rays, and through consideration of alternative materials.

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