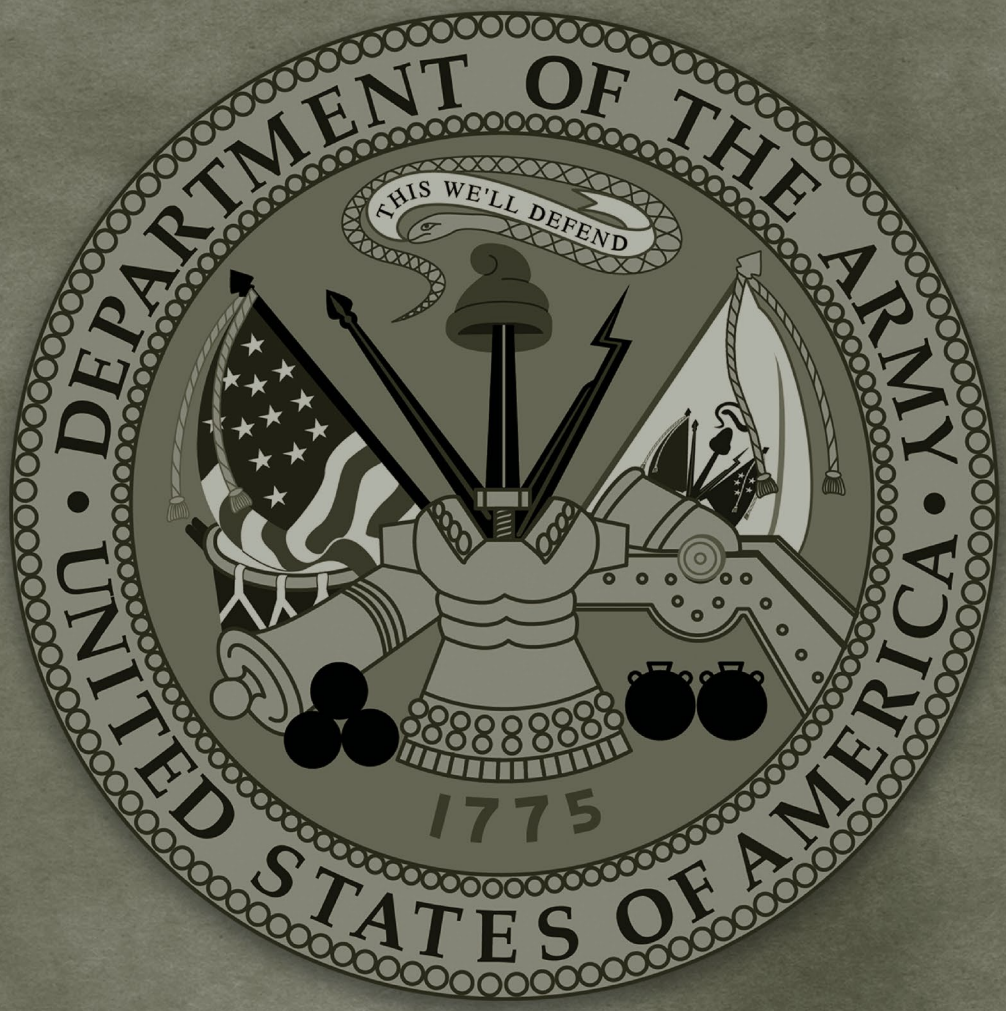
FM 4-80

FINANCIAL MANAGEMENT OPERATIONS



APRIL 2025

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HEADQUARTERS, DEPARTMENT OF THE ARMY

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FINANCIAL MANAGEMENT OPERATIONS

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Preface

FM 4-80 describes how Army financial management (FM), as an element of the sustainment warfighting function, enables the Army and other forces, placing particular emphasis on support to large-scale combat operations. This manual provides the framework for how financial managers support large-scale combat operations.

The principal audiences for FM 4-80 are all Army Soldiers and Civilians who provide FM support, as well as those members of the Army profession who depend on and receive that support. Commanders and staffs should also refer to applicable joint or multinational doctrine concerning support to joint or multinational forces. This manual provides the foundation for training and Army Education System curricula and future capabilities development across doctrine, organization, training, materiel, leadership and education, personnel, facilities, and policy.

Commanders, staffs, and subordinates must ensure that their decisions and actions comply with applicable United States, international, and, in some cases, host-nation laws and regulations. Commanders at all levels will ensure that their Service members operate in accordance with the law of armed conflict and the rules of engagement. (See FM 6-27 for legal compliance.)

FM 4-80 uses joint terms where applicable. Selected joint and Army terms and definitions appear in both the glossary and the text. Terms and definitions for which FM 4-80 is the proponent publication (the authority) are boldfaced and italicized in the text and are marked with an asterisk (*) in the glossary. For other definitions shown in the text, the term is italicized, and the number of the proponent publication follows the definition.

FM 4-80 applies to the Active Army, Army National Guard/Army National Guard of the United States, and United States Army Reserve unless otherwise stated.

The proponent of FM 4-80 is the United States Army Combined Arms Support Command. The preparing agency is the G-3/5/7 Doctrine Division, United States Army Combined Arms Support Command. Send comments and recommendations on a DA Form 2028 (*Recommended Changes to Publications and Blank Forms*) to Commander, United States Army Combined Arms Support Command, ATTN: ATCL-TDID (FM 4-80), 2221 A Avenue, Building 5020, Fort Gregg-Adams, VA 23801-1809 or submit an electronic DA Form 2028 by e-mail to: usarmy.gregg-adams.tradoc.mbx.leee-cascom-doctrine@army.mil.

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Introduction

FM 3-0 focuses on multidomain operations and their relationship to the full range of military operations that support joint campaigns. FM 4-0 lays the foundation for the sustainment (logistics, FM, personnel services, and health service support) required to support Army operations described in FM 3-0. FM 4-80 describes FM capabilities that support these doctrinal publications.

FM is a critical element of the sustainment warfighting function that enables Army forces to operate during competition, crisis, and armed conflict. FM supports Army, joint, and multinational operations, and supports commanders at echelon through two core competencies: finance operations and resource management. This publication describes the functions and responsibilities of financial managers, and emphasizes the importance of planning, integrating, and synchronizing FM at every level.

The doctrine described in this manual has been derived from a variety of sources. Strategy, history, technology, the nature of future threats, interservice relationships, and the political decisions that allocate resources and designate roles and missions have all entered in the formulation of this manual.

FM 4-80 contains six chapters and one appendix:

Chapter 1 provides an overview of FM as an element of the sustainment warfighting function, and reviews Army operations and strategic contexts.

Chapter 2 describes the FM enterprise structure and roles at the national strategic, theater strategic, operational, and tactical levels.

Chapter 3 provides an overview of finance operations with a focus on disbursing, banking, and payment support, accounting, internal controls, and financial data analytics.

Chapter 4 provides an overview of resource management with a focus on programming, budget formulation, budget distribution, budget execution, accounting, internal controls, and financial data analytics.

Chapter 5 describes the integration of FM planning into the planning orders process, fiscal diplomacy, the fiscal triad, and presents FM training considerations.

Chapter 6 describes the FM information systems and information technology capabilities, including their hardware and software applications.

Appendix A outlines different appropriations, authorities, agreements and special programs available to financial managers supporting commanders in their overall effort in theater.

FM 4-80 becomes the proponent for, introduces, or modifies the following Army terms. See introductory table 1.

Introductory Table 1. New, modified, and rescinded terms

Term	*Remarks*
accounting support	FM 4-80 becomes proponent and modifies term
audit readiness	new
banking support	FM 4-80 becomes proponent and modifies term
budget estimate	rescinded
budget formulation	new
cost-benefit analysis	rescinded
cost center	FM 4-80 becomes proponent and modifies term
cost culture	FM 4-80 becomes proponent

Introductory Table 1. New, modified, and rescinded terms (*continued*)

Term	*Remarks*
cost management	rescinded
direct cost	rescinded
disbursing support	FM 4-80 becomes proponent
economic analysis	FM 4-80 becomes proponent and modifies term
finance and comptroller	new
finance operations	FM 4-80 becomes proponent and modifies term
financial data analytics	new
financial management	FM 4-80 becomes proponent and modifies term
fiscal stewardship	new
fiscal triad	FM 4-80 becomes proponent and modifies term
full cost	rescinded
fund the force	FM 4-80 becomes proponent
limited depositary account	FM 4-80 becomes proponent
line of accounting	new
managers' internal control program	rescinded
obligation management	FM 4-80 becomes proponent and modifies term
payment support	new
pecuniary liability	new
pre-deployment cost estimate	rescinded
procurement support	FM 4-80 becomes proponent and modifies term
resource management	new
responsibility segment	rescinded
spot rate	FM 4-80 becomes proponent
technical oversight	FM 4-80 becomes proponent
working estimate	rescinded

Chapter 1
Army Financial Management

This chapter discusses the Finance Corps' role, core competencies, functions, characteristics, and principles. It provides a brief overview of financial management as part of the sustainment warfighting function and Army operations. This chapter concludes with a discussion of Army command and support relationships.

FINANCIAL MANAGEMENT

1-1. ***Financial management*** **is an element of the sustainment warfighting function that leverages fiscal policy and economic power across operations through the two core competencies of finance operations and resource management.** Figure 1-1 depicts the financial management (FM) doctrinal base, showing its role, core competencies, functions, characteristics, and principles.

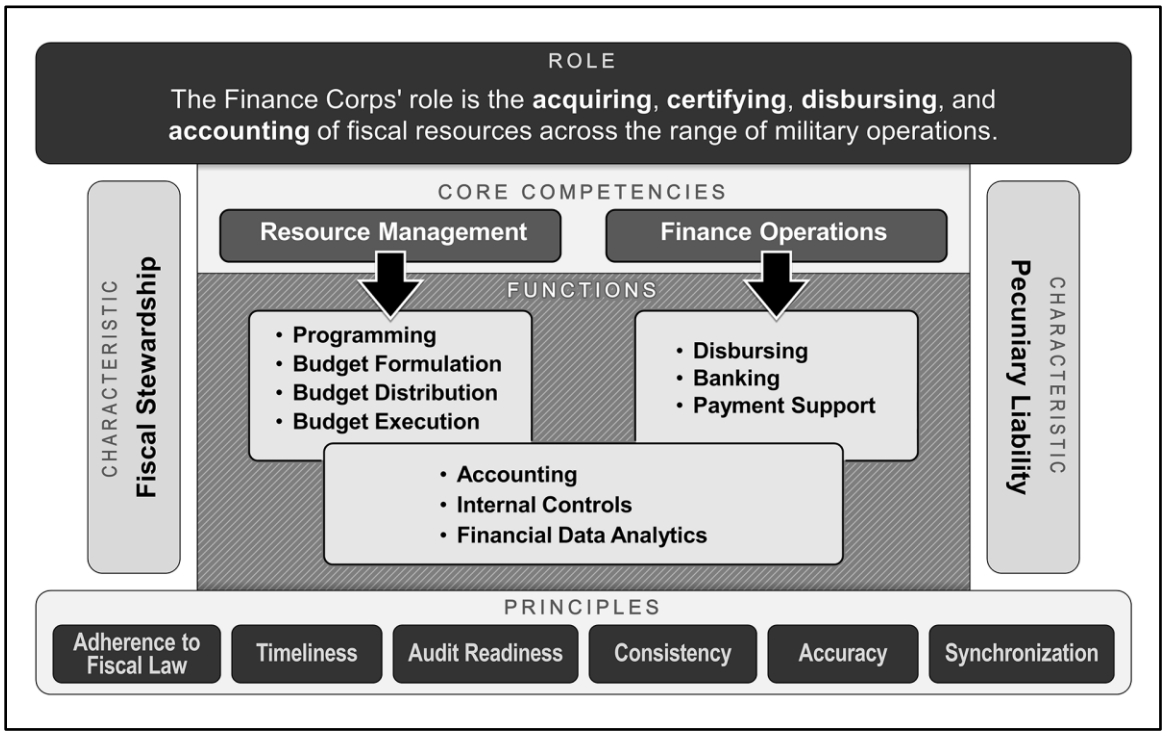


Figure 1-1. Financial management doctrinal base

FINANCE CORPS ROLE

1-2. A *role* is the broad and enduring purpose for which the organization or branch was established (ADP 1-01). The role of the Finance Corps is the acquiring, certifying, disbursing, and accounting of fiscal resources across the range of military operations. This role enables Army sustainment to provide the joint force commander freedom of action, operational reach, and prolonged endurance. ***Finance and comptroller*** **is the branch and profession that represents the totality of integrated fiscal capability required at all echelons**.

FINANCIAL MANAGEMENT CORE COMPETENCIES

1-3. A *core competency* is an essential and enduring capability that a branch or an organization provides to Army operations (ADP 1-01). FM has two core competencies: finance operations and resource management

(RM). These core competencies each have nesting functions that enable finance elements to accomplish their designated missions.

1-4. ***Finance operations*** **is a financial management core competency that consists of the functions of disbursing, banking, payment support, accounting, internal controls, and financial data analytics.** Finance operations are discussed in detail in chapter 3.

1-5. ***Resource management*** **is a financial management core competency that consists of the functions of programming, budget formulation, budget distribution, budget execution, accounting support, internal controls, and financial data analytics.** RM is discussed in detail in chapter 4.

FINANCIAL MANAGEMENT FUNCTIONS

1-6. A *function* is the broad, general, and enduring role for which an organization is designed, equipped, and trained (JP 1, Vol 1). FM has a total of ten primary functions: disbursing, banking, and payment support specifically pertain to finance operations; programming, budget formulation, budget distribution, and budget execution specifically pertain to RM; and accounting, internal controls, and financial data analytics are overarching functions executed in both finance operations and RM.

Disbursing

1-7. ***Disbursing support*** **is the paying of public funds to entities in which the United States Government is indebted; the collection and deposit of monies; the safeguarding of public funds; and the documenting, recording and reporting of such transactions**. Disbursing is discussed in detail in chapter 3.

Banking

1-8. ***Banking support*** **is establishing and coordinating the mechanisms for obtaining, exchanging, and depositing physical and electronic currency and negotiable instruments necessary to support policy, operations, and host-nation banking infrastructure.** Banking is discussed in detail in chapter 3.

Payment Support

1-9. ***Payment support*** **is the calculation of entitlements, verification and validation of appropriate documentation, and certification of payments.** Payment support is discussed in detail in chapter 3.

Programming

1-10. Programming is the translation of strategic guidance into a comprehensive allocation of forces, manpower, and funds among competing requirements. Programming is discussed in detail in chapter 4.

Budget Formulation

1-11. Budget formulation is the translation of programming decisions and commanders' operational planning into an appropriation format for justification. Budget formulation is discussed in detail in chapter 4.

Budget Distribution

1-12. Budget distribution is the issuance of budgetary resources and authorities to subordinate organizations for execution. Budget distribution is discussed in detail in chapter 4.

Budget Execution

1-13. Budget execution is the accountability and application of budgetary resources. Budget execution is discussed in detail in chapter 4.

Accounting

1-14. Accounting is the accurate and complete recording, reconciliation, and reporting of financial transactions to meet auditability standards. Accounting is discussed further in chapters 3 and 4.

Internal Controls

1-15. Internal controls are the procedures and techniques that organizations execute to provide reasonable assurance of compliance with applicable laws, regulations, and policies. Internal controls are discussed further in chapters 3 and 4.

Financial Data Analytics

1-16. ***Financial data analytics*** **is the process of collecting, organizing, and analyzing financial data to drive fact-based, resourced-informed decision making that optimizes commanders' resources.** Financial data analytics is discussed further in chapters 3 and 4.

FINANCIAL MANAGEMENT CHARACTERISTICS

1-17. A *characteristic* is a feature or quality that marks an organization or function as distinctive or is representative of that organization or function (ADP 1-01). Characteristics describe the attributes that the organization or branch requires to be effective. FM brings unique capabilities to commanders to assist in the accomplishment of their objectives. Certain characteristics are nested within the FM core competencies and functions and apply to the branch as a whole; individual units may have additional specific characteristics due to mission requirements. The two characteristics for FM are fiscal stewardship and pecuniary liability.

Fiscal Stewardship

1-18. ***Fiscal stewardship*** **is the careful and responsible management of public monies entrusted to the Army by the American People.**

1-19. The Army operates under the mandate to use all available resources in the most effective and efficient means possible to support the combatant commander (CCDR). Effectiveness describes how well consumed resources achieve the desired outcome or end state. Efficiency speaks to the manner in which those resources are consumed in order to produce the maximum output with the least amount of input, regardless of whether the output achieves the desired outcome. The efficient use of resources is always an important consideration for Army leaders and financial managers; however, the primary focus regarding the use of financial resources must always center on accomplishing the mission and attaining the desired end state.

1-20. Financial managers establish and adhere to business processes throughout the budgetary and funding processes that identify requirements and optimize funding resources to support operations. Commanders and financial managers execute fiscal stewardship through command accountability, execution review, and adherence to fiscal laws, regulations, and policies. Correctly identifying baseline costs, conducting impact analysis, associating identified risks to funding requirements, and maintaining oversight during requirement execution leads to funding optimization.

Pecuniary Liability

1-21. ***Pecuniary liability*** **is the fiscal responsibility for the physical loss or deficiency of public money, vouchers, checks, securities, or records**. Being pecuniarily liable means that individual must repay, out of their own money, any funds for which they have improperly disbursed or made an illegal, improper, or incorrect certification or payment.

1-22. Financial managers are both accountable for funds in their control and pecuniarily liable for those funds. Pecuniary liability is critical and has serious implications to individuals if not properly executed. See Title 31, United States Code (USC) and Department of Defense (DOD) regulation 7000.14-R for additional information.

FINANCIAL MANAGEMENT PRINCIPLES

1-23. A *principle* is a comprehensive and fundamental rule or an assumption of central importance that guides how an organization approaches and thinks about the conduct of operations (ADP 1-01). FM operations are guided by fundamental principles that apply in large-scale combat operations as well as any other operation along the conflict continuum. The six FM principles are adherence to fiscal law, timeliness, audit readiness, consistency, accuracy, and synchronization. These principles provide broad and enduring guidelines for the execution of the Finance Corps' role and are the foundation upon which the core competencies and functions are built.

1-24. Although independent of one another, these principles must be integrated in the planning and execution of FM operations and synchronized in time, space, and purpose. The following paragraphs briefly describe the principles that enable FM elements to meet the commander's mission.

Adherence to Fiscal Law

1-25. Adherence to fiscal law is understanding and complying with relevant laws, regulations, and policies during the execution of fiscal resources. It is critical for financial managers to understand fiscal law for two reasons. First, commanders care about funding because it drives operations. A command cannot execute its mission if it does not possess the necessary funding authority or funds. Second, spending funds inappropriately can result in punitive or adverse administrative action against a commander. Therefore, it is imperative for organizations to have a foundational understanding of the legally permissible way to spend appropriated funds.

Timeliness

1-26. For FM, timeliness is the execution of functions or completion of transactions within identified legal, regulatory, or directed timelines. Timeliness is critical to relationships that are based on financial transactions such as those with vendors, host nation (HN) banking facilities, and individuals requiring assistance (for example, solatium payments, non-combatant evacuation relocation assistance, and humanitarian relief efforts). Timely payments build credibility and trust, which facilitates operational freedom of action.

Audit Readiness

1-27. ***Audit readiness*** **consists of the activities and enabling initiatives to strengthen internal controls and improve practices, processes, and systems so there is reasonable confidence the information can withstand scrutiny by an independent auditor**. It includes conducting processes and maintaining records in a manner that facilitates a financial statement audit. A financial statement audit is an examination and evaluation of the Army's financial statements and accompanying disclosures by an independent auditor to ensure the Army's financial records comply with accounting standards. Ultimately, accountability and audit readiness support commanders through better management of Army resources. Having accurate financial information will help commanders prioritize efforts, eliminate inefficiencies, and maintain operational readiness with fewer resources.

Consistency

1-28. For FM, consistency is the unwavering execution of transactions and processes using procedures that are standardized across the FM enterprise. Consistency builds trust, minimizes errors, and creates reliable financial data. This enables audit readiness and results in a more efficient use of time and resources.

Accuracy

1-29. For FM, accuracy is the completion, computation, and recording of financial data and transactions in a precise and correct manner. Accuracy is critical to ensure that financial information is a reliable input in the decision-making process. Commanders can be more confident in the decisions they make if they have accurate and relevant data as evidence to base those decisions on. Additionally, accuracy reduces the need to expend resources fixing errors.

Synchronization

1-30. For FM, synchronization includes FM leaders coordinating with unified action partners to align FM capabilities to theater requirements. FM elements use the planning and orders process to synchronize their operations and tailor support to the unique and changing dynamics of the operational environment (OE) and mission.

THE ARMY SUSTAINMENT WARFIGHTING FUNCTION

1-31. The Army contributes to the generation and application of combat power through the six warfighting functions: command and control (C2), movement and maneuver, intelligence, fires, sustainment, and protection. A *warfighting function* is a group of tasks and systems united by a common purpose that commanders use to accomplish missions and training objectives (ADP 3-0).

1-32. The *sustainment warfighting function* is the related tasks and systems that provide support and services to ensure freedom of action, extend operational reach, and prolong endurance (ADP 3-0). The sustainment warfighting function consists of four elements: logistics, FM, personnel services, and health service support, each of which must be integrated and synchronized across all warfighting functions to ensure the appropriate level of support. For additional information see ADP 3-0, ADP 4-0, FM 3-0, and FM 4-0.

1-33. FM contributes to the sustainment warfighting function by acquiring, certifying, disbursing, and accounting for fiscal resources across the range of military operations.

ARMY OPERATIONS

1-34. The Army's primary mission is to organize, train, and equip its forces to conduct prompt and sustained land combat to defeat enemy ground forces and seize, occupy, and defend land areas. The Army accomplishes its mission by supporting the joint force and unified action partners in four strategic roles: shape OEs, prevent conflict, prevail in large-scale ground combat, and consolidate gains. The strategic roles clarify the enduring reasons for which the Army is organized, trained, and equipped.

1-35. The Army fulfills its strategic roles by providing forces for joint campaigns that enable integrated deterrence of adversaries outside of conflict and the defeat of enemies during conflict or war. The strategic roles clarify the overall purposes for which Army forces conduct operations on behalf of joint force commanders in the pursuit of a stable environment and other policy objectives. Fulfilling policy objectives requires national-level leaders to orchestrate all instruments of national power throughout the entire government and coalition in a manner commensurate with national will.

1-36. The endurance of Army forces is primarily a function of their sustainment (ADP 3-0). Sustainment determines the depth and duration of Army operations. It is essential to seizing, retaining, and exploiting the initiative. Sustainment is inherently joint and enables freedom of action, extends operational reach, and prolongs endurance for the joint force. As an element of sustainment, FM must be planned, integrated, and synchronized with operations at every level of warfare. FM leaders must understand Army operations in order to apply the full spectrum of FM capabilities.

OPERATIONAL ENVIRONMENT

1-37. An *operational environment* is the aggregate of the conditions, circumstances, and influences that affect the employment of capabilities and bear on the decisions of the commander (JP 3-0). For Army forces, an OE includes portions of the land, maritime, air, space, and cyberspace domains understood through three dimensions (human, physical, and information). An OE is the totality of factors that affect what occurs in an assigned area. These factors include actors, events, or actions that occur outside the assigned area.

1-38. Understanding the OE enables leaders to better identify problems, anticipate potential outcomes, and understand the results of various friendly, enemy, adversary, and neutral actions and the effects these actions have on achieving the military end state. A description of an OE includes all the factors that the commander and staff need to capture and understand to inform the conduct of operations.

1-39. Knowledge of the OE is the precursor to effective action. No two OEs are the same, and all of them continually change. Changes result, in part, from opposing forces and actors interacting, learning, and

adapting. Sustainers at all levels should maintain the ability to operate in an environment where sustainment operations, data, and information are contested. See FM 3-0 for additional information.

MULTIDOMAIN OPERATIONS

1-40. *Multidomain operations* are the combined arms employment of joint and Army capabilities to create and exploit relative advantages to achieve objectives, defeat enemy forces, and consolidate gains on behalf of joint force commanders (FM 3-0). The five domains are land, maritime, air, space, and cyberspace; each requires a unique set of warfighting capabilities and skills. Understanding the strengths and dependencies of joint capabilities in each domain is fundamental to multidomain operations.

1-41. Multidomain operations are the Army's contribution to joint campaigns, spanning the competition continuum. Below the threshold of armed conflict, multidomain operations are how Army forces accrue advantages and demonstrate readiness for conflict, deterring adversaries while assuring allies and partners. During conflict, they are how Army forces close with and destroy the enemy, defeat enemy formations, seize critical terrain, and control populations and resources to deliver sustainable political outcomes.

1-42. Sustainment supports the Army’s execution of multidomain operations through the provision of task-organized sustainment capabilities that support maneuver forces at echelon. Task-organized sustainment capabilities conduct sustainment operations across all domains to support and sustain large-scale combat operations.

ARMY STRATEGIC CONTEXTS

1-43. Joint doctrine describes the strategic environment in terms of a competition continuum. Rather than a world either at peace or at war, the competition continuum describes three broad categories of strategic relationships: cooperation, competition below armed conflict, and armed conflict. Each relationship is defined as between the United States and another strategic actor relative to a specific set of policy aims. Cooperation, competition, and even armed conflict commonly occur simultaneously in different parts of the world. Because of this, the needs of CCDRs and Army component commanders in one area are affected by the strategic needs of others. See JP 3-0 and FM 3-0 for additional information.

1-44. Although combatant commands and theater Armies campaign across the competition continuum, Army tactical formations typically conduct operations within a context dominated by one strategic relationship at a time. Therefore, Army doctrine describes the strategic situation through three contexts in which Army forces conduct operations:

- Competition below armed conflict.
- Crisis.
- Armed conflict.

1-45. The Army strategic contexts generally correspond to the joint competition continuum and the requirements of joint campaigns. Because cooperation is generally conducted with an ally or partner to counter an adversary or enemy, Army doctrine considers it part of competition. Army doctrine adds crisis to account for the unique challenges facing ground forces that often characterize the transition between competition and armed conflict. For additional information see FM 3-0 and FM 4-0. (See figure 1-2 for an illustration of Army strategic contexts.)

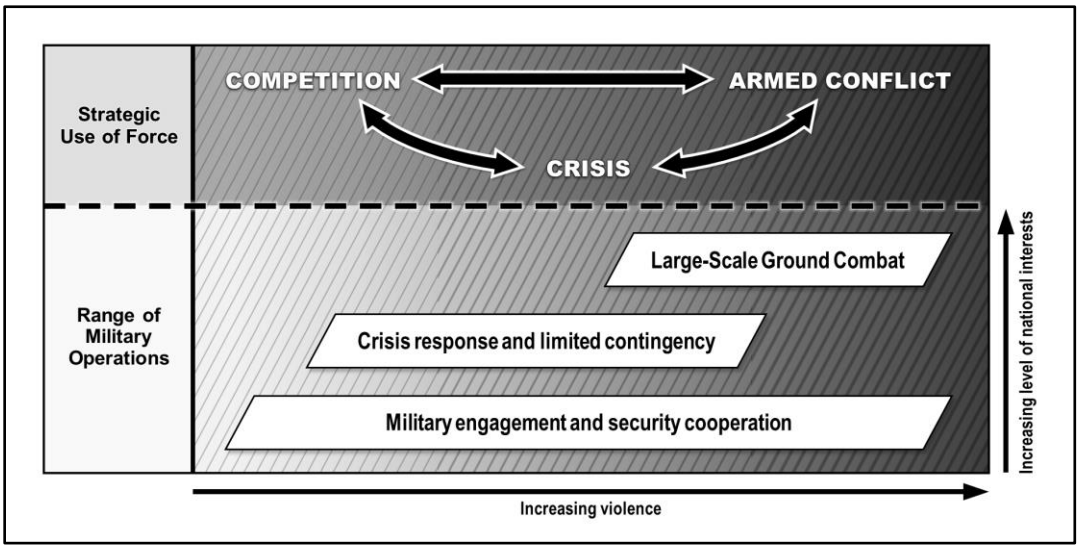


Figure 1-2. Army strategic contexts

Competition Below Armed Conflict

1-46. Competition below armed conflict exists when two or more state or non-state adversaries have incompatible interests, but neither seeks armed conflict. Nation-states compete with each other using all instruments of national power to gain and maintain advantages that help them achieve their goals. Low levels of lethal force can be a part of competition below armed conflict. Sustainment operations in support of competition include support to CCDR daily operational requirements, Title 10 requirements, Army support to other Services, support to military engagement, security cooperation, and set-the-theater tasks. Competition provides military forces time to prepare for armed conflict, opportunities to assure allies and partners of resolve and commitment, and time and space to set the necessary conditions to prevent crisis or conflict. For additional information see FM 3-0 and FM 4-0.

Crisis

1-47. A *crisis* is an emerging incident or situation involving a possible threat to the United States, its citizens, military forces, or vital interests that develops rapidly and creates a condition of such diplomatic, economic, or military importance that commitment of military forces and resources is contemplated to achieve national and/or strategic objectives (JP 3-0). During crisis, armed conflict has not yet occurred, but it is either imminent or a distinct possibility that requires rapid response by forces prepared to fight if deterrence fails. A crisis can be long in duration, but it can also reflect a near-simultaneous transition to armed conflict.

1-48. Army forces contribute to joint operations, seeking to deter further provocation and compel an adversary to de-escalate aggression and return to competition under conditions acceptable for the United States and its allies or partners. Additionally, Army forces help the joint force maintain freedom of action and associated positions of relative advantage through the activities they conduct and their presence on the ground. Sustainment forces must be prepared for a crisis that results from a military action of the adversary or crisis response that results from human or natural disasters. Sustainment is key to providing Army forces freedom of action, operational reach, and endurance. If deterrence fails to end a crisis, Army forces are better postured for operations during armed conflict. For additional information, see FM 3-0 and FM 4-0.

Armed Conflict

1-49. Armed conflict occurs when a state or non-state actor uses lethal force as the primary means to satisfy its interests. Armed conflict can range from irregular warfare to conventional warfare and combinations of both. Entering into and terminating armed conflict is a political decision. Army forces may enter conflict with some advanced warning during a prolonged crisis or with little warning during competition. How well

Army forces are prepared to enter into an armed conflict ultimately depends upon decisions and preparations made during competition and crisis.

1-50. Army forces help joint force commanders gain and maintain the initiative, defeat enemy forces on the ground, control territory and populations, and consolidate gains to establish conditions for a political settlement favorable to U.S. interests. Army forces provide landpower to the joint force and conduct limited contingency or large-scale combat operations to ensure enduring political outcomes favorable to U.S. interests. Sustainment provides the ability to deploy, employ, sustain, and redeploy required Army forces and materiel needed by a commander within an operational area to sustain armed conflict. For additional information see FM 3-0 and FM 4-0.

1-51. Army commanders must exploit successful operations by continuously consolidating gains during competition, crisis, and armed conflict. Consolidate gains are activities to make enduring any initial operational success and to set the conditions for a sustainable security environment, allowing for a transition of control to other legitimate authorities (ADP 3-0). Consolidation of gains is integral and necessary for achieving success across the range of military operations. While Army forces must continuously consolidate gains throughout an operation, consolidating gains becomes the overall focus of Army forces when large-scale combat operations have concluded. For additional information see FM 3-0 and FM 4-0.

LARGE-SCALE COMBAT OPERATIONS

1-52. The focus of Army readiness is on large-scale combat operations. *Large-scale combat operations* are extensive joint combat operations in terms of scope and size of forces committed, conducted as a campaign aimed at achieving operational and strategic objectives (ADP 3-0). During ground combat, they typically involve operations by multiple corps and divisions, and they typically include substantial forces from the joint and multinational team. Large-scale combat operations often include both conventional and irregular forces on both sides. Conflicts encompassing large-scale combat operations are more intense and destructive than limited contingencies, often rapidly amassing heavy casualties.

1-53. During large-scale combat operations, Army forces focus on the defeat and destruction of enemy ground forces as part of the joint team, and they contribute to the defeat of forces in other domains. Army forces close with and destroy enemy forces in all types of terrain, exploit success, and break the enemy's will to resist. Army forces attack, defend, perform stability tasks, and continuously consolidate gains to accomplish objectives that support a desirable political outcome. Corps and divisions are the formations central to the conduct of large-scale combat. The ability to prevail in ground combat is a decisive factor in breaking an enemy's capability and will to continue a conventional conflict. Conflict resolution requires Army forces to consolidate gains with unified action partners as long as necessary to accomplish national objectives. For additional information see FM 3-0.

ARMY COMMAND AND SUPPORT RELATIONSHIPS

1-54. Command and support relationships provide the basis for unity of command and unity of effort in operations. Within planning, commanders are responsible for task organizing the force and prioritizing efforts as part of the operations process. Task organizing is the act of configuring an operating force, support staff, or sustainment package to meet a unique task or mission. This allows commanders to allocate resources to weight the main effort.

1-55. Command and support relationships vary between different units and echelons. The types of command and support relationships established are dependent on the mission and the degree of authority a commander wishes to establish between subordinate units. For detailed information on Army command and support relationships, see ADP 3-0.

ARMY COMMAND RELATIONSHIPS

1-56. The five Army command relationships are: organic, assigned, attached, operational control, and tactical control. Each relationship has specific authorities and responsibilities. Army command relationships identify the degree of control of the gaining Army commander. Command relationships unify effort and enable maximum flexibility for commanders to use subordinate forces. The expected duration of a command relationship normally dictates the type of command relationship between the headquarters involved and identifies the degree of support the gaining and losing Army commanders provide.

1-57. Commanding officers designate command relationships to subordinate units in operation orders (OPORDs). The designation must indicate the headquarters under which a subordinate unit is placed, the specific command relationship designated, and the duration of the relationship. The duration may be based on time, duration of a phase, or on achieving an objective. This information is included in the "Task Organization" paragraph of the OPORD. If the task organization is long or complicated, commanders may place it in annex A of the order. Table 1-1 describes the responsibilities inherent in each command relationship.

Table 1-1. Army command relationships

If relationship is—	*Then inherent responsibilities—*							
	Have command relationship with—	**May be task – organized by—**	**Unless modified, ADCON responsibility goes through —**	**Are assigned position or AO by—**	**Provided liaison to—**	**Establish/ maintain communications with—**	**Have priorities established by—**	**Authorities CDR can impose gaining unit further command or support relationship of—**
Organic	Organic HQ	Organic HQ	Organic HQ	Organic HQ	N/A	N/A	Organic HQ	Attached; OPCON; TACON; GS; GSR; R; DS
Assigned	Gaining HQ	Gaining HQ	Gaining HQ	Gaining HQ	N/A	N/A	Gaining HQ	Attached; OPCON; TACON; GS; GSR; R; DS
Attached	Gaining HQ	Gaining HQ	Gaining HQ	Gaining HQ	As required by gaining HQ	Unit to which attached	Gaining HQ	Attached; OPCON; TACON; GS; GSR; R; DS
OPCON	Gaining HQ	Parent unit and gaining unit; gaining unit may pass OPCON to lower HQ	Parent HQ	Gaining HQ	As required by gaining HQ	As required by gaining HQ and parent HQ	Gaining HQ	OPCON; TACON; GS; GSR; R; DS
TACON	Gaining HQ	Parent HQ	Parent HQ	Gaining HQ	As required by gaining HQ	As required by gaining unit and parent HQ	Gaining HQ	TACON; GS GSR; R; DS

Note: In NATO, the gaining unit may not task organize a multinational force. (See TACON.)

ADCON	administrative control	HQ	headquarters
AO	area of operations	N/A	not applicable
ASCC	Army Service component command	NATO	North Atlantic Treaty Organization
CDR	commander	OPCON	operational control
DS	direct support	R	reinforcing
GS	general support	TACON	tactical control
GSR	general support–reinforcing		

Organic

1-58. Organic forces are those assigned to and forming an essential part of a military organization. The organic command relationship is unique in that the relationship is inherent in unit force structure; units that have an organic command relationship with a parent unit are an integral part of the parent unit table of

organization and equipment. As a result, the organic command relationship cannot be further delegated. Commanders with organic subordinate units may designate any of the other four command relationships to the subordinate unit. Commanders with organic subordinate units have administrative control (known as ADCON) authority and responsibility for the subordinate units. *Administrative control* is direction or exercise of authority over subordinate or other organizations in respect to administration and support (JP 1, Vol 2).

1-59. The Army establishes organic command relationships through organizational documents such as tables of organization and equipment and tables of distribution and allowance. If temporarily task organized to another headquarters, organic units return to the control of their organic headquarters after completing the mission.

Assigned and Attached

1-60. Commanders establish the assigned and attached command relationships by placing a subordinate unit under the command of another organization for a specified period of time. An assigned command relationship is relatively permanent. The gaining organization controls and administers the units or personnel for the primary function, or greater portion of the functions, of the unit or personnel. An attached command relationship is relatively temporary. The attachment may be for a specific mission or phase of an operation. The commander establishes these command relationships in an OPORD issued to the subordinate commander and specifies the duration of the relationship in the order. Unless specifically stated in the OPORD, these command relationships include administrative control authority and responsibility for the gaining command.

Operational Control and Tactical Control

1-61. Commanders establish these command relationships by placing a subordinate unit under the command of another organization for a specified period of time. Operational control (known as OPCON) is the authority to perform those functions of command over subordinate forces involving organizing and employing commands and forces, assigning tasks, designating objectives, and giving authoritative direction necessary to accomplish the mission. Tactical control (known as TACON) is a command authority over units made available for tasking that is limited to the detailed direction and control of movements or maneuvers within the operational area necessary to accomplish missions or tasks assigned. The commander establishes these command relationships in an OPORD issued to the subordinate commander and specifies the duration of the relationship in the order. Unless specifically stated in the OPORD, these command relationships do not include administrative control authority and responsibility for the gaining command. Once the duration of the relationship has lapsed, the unit returns to its parent unit.

ARMY SUPPORT RELATIONSHIPS

1-62. Army support relationships are direct support, reinforcing support, general support, and general support-reinforcing. Army support relationships are not command authorities and are more specific than joint support relationships. Support relationships can be an exclusive relationship between two units (direct support), or a broad level of support extended to all units under the control of the higher headquarters (general support). While reinforcing and general support-reinforcing relationships are not commonly used by sustainment units, these relationships are valid for sustainment units and may be designated based on support requirements. Table 1-2 describes the responsibilities inherent in each support relationship.

1-63. Direct support is a support relationship requiring a force to support another specific force and authorizing it to answer directly to the supported force's request for assistance (joint doctrine considers direct support as a mission rather than a support relationship). A unit assigned a direct support relationship retains its command relationship with its parent unit but is positioned by and has priorities of support established by the supported unit.

1-64. Reinforcing support is a support relationship requiring a force to support another supporting unit. Only like units can be given a reinforcing mission. A unit assigned a reinforcing support relationship retains its command relationship with its parent unit but is positioned by the reinforced unit. A unit that is reinforcing has priorities of support established by the reinforced unit first, and then by the parent unit.

1-65. General support is that support which is given to the supported force as a whole and not to any particular subdivision thereof. Units assigned a general support relationship are positioned and have priorities established by their parent unit.

1-66. General support-reinforcing is a support relationship assigned to a unit to support the force as a whole and to reinforce another similar-type unit. A unit assigned a general support-reinforcing support relationship is positioned and has priorities established by its parent unit and secondly by the reinforced unit.

1-67. Commanders establish support relationships when subordination of one unit to another is inappropriate. Assigning support relationships is one aspect of C2. Commanders assign a support relationship when—

- The echelon of the supporting unit is the same as or higher than that of the supported unit. For example, the supporting unit may be a brigade, and the supported unit may be a battalion. It would be inappropriate for the brigade to be subordinated to the battalion; hence, the echelon uses an Army support relationship.
- The supporting unit supports several units simultaneously. The requirement to set support priorities to allocate resources to supported units exists

Table 1-2. Army support relationships

If relation-ship is—	***Then inherent responsibilities—***							
	Have command relation-ship with—	May be task-organized by—	Receives sustain-ment from—	Are assigned position or an area of operations by—	Provide liaison to—	Establish and maintain communi-cations with—	Have priorities established by—	Authorities a commander can impose on gaining unit further command or support relationship by—
Direct support[1]	Parent unit	Parent unit	Parent unit	Supported unit	Supported unit	Parent unit, supported unit	Supported unit	See note 1
Reinforc-ing	Parent unit	Parent unit	Parent unit	Reinforced unit	Reinforced unit	Parent unit, reinforced unit	Reinforced unit, then parent unit	Not applicable
General support-reinforcing	Parent unit	Parent unit	Parent unit	Parent unit	Reinforced unit and as required by parent unit	Reinforced unit and as required by parent unit	Parent unit, then reinforced unit	Not applicable
General support	Parent unit	Parent unit	Parent unit	Parent unit	As required by parent unit	As required by parent unit	Parent unit	Not applicable

Note: [1] Commanders of units in direct support may further assign support relationships between their subordinate units and elements of the supported unit after coordination with the supported commander.

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Chapter 2

Financial Management at Echelon

This chapter provides an overview of FM capabilities and a general discussion of FM organizations at each level of warfare. It is not inclusive of all organizations or RM positions across the Army, but rather addresses those in major commands in a theater of operations.

SECTION I – OVERVIEW

2-1. Today, the Army finds itself operating not only with other Services, but with other U.S. agencies (for example, Department of State [DOS], Department of Treasury, U.S. Agency for International Development, and intergovernmental organizations) and other nations as well. In the current OE, successful FM support requires a broad understanding of the unique capabilities that other U.S. agencies, intergovernmental organizations, and multinational partners bring to a theater of operations. Along with these considerable capabilities, these partners introduce new complexities with respect to FM planning and operations. Careful and constant coordination reduces the degree of complexity and improves interoperability between U.S. Army forces and these other organizations.

2-2. Each of the Services retains USC Title 10 responsibilities for the sustainment of its respective forces. Title 10, USC, Section 3013 grants the Secretary of the Army authority necessary to conduct all affairs of the Department of the Army (DA) to include recruiting, organizing, supplying, equipping (including research and development), training, servicing, mobilizing, demobilizing, administering (including the morale and welfare of personnel), maintaining, and other functions described in the statute. The Secretary of the Army exercises Title 10 responsibilities through the Chief of Staff for the Army and the Army Service component command (ASCC) commander assigned to each combatant command. The ASCC is responsible for all Army Title 10 functions within the CCDR area of responsibility (AOR). It is responsible for preparing, training, equipping, administering, and sustaining Army forces assigned to the CCDR.

2-3. Army forces operate as part of an interdependent joint force. The other Services depend on integration with Army forces to complement their capabilities. Combined joint capabilities defeat enemy forces by destroying their ability to operate as a coherent, effective entity. Integration requires deliberate coordination and synchronization of sustainment with operations across all levels of war. Army forces integrate sustainment with joint and multinational operations to maximize the complementary and reinforcing effects of each Service component and national resources. Sustainment staffs ensure the integration of sustainment with operations plans.

2-4. The Secretary of Defense may designate an executive agent in accordance with DODD 5101.01. This is normally the Secretary of a military department who, with the executive agent designation, retains the responsibilities, functions, and authorities to provide defined levels of support for operational missions, administrative, or other designated activities that involve two or more DOD components. By definition, the designation as an executive agent makes the organization responsible for a joint capability within the boundaries of the executive agent designation.

2-5. CCDRs possess the directive authority for logistics, authorizing them to issue directives to subordinate commanders regarding the provision of common-user logistics. Under the directive authority for logistics, the CCDR may select a Service component as the lead Service to execute specific common-user logistics functions to include planning and execution of one or multiple common-user logistic functions. The CCDR may augment the lead Service logistics organization with capabilities from another Service as appropriate. The lead Service must plan issuing procedures and sustainment funding for all services/support issued to other Services, as well as a method for collecting reimbursement or items from the other Services. FM leaders must be aware of such designations and the impact of these designations on resource requirements.

2-6. The CCDR designates the lead Service for FM in the joint operation plan or order. The CCDR normally designates the same Service as lead Service for both FM and contracting to facilitate accountability and auditability. When designated as the lead Service for FM, the Army will normally fund multi-Service contract

costs, unique joint force operational costs, special programs, joint force headquarters operational costs, and any other designated support costs. During joint operations planning, the subordinate joint force commander, based on guidance from the CCDR, must delineate funding responsibilities between the FM lead Service and other Service components.

2-7. As a nation, the United States wages war employing all instruments of national power — diplomatic, informational, military, and economic (JP 3-0). At the strategic levels, activities could include providing foreign aid, granting or denying market access, seizing financial assets, and imposing or lifting economic sanctions. Examples at the operational level include security assistance, fiscal policies regarding the use of local versus U.S. currency, funding for employment generation programs, and support to HN banking institutions. Finally, at the tactical level, fiscal authorities can be requested to infuse dollars into local economies to create employment and to support local communities.

2-8. CCDRs and subordinate joint force commanders must work with U.S. chiefs of mission, DOS, and other agencies to best integrate military operations with the diplomatic, economic, and informational instruments of national power to promote unity of effort in securing national objectives. FM operations in partnership with unified action partners could include direct and indirect support to the theater commander's efforts to synchronize military operations and resources with those of other U.S. agencies in the application of the nation's economic power.

2-9. The *levels of warfare* are a framework for defining and clarifying the relationship among national objectives, the operational approach, and tactical tasks (ADP 1-01). While the various methods of warfare are ultimately expressed in concrete military action, the four levels of warfare (national strategic, theater strategic, operational, and tactical) link tactical actions to achievement of national objectives. For additional information on the levels of warfare see FM 3-0. Figure 2-1 depicts Army FM organizations across the levels of warfare.

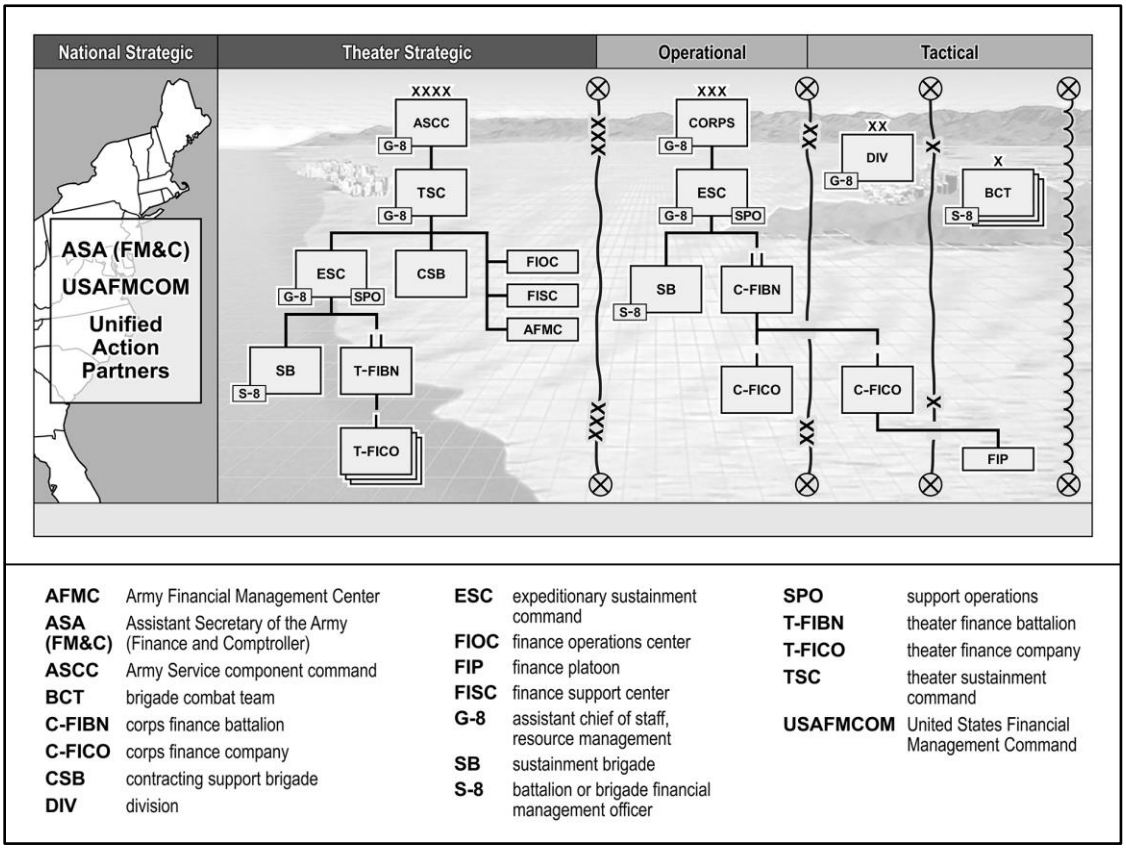


Figure 2-1. Army FM organizations across the levels of warfare

SECTION II – NATIONAL STRATEGIC LEVEL OF WARFARE

2-10. The *national strategic level of warfare* is the level of warfare at which the U.S. government formulates policy goals and ways to achieve them by synchronizing action across government and unified action partners and employing the instruments of national power (FM 3-0). The instruments of national power are all of the means available to the Government in its pursuit of national objectives, expressed as diplomatic, economic, informational, and military. The national strategic level of warfare focuses on developing global strategy and providing global strategic direction. Strategic direction provides context, tasks, and purpose for the employment of the instruments of national power. The specifics of strategic direction address long-term, emerging, and anticipatory issues or concerns that may quickly evolve due to rapidly changing circumstances. Strategic direction is always evolving and adapting. The following paragraphs discuss FM organizations and unified action partners at the national strategic level of warfare. These organizations have the ability to create and deliver effects and support from the strategic base to forces in theater. Figure 2-2 illustrates the FM organizations and unified action partners at the national strategic level.

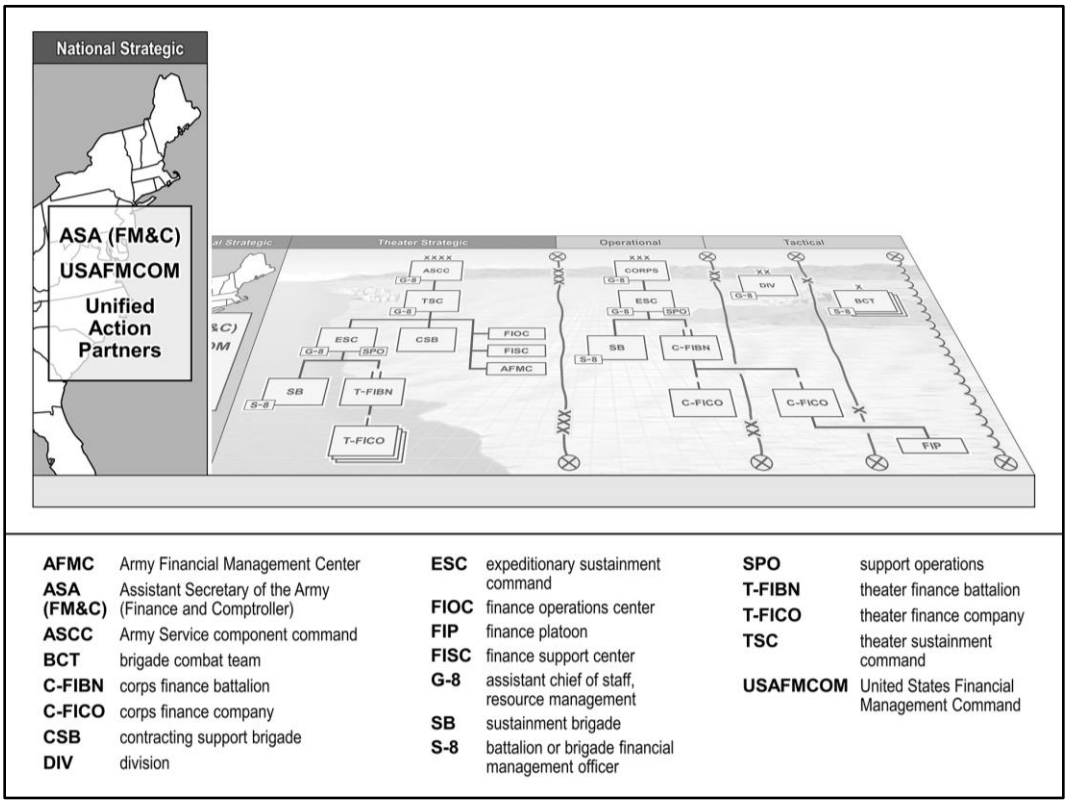


Figure 2-2. Army FM organizations at the national strategic level of warfare

ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT AND COMPTROLLER)

2-11. The Assistant Secretary of the Army (Financial Management and Comptroller) (ASA[FM&C]) is the principal adviser to senior Army leadership on all matters related to FM and comptrollership. The Office of the ASA(FM&C) is responsible for resourcing America's Army through sound FM and comptrollership, from budget formulation to auditable financial statements.

2-12. The Office of the ASA(FM&C) issues guidance and policies regarding all FM operations within the Army. It allocates funds for programs appropriated by Congress, monitors execution, and recommends major reprogramming of funds in coordination with the Army staff. It establishes and supervises the execution of principles, policies, and procedures relating to the preparation and execution of DOD budgets that include

fiscal, cost, operating, capital property accounting, and statistical reporting. The Office of the ASA(FM&C) does this through various tasks:

- Formulates, submits, and defends the Army budget to Congress.
- Oversees the proper and effective use of appropriated funds.
- Provides timely, accurate, and reliable financial information to leaders and managers to enable resource-informed decision making.
- Provides transparent reporting to Congress on the use of appropriated funds.

DEPUTY ASSISTANT SECRETARY OF THE ARMY (BUDGET)

2-13. The Army Budget Office is responsible for budget formulation, the presentation and defense of the budget through the congressional appropriation process, budget execution and analysis, reprogramming actions, and appropriation fund control and distribution. Army Budget Office personnel work closely with the functional program and subprogram managers and sponsors who are responsible for program development and management. The Army Budget Office functions are:

- Supervise and direct development, submission, and defense of the President's Budget.
- Transform the Program Objective Memorandum (POM) to the Budget Estimate Submission to the President's Budget.
- Allocate funds, oversee execution, and maintain Total Obligation Authority controls.
- Manage the Army Working Capital Fund cash.
- Oversee, manage, analyze, and evaluate funding available for civilian pay and benefits through planning, programming, budgeting, and execution (PPBE).
- Initiate, coordinate, and oversee the Mid-Year Review and Army input to Office of the Secretary of Defense (OSD) reprogramming.
- Coordinate with the Appropriations Committee, OSD, and Office of Management and Budget (OMB) in accordance with laws and regulations and implement guidance.

DEPUTY ASSISTANT SECRETARY OF THE ARMY (COST & ECONOMICS)

2-14. The Office of the Deputy Assistant Secretary of the Army (Cost & Economics) is responsible for providing Army decision-makers with cost, performance, and economic analysis in the form of expertise, models, data, estimates, and analyses at all levels. Its functions include the following:

- Manage the Army Cost and Economic Analysis Program.
- Manage the Acquisition Costing and Army Cost Review Board.
- Conduct review and validation of business case analyses, economic analyses, and special cost studies of major weapon and information systems, force structure, and operating and support cost.
- Develop the Army Cost Research Plan.
- Conduct cost factor development for installation base operations, civilian personnel, and training operating tempo, in support of the PPBE process.
- Manage the Army Cost Management Program.
- Manage the Army FM enterprise.

DEPUTY ASSISTANT SECRETARY OF THE ARMY (FINANCIAL OPERATIONS AND INFORMATION)

2-15. The Deputy Assistant Secretary of the Army (Financial Operations and Information) is responsible for policies, procedures, programs, and systems pertaining to finance and accounting activities and operations; Army FM systems and data integration activities; Army programs for internal control, internal review, and audit compliance; the Army Travel Charge Card; fraud, waste, and abuse; and other management evaluation activities. Its functions include the following:

- Manage procedures and policies to support audit compliance and remediation.
- Produce the Army's annual financial statement and financial reports.
- Develop and implement finance and accounting policies.
- Implement policies and procedures for the Army's Management Internal Control Program.
- Manage the Army's Internal Review Program.
- Develop policies for non-appropriated fund programs.

UNITED STATES ARMY FINANCIAL MANAGEMENT COMMAND

2-16. United States Army Financial Management Command (USAFMCOM) is a major subordinate command of United States Army Materiel Command. It is responsible for the delivery of Army-wide FM functions including systems support, audit and compliance support, financial operations support, and Army enterprise resource planning (ERP) systems business process standardization support. It oversees the execution of FM support to the Army, provides FM and systems technical training, and conducts evaluations of finance units. It develops, fields, trains, and sustains ecommerce capabilities in cooperation with the Department of Treasury, federal reserve banks, credit unions, and banks. Additionally, USAFMCOM is responsible for providing technical and integrated oversight of Army field FM activities and is the conduit to all unified action partners. The command is comprised of six directorates as depicted in figure 2-3: Army Accounting and Audit Operations, Army Financial Services, Military Pay Operations, Process Management and Compliance, System Support Operations, and the Army Financial Management Center (AFMC).

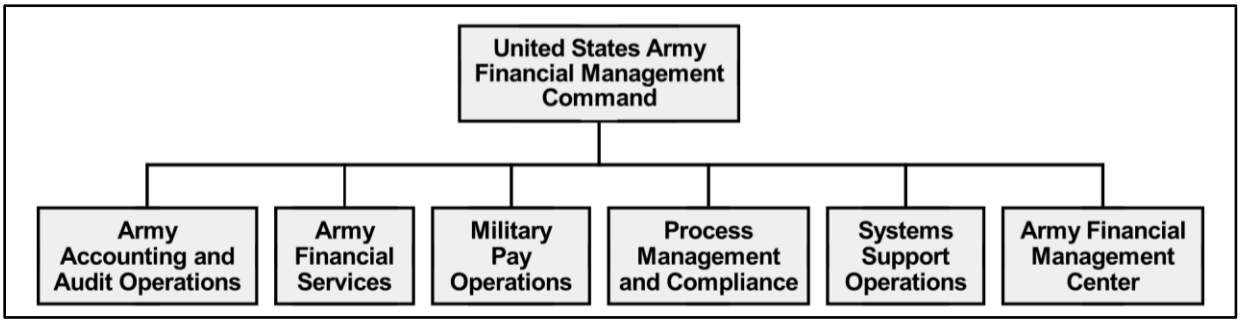


Figure 2-3. United States Army Financial Management Command

ARMY ACCOUNTING AND AUDIT OPERATIONS

2-17. Army Accounting and Audit Operations executes and implements FM audit policies and provides oversight and evaluation of enterprise compliance preparedness for audit-of-business processes through discovery, testing, and training. By doing so, it helps the Army navigate the annual financial statement audit through operational initiatives aimed at planning, preparing, and reporting. It facilitates the determination and elimination of key weaknesses in Army FM, such as reconciling and reporting on fund balance with the Department of the Treasury. Major functions include—

- Supporting independent public accountant activities including walkthroughs, population and audit samples, findings, and corrective action plans.
- Monitoring, inspecting, and reporting on corrective actions to completion.
- Supporting resolution and oversight of service provider critical audit issues, concerns, and corrective actions.
- Proving oversight for Defense Finance and Accounting Service (DFAS) accounting and reporting that impacts the Army financial statements and audit initiatives.

ARMY FINANCIAL SERVICES

2-18. Army Financial Services oversees enterprise-wide support to FM organizations, sustains ecommerce and banking capabilities, provides technical training and evaluation of finance units, and provides oversight and support to Army classified finance and accounting operations. Major functions include—

- Developing, fielding, training, and sustaining ecommerce capabilities in cooperation with the Department of Treasury, federal reserve banks, credit unions, and commercial banks.
- Performing functional management of Army centrally managed accounts for ecommerce, banking, and loss of funds.
- Managing the Army banking program.
- Providing training and evaluation of finance units for all components, and pre-deployment training for Reserve Component finance units.
- Providing oversight, inspections, and centralized support operations for Army classified and overseas finance and accounting operations.

- Performing management and oversight for disbursing and entitling operations from end user to provider.
- Serving as the Army functional lead activity for all external and enterprise-wide operational audits of the Army FM network.
- Providing administrative control and technical oversight for the Defense Travel System.
- Managing the Improper Payments Elimination and Recovery Program and the Army Mass Transportation Benefits Program.
- Distributing Headquarters, Department of the Army (HQDA) funding to operating agencies.

MILITARY PAY OPERATIONS

2-19. Military Pay Operations oversees the Army military pay offices which perform the full range of military pay services to include in and out-processing, input of transactions generated by orders and forms from Army units and activities, and separations. At select installations, Army military pay offices process accession transactions for new Soldiers. They also support the strategic readiness of the Army through support of mobilization/demobilization and Soldier readiness processing prior to deployments. Major functions include—

- Ensuring prompt and accurate processing of all military pay entitlement transactions and pay account maintenance and reconciliations.
- Working with stakeholders to develop and implement military pay procedures and processes in alignment with established guidance, policies, and regulations.
- Providing documentation and responding to auditor requests for information to support audit requirements.

PROCESS MANAGEMENT AND COMPLIANCE

2-20. Process Management and Compliance improves and optimizes Army processes that pertain to FM policies, systems, and reporting requirements as well as providing end-to-end field implementation and compliance support through internal control testing. This directorate maintains the Army Process Portal, a common access card-enabled website developed to provide Army-wide access to signed business process standardization documentation and other information about the Army business process standardization initiative. Major functions include—

- Providing Army organizations with process documentation, guidance, and support to execute repeatable, auditable, and standard business processes.
- Capitalizing on opportunities to reduce cost through process efficiencies and cycle time reduction, delivering more buying power across the Army.
- Using a centralized program to standardize testing of Army-wide business process internal controls that have a financial reporting impact by identifying the Army's financial risks, evaluating the design and operating effectiveness of the internal controls, and focusing where corrective actions need to occur.
- Providing integration and governance that ensures the process standards are up-to-date, accurate, and easily accessible to stakeholders across the Army.

SYSTEMS SUPPORT OPERATIONS

2-21. Systems Support Operations provides headquarters-level FM systems support, end user support, and governance of the Army's modernized and deployed FM ERP systems. This ensures technological capabilities, maturation, and evolution align with Army and FM enterprise objectives. Systems Support Operations provides business process subject matter expertise to the end user for the General Funds Enterprise Business System (GFEBS), GFEBS-Sensitive Activities, and the Global Combat Support System-Army (GCSS-Army) finance portion. Major functions include—

- Serving as functional lead for GFEBS, GFEBS-Sensitive Activities, and GCSS-Army financial modules and being responsible for the daily sustainment operation of these systems.
- Providing technical support of fielded ERP systems (GFEBS and GCSS-Army financial modules).
- Identifying, implementing, and managing functional system capabilities needed to support auditability goals, new compliance requirements, and continuous business process improvements to include coordinating, reviewing, and approving functional designs.

- Managing GFEBS and GCSS-Army financial modules end-user customer support; resolving user-related help-desk inquiries; identifying and prioritizing break/fix, enhancements, patches, and operational trends for system improvement.
- Managing the governance process for deployed FM ERP systems to ensure system changes and enhancements are identified, prioritized, and implemented.
- Providing FM ERP systems end-user refresher training, new functionality training, and new deployment training.

ARMY FINANCIAL MANAGEMENT CENTER

2-22. The AFMC is USAFMCOM's operational element for conducting theater finance operations. It serves as the primary liaison between finance units and the FM enterprise's unified action partners. It synchronizes and integrates finance operations across multiple echelons and theaters through coordination with the finance operations centers (FIOCs) in the theater sustainment commands (TSCs).

2-23. AFMC functions include—

- Providing theater disbursing support through central funding.
- Advising and assisting with establishing and maintaining a disbursing station symbol number (DSSN).
- Advising commanders on local banking infrastructure, use of local currency, and the economic impact of U.S. forces.
- Establishing and implementing internal controls for theater finance units.
- Interpreting, advising on, and monitoring compliance with finance guidance, directives, policies, regulations, and laws.
- Establishing, coordinating, and maintaining finance systems.
- Providing or coordinating for technical training assistance.

Organization Structure

2-24. The AFMC is comprised of a headquarters section, finance operations section, internal control team, and three AFMC teams. The AFMC teams are forward stationed and aligned with TSCs. Figure 2-4 depicts the AFMC headquarters organizational structure.

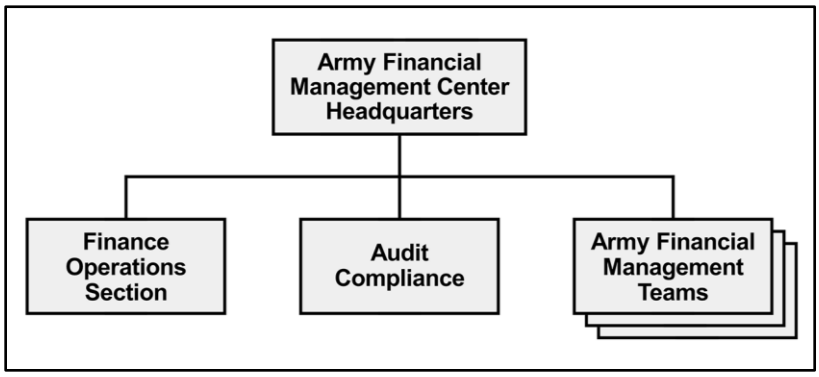


Figure 2-4. USAFMCOM AFMC

Finance Operations Section

2-25. The finance operations section synchronizes and monitors finance operations across all theaters and assists the FIOC in developing finance operational plans. It facilitates economic assessments of the operational areas and coordinates technical training assistance.

Audit Compliance Team

2-26. The audit compliance team interprets, advises on, and monitors compliance with finance guidance, directives, policies, regulations, and laws. It coordinates with the FIOC on finance reporting requirements,

develops finance technical reports, maintains a repository of reported data, and performs financial data analytics for senior leader decision-making.

Army Financial Management Center Teams

2-27. There are three teams in the AFMC, each forward stationed and aligned with a TSC. The AFMC teams and their capabilities are discussed in Section 3 of this chapter.

UNIFIED ACTION PARTNERS

2-28. It is critical that the FM enterprise works with other agencies to achieve integrated whole-of-government operations and synchronization of interagency activities, such as information sharing, security cooperation, and foreign assistance. In order to ensure success across the range of military operations, U.S. forces rely on unified action partners. *Unified action partners* are those military forces, governmental and nongovernmental organizations, and elements of the private sector with whom Army forces plan, coordinate, synchronize, and integrate during the conduct of operations (ADP 3-0). Synchronization, coordination, and most importantly, cooperation must occur between the FM enterprise and unified action partners to employ effective capabilities.

OFFICE OF THE UNDER SECRETARY OF DEFENSE (COMPTROLLER)

2-29. The Under Secretary of Defense (Comptroller) (USD[C]) is the DOD chief financial officer and the principal advisor to the Secretary of Defense for budgetary and fiscal matters including FM, accounting policy and systems, management control systems, budget formulation and execution, contract and audit administration, and general management improvement programs. The Office of the USD(C) establishes and supervises the execution of principles, policies, and procedures relating to the preparation and execution of DOD budgets that include fiscal, cost, operating, capital property accounting, and statistical reporting. It establishes and supervises the execution of policies and procedures relating to the expenditure and collection of funds administered by the DOD. Furthermore, it is responsible for informing each of the congressional defense committees on all matters related to the budgetary, fiscal, and analytic DOD activities under the supervision of the USD(C).

DEFENSE FINANCE AND ACCOUNTING SERVICE

2-30. DFAS is an agency supporting the Office of the USD(C) and is responsible for providing finance and accounting services and monitoring compliance with all statutory and regulatory requirements. It manages the consolidation, standardization, and integration of finance and accounting requirements, functions, and procedures within the DOD. It coordinates and collaborates with all defense agencies, military departments, and combatant commands to deliver accurate, timely, and relevant financial information and employs enhanced technological capabilities that provide critical finance and accounting services to DOD customers and stakeholders.

2-31. DFAS and other national providers issue guidance and provide support back at the home station or within the area of operations that helps the commander maintain control and achieve accountability over resources. DOD 7000.14-R, Volume 4 provides the policy and standards by which the component should establish financial control over its assets. Financial control is a main objective of accounting and helps ensure proper and authorized use of all assets as well as adequate care and preservation. It is also responsible for executing statutory and regulatory financial reporting requirements and rendering financial statements.

DEPARTMENT OF TREASURY

2-32. The Department of Treasury is the executive agency responsible for promoting the conditions that enable economic growth and stability at home and abroad, strengthening national security by combating threats and protecting the integrity of the financial system, and managing the Government’s finances and resources effectively. It is responsible for a wide range of activities such as advising the President on economic and financial issues, encouraging sustainable economic growth, and fostering improved governance in financial institutions. It operates and maintains systems that are critical to the nation's financial infrastructure, such as the production of coin and currency, the disbursement of payments to the American public, revenue collection, and the borrowing of funds necessary to run the Federal Government. It works

with other federal agencies, foreign governments, and international financial institutions to encourage global economic growth, raise standards of living, and to the extent possible, predict and prevent economic and financial crises. The Department of Treasury also performs a critical and far-reaching role in enhancing national security by implementing economic sanctions against foreign threats to the U.S., identifying and targeting the financial support networks of national security threats, and improving the safeguards of our financial systems.

FEDERAL RESERVE SYSTEM

2-33. The Federal Reserve System (often referred to as the Federal Reserve or simply "the Fed") is the central bank of the United States. It performs five general functions to promote the effective operation of the U.S. economy and, more generally, the public interest. It conducts the nation's monetary policy, promotes the stability of the financial system, promotes the safety and soundness of individual financial institutions, and promotes consumer protection and community development. Additionally, the Federal Reserve fosters payment and settlement system safety and efficiency through services to the banking industry and the U.S. Government that facilitate U.S. dollar transactions and payments.

2-34. The 12 federal reserve banks comprise an element of the Federal Reserve System. One of the responsibilities of the reserve banks is to provide key financial services that support the nation's payment system. These services include distributing the nation's currency and coin to depository institutions, clearing checks, operating the FedWire and Automated Clearing House systems, and serving as a bank for the Department of Treasury.

DEFENSE SECURITY COOPERATION AGENCY

2-35. The Defense Security Cooperation Agency (DSCA) mission is to advance U.S. defense and foreign policy interests by building the capacity of foreign partners in order to encourage and enable allies and partners to respond to shared challenges. DSCA leads the broader U.S. security cooperation enterprise in its efforts to train, educate, advise, and equip foreign partners. DSCA oversees and administers security cooperation programs that support U.S. policy interests and objectives identified by the President, DOD, and DOS. These objectives include developing specific partner capabilities, building alliances and partnerships, and facilitating U.S. access. DSCA integrates security cooperation activities in support of a whole-of-government approach, provides execution guidance to DOD entities that implement security cooperation programs, exercises financial and program management for the Foreign Military Sales System and many other security cooperation programs, and educates and provides for the long-term development of the security cooperation workforces.

SECTION III – THEATER STRATEGIC LEVEL OF WARFARE

2-36. The *theater strategic level of warfare* is the level of warfare at which combatant commanders synchronize with unified action partners and employ all elements of national power to fulfill policy aims within the assigned theater in support of the national strategy (FM 3-0). Based on strategic guidance, CCDRs with assigned areas of responsibility and staffs update their strategic estimates and develop theater strategies with input from subordinate commands, including theater Armies and supporting commands and agencies. A theater strategy is an overarching construct outlining a CCDR's vision for integrating and synchronizing military activities and operations with the other instruments of national power to achieve national strategic objectives. The theater strategy prioritizes the ends, ways, and means within the limitations established by the budget, global force management processes, and strategic guidance. The theater strategy serves as the basis for development of the combatant command campaign plan.

2-37. The following paragraphs discuss Army FM capabilities at the theater strategic level of warfare. Knowing the capabilities and organizational structure of FM elements at the theater strategic level of warfare is essential to planning, preparing, executing, and assessing FM operations vital to provide procurement support to the CCDR's AOR. ***Procurement support* is the critical role financial management plays in acquiring, certifying, accounting, and disbursing the funding requirements for operational contract support**.

2-38. Figure 2-5 on page 22 illustrates the FM organizations and command staff structures at the theater strategic level of warfare.

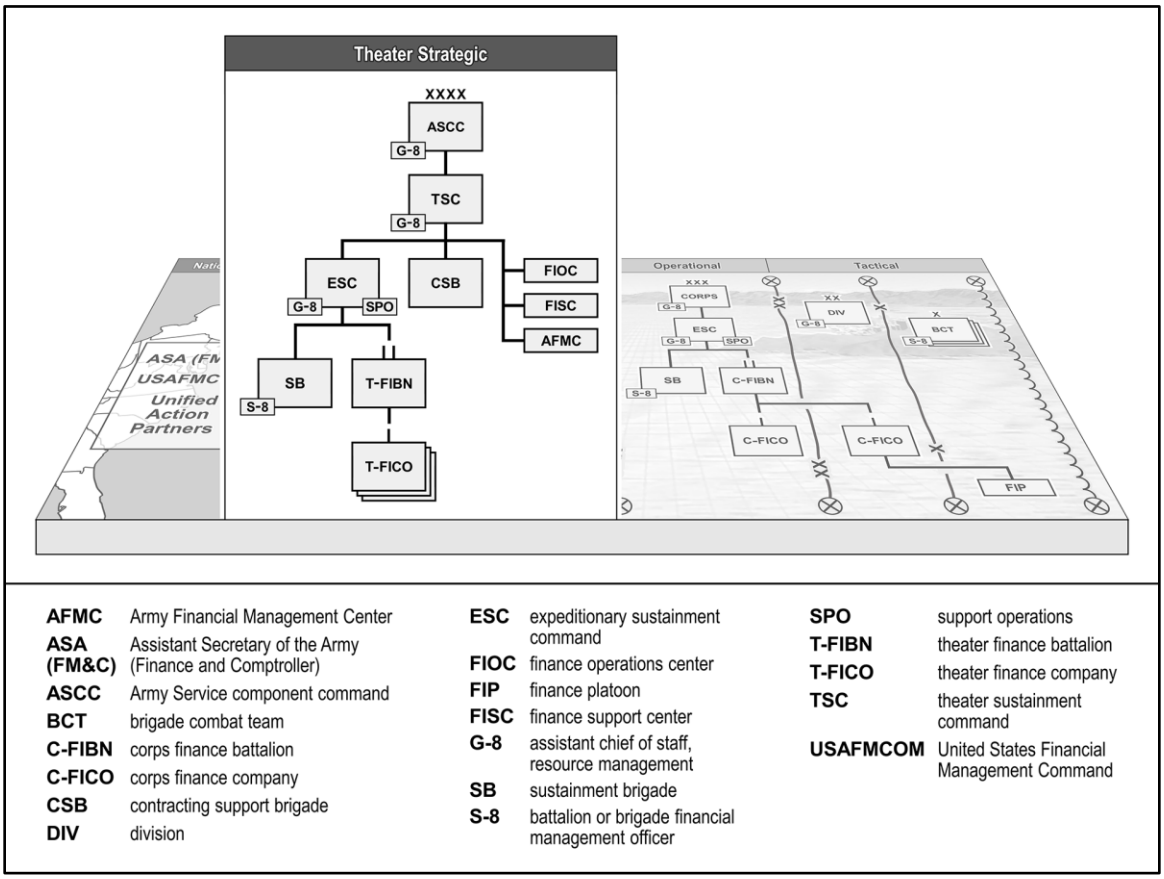


Figure 2-5. Army FM organizations at the theater strategic level of warfare

THEATER ARMY

2-39. The theater Army's primary role is to serve as the ASCC to a combatant command, and its mission is the most diverse and complex of any Army echelon. The theater Army headquarters is tailored to a specific combatant command with the ability to conduct both operational and administrative C2 over Army forces theater wide. It provides enabling capabilities appropriate to theater conditions such as intelligence, sustainment, signal, fires, information activities, civil affairs, engineer, and medical. In theaters without assigned field armies, corps, or divisions, the theater Army assumes direct responsibility across warfighting functions for its tactical commands. See FM 3-94 and ATP 3-93 for additional information on the theater Army.

2-40. The theater Army performs seven functions as the ASCC:

- Execute the CCDR's daily operational requirements.
- Provide administrative control of Army forces.
- Set and maintain the theater.
- Set and support operational areas.
- Exercise C2 of Army forces in the theater.
- Perform joint roles of limited scope, scale, and duration.
- Plan and coordinate for the consolidation of gains in support of joint operations.

2-41. The theater Army G-8 is the principal staff office responsible for resourcing requirements to facilitate theater-level operations. It performs and oversees audit readiness, management internal controls, and accounting functions. It coordinates and establishes FM guidance and policies, to include the types of funds authorized in the supplemental and other appropriations, fund sites, and funding levels for tactical commands.

The theater Army G-8 manages the PPBE process and determines sources of funding for validated requirements.

2-42. The theater Army G-8 coordinates, synchronizes, and validates funds for requirements and ensures the fiscal planning is incorporated into theater planning. The Secretary of Defense or Deputy Secretary of Defense may designate the Army as the executive agent for an operation. In these cases, the theater Army provides the funding for common-level support to all DOD participants.

2-43. Theater Army G-8 functions include—

- Identifying sources of funds, receiving funding, and distributing and controlling funds to subordinate units.
- Tracking costs and obligations.
- Providing accounting support.
- Establishing and implementing internal controls.
- Interpreting, advising on, and monitoring compliance with RM guidance, directives, policies, regulations, and laws.
- Coordinating and establishing fiscal policy and guidance through the orders process.
- Contributing to annexes, running estimates, orders, and the concept of support.

THEATER SUSTAINMENT COMMAND

2-44. The TSC is the Army's command for the integration and synchronization of sustainment in the combatant command AOR. The TSC integrates strategic enablers at the operational level. The TSC is assigned to an ASCC and provides Title 10 support for Army forces. The TSC manages requirements for sustainment and the physical flow of forces, equipment, and cargo to meet the daily operational requirements of the ASCC. The command ensures the information flow from strategic deployment, distribution, and sustainment partners is accurate, timely, and adequate to support the actions of theater sustainment forces. For additional information on the TSC see ATP 4-93.

2-45. The TSC has four operational responsibilities to forces in theater:

- Theater opening.
- Theater distribution.
- Sustainment.
- Theater closing.

THEATER SUSTAINMENT COMMAND G-8

2-46. The TSC G-8 is the principal staff officer responsible for all RM functions in support of the TSC commander's priorities, as well as funding for assigned forces. The G-8 coordinates, synchronizes, and funds validated requirements by identifying the appropriate source of funds. The TSC G-8’s primary responsibilities are providing advice and guidance concerning funding decisions and ensuring that adequate funding sources are available for the TSC commander, the TSC staff, and subordinate units.

2-47. The TSC G-8 maintains a close relationship with contracting support brigades, legal units, and finance units due to their critical role in operational contract support. The G-8 coordinates with contracting support to ensure legality, prompt payment, and reconciliation of contract payments to identify unused funds. It is critical to maintain fiscal stewardship and utilize internal control measures to avoid any illegal use of funds and authorities.

2-48. The TSC G-8 functions include—

- Identifying sources of funds, receiving funding, and distributing and controlling funds to subordinate units.
- Tracking costs and obligations.
- Providing accounting support.
- Establishing and implementing internal controls.
- Contributing to annexes, running estimates, orders, and the concept of support.

FINANCE OPERATIONS CENTER

2-49. The FIOC is a theater-level staff element assigned to the distribution management center of a TSC. The FIOC serves as the primary finance integrator for current operations, future operations, and future plans. It provides finance synchronization by recommending to the commander optimized employment, integration, direction, and control of finance elements. The FIOC is responsible for coordinating finance support between the finance battalions (FIBNs), finance support center (FISC), and the AFMC team. It is the primary liaison between theater finance elements and the AFMC headquarters responsible for coordinating the publication of orders and policy with higher headquarters.

2-50. FIOC functions include—

- Providing a finance planning capability to the TSC distribution management center for current operations, future operations, and future plans.
- Anticipating requirements for obtaining, storing, and transporting physical currency and finance systems.
- Synchronizing, coordinating, and assessing finance operations and requirements throughout the theater.
- Identifying finance force structure requirements and recommending allocation and emplacement of finance units in theater.
- Preparing finance annexes, running estimates, orders, and the concept of support.
- Managing theater finance operations reporting requirements.
- Coordinating theater finance policy.

ARMY FINANCIAL MANAGEMENT CENTER TEAM

2-51. The AFMC team is USAFMCOM's operational element for conducting contingency or establishing theater finance operations. It is forward stationed and aligned with the TSC until the arrival of the FISC. The AFMC team is responsible for central funding, overseeing internal controls, and providing finance systems support across the theater. Upon arrival of the FISC, the AFMC team can provide the FISC with augmentation to ensure continuity of operations and provide operational flexibility in the form of increased capacity.

2-52. The functions of the AFMC team include—

- Providing theater disbursing support through central funding.
- Advising and assisting with establishing and maintaining a DSSN.
- Advising commanders on local banking infrastructure and the establishment of limited depositary accounts (LDAs).
- Establishing and overseeing internal controls for theater finance units.
- Interpreting, advising on, and monitoring compliance with finance guidance, directives, policies, regulations, and laws.
- Establishing, coordinating, and maintaining finance systems.
- Negotiating HN banking agreements.

Disbursing Section

2-53. The AFMC team disbursing section is responsible for theater central funding. It coordinates with HN support and military banking operations to establish and sustain the flow of currency (local or U.S.) to the FIBNs, other DOD agencies, Services, and multinational forces in accordance with inter-service and intergovernmental agreements. The disbursing section maintains a DSSN and may be designated to provide currency to all components of a joint or multinational force. This section also coordinates with the DOS, local U.S. embassy, DFAS, and the Department of Treasury to establish HN banking support requirements. The disbursing section is the Department of Treasury account holder for the central funding account and coordinates the selection of any limited depositary institutions in theater. The banking team facilitates the analysis of HN financial institutions for LDAs and for the establishment of local banks on DOD installations. The section obtains support and policy decisions from an Army banking officer.

Internal Control Section

2-54. The AFMC internal control team assists commanders in evaluating finance units on their adherence to standard business processes, accountability control effectiveness, and compliance with applicable regulations, legislative directives, theater finance policy, and management controls. It provides commanders with advice regarding the interpretation and dissemination of finance directives, policy, and guidance developed by FM enterprise unified action partners.

Finance Systems Section

2-55. The finance systems section facilitates financial management information system (FMIS) utilization and knowledge management procedures to collect, process, store, display, disseminate, and protect data and information. This section coordinates and provides software updates and hardware replacement; configures and troubleshoots local area networks and routers; disseminates and enforces signal policies; installs, operates, maintains, and performs limited maintenance on network computing equipment (for example, routers, switches, and computers); and performs cyber security functions.

FINANCE SUPPORT CENTER

2-56. The FISC is a Reserve Component staff element responsible for central funding, overseeing internal controls, technical oversight, and providing finance systems support across the theater. It provides support for theater policy development and the synchronization and integration of finance operations. It receives request for support through the FIOC from the FIBN or expeditionary sustainment command (ESC). The rule of allocation is one FISC per TSC. The FISC operates under the operational control of the TSC and or ESC, and the director serves as the principal FM advisor to the TSC/ESC commander.

2-57. FISC functions include the following:

- Providing theater disbursing support through central funding.
- Advising and assisting with establishing and maintaining a DSSN.
- Providing technical oversight.
- Establishing and implementing internal controls for theater finance units.
- Interpreting, advising on, and monitoring compliance with finance guidance, directives, policies, regulations, and laws.
- Establishing, coordinating, and maintaining finance systems.

Organization Structure

2-58. The sections within the FISC headquarters include plans and operations, finance operations, disbursing, internal control, policy and finance systems. Figure 2-6 depicts the organization of the FISC.

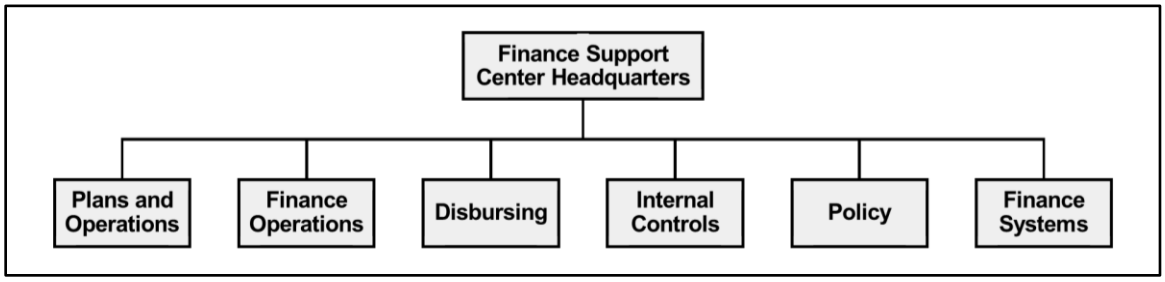


Figure 2-6. Finance support center

Plans and Operations Section

2-59. The plans and operations section coordinates the overall operation and readiness posture of the FISC in theater.

Finance Operations Section

2-60. The finance operations section supports the FIOC in integration and synchronization of current operations, future operations, and future plans. It conducts financial preparation of the environment in close coordination with unified action partners.

Disbursing Section

2-61. The disbursing section is responsible for theater central funding. It coordinates with HN support and military banking operations to establish and sustain the flow of currency (local or U.S.) to the FIBNs, other DOD agencies, Services, and multinational forces in accordance with inter-service and intergovernmental agreements. The disbursing section maintains a DSSN and may be designated to provide currency to all components of a joint or multinational force. Through the FIOC, this section also coordinates with USAFMCOM, DOS, local U.S. embassies, DFAS, and the Treasury to establish HN banking support requirements. The disbursing section is the Department of Treasury account holder for the central funding account and coordinates the selection of any limited depositary institutions in theater. The banking team facilitates the analysis of HN financial institutions for LDAs and for the establishment of local banks on DOD installations. The section obtains support and policy decisions from an Army banking officer.

Internal Control Section

2-62. The internal control section provides the TSC commander the capability to evaluate finance units on their adherence to standard business processes, accountability control effectiveness, and compliance with applicable regulations, legislative directives, and management controls.

Policy Section

2-63. The policy section assists the theater Army G-8 in developing, recommending, and coordinating theater finance policy. It provides commanders with advice regarding the interpretation and dissemination of finance directives, policy, and guidance.

Finance Systems Section

2-64. The finance systems section facilitates FMIS utilization and knowledge management procedures to collect, process, store, display, disseminate, and protect data and information. This section coordinates and provides software updates and hardware replacement; configures and troubleshoots local area networks and routers; disseminates and enforces signal policies; installs, operates, maintains, and performs limited maintenance on network computing equipment (for example, routers, switches, and computers); and performs cyber security functions.

EXPEDITIONARY SUSTAINMENT COMMAND

2-65. At the theater echelon, one or more ESCs can be attached to a TSC. The ESC is attached to a TSC and provides C2 over all assigned and attached units in an operational area as directed by the TSC. The ESC is capable of planning, coordinating, integrating, and synchronizing sustainment in support of Army forces and, when directed, joint and multi-national forces. It may perform the function of a forward command post for the TSC. The ESC is dependent on the TSC staff for long-range planning and enabling capabilities.

2-66. The ESC may form the nucleus of an expeditionary joint command for logistics when provided with joint force augmentation. The ESC performing as a joint command for logistics will normally locate within a joint area of operations while another ESC or sustainment brigade assumes the responsibilities for supporting Army forces. For more information on the ESC, see ATP 4-92.

EXPEDITIONARY SUSTAINMENT COMMAND G-8

2-67. ESC G-8s are the principal staff officers responsible for all RM functions in support of ESC commander priorities. They coordinate, synchronize, and fund validated requirements by identifying the appropriate source of funds. They provide advice and guidance to the commander concerning resources and ensure adequate funding sources are available.

2-68. The ESC G-8 has a critical role in operational contract support and maintains a close relationship with the contracting support brigade. The G-8 coordinates contracting support to ensure legality, prompt payment, and reconciliation of contract payments to identify unused funds.

2-69. The ESC G-8 functions include—

- Identifying sources of funds, receiving funding, and distributing and controlling funds to subordinate units.
- Tracking costs and obligations.
- Providing accounting support.
- Establishing and implementing internal controls.
- Contributing to annexes, running estimates, orders, and concepts of support in coordination with the TSC G-8 or corps G-8 and FIBNs.

EXPEDITIONARY SUSTAINMENT COMMAND FINANCE OPERATIONS BRANCH

2-70. The ESC finance operations branch is in the ESC distribution management center. It is responsible for coordinating central funding, internal controls, and finance systems support between the FIBN, FIOC, and higher headquarters. The finance support operations officer within the finance operations branch is the principal staff officer for planning, coordinating, and synchronizing external finance operations for the ESC.

2-71. The finance operations branch functions include—

- Synchronizing, coordinating, and integrating all finance operations within the area of operations.
- Coordinating the acquisition, storing, and transportation of physical currency.
- Advising on the employment of finance units.
- Contributing to the preparation of finance annexes, running estimates, and the concept of support.

THEATER FINANCE BATTALION

2-72. The theater finance battalion (T-FIBN) is a Reserve Component organization. Its primary focus is finance from the national strategic to theater strategic levels of war. It is assigned to an ESC and provides general support in the theater strategic level of war. The T-FIBN provides C2 of subordinate theater finance companies (T-FICOs); oversees assigned unit readiness; synchronizes operations for assigned units; provides limited administrative and supply support for assigned units; manages and provides disbursing service support; enforces internal controls; and provides limited FMIS support. The rule of allocation for the T-FIBN is one per two-six T-FICOs.

2-73. The T-FIBN commander is a primary account holder to the Department of Treasury and is responsible for determining currency requirements (U.S. and foreign), funding subordinate finance companies (FICOs), and obtaining additional currency as needed. Upon orders, the T-FIBN can be used as a general support-reinforcing unit in support of a corps area of operations.

2-74. The T-FIBN's functions include the following:

- Providing disbursing support and oversight to subordinate FICOs.
- Providing payment support for assigned area of operations.
- Providing internal control assistance and enforcement for subordinate FICOs.
- Providing C2 of subordinate FICOs.

2-75. The T-FIBN is comprised of a headquarters and headquarters detachment, personnel/logistics section (S-1/S-4), operations section (S-3), signal section (S-6), internal control section, and disbursing section. Figure 2-7 on page 28 depicts the organization of the T-FIBN headquarters.

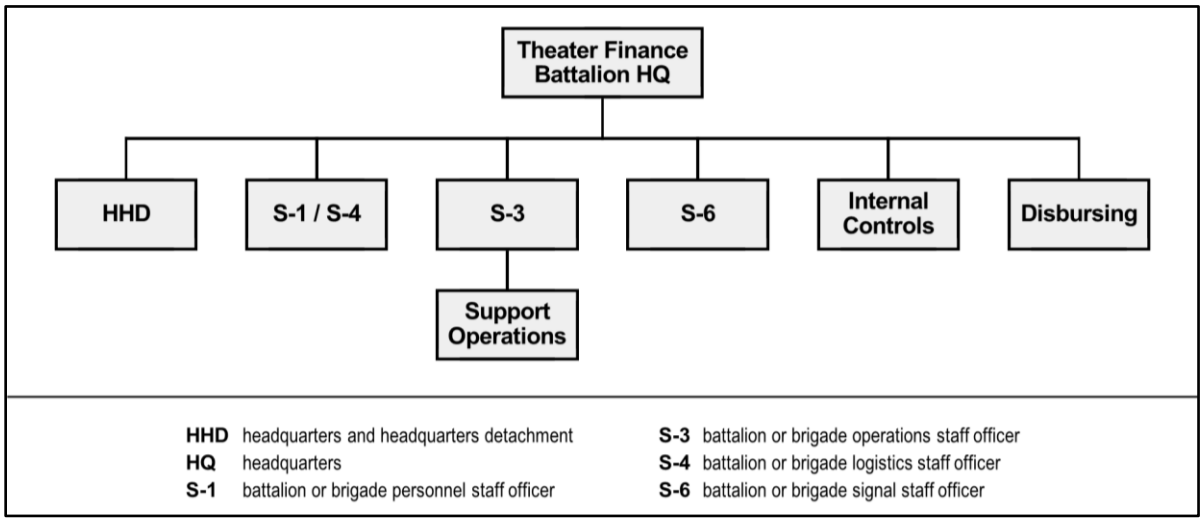


Figure 2-7. Theater finance battalion

Theater Finance Battalion Headquarters

2-76. The command group is organized and equipped to suit the commander's decision making and leadership requirements, while enabling the commander to accomplish critical C2 of battalion formations assigned and attached. It provides planning, technical guidance, and supports subordinate T-FICOs conducting operations in theater.

Headquarters and Headquarters Detachment

2-77. The headquarters and headquarters detachment, while not a staff section, provides C2, administrative, and logistics support for T-FIBN personnel. It organizes the day-to-day mission in coordination with the headquarters and the other sections.

S-1/S-4 Section

2-78. The S-1/S-4 section provides personnel and administrative support and limited postal services to the battalion and subordinate companies. It manages personnel strengths and actions for all subordinate units, including personnel readiness. It provides the full range of logistics support from property accountability to maintenance. The section oversees the battalion's property book and equipment readiness to include coordinating with external logistics support agencies for repairs, upgrades, and modifications.

S-3/Support Operations Section

2-79. The S-3/Support Operations section is the focal point for task organization, planning, operations, and training. It coordinates the personnel security program. This section is responsible for planning, coordinating, integrating, and synchronizing finance operations with the finance operations branch of the ESC distribution management center.

S-6 Section

2-80. The S-6 section provides staff planning and supervision of communications for the battalion. It provides for the installation, operation, and maintenance of battalion internal signal communications and electronic equipment. It conducts network operations to establish, operate, manage, protect, and defend communications networks and information services. The section manages organic communications capabilities and computers, and coordinates for the use of external communications capabilities based on mission variables. It provides and coordinates limited support for FMIS software and hardware updates.

Internal Control Section

2-81. The internal control section provides the commander the capability to evaluate finance units on their adherence to standard business processes, accountability control effectiveness, and compliance with applicable regulations, legislative directives, theater finance policy, and management controls. This section provides evaluations of assigned finance units' technical proficiency. It may be augmented as required by the internal control section within the FISC to provide a more detailed and robust capability, depending on the mission.

Disbursing Section

2-82. The disbursing section establishes and maintains a contingency DSSN; establishes, maintains, and manages LDAs; makes payments on properly prepared and certified vouchers; receives, controls, issues, and safeguards all currencies; cashes negotiable instruments; receives collections; and makes foreign currency conversions. It maintains accountable records and conducts reconciliation of financial transactions. This section has responsibility for funding subordinate FICOs and for determining the need for currencies and their replenishment across its area of operations.

Theater Finance Company

2-83. The T-FICO only exists in the Reserve Component. The T-FICO is typically under the C2 of the T-FIBN and provides general support to its assigned area of operations. The T-FICO has a disbursing section and four organic finance support teams (FSTs) capable of operating independently to support sustainment brigades, contingency contracting teams, and other finance operations. Upon orders, the T-FICO may be tasked organized as either a general support or a general support-reinforcing unit in support of a corps area of operations. The rule of allocation for the T-FICO is one per ESC, two per sustainment brigade, and one per contracting support brigade. Figure 2-8 depicts the organization of the T-FICO.

2-84. The T-FICO's functions include the following:

- Providing disbursing support.
- Providing payment support for assigned area of operations.

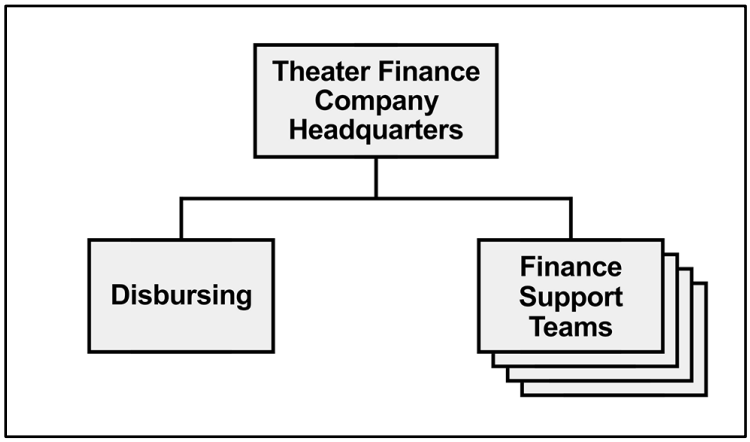


Figure 2-8. Theater finance company

Disbursing Section

2-85. The disbursing section makes payments on properly prepared and certified vouchers; receives, controls, issues, and safeguards all currencies; cashes negotiable instruments; receives collections; and makes foreign currency conversions. It maintains accountable records and conducts reconciliation of financial transactions. This section has responsibility for funding FSTs.

2-86. The disbursing section also has commercial vendor services personnel that receive and review documents (new contracts, modifications, invoices, and receiving reports) for accuracy using document control procedures. They process, calculate, prepare, verify, and certify payments of contracts, while ensuring

legality and prompt payment. They work closely with contracting and the resource manager to coordinate contracting support and to ensure the legality, prompt payment, and reconciliation of contract payments.

Finance Support Teams

2-87. The FST provides disbursing and pay support to all units and Soldiers in its area of operations. When mission variables dictate, the team can be augmented with additional support from the T-FICO. All accountable items are cleared through the disbursing section of the T-FICO.

SECTION IV – OPERATIONAL LEVEL OF WARFARE

2-88. The *operational level of warfare* is the level of warfare in which campaigns and operations are planned, conducted, and sustained to achieve operational objectives to support achievement of strategic objectives (JP 3-0). The operational level links the employment of tactical forces to the achievement of strategic objectives.

2-89. The operational level of warfare generally is the realm of combatant commands and their Service or functional components, and subordinate joint task force (JTF) headquarters and their Service or functional components. This includes the theater Army headquarters as the Army Service component to a combatant command and any other echelon operating as an ARFOR, JTF headquarters, or land component command.

2-90. Actions at the operational level of warfare usually involve broader aspects of time and space than tactical actions. Operational-level commanders need to understand the complexities of the OE and look beyond the immediate situation. Operational-level commanders seek to create the most favorable conditions possible for subordinate commanders by preparing for future events.

2-91. The following paragraphs discuss FM at the operational level of warfare. Knowing the capabilities and organizational structure of FM elements at the operational level of warfare is essential to planning, preparing, executing, and assessing FM operations.

2-92. Figure 2-9 illustrates the FM organizations and command staff structures at the operational level of warfare.

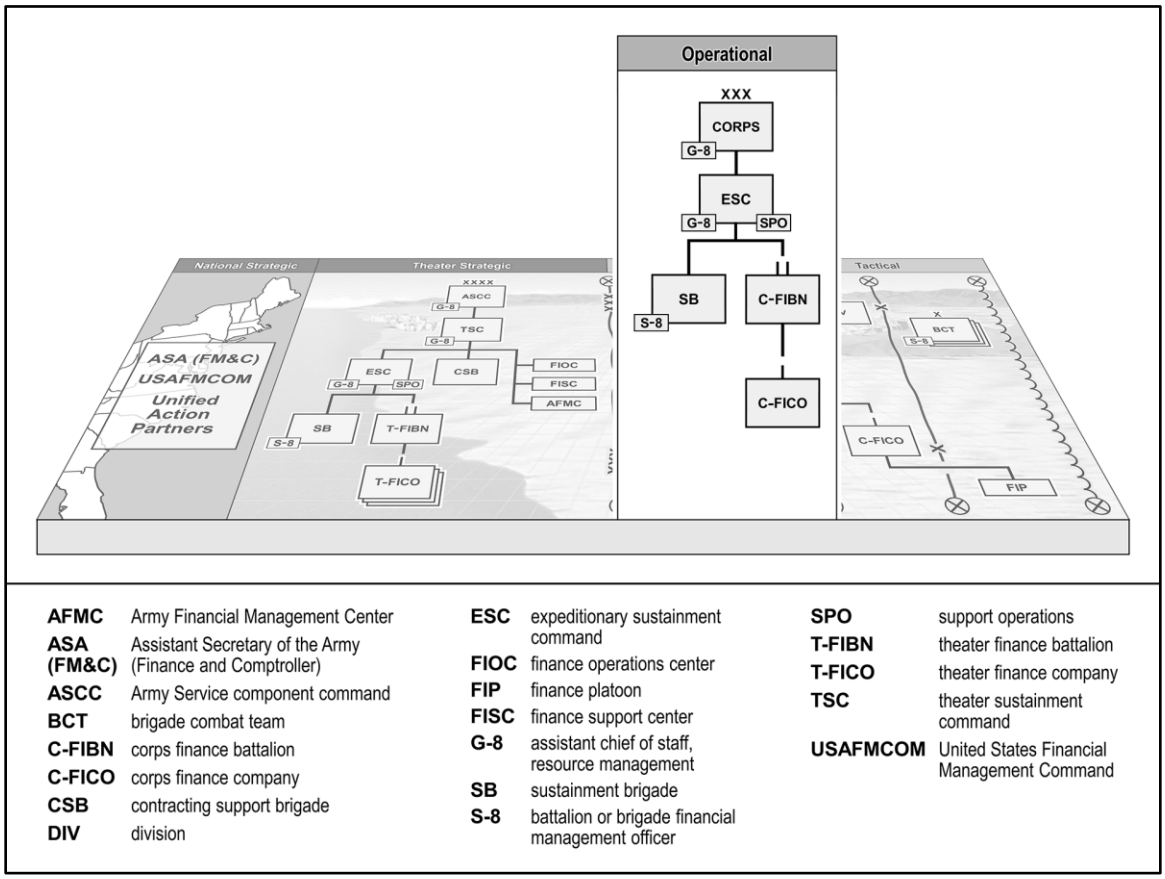


Figure 2-9. Army FM organizations at the operational level of warfare

FIELD ARMY

2-93. A *field army* is an echelon of command that employs multiple corps, divisions, multifunctional brigades, and functional brigades to achieve objectives on land (JP 3-31). The field army is the only echelon above the brigade that is only a headquarters. Large-scale combat operations involving multiple corps may require the establishment of a field army to function as the senior tactical or operational-level command exercising C2 over multiple corps-sized formations. The field army's primary role is to serve as the ARFOR or joint force land component command for multi-corps operations. When serving as the joint force land component command, field armies require significant augmentation from the joint and multinational force. Field armies are most likely to be employed in theaters where peer and near-peer adversaries have the capability of conducting large-scale ground combat. Field armies possess no standardized force structure. The Army tailors each field army to the conditions prevailing in its assigned area of operations. The field army receives capabilities and units from external sources based on its requirements. See FM 3-94 and ATP 4-92 for additional information on field armies.

2-94. The field army G-8 executes all RM functions as the senior Army headquarters in its assigned area of operations. Priorities of funding during competition, crisis, and armed conflict are a subset of theater Army activities with a more limited scope and duration. The field army G-8 coordinates, synchronizes, and funds validated resource requirements, identifies the appropriate source of funds, and provides the commander with mission essential funding and solutions to ensure operational success.

2-95. Field army G-8 functions include—

- Identifying sources of funds, receiving funding, and distributing and controlling funds to subordinate units.
- Tracking costs and obligations.

- Providing accounting support.
- Establishing and implementing internal controls.
- Contributing to annexes, running estimates, orders, and the concept of support.

CORPS

2-96. The corps is able to operate at both the tactical and operational levels. While it is organized, staffed, trained, and equipped to fight as a tactical formation, the corps may be called upon to become a joint or multinational headquarters for conducting operations. When operating as the senior Army headquarters under a JTF, the corps will serve as the ARFOR. The corps can also serve as the coalition forces land component commander (CFLCC) when properly augmented with joint and multinational personnel. If the corps is uncommitted to specific CCDR requirements, it focuses on building and sustaining readiness to prevail in large-scale combat operations. The roles of the corps include acting as the—

- Senior Army tactical formation in large-scale combat, commanding two to five Army divisions together with supporting brigades and commands.
- ARFOR (with augmentation) within a joint force for campaigns and major operations when a field army is not present.
- JTF headquarters (with significant augmentation) for crisis response and limited contingency operations.
- CFLCC (with significant augmentation) commanding Army, Marine Corps, and multinational divisions together with supporting brigades and commands when a field army is not present.

2-97. During large-scale combat operations, a corps headquarters normally functions as a tactical headquarters under a joint or multinational land component. The corps is the echelon best positioned and resourced to achieve convergence with Army and joint capabilities. (See FM 3-94 and ATP 3-92 for more information about Army corps.)

2-98. The corps sustainment command is the sustainment command assigned to the corps. The corps sustainment command finance operations branch and G-8 are discussed in section 3 of this chapter.

CORPS G-8

2-99. The corps G-8 is the principal staff officer responsible for all RM functions in support of the corps commander's priorities, as well as funding for assigned forces. The G-8 staff coordinates, synchronizes, and funds validated requirements and identifies the appropriate funding sources. The corps G-8 primary responsibilities are providing advice and guidance concerning resources and ensuring that adequate funding sources are available for the corps commander, the corps staff, and subordinate units.

2-100. The corps G-8 staff has a critical role in operational contract support and maintains a close relationship with the contracting support brigade. The G-8 coordinates contracting support to ensure legality, prompt payment, and reconciliation of contract payments.

2-101. The corps G-8 functions include—

- Identifying sources of funds, receiving funding, and distributing and controlling funds to subordinate units.
- Tracking costs and obligations.
- Providing accounting support.
- Establishing and implementing internal controls.
- Contributing to annexes, running estimates, orders, and the concept of support.

CORPS FINANCE BATTALION

2-102. The corps finance battalion (C-FIBN) only exists in the Regular Army. The C-FIBN's primary focus is on FM operations from the corps support area forward. It is assigned to a corps sustainment command and provides general support in the corps support area. The C-FIBN provides C2 of subordinate corps finance companies (C-FICOs); oversees assigned unit readiness; synchronizes operations for assigned units; provides administrative and supply support for assigned units; manages and provides disbursing services and commercial vendor services support; enforces internal controls; and provides limited FMIS support. The rule of allocation for the C-FIBN is one per two-six C-FICOs.

2-103. The C-FIBN commander is the primary account holder to the Department of Treasury in the corps area of operations and is responsible for determining currency requirements (U.S. and foreign), funding subordinate FICOs, and obtaining additional currency as needed.

2-104. The C-FIBN's functions include the following:

- Providing disbursing support and oversight to subordinate FICOs.
- Providing payment support for assigned area of operations.
- Providing internal control assistance and enforcement for subordinate FICOs.
- Providing C2 of subordinate FICOs.

2-105. The C-FIBN is comprised of a headquarters, headquarters and headquarters company, personnel section (S-1), operations section (S-3), logistics section (S-4), signal section (S-6), internal control section, disbursing section, commercial vendor services section, and an early entry team. Figure 2-10 depicts the organization of the C-FIBN headquarters.

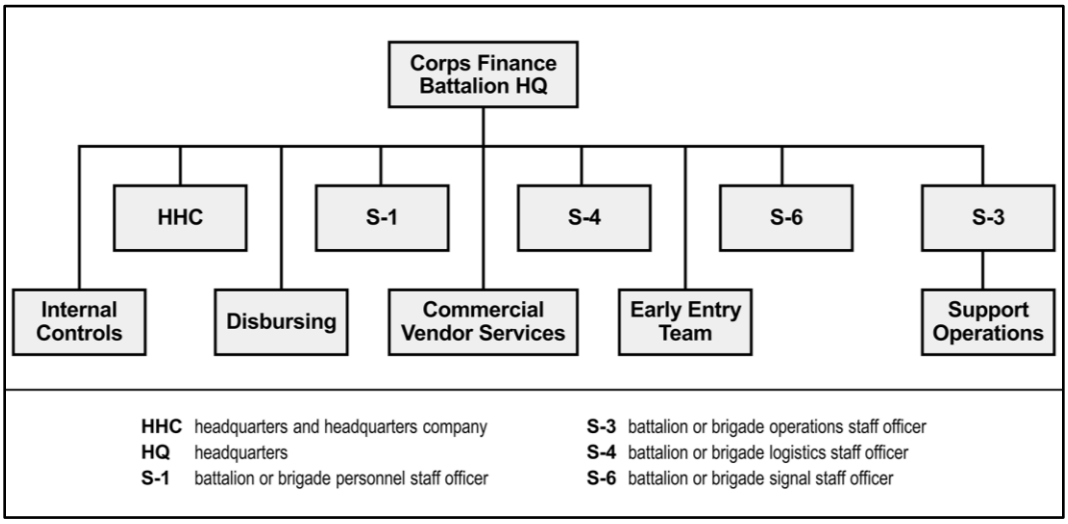


Figure 2-10. Corps finance battalion

Corps Finance Battalion Headquarters

2-106. The command group is organized and equipped to suit the commander's decision making and leadership requirements, while enabling the commander to accomplish critical C2 of battalion formations assigned and attached. Provides planning, technical guidance, and supports subordinate C-FICOs conducting operations in the area of operations.

Headquarters and Headquarters Company

2-107. The headquarters and headquarters company, while not a staff section, provides C2, administrative, and logistics support for C-FIBN personnel. It organizes the day-to-day mission in coordination with the headquarters and the other sections.

S-1 Section

2-108. The S-1 section provides personnel and administrative support and limited postal services to the battalion and subordinate companies. It manages personnel strengths and actions for all subordinate units, including personnel readiness.

S-3/Support Operations Section

2-109. The S-3/Support Operations section is the focal point for task organization, planning, operations, and training. It coordinates the personnel security programs. The section is responsible for planning, coordinating,

integrating, and synchronizing finance operations with the finance operations branch of the ESC distribution management center.

S-4 Section

2-110. The S-4 provides the full range of logistics support to include property accountability, maintenance, budget, and the requisition, acquisition, and storage of unit supplies and equipment. The section oversees the battalion's property book and equipment readiness to include coordinating with external logistics support agencies for repairs, upgrades, and modifications.

S-6 Section

2-111. The S-6 section provides staff planning and supervision of communications for the battalion. It provides for the installation, operation, and maintenance of battalion internal signal communications and electronic equipment. It conducts network operations to establish, operate, manage, protect, and defend communications networks and information services. The S-6 section manages organic communications capabilities and computers, and coordinates for the use of external communications capabilities based on mission variables. It provides and coordinates limited support for FMIS software and hardware updates.

Internal Control Section

2-112. The internal control section provides the commander the capability to evaluate adherence to standard business processes, accountability control effectiveness, and compliance with applicable regulations, legislative directives, theater finance policy, and management controls. This section provides evaluations of assigned finance units' technical proficiency. It may be augmented as required by the internal control section within the FISC to provide a more robust capability, depending on the mission.

Disbursing Section

2-113. The disbursing section establishes and maintains a contingency DSSN; establishes, maintains, and manages LDAs; makes payments on properly prepared and certified vouchers; receives, controls, issues, and safeguards all currencies; cashes negotiable instruments; receives collections; and makes foreign currency conversions. It maintains accountable records and conducts reconciliation of financial transactions. This section has responsibility for funding subordinate FICOs and for determining the need for currencies and their replenishment across its area of operations.

Commercial Vendor Services Section

2-114. The commercial vendor services section receives and reviews documents (new contracts, modifications, invoices, and receiving reports) for accuracy using document control procedures. The section processes, calculates, prepares, verifies, and certifies payments of contracts, while ensuring legality and prompt payment. It forwards the certified voucher and supporting documentation to the disbursing section for payment. The commercial vendor services section works closely with contracting and the resource manager to coordinate contracting support and to ensure the legality, prompt payment, and reconciliation of contract payments.

Early Entry Team

2-115. The early entry team supports commanders as an advance party for a larger follow-on force, or to conduct domestic operations such as disaster relief or humanitarian assistance. It possesses the capability to execute finance operations autonomously until the arrival of the remainder of the C-FIBN.

Corps Finance Company

2-116. The C-FICO only exists in the Regular Army. The C-FICO is assigned under the C2 of the C-FIBN and provides general support to its assigned area of operations. C-FICOs provide timely and accurate payments in support of procurement and disbursing operations. The C-FICO has two organic finance platoons that can operate independently and autonomously over significant time and distance to support contingencies and other critical operations. Each finance platoon consists of four FSTs, capable of providing disbursing

and payment support in the corps support area and division support area. The rule of allocation for the C-FICO is one per corps and one per division.

2-117. The C-FICO's functions include the following:

- Providing disbursing support.
- Providing payment support for assigned area of operations.

2-118. The C-FICO is comprised of a disbursing section, commercial vendor services section, and two finance platoons. Figure 2-11 depicts the organization of the C-FICO.

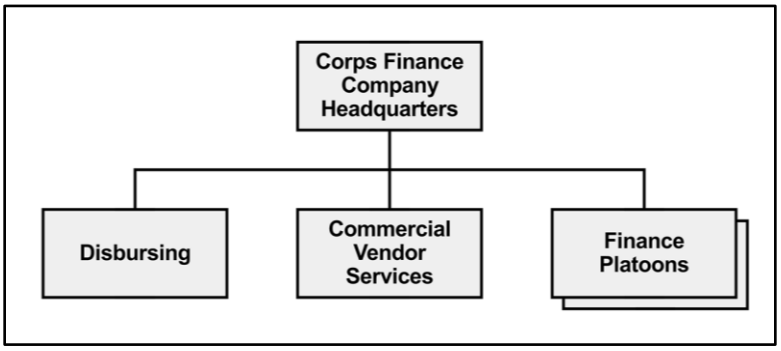


Figure 2-11. Corps finance company

Disbursing Section

2-119. The disbursing section makes payments on properly prepared and certified vouchers; receives, controls, issues, and safeguards all currencies; cashes negotiable instruments; receives collections; and makes foreign currency conversions. It maintains accountable records and conducts reconciliation of financial transactions. This section has responsibility for funding FSTs.

Commercial Vendor Services Section

2-120. The commercial vendor services section receives and reviews documents (new contracts, modifications, invoices, and receiving reports) for accuracy using document control procedures. The section processes, calculates, prepares, verifies, and certifies payments of contracts, while ensuring legality and prompt payment. It forwards the certified voucher and supporting documentation to the disbursing section for payment. The commercial vendor services section works closely with the contracting and resource managers to coordinate contracting support and to ensure legality, prompt payment, and reconciliation of contract payments.

Finance Platoons

2-121. The C-FICO is designed to support mission requirements with two finance platoons, each with four FSTs. As the execution arm of the finance platoon, C-FICO and its two platoons will send out FSTs throughout the division and provide general support to all units in the division or brigade support areas. These teams provide disbursing and payment support in their area of operations. When mission variables dictate, the FST can be augmented with additional support from the finance platoon. All accountable items are cleared through the disbursing section of the C-FICO.

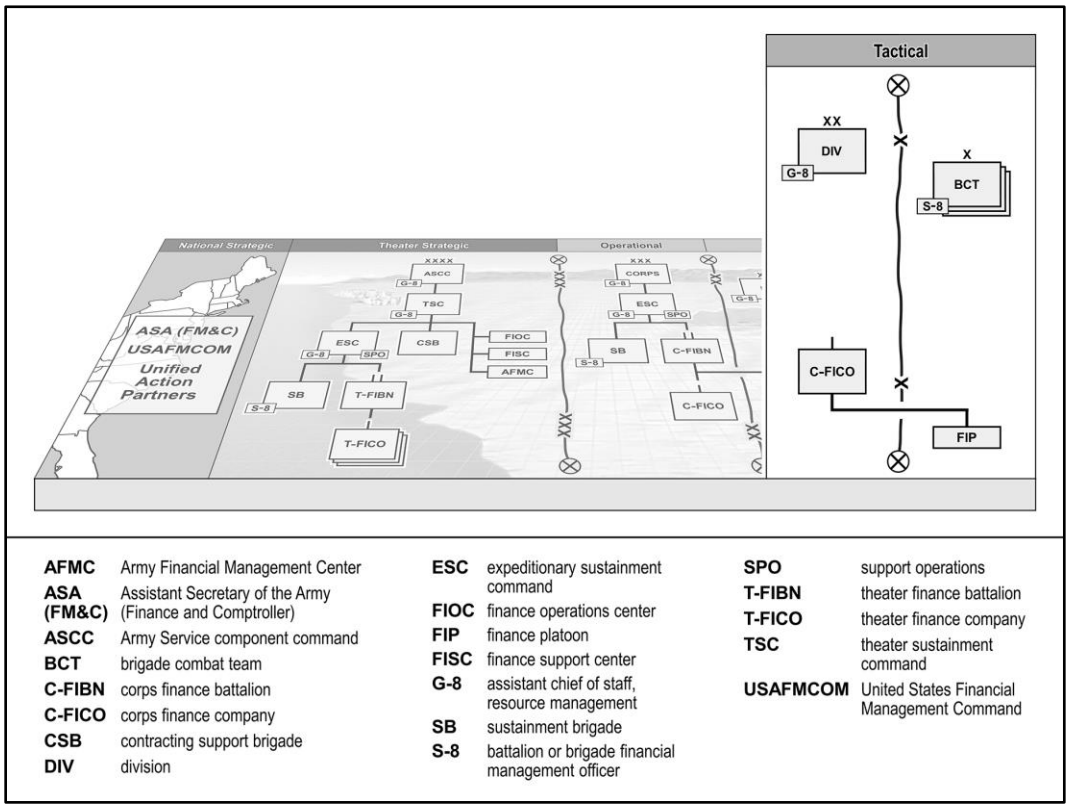
SECTION V – TACTICAL LEVEL OF WARFARE

2-122. The *tactical level of warfare* is the level of warfare at which forces plan and execute battles and engagements to achieve military objectives (JP 3-0). Activities at this level focus on *tactics*—the employment, ordered arrangement, and directed actions of forces in relation to each other (ADP 3-90). Operational-level headquarters determine objectives and provide resources for tactical operations. Tactical-level commanders plan and execute operations to include battles, engagements, and small-unit actions.

2-123. The strategic and operational levels of warfare provide the context for tactical operations. Without this context, tactical operations devolve into a series of disconnected and unfocused actions. Likewise, tactical operations inform strategic and operational objectives, ensuring that those objectives remain tethered to reality and adjust, when necessary, according to the situation. Strategic and operational success is a measure of how the achievement of objectives in one or more battles contributes to winning a major operation or campaign. (See ADP 3-90 for more information on tactics.)

2-124. The following paragraphs discuss FM at the tactical level of warfare. Knowing the capabilities and organizational structure of FM elements at the tactical level of warfare is essential to planning, preparing, executing, and assessing FM operations.

2-125. Figure 2-12 illustrates the FM organizations and command staff structures at the tactical level of warfare.



AFMC	Army Financial Management Center	**ESC**	expeditionary sustainment command	**SPO**	support operations
ASA (FM&C)	Assistant Secretary of the Army (Finance and Comptroller)	**FIOC**	finance operations center	**T-FIBN**	theater finance battalion
ASCC	Army Service component command	**FIP**	finance platoon	**T-FICO**	theater finance company
BCT	brigade combat team	**FISC**	finance support center	**TSC**	theater sustainment command
C-FIBN	corps finance battalion	**G-8**	assistant chief of staff, resource management	**USAFMCOM**	United States Financial Management Command
C-FICO	corps finance company	**SB**	sustainment brigade		
CSB	contracting support brigade	**S-8**	battalion or brigade financial management officer		
DIV	division				

Figure 2-12. Army FM organizations at the tactical level of warfare

DIVISION

2-126. The division is the Army's principal tactical warfighting formation during large-scale combat operations. Its primary role is to serve as a tactical headquarters commanding brigades. A division conducts operations in an area assigned by its higher headquarters—normally a corps. It task-organizes its subordinate forces according to mission variables. A division typically commands between two and five maneuver brigades, a mix of functional and multifunctional brigades, and a variety of smaller enabling units. The division is typically the lowest tactical echelon that employs capabilities from multiple domains to achieve convergence during large-scale combat operations. The division's primary purpose is to win battles and engagements. During limited contingencies, it can organize itself to serve in multiple roles. The division sustainment brigade coordinates for finance support to units within the division's area of operations. See FM 3-94 and ATP 3-91 for more information about Army divisions.

2-127. The roles of the division include acting as a—

- Tactical headquarters.

- ARFOR headquarters (with significant augmentation).
- CFLCC (with significant augmentation).
- JTF headquarters (with significant augmentation).

2-128. The division G-8 is the principal staff officer responsible for all RM functions in support of the division commander's priorities, as well as funding for assigned forces. The G-8 coordinates, synchronizes, and funds validated requirements and identifies appropriate funding sources. The division G-8's primary responsibilities are providing advice and guidance concerning resources and ensuring that adequate funding sources are available for the division commander, the division staff, and subordinate units. The division G-8 is the primary interface and technical expert for brigade S-8s.

2-129. The division G-8 has a critical role in operational contract support and maintains a close relationship with supporting contracting elements. The G-8 coordinates contracting support to ensure legality, prompt payment, and reconciliation of contract payments to identify unused funds.

2-130. The division G-8's functions include—

- Identifying sources of funds, receiving funding, and distributing and controlling funds to subordinate units.
- Tracking costs and obligations.
- Providing accounting support.
- Establishing and implementing internal controls.
- Contributing to annexes, running estimates, orders, and the concept of support.

BRIGADE

2-131. Brigades include maneuver brigades, multifunctional brigades, and functional brigades. Maneuver brigades are the Army's primary combined arms, close-operations force and principal ground maneuver units of the division. They have organic maneuver and sustainment battalions. The three types of maneuver brigades are armored, infantry, and Stryker. Maneuver brigades normally operate as part of a division.

2-132. There is a wide range of multifunctional support brigades. These brigades provide a variety of functions in support of operations. Normally attached to a corps or division, these brigades may be under the command of a joint or multinational headquarters. Multifunctional support brigades include the sustainment brigade, combat aviation brigade, division artillery, transportation brigade expeditionary, and maneuver enhancement brigade.

2-133. Functional brigades or groups provide a single function or capability. These brigades can provide support for a theater, corps, or division, depending on how each is tailored. Functional brigades include the air and missile defense brigade, civil affairs brigade, engineer brigade, expeditionary military intelligence brigade, signal brigade, military police brigade, medical brigade, and theater tactical signal brigade.

2-134. The brigade S-8 conducts RM operations and serves as the primary RM advisor to the brigade commander. The brigade S-8 is the RM expert on the brigade commander's principal staff, responsible for providing timely, accurate, and relevant comptroller advice to the brigade commander and staff.

2-135. The brigade S-8's functions include—

- Identifying sources of funds, receiving funding, certifying funds, and controlling funds.
- Tracking costs and obligations.
- Providing accounting support.
- Establishing and implementing internal controls.
- Contributing to annexes, running estimates, orders, and the concept of support.

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Chapter 3
Finance Operations

Finance operations support the sustainment of Army, joint, and multinational operations through the execution of disbursing, banking, payment support, accounting, internal controls, and financial data analytics following policies and guidelines established by national FM providers. Effective finance operations extend the Army's operational reach as well as increase relative combat power, enabling commanders to prevail in large-scale combat operations.

SECTION I – FINANCE OPERATIONS IN THEATER

3-1. Finance operations are externally focused, integrating and synchronizing national provider (including the U.S. Treasury, DFAS, and Federal Reserve Bank) resources with tactical finance units to manage banking, disbursing, and pay support. This section discusses finance operations in support of setting the theater, theater opening, and theater closing.

SET THE THEATER

3-2. As part of finance operations in mobilization and pre-deployment, to assist with setting the theater, finance planners should review operation plans and prepare the finance appendix of the OPORD to develop the FM concept of support. Some of the actions for finance planners to consider during the planning phase are—

- Consolidate and analyze the economic assessment for the area of operations.
- Provide financial advice and assistance.
- Determine if foreign currencies are to be used and their exchange rates.
- Develop requirements for check cashing, emergency payments, currency conversion, funding of paying agents, foreign currency conversion, solatium payments, recording of cost data, travel, civilian pay, and funds disbursement.
- Verify the entitlements determination of hostile fire pay, imminent danger pay, hardship duty pay, family separation allowance, special leave accrual, and combat zone tax exclusion.
- Determine appropriate check cashing limits and recommend approval by the commander.
- Coordinate with the DFAS crisis coordination center.
- Identify and coordinate collaboration and strategy between the members of the fiscal triad.
- Coordinate with USAFMCOM for ecommerce requirements.
- Determine accounting and central funding support needed for the operation.
- Determine banking laws, regulations, and banking support requirements.
- Determine appropriate quantities of foreign currencies and formalize resupply procedures.
- Support noncombatant evacuation operations.
- Identify requirements to provide support to other U.S. and multinational organizations in the area of operations.
- Determine the requirement for LDAs.
- Coordinate with the staff judge advocate (SJA) to ensure legal considerations are reviewed.
- When possible, FIBN, FICO, and sustainment brigade leaders should conduct pre-deployment coordination (preferably face-to-face) to begin building essential working relationships and prepare to integrate the finance units and finance personnel that will follow on into theater.
- Coordinate with signal support assets to ensure adequate bandwidth and other communication support is sufficient to support FMIS.

3-3. During competition, finance operations focus on key activities that establish appropriate levels of support to resource critical requirements to enable the commander in setting the theater, executing military engagements, facilitating security cooperation across the AOR, and funding combined training exercises.

THEATER OPENING

3-4. Based on operational variables, USAFMCOM deploys an AFMC team to provide initial theater opening activities comprised of central funding operations, establishing and troubleshooting FMIS, and establishing and executing internal controls.

3-5. During theater opening and setting the theater, the AFMC and FIOC provide early entry capability to plan and execute disbursing operations, banking operations, and payment support. In addition, the FIOC continues to refine plans through staff estimates while the AFMC continues to improve finance infrastructure to include disbursing, system integration, and internal controls.

3-6. When applicable, the theater opening TSC, ESC, or sustainment brigade will receive its complementary theater finance capability to augment the theater opening mission.

Theater Opening – Operation Talisman Sabre

In 2022, the INDOPACOM commander determined it was necessary to conduct an exercise to plan and rehearse opening the theater in the event of crisis or conflict. The INDOPACOM Pacific Pathways Exercise Program selected "Operation Talisman Sabre" to rehearse the concept.

2023 was the first time Talisman Sabre focused on theater opening. As the plan matured, logistics planners quickly realized that there was a critical missing element to make the concept successful, the Army Finance and Comptroller infrastructure. In February 2023, the USARPAC G-8 and the 175th Finance Operations Center received the mission to plan and emplace the FM infrastructure required to successfully conduct the operation.

The 175th operations section quickly determined three theater capabilities were needed: central funding, internal control oversight, and finance systems. At the time, these capabilities existed as individual sections to perform those specific roles; however, they now reside as sections within the 45th AFMC as teams assigned to the theater. Each section conducted mission analysis to provide the required support to the 8th TSC, the 593rd ESC, and the 25th Infantry Division sustainment brigade.

The theater opening focus of each capability demonstrated the need to rehearse their functions. The central funding section identified that cash would need to be procured from the Federal Reserve Bank of San Francisco and flown into theater utilizing Travis Air Force Base, located approximately 80 miles from the bank. The finance systems section identified the need to network all finance forces across three logistics hubs. The internal control section focused on plans to evaluate field disbursing and commercial vendor pay sites. The 175th operations section focused on ensuring all capabilities were synchronized and nested with 8th TSC, the 593rd ESC, and the 25th Infantry Division Sustainment Brigade as well as with host-nation partners. The 175th operations section also coordinated with G-8s from across echelons to synchronize and deconflict the entire procure-to-pay process, while simultaneously coordinating the deployment of forward RM personnel for each command.

THEATER CLOSING

3-7. As part of finance operations during redeployment and demobilization operations, finance units should—

- Reconcile all finance transactions.
- Further reduce cash in theater.
- Close out the accounts of paying agents.

- Ensure Service member deployment-related entitlements are stopped.
- Audit pay accounts.
- Convert from contingency accounting processing codes back to home station accounting processing codes.
- Close LDAs.
- Deactivate DSSNs.

3-8. To eliminate the unnecessary efforts of tracking and reporting monthly financial and checking accounts during the period of inactive usage, the FISC disbursing officer, in coordination with USAFMCOM, can request to deactivate or close a DSSN through the U.S. Department of Treasury. The FISC disbursing officer must conduct mandated procedures throughout the proper channels in order to deactivate or close the specific DSSN. Some of the basic procedures are—

- Deposit all currency, coin, and negotiable instruments.
- Close LDAs and properly dispose of all undeliverable checks (if applicable).
- Submit the memorandum that is required to inactivate or close a DSSN.
- Retain blank U.S. Treasury check stock to use if disbursing operations are reactivated.
- Account for assets on hand. This includes accounting for deficiencies and shortages such as dishonored checks or losses of funds.

3-9. If required to reopen a DSSN, the disbursing officer has the authority to do so by submitting the report of commencement of disbursing operations. However, if any cash or negotiable instruments are on hand, the disbursing officer cannot temporarily close a DSSN. See DOD 7000.14-R Volume 5 for complete procedures for deactivating or closing a DSSN.

SECTION II – DISBURSING

3-10. Disbursing is a critical function within finance operations. It ensures all payments are made in accordance with DOD regulations and assures the accuracy of documentation and timely payment of goods and services.

OVERVIEW OF DISBURSING SUPPORT OPERATIONS

3-11. Disbursing sections make payments (currency, electronic funds transfer [EFT], stored value cards, checks) on properly prepared and certified vouchers, receive collections, receive and control currencies, and maintain accountable records. They also cash negotiable instruments, manage established LDAs, make foreign currency conversions, and determine the need for currency and its replenishment.

3-12. Disbursing support is comprised of currency management and support to contingency operations cost. Some of disbursing support major tasks include—

- Establishing and closing a DSSN.
- Establishing and maintaining theater cash holding authorities.
- Providing cash management/currency support.
- Providing reporting requirements.
- Opening, maintaining, and closing an LDA.
- Providing procurement support.
- Making special payments.
- Performing personal cash services support.

3-13. Disbursements are cash, check, EFT, U.S. debit card, Intra-Governmental Payment and Collection System, or interfund payments that liquidate established obligations, disburse amounts previously collected into a deposit fund account, or provide payment in advance of performance. The disbursing office ensures that only transactions that have been certified for payment by certifying officials are processed for payment. The disbursing officer is a military member designated to disburse monies and render accounts according to laws and regulations governing the disbursement of public monies. Disbursing officers safeguard public funds they collect or otherwise have in their custody or control, and they may have pecuniary liability for the loss of these funds. Disbursing officers will not lend, use, deposit in banks, or exchange public funds in their possession for other funds except as specifically allowed by law. They secure public funds until ordered by

proper authority to transfer or pay out the funds. When disbursing officers receive orders for transfer or payment, they faithfully and promptly execute the directed transactions and perform all other duties as fiscal agents of the U.S. Treasury imposed by law or regulations.

DISBURSING ROLES BY ECHELON

3-14. The U.S. Treasury appoints specific accountable agents to disbursing activities. DOD 7000.14-R Volume 5 defines these key positions and accountable agents such as disbursing officers, deputy disbursing officers, disbursing agents, and cashiers. For additional policies and responsibilities for accountable agents, see DOD 7000.14-R Volume 5.

ARMY FINANCIAL MANAGEMENT CENTER

3-15. During theater opening and setting the theater, the AFMC team conducts procurement and disbursing operations through the establishment of central funding until the FISC arrives. The AFMC director is the Army's senior disbursing officer and primary liaison with DFAS and the U.S. Treasury. This individual is responsible for central funding, reviewing qualification of all DSSN account holders, and recommending approval of disbursing officer appointments to the USAFMCOM commander.

FINANCE SUPPORT CENTER

3-16. The FISC serves as the conduit for banking and disbursing operations between the theater of operations, national providers, and finance elements in theater. Generally, the FISC coordinates with USAFMCOM, national providers, and finance units for the establishment of LDAs, establishes a central funding capability, and publishes the theater's finance operation's policies and procedures. These policies must be nested with theater OPORDs and promulgated throughout the AOR. This ensures consistent execution of theater policies across the theater. The FISC ensures that theater disbursing support is synchronized at all levels. Additionally, the FISC coordinates closely with the contracting support brigade to ensure that theater finance and contracting are well-planned and synchronized within theater.

3-17. The FISC works closely with the TSC or ESC to ensure that cash on hand meets the commander's requirements. The AFMC team provides the FISC with immediate notification of changing cash requirements and policies. In coordination with the AFMC team, the FISC establishes reporting procedures to monitor currency usage throughout theater.

3-18. The FISC director, in coordination with the AFMC, recommends policies for the TSC commander and procedures regarding currency use on local and partial payments and check cashing amounts. However, the CCDR retains final authority on these policies and procedures and may establish controls on the amounts of U.S. and foreign currency available and the type of currency used. This is necessary to control black market activities, secure the money of individual Service members, and help control problems related to currency inflation of either U.S. or HN currency. If the Army is appointed as the executive agent, the FISC serves as the theater central funding proponent for all U.S. branches of Service in theater.

THEATER/CORPS FINANCE BATTALIONS

3-19. FIBNs have two structures: one for the theater (the T-FIBN) and one for the corps (the C-FIBN). T-FIBNs are exclusively Reserve Component organizations and C-FIBNs belong exclusively to the Active Component.

3-20. FIBNs receive funding for their operations from the FISC. In cases where the FISC is absent from theater, the AFMC team or FIBN assumes central funding responsibilities. As the theater matures and a FISC deploys, the AFMC team or FIBN transfers its central funding responsibilities to the arriving FISC. The FIBN provides the FISC with estimates of currency requirements weekly. Once funded, the disbursing officer maintains full accountability of funds entrusted to them. The disbursing section, which is managed by the deputy disbursing officer/disbursing agent maintains the day-to-day execution of disbursing operations for the FIBN. The FIBN is responsible for funding its subordinate companies and ensuring they have procedures in place for daily account balancing.

3-21. The FIBN deploys its subordinate companies to provide task-organized support for disbursing operations. It coordinates with the FISC for the placement of FICOs to provide effective theater FM support.

It should also coordinate closely with the contracting support battalion to ensure financial coordination and advice is addressed when letting contracts.

THEATER/CORPS FINANCE COMPANIES

3-22. FICOs at both the theater and corps level provide disbursing support to subordinate FSTs and paying agents. While assigned to their respective T-FIBNs and C-FIBNs, FICOs generally conduct disbursing support autonomously from their parent FIBNs during operations in the area of operations. As such, FICOs must be prepared to conduct a full range of finance support missions while geographically separated from their parent units. They will require the necessary expertise in manual and automated disbursing operations as well as ecommerce operations in their area of operations. Depending on the mission of the FICO, the disbursing officer will appoint disbursing agents to manage and execute disbursing operations.

3-23. To facilitate and effectively execute contract payments, FICOs are normally co-located with supporting contracting battalions or detachments. It is critical that FICO commanders synchronize finance support within their area of operations.

DISBURSING SECTIONS

3-24. Within finance organizations, the disbursing section serves as the central funding element, providing cash management currency support. It also maintains inventory of and distributes ecommerce hardware (for example, EagleCash cards, laptops, kiosks, and point of sale devices).

Currency Found in Personal Effects

3-25. Appointed officials inventory all U.S. and foreign currency (paper, coin, precious metals) found among the personal effects of Soldiers and civilians captured, killed, or medically evacuated. These funds must be turned in to the nearest finance unit. These funds are either taken into the disbursing officer's custody and accountability and placed in a suspense deposit account or exchanged for a U.S. Treasury check.

Savings Deposit Program

3-26. Military members deployed to combat zones, qualified hazardous duty areas, or certain contingency operations as designated by the Secretary of Defense may be eligible to deposit all or part of their unallotted pay into a DOD savings account up to $10,000 during a single deployment. Interest accrues on the account at an annual rate of 10% compounded quarterly. Soldiers desiring to participate in this program can do so by cash deposit with the servicing unit or by allotment. See DOD 7000.14-R Volume 7A for eligibility, limitations, and more information on the savings deposit program.

Check Cashing (Accommodation Exchange)

3-27. The negotiable instruments that a disbursing officer is authorized to cash (payable in U.S. currency) include—

- U.S. Treasury Checks.
- Traveler's checks.
- Money orders.
- Third-party checks (a check on which the drawer, the drawee, and the payee are all different parties).
- State and local government checks.
- Credit card checks.
- Business checks.
- Personal checks.

3-28. The payee must be eligible for check cashing services. The disbursing officer has the right to deny check cashing privileges to anyone based on the non-availability of cash or personnel resources. The AFMC/FISC develops and recommends theater policy establishing the check cashing amount thresholds for authorized personnel to the theater Army G-8. All authorized personnel who request check cashing privileges shall consent, in writing, to immediate collection against their pay for the total of any dishonored check. The use of stored value card technology should be the primary method to provide authorized personnel with access to their funds. The AFMC/FISC develops and recommends to the theater Army G-8 theater policy on

local and partial payment limits and frequency for authorized personnel. See DOD 7000.14-R, Volume 5 for more information.

Advance Pay and Allowances

3-29. The purpose of an advance of pay is to ease hardships imposed by the lack of regular payments when Soldiers are mobilized, ordered to duty at distant stations, or deployed for more than 30 days to locations where they do not have means of withdrawing funds from their personal bank accounts. The use of stored value card technology should be the primary method to provide authorized personnel with access to their funds. See DOD 7000.14-R, Volume 7A for more information.

Disbursing Support to Noncombatant Evacuation Operations

3-30. A *noncombatant evacuation operation* is the withdrawal of civilians and noncombatants from a threatened area abroad that is carried out with the assistance of the Department of Defense (JP 3-68). These operations are conducted to assist the DOS in evacuating U.S. citizens, DOD civilian personnel, and designated HN and third-country nationals whose lives are in danger from locations in a foreign nation to an appropriate safe haven. Although normally considered in connection with hostile action, evacuation may also be conducted in anticipation of, or in response to, any natural or manmade disaster. During noncombatant evacuation operations, the U.S. ambassador is ultimately responsible for the successful completion of the operation and the safety of the evacuees. In support of a noncombatant evacuation operation, finance units make advances of pay, dislocation allowance payments, and travel entitlement pay. Evacuation payments would be made at the designated safe haven. If the situation warrants, minimum payments may be made in theater, and this would preclude an outflow of U.S. currency in the theater of operation.

DISBURSING STATION MANAGEMENT

3-31. The FISC and each FIBN may deploy with a contingency DSSN. The DSSN is assigned to a disbursing officer by Treasury and indicates authority to receive and disburse public funds and issue checks on the Treasury's behalf. The accountholders (for example, the disbursing officer) within the FISC and FIBN are accountable for the funds within their respective areas of operations. The FISC provides currency to the FIBNs to support finance operations. This decentralized approach allows for greater accountability and direct oversight of cash. See DOD 7000.14-R, Volume 5 for more information on disbursing policy and procedures.

3-32. The disbursing officer, deputy disbursing officer, and disbursing agent must be nominated by a commander and appointed by DFAS to maintain the DSSN. The establishment of the DSSN is requested through DFAS. Treasury approval must also be requested through DFAS. Once the activation letter is submitted to DFAS, the following must occur:

- Order initial U.S. Treasury checks.
- Obtain employee identification number.
- Establish routing transit number.
- Identify and access systems (for example, Over the Counter Channel application [OTCnet] and International Treasury Services [ITS.gov]).
- Acquire/transfer Computerized Accounts Payable System-Windows test files to ITS.gov prior to going live.
- Obtain user identification for all systems.
- Establish cost centers.
- Establish suspense account for DSSN.
- Reroute analysis unmatched transactions, suspense account reconciliation.
- Establish Army disbursing symbol number, Defense Military Pay Office, and company code.
- Establish a new fiscal station number (if required).

CASH HOLDING AUTHORITY

3-33. Disbursing officers are responsible for currency support. These operations include acquiring, accounting, and safeguarding currency and U.S. Treasury checks; collecting and redistributing surplus currency; and disposing of mutilated and contaminated currency. The disbursing officer requests to hold cash

currency at personal risk from the appropriate approving authority, which authorizes the limit of cash a disbursing officer can have or must have to execute currency operations. The cash holding authority is used to make miscellaneous cash payments, conduct exchanges, and other specifically authorized transactions. The approving authority ensures the amount of the request is within established guidelines and that management controls exist to ensure that routine reviews of cash requirements are conducted. When special circumstances require disbursing officers to increase their cash holding authority beyond stated amounts, the approving authority may authorize holding amounts temporarily in excess of the limits based on the circumstances. See DOD 7000.14-R, Volume 5 for additional information on cash holding authority.

3-34. Cash holding authority limits are established by—

- Requesting cash holding authority.
- Coordinating with supporting units to determine currency requirements.
- Determining the number of customers and the funding requirements from unified action partners.
- Utilizing the cash holding template to determine the type (U.S. dollars and foreign currency) and amount of cash.

CASH MANAGEMENT/CURRENCY SUPPORT

3-35. Cash management/currency support is the act of supplying U.S. currency, foreign currencies, U.S. Treasury and local currency checks, available ecommerce (for example, EagleCash Cards, Over the Counter-Net, government purchase cards, U.S. debit cards, and mobile payments) and, in some operations, precious metals (gold, silver) to U.S. and multinational forces in the operational area. Additionally, finance units provide currency and coins to Army and Air Force Exchange Service facilities, tactical field exchanges, postal units, and companies serving as in-theater defense contractors. Finance units provide kiosks and point-of-sale devices that enable EagleCash Card transactions. This service is a form of mobile banking. Mobile banking is a portable solution that uses mobile phone networks and incorporates existing prepaid debit card, internet, and mobile phone technology to transmit instructions to financial networks that facilitate funds transfers (for example, payments) to concession vendors.

3-36. The FISC, in coordination with the AFMC, provides cash management/currency support (U.S. and foreign) in theater. In coordination with the HN, U.S. banks, credit unions, and military banking facilities provide currency to the FIBNs and other Services or multinational forces in accordance with interservice and intergovernmental agreements. The FISC and FIBNs maintain the DSSN and may be designated to provide currency to all components of a joint or multinational force.

CASH MANAGEMENT SUPPORTING TASKS

3-37. The following functions are performed under cash management/currency support:

- Perform cash acquisition and cost analysis.
- Perform cash holding authority analysis (U.S. and foreign currency).
- Document the applicable foreign currency market rates (for example, the ***Spot Rate*—the price that is quoted for immediate settlement on a commodity, a security, or a currency).**
- Determine the process and cost associated with acquisition and delivery of U.S. and local currency.
- Obtain the budget rate for contracts paid in local currency.
- Determine the availability of a foreign currency fluctuation account for local currency payments.
- Determine the history, evaluation, and inflation of U.S. currency in relation to the local currency.
- Acquire and account for currency (U.S. and foreign currency)/checks.
- Dispose and report mutilated or damaged currency/checks.
- Maintain and control agreements that support multinational forces, contractors, and DA Civilians.
- Account for captured currency.
- Investigate or request investigation of loss of funds.
- Receive collections (for example, postal and moral, welfare, and recreation).
- Perform cash verifications in accordance with DOD 7000.14-R Volume 5.
- Review stateside bank operating agreement for Annex to support contingency funding requirements.
- Safeguard currency/checks.
- Support and facilitate funding and retrograde missions.
- Enforce finance policies.

Note. All funds must be safeguarded in accordance with DOD 7000.14-R Volume 5.

BULK CURRENCY MANAGEMENT

3-38. Generally, the FISC provides the primary source of currency in the operational theater. Deployed FIBNs and sister Service finance organizations will draw and return cash through the FISC. In contingency operations where there is no FISC deployed, FIBNs must be prepared to resource cash requirements through the AFMC in support of theater operations. In these instances, pre-deployment coordination with national providers, agreements with approved funding sources, and establishments of LDAs are critical to support funding requirements.

FOREIGN CURRENCY

3-39. The AFMC and FISC must work with the DOS and Treasury Department to determine whether the use of U.S. currency will be beneficial or detrimental to the HN in conjunction with military/security requirements in accordance with mission variables. When a foreign currency payment is required, the preferred method of payment is via EFT using ITS.gov. The establishment of an LDA enables finance to disburse checks and conduct EFT payments in local currency when the infrastructure or mission does not support payments made through ITS.gov. The FISC/AFMC banking officer will confer with the local U.S. Embassy for assistance in determining which banks meet the selection criteria established by the Treasury. The banking officer will then provide those recommendations to the disbursing officer to establish an LDA.

3-40. Once the disbursing officer selects an LDA, they must formally request approval and designation of that institution as an authorized LDA from the Treasury. DOD 7000.14-R, Volume 5 provides specific guidelines on the establishment of an LDA. LDAs are not limited to the banking section of the FISC/AFMC. FIBN account holders are encouraged to establish an LDA to facilitate foreign currency cash operations. All transactions involving foreign currency are treated as cash transactions and follow the same principles and guidelines established for controlling U.S. currency. All disbursing officers, deputy disbursing officers, paying agents, and cashiers who engage in foreign currency transactions will maintain a record of such transactions on a DD Form 2663 (*Foreign Currency Control Record*). As required for each account, the disbursing officer will solicit competitive proposals from local financial institutions in the area to secure the most beneficial banking agreement in conjunction with the FISC/AFMC banking section.

CURRENCY EXCHANGE

3-41. Finance units maintain an important role in currency exchange and currency control. Currency exchange plans must consider all members of the uniformed Services, DOD Civilians, authorized U.S. contractor personnel, other United States Government (USG) personnel, nongovernmental organization (NGO) personnel, and paying agents. All currency exchanges from U.S. to foreign currency or from foreign currency to U.S. currency must comply with currency control standards to discourage black market activities.

3-42. Finance units will exercise caution when exchanging U.S. currency to alleviate laundering points for enemy currency, counterfeit currency, black market operations, and currency arbitrage. EagleCash cards or U.S. Treasury checks are issued in exchange for excess currency accumulated by Service members. Additionally, military banking facilities, tactical field exchanges, and non-appropriated funds custodians may need to deposit their holdings of currency and coins with the nearest finance unit.

MULTINATIONAL FORCES CURRENCY SUPPORT

3-43. When an agreement has been negotiated between the U.S. and a foreign nation or multinational organization, disbursing officers may be authorized, on an emergency basis, to advance funds to cashiers or members of the multinational force. Such agreements may require multinational forces to provide reciprocal support to U.S. forces. Finance commanders must be aware of agreements with allies or HNs, which include reciprocal financial support if authorized. The FISC director or account holder is responsible for obtaining copies of these agreements and disseminating them to lower elements. These agreements will be coordinated with the DOS and SJA for legal sufficiency prior to implementation. See DOD 7000.14-R, Volume 5 for additional information.

CAPTURED AND COUNTERFEIT CURRENCY ANALYSIS

3-44. Procedures must be in place to address the handling of captured, worn, or mutilated currency. Any disbursing officer acquiring captured foreign currency must ensure the funds are safeguarded and delivered to the Treasury. Captured foreign currency shall not be collected into the disbursing officer's accountability. Counterfeit currency or coinage accepted in conjunction with official disbursing office business transactions are processed as physical losses of funds. See DOD 7000.14-R, Volume 5 for additional information.

DISBURSING OFFICER SUPPORT TO PAYING AGENTS

3-45. The disbursing officer or designee briefs new paying agents to inform them of their responsibilities and provides them detailed written instructions regarding the specific functions they are to perform, procedures for the safeguarding and expeditious return of currency, and other instructions deemed necessary. Although requesting unit commanders appoint paying agents (by orders), disbursing officers or their designees retain the right to refuse funding paying agents because of their inherent duty to properly safeguard government funds.

PAYING AGENT SUPPORT

3-46. A paying agent is a U.S. military member or DOD civilian employee appointed by the commander to act as an agent of a disbursing officer. The purpose of a paying agent is to make specific payments, currency conversions, or check cashing transactions from funds temporarily advanced to the agent by the disbursing agent. Paying agents are individuals whose regular duties do not involve disbursing functions and who are not organizationally located in the disbursing office. They are appointed to the position of paying agent as a collateral duty and will be under the exclusive supervision of the disbursing agent in all matters concerning custody and disposition of funds advanced to them. Funds advanced to a paying agent are held at personal risk by the agent. Immediately upon completion of the transactions for which funds were advanced, the paying agent must clear accountability with the disbursing agent. Paying agents provide the commander with the capability to procure local goods and services. Disbursing agents must provide paying agents with detailed instructions on finance policies regarding the expenditure of cash.

3-47. To execute local procurement support, the commander appoints a paying agent on an additional duty appointment order. This appointment authorizes the paying agent to disburse public currency in accordance with the special instructions stated in the appointment and the written instructions provided by the FIBN commander. The field ordering officer (FOO) whom the paying agent supports receives separate instructions from contracting officials. FOOs (appointed by the contracting officer) and paying agents train and work as a team; the paying agent should participate with their FOO in training provided by the contracting officer. Refer to DOD 7000.14-R Volume 5 and ATP 1-06.1.

3-48. The paying agent or FOO is held personally liable for any payment not in accordance with the appointment orders or prescribed instructions. The paying agent cannot simultaneously serve as either a certifying officer or FOO. The paying agent uses an official credit/debit card to make payments whenever possible.

METHOD OF APPOINTMENT OF A PAYING AGENT

3-49. Paying agents are appointed by their unit commander and approved by the FIBN commander in accordance with DOD 7000.14-R, Volume 5 and the applicable theater policy. The appointment order specifies the paying agent's unit, the types of payments to be made, the duration of appointment, and the maximum amount to be advanced.

3-50. The paying agent checks the appointment order for correctness and maintains a copy in possession while performing duties. The paying agent forwards a copy of the appointment order to the disbursing officer or designee to which the paying agent is appointed. The disbursing officer or designee keeps a copy of the appointment order until the order expires or is revoked.

3-51. Newly appointed paying agents will immediately contact their disbursing officer or designee to receive a detailed briefing before they are advanced currency. Paying agents receive from the disbursing officer or designee a copy of the current paying agent instructions and must become thoroughly familiar with all responsibilities. Paying agents sign a written statement acknowledging understanding and receipt of the oral

and written instructions. The statement will be permanently filed with the disbursing officer or designee. For more information related to paying agents please refer to DOD 7000.14-R Volume 5 and ATP 1-06.1.

APPOINTING OFFICIAL'S RESPONSIBILITIES

3-52. The appointing official ensures that every paying agent entrusted with public funds is supplied with a vault, safe, or other adequate secure container for exclusive use that is accessible only by that individual. Never merge public funds with any other funds. Refer to DOD 7000.14-R, Volume 5 for storage container specifications. Additional appointing official responsibilities include—

- Developing and publishing a security program in accordance with command direction. The program must provide instructions on adequate protection for funds and the maximum amount of public funds and related documents and instruments that must be on hand at any given time.
- Ensuring protection of funds is included in the overall disbursing security program. This includes requirements for periodic review of the adequacy of the security measures being used and for testing security equipment for proper operation on a semiannual basis.
- Ensuring (when applicable) armed guards are made available to escort government funds to and from the disbursing office when funds are being transported. The appointing official makes this determination based on a risk assessment of the OE.
- Providing fire protection for government facilities and funds.

SAFEGUARDING PUBLIC FUNDS

3-53. Paying agents must acknowledge the receipt of funds by signing DD Form 1081 (*Statement of Agent Officer's Account*) (advance funds). Paying agents are personally responsible for safeguarding these funds until they are returned to the finance unit. Failure to safeguard funds may result in agents being held personally liable for any funds that were lost. A paying agent may not entrust funds or accountable instruments to any other person for any reason. All funds must be safeguarded in accordance with DOD 7000.14-R Volume 5.

CLEARING PAYING AGENTS

3-54. Paying agents will make every effort to complete all payments and return funds and payment documents as quickly as possible. The agent should return the funds and receipts as soon as tactically feasible after providing the specified support, but no later than 30 days after the advance or as the disbursing officer directs. All agents must clear their accounts with the funding disbursing officer or disbursing agent prior to departing the theater of operations, regardless of circumstances. Upon final clearance of funds, both the funding disbursing officer or disbursing agent and paying agent will sign a DD Form 1081 (clear funds). It is recommended that the paying agent maintain a copy of the signed DD Form 1081.

PAYING AGENT CHALLENGES

3-55. Proper training of paying agents and separation of duties between paying agent and FOO are crucial to deterring and preventing fraud, waste, or abuse of funds. Whenever possible, the paying agents and FOOs should receive combined briefings and training on their respective duties and responsibilities. The following list includes just a few of the challenges paying agents may encounter:

- Corruption.
- Customs and culture differences.
- Trafficking in persons.
- Enemy threats against vendors.
- Information security and operations security (vendors can provide intelligence to the enemy).
- Language barriers.
- Time-management challenges.
- Unauthorized commitments by the FOO or by someone representing the FOO.
- Chain of command and conflicting responsibilities.
- Contingency/combat environment.

PAYING AGENTS PECUNIARY LIABILITY

3-56. Pecuniary liability holds a person financially responsible for any illegal, improper, or incorrect certification or payment. This is critical and has serious implications for individuals if not properly executed. The U.S. Code and DOD 7000.14-R, Volume 5 outline positions that assume pecuniary liability and the processes to seek relief from pecuniary liability. Failure to maintain accountability of negotiable instruments or improperly certifying documents for payment requires an investigation and diverts manpower from operations to conduct the investigation.

LOSS OF FUNDS

3-57. Irregularities are categorized as physical losses of funds; illegal, incorrect, or improper payments; or overages of funds. Physical losses of funds are segregated further by major losses and minor losses. A major loss of funds is a loss of $750 or more; any loss of funds resulting from theft, regardless of dollar amount; or any loss, regardless of dollar amount, where there is evidence of fraud within the disbursing office. A minor physical loss of funds is a loss of less than $750 without any evidence of fraud internal to the disbursing office (DOD 7000.14-R Volume 5). All agents entrusted with funds have pecuniary liability. Also, all persons not formally appointed as an agent but having government funds in their possession or control become accountable for those funds as a part of their assigned duties, and they are subject to the same pecuniary liability for the funds as if they had been formally appointed.

SECTION III – BANKING

3-58. Banking support is an integral function in finance operations. The implementation of ecommerce into contracting enables commanders to acquire mission-essential requirements during operations and bring stability to a HN by strengthening that nation's banking system while legitimizing the government and increasing the confidence in the HN's economy.

OVERVIEW OF BANKING AND HOST-NATION SUPPORT

3-59. Banking support includes limited depositary selection and LDA establishment. USAFMCOM supports banking initiatives across theater as it integrates, synchronizes, and coordinates with the HN as well as with agencies including DOS, U.S. Treasury, DFAS, and Federal Reserve Banks. Banking support major tasks include—

- Identifying partner agencies and documenting economic analysis to support host countries.
- Establishing theater Army banking policies and procedures.
- Coordinating for ecommerce and supporting technology.
- Coordinating the selection of any LDA with institutions in theater.
- Coordinating for HN banking capability.

HOST-NATION BANKING COORDINATION

3-60. During setting the theater and theater opening, the AFMC team, working in consultation with the TSC G-8, will develop an assessment of the theater and HN banking requirements. The AFMC assessment will consider infrastructure requirements necessary to increase HN financial systems stability, including central and wholesale banking processes and procedures, and corresponding banking relationships. The HN's banking laws, the Status of Forces Agreement, and other HN agreements require review to determine what the banking rules are for foreign customers and which banking entities are permitted to operate within the country.

3-61. The U.S. Embassy of the HN (a subset of the DOS) may be able to provide significant support to FM operations through its economy officer, finance officer, and U.S. Treasury attaché. U.S. embassies maintain an LDA with HN banks to facilitate procurement of funds. USAFMCOM (in conjunction with DOS and the U.S. Treasury) provides the FISC information necessary to analyze the HN banking sector to open an LDA.

3-62. Until the establishment of an LDA, the AFMC/FISC can procure funds from U.S. embassies through an already established LDA. Additionally, USAFMCOM (in coordination with the DOS and the U.S. Treasury) may be able to provide detailed information about a country's banking sector, which will assist the

AFMC/FISC in the development of a banking support plan/initiative early in the operation. Where there is no established banking infrastructure or system, the FISC procures funds in coordination with USAFMCOM until the theater matures and an LDA is established. A screening on DOS and U.S. Treasury current list of available banks should take place to expedite the selection process of an adequate bank or financial institution.

LIMITED DEPOSITARY ACCOUNT

3-63. A ***limited depositary account*** **is a checking account in a United States or foreign commercial bank that is designated by the Treasury Department to receive deposits from disbursing officers for credits to their official limited depositary checking accounts**. Disbursing officers are responsible for the maintenance and management of LDAs. They will ensure the amount of foreign currency purchased with U.S. dollars, together with the balance on hand, is commensurate with immediate disbursing requirements based on mission variables. Balances in excess of immediate needs (typically a five to seven business days' supply) are promptly withdrawn and deposited with the Treasury or transferred to other DOD disbursing officers, DOS disbursing officers, or a U.S. Embassy (if funding requirement is needed). This requirement minimizes local currency operating bank balances and losses due to rate devaluations and avoids premature drawdown on the U.S. Treasury's General Account. The disbursing officer maintains a record of every LDA transaction to include payee names, voucher numbers, check amounts (in the original currency of the check), check serial numbers, check dates, and the activity name under which the account is established. Periodic statements from the depositary are used to reconcile the disbursing records. See DOD 7000.14-R, Volume 5 for more information on LDAs.

3-64. Disbursing officers review the LDA on a continuing basis to ensure that—

- Maintenance of account balances are at the minimum necessary to meet immediate disbursement needs (checks issued and in process) commensurate with the activity in the LDA.
- Balances in excess of immediate needs (typically a five to seven business days' supply) are promptly withdrawn and deposited with the Treasury.
- The terms negotiated with the depositary are favorable to the government, including interest on the account at the highest possible rate.

CENTRAL FUNDING OPERATIONS

3-65. Central funding consolidates, acquires, distributes, and receives U.S. and foreign currencies to and from disbursing officers and military banking facilities. Central funding provides the movement of cash commodity in support of operations from the theater strategic to tactical level. Maintaining central funding locations closer to units requiring currency minimizes risk to friendly forces, reduces the possibility of losing cash commodities during transport, and frees transportation equipment for other sustainment requirements.

3-66. If the Army is appointed as theater executive agent for FM, the FISC serves as the theater central funding proponent for all U.S. Services in theater. Restrictions may be imposed to prevent disruption of the local economy and to prevent and control black market operations and counterfeiting.

3-67. As the theater matures and an FISC deploys, the FIBN transfers its central funding responsibilities to the FISC. The FIBN provides the FISC with estimates of currency requirements weekly.

3-68. Finance units serve as the central funding elements, providing cash management/currency support for the theater of operations. The disbursing officer is the central funding account holder and coordinates the establishment of any LDA in theater.

3-69. Deployed FIBNs and other Service finance organizations will draw and return cash through the FISC. In contingency operations where there is no FISC deployed, FIBNs must be prepared to resource cash requirements in support of theater operations. In this instance, pre-deployment coordination with national providers, agreements with approved funding sources, and establishments of LDAs are critical in support of funding requirements.

CURRENCY SUPPORT OPERATIONS

3-70. Currency support is the act of supplying foreign currencies, U.S. Treasury and local currency checks, available ecommerce and, in some operations, precious metals to U.S. and multinational forces in the

operational area. Additionally, finance units provide currency and coins to Army and Air Force Exchange Service facilities; tactical field exchanges; postal units; and companies serving as in-theater defense contractors. The following are performed under cash management/currency support:

- Perform cash acquisition and cost analysis.
- Perform cash holding analysis authority (U.S. and foreign currency).
- Document the applicable foreign currency market rates (for example, spot rate).
- Determine the process and cost associated with acquisition and delivery of U.S. and local currency.
- Obtain the budget rate for contracts paid in local currency.
- Determine the availability of a foreign currency fluctuation account for local currency payments.
- Determine the history, evaluation, and inflation of U.S. currency in relation to the local currency.
- Determine which mechanism can acquire foreign currency at a better rate—ITS.gov or an LDA.
- Acquire and account for currency (U.S. and foreign)/checks.
- Dispose and report mutilated or damaged currency/checks.
- Maintain and control agreements that support multinational forces, contractors, and DA Civilians.

Economic Impact of United States Currency

3-71. Finance organizations analyze the economic impact of the use of currency (U.S. and foreign) on the local economy. The analysis includes, but is not limited to, the cost of acquiring foreign currency, using ITS.gov or an LDA, the availability of banking services and banking infrastructure, acceptance of local currency by vendors, the impact of U.S. currency on the local economy, and review of Treasury and other USG agency reports on the local economy. Close coordination with civil affairs, U.S. Embassy, U.S. Treasury, and DOS officials will ensure accurate assessments.

Reduction of Cash in Theater

3-72. A stable and growing economy requires stabilization of inflation and purchasing power. Conflict, large budgetary deficits, lack of public confidence in the government, the local currency, and other factors may add to inflation instability and may cause a HN's residents to resist the national currency and convert their funds to U.S. dollars, euros, or other foreign currencies. The mere presence of U.S. forces and unified action partners will also directly and immediately affect the local economy. Without careful planning, U.S. forces and unified action partner demand on local resources may create inflationary pressure. To minimize the potential for inflationary pressure, finance should make all payments for goods and services in the local currency, pay wages for local services at an appropriate wage-rate, and determine appropriate pricing levels. Using the local currency helps put cash in the hands of the local populace, stimulates the economy, and demonstrates confidence in the HN's government.

MILITARY BANKING PROGRAM

3-73. Theater banking support will leverage existing programs and technology to identify and implement new technologies and other resources to reduce U.S. dollars in theater. Leveraging technology improves the FIBN's disbursing mission, improves the local banking system, and strengthens the economy across the theater of operations to create an overall exit strategy. The banking team supports the FISC and USAFMCOM in forging a strong partnership between the U.S. Army, U.S. Treasury, the DOS, and the Federal Reserve Bank network. This effort should promote the identification and mitigation of capability gaps in finance support of DOS economic goals within the theater pertaining to banking and ecommerce.

3-74. Military banking facilities' main function during contingency operations is to provide cash management/currency support. For more information about banking officer duties and responsibilities, refer to ATP 1-06.3.

BANKING SECTION

3-75. This section is responsible for theater currency (U.S. and foreign) support. The section coordinates with HN support and military banking operations to establish and sustain the flow of currency to the FIBNs, other DOD agencies and Services, and multinational forces in accordance with inter-service and intergovernmental agreements; it may be designated to provide currency to all components of a joint or multinational force. This section also coordinates with the State Department, local U.S. Embassy, USAFMCOM, DFAS, provisional

reconstruction teams, and/or the Treasury to establish HN banking support requirements. The banking section helps coordinate the selection of any LDA institutions in theater and also facilitates the analysis of HN financial institutions for LDAs. Additionally, it serves as the EFT assistance center for the AOR and as the contracting officer representative for the U.S. Army Banking and Assistance Center (when in operation). The banking section is responsible for oversight of theater ecommerce initiatives and programs as well as their trends and analysis.

SECTION IV - PAYMENT SUPPORT

3-76. Finance units provide a wide variety of payment support functions throughout their areas of operations. Leaders at all echelons structure their sections to maintain separation of duties and proper internal controls when conducting payment support operations to minimize potential fraud and abuse.

OVERVIEW OF PAYMENT SUPPORT OPERATIONS

3-77. Payment support is the calculation of entitlements, verification and validation of appropriate documentation, and certification of payments. Payment support includes the provision of full U.S. pay support (including civilian pay not supported by DFAS), travel pay support, local and partial payments, civilians, U.S. contractors, and non-U.S. pay support (for example, HN employees, day laborers, enemy prisoners of war [EPWs], and civilian internees). Payment support operations also provide support to noncombatant evacuation operations in the form of travel advances. Finance units must ensure that all Soldiers, regardless of component, receive timely and accurate pay in accordance with existing statutes and regulations.

COMMERCIAL VENDOR PAY

3-78. Commercial vendor payment (CVP) support is for the immediate needs of the force. These are needs that the standard logistics systems cannot support. FSTs and paying agents should try to use available EFT payment methods or pay cash in the local currency if possible. Cash payments are usually for such items as pay for day laborers, class I supplements (not otherwise on contract), and the purchase of construction materials not readily available through the contract or supply system.

3-79. The commercial vendor services section certifies contract payments, prepares payment vouchers, and forwards prepared vouchers to the disbursing section for payment. It monitors reports to reconcile contract payments made, tracks invoices pending payment, and reconciles in-transit certified payments with post-payment data received from disbursing. The commercial vendor services section manages payment processing and works closely with the contracting battalion and its supporting G-8 to coordinate contracting support and to ensure legality, prompt payment, and reconciliation of contract payments to identify unused funds that may be redirected for other critical requirements.

3-80. Depending on mission variables and the maturity of theater, certain portions of transactional roles for contract payments can be accomplished under the Home Station Mission Command Concept. It is possible to retrograde CVP payments to finance organizations located outside of the AOR as a response to unpredictable changes affecting normal operations in theater. Using CVP retrograde outside of the AOR as an option to migrate workflow of contract payments can be accomplished with a "storefront" location within theater, usually in consolidated support areas. This finance "storefront" receives and validates contract payment documentation from requiring activities and contracting and retrogrades transactions, payment files, and documents to out-of-theater units for payment processing and EFT disbursement. The FIBNs are responsible for the technical oversight and assistance of the CVP retrograde mission.

3-81. This type of support increases during operations in lesser developed areas and remote sites. Local procurement could help augment supply and service areas based on availability in theater:

- Personal or non-personal service contracts for the performance of identifiable tasks rather than furnishing an end item or supply.
- Deliverables contracts for the furnishing of specific supplies.
- Indefinite delivery/task order and blanket purchase agreement contracts awarded under simplified acquisition procedures such as constructions contracts, cost contracts, lease contracts.

SPECIAL AUTHORITIES PAY

3-82. Finance organizations support several special authority payment programs and carefully follow the principles and standards prescribed by the Comptroller General of the United States. Some special payments are classified based on their characteristics and the nature of the transactions they support. Solatium payments are an example of special authorities pay.

3-83. A solatium payment is monetary compensation given to indigenous personnel to provide relief from grief, suffering, and anxiety resulting from injury, property, or personal loss. Occasionally, solatium payments are made to meet cultural expectations. A solatium payment is nominal in amount, and is not an admission of liability by the U.S. The commander in whose area of operations the incident occurred is responsible for determining entitlement to solatium payments. Finance units are responsible for the disbursing and accounting of all solatium payments. AR 27-20 contains more information on solatium payments.

NON-U.S. PAY

3-84. Non-U.S. pay includes, but is not limited to HN employees, day laborers, EPWs, and civilian internees. Finance must follow all prescribed laws, regulations, and theater policies while providing non-U.S. pay support. Title 22, USC, Section 3968 establishes the pay for foreign national employees. Delegation of authority is established by DODI 1400.25, Volume 1231. Authority is delegated to each military department to re-delegate to its Service component commanders the authority to establish salaries, wages, fringe benefits, related compensation items, and other terms of employment for foreign national employees. Finance units are responsible for processing deposits to and payments from deposit, trust, or other special fund accounts. They are also responsible for ensuring disbursements from these accounts are not made without specific authority.

3-85. The AFMC or FISC develops policies and advises EPW camp commanders on EPW and civilian internee operations that relate to pay and accounting. Upon request, units provide training to personnel assigned to the camp or EPW unit. Additional guidance can be found in DODM 1416.08, which prescribes procedures and instructions for the development of compensation programs for foreign nationals employed by the U.S. Forces in foreign areas.

MILITARY PAY

3-86. Until the full implementation of the Integrated Personnel and Pay System-Army (IPPS-A) and transfer of military pay support to the human resources (HR) community, finance organizations will continue to provide military pay support to all personnel in theater. Finance units ensure that personnel, regardless of component, within the area of operations receive accurate and timely pay support. The impact of quality pay support on Soldier morale cannot be understated. Thereby, military pay support remains a vital part of finance operations.

INTEGRATED PERSONNEL AND PAY SYSTEM - ARMY AND THE MILITARY PAY TRANSITION

3-87. IPPS-A and the military pay transition from finance to HR will make Soldiers, leaders, commanders, and HR personnel jobs easier. Soldiers will resolve military pay issues primarily with S-1s, no longer needing to work with finance offices for most personnel-triggered military pay actions. Commanders will track real-time pay information for their Soldiers. HR professionals will be proficient in military pay policy and fundamentals, which will help them resolve military pay issues.

3-88. The challenge for the components will be the major culture shift for the HR and finance communities. Across the Army, communication and cooperation between the two organizations will be essential to a seamless transition of the military pay mission passing from finance to HR.

3-89. The HQDA G-1 Functional Management Division is the Army's focal point and collaborative hub for this effort, and it is responsible for planning and coordinating the transition as well as preparing the HR community for the assumption of military pay functions. The military pay transition division is leading the effort by documenting requirements, gathering feedback from the finance community, and sharing lessons across both finance and HR.

ACTIVE DUTY PAY

3-90. FIBNs provide Active Duty payment support to all personnel assigned or attached within the operational area. This support ensures that those personnel receive proper military pay entitlements and allowances. Finance units will provide continuous payment support in an effective and efficient manner, regardless of the operational tempo. Preventing backlog or late pay transactions is key to providing timely pay and maintaining the good morale of the troops.

3-91. Brigade and battalion S-1s are the central link between Soldiers and changes to their pay entitlements. S-1s are responsible for resolving routine pay inquiries through the timely submission of documents to the FICO and distribution of supporting documentation affecting Soldier pay. See FM 1-0 for additional information. Figure 3-1 depicts the flow of documents for military pay changes.

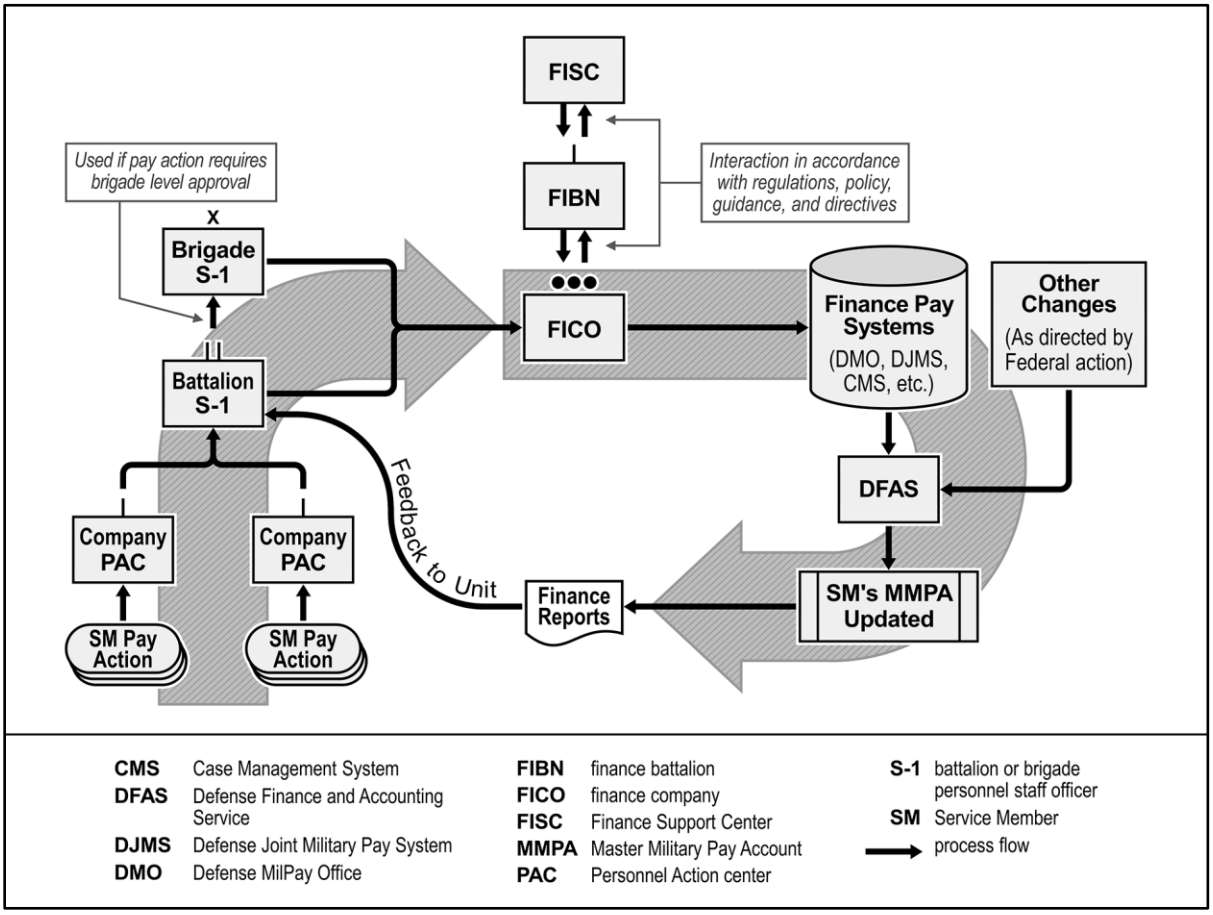


Figure 3-1. Military pay support changes document flow

3-92. The AFMC/FISC provides finance policy and technical oversight to all units in theater. ***Technical oversight*** **encompasses the provision of recommendations and advice to theater commanders regarding the employment, integration, direction, and control of financial management forces for the accomplishment of assigned missions.** Responsibilities and procedures are prescribed in accordance with current regulations and directives. Separation of duties and adherence to required internal controls are strictly enforced to prevent fraud and collusion. The internal control section in the FISCs and FIBNs ensure that all functional sections maintain proficiency.

3-93. FIBNs provide payment support through their FICOs to all units and Soldiers in their area of operations. The FIBNs perform the following military pay support functions:

- Theater in and out processing.
- Start/stop/change deployment entitlements (normally automated at theater entry and exit location).

- Entitlement verification and certification.
- Customer service.
- Debt management.
- Bonus processing.
- Start/stop/change entitlements.
- Pay inquiry.
- Case Management System (CMS).
- Reports production.
- Pay inquiry analysis.
- Reject/recycle report.
- Merged Accountability and Fund Reporting (MAFR) reconciliation.
- Unit Commander's Finance Report.
- Pay support transaction processing.
- Review, coding and verification of documents.
- Upload data into respective FMIS.
- Key finance reports.

Unit Commander's Finance Report

3-94. The Unit Commander's Finance Report is issued to unit commanders on a monthly basis. This report provides a one-line rollup of each Soldier's pay account and status. Unit commanders must review the report and annotate, update, change, correct, add, or delete information as necessary, providing additional and necessary documentation as required. The unit should maintain a copy of the report for its records and return the certified copy to finance in accordance with its established procedures, but not later than ten days of issuance and receipt.

Daily Register of Transactions

3-95. The Daily Register of Transactions provides information to the finance units on the actions taken on the requests submitted. It gives the unit a record of transactions pertaining to assigned Soldiers. The report consists of transactions that are processed, rejected, or recycled and is available each time the FMIS updates.

Merged Accountability and Fund Reporting Reconciliation

3-96. The MAFR is one of the most important tools used to track all cash payments. It verifies that payments have been processed through the Master Military Pay Account System. The report provides a list of all payments, canceled or returned checks, and cash collections by specific accounting and disbursing station number (commonly known as ADSN) or DSSN.

3-97. The Specific Check of Unmatched Transactions Report does not replace the MAFR for active component military pay operations at the field level but is designed to be used as a tool to aid reconciliation of uncollected payments. It is a tool to effectively reduce the number of uncollected payments made within the theater of operation and other non-integrated disbursing offices. It is not intended to eliminate MAFR reconciling or balancing requirements, but rather to work in conjunction with the MAFR to give commanders Reserve Component Pay.

3-98. Reserve Soldiers serve under a statutory or contractual obligation and are mobilized under Title 10 USC. The Defense Joint Military Pay System (DJMS)-Reserve Component is the system used to pay Ready Reserve Soldiers for weekend training, annual training, and all other periods of active duty to include mobilization. Unlike DJMS for the Active Component, some type of transaction must be input in order for the system to generate pay. This system does not support allotments of pay. There are multiple pay dates (up to eight possible) each month. Each payment generates a separate leave and earnings statement that contains the information that applies to the specific payment. Unlike DJMS for the Active Component, the end-of-month leave and earnings statement is not a summary statement for the month. Under mobilization, there will typically be a mid-month and end-of-month leave and earnings statement generated for the 1st and 15th pay dates. If a new entitlement begins, or a one-time payment or adjustment is entered for a pay date other than the 1st or 15th of the month, there will be another statement generated for that payment alone.

Reserve Home Station Military Pay Processing

3-99. Units conduct a Soldier Readiness Processing check for each Soldier mobilized from their unit at home station. During the Soldier Readiness Process, Reserve Component Soldiers will be in-processed onto active duty. One station will have finance personnel review the pay account and ensure entitlements are being properly paid based upon the Soldier's supporting documentation.

3-100. On mobilization day, prior to movement to the mobilization station and during home station activities, the U.S. Property and Fiscal Office of the affiliated state will start pay and entitlements. Soldiers continue in-processing at the mobilization station as finance records are reviewed again by finance personnel with adjustments or corrections being made as necessary. The pay account is checked to make sure the U.S. Army Reserve Pay Center has started all entitlements, and for the Army National Guard, their state-affiliated U.S. Property and Fiscal Office will start their pay and entitlements. If it is determined that the Soldier will not deploy, the mobilization order must be rescinded or a new order releasing the Soldier from active duty must be generated to stop payment of active duty pay.

Deployment Site

3-101. The deployment site is where Reserve Component Soldiers perform their mission, and they may move to more than one deployment site while mobilized. While at the deployment site, if there is any pay problem, a representative from the unit S-1 will contact the FICO on site. The FICO is responsible for monitoring Reserve Component Soldier pay to ensure all authorized entitlements are paid in a timely manner, to include theater-specific entitlements.

Demobilization Pay Processing

3-102. Reserve Component Soldiers will be released from active duty and reassessed back into a reserve status, as appropriate, at the demobilization station. The Soldier's pay account will be reviewed for accuracy, and any required adjustments will be made. Any unresolved pay problem should be resolved at this time.

CASE MANAGEMENT SYSTEM

3-103. CMS provides an all-service, fully integrated, single-source system for monitoring pay problems, uploading and tracking cases at all levels, and providing visibility at all levels for immediate feedback to Service members. It provides timely and efficient identification of problem trends and focused training. It provides supervisors oversight for prioritizing and identifying cases that require attention and provides consolidated reporting capability for all organizational levels. CMS provides the capability for finance, in coordination with DFAS, to work cases and identify trends to assist in applying resources and training appropriately. Additional information on CMS may be found in the latest DFAS Case Management System User's Guide.

3-104. CMS accepts manual input from the user and system-generated cases from a DJMS interface. There are two types of CMS cases:

- System Generated Cases. These are cases that are created from rejected transactions that pass through the Automated Case Control System tables in DJMS and interfaced into CMS. The majority of these cases will be “Opened”, “Action Completed” or “Closed” at the DFAS or local level.
- Manual Cases. Manual cases are created by the finance system user for cases that cannot be corrected on site.

3-105. FICOs are encouraged to institute personnel/pay teams that meet periodically to review problem cases and identify solutions. CMS provides data for managers of all organizations responsible for action, which allows oversight on the resolution of problem cases within their command. Managers have access to a wide variety of reports that can be used to prioritize, manage timeliness, and develop training for recurring problem types.

3-106. CMS embeds the processing timeline established by DFAS—30 days from the day the case was initiated until the day the case is resolved. Cases are identified as overdue when they exceed 30 days. Cases will show as “overdue” in the inbox of the organization responsible for action 5 days prior to the 30-day time limit in order to provide early warning that the case needs to be worked.

TRAVEL PAY

3-107. Travel pay calculates, reviews, and processes travel allowances and reimbursements due to U.S. and foreign personnel. Travel pay includes processing temporary duty, temporary change of station, and permanent change of station travel orders. Finance personnel ensure accuracy and timeliness of payments to reduce hardship and allow Soldiers to focus on operational requirements.

3-108. Finance units provide travel pay support for personnel assigned to the area of operations engaged in official travel orders. Travel allowances can be paid by using a field expedient system such as the Integrated Automated Travel System, which provides automated travel support. The Defense Travel System also provides an additional platform to execute travel requirements.

INVITATIONAL TRAVEL ORDERS

3-109. During theater operations, organizations may process invitational travel orders. An invitational travel order is used to reimburse certain travel and transportation expenses of an individual who is not a Service member or civilian employee. Invitational travel orders must be issued judiciously to ensure prudent, proper, and ethical use of appropriated funds. Individuals on invitational travel orders must be legitimately performing a direct service for the government.

TEMPORARY DUTY TRAVEL

3-110. The requirement for travel support to deployed personnel can be immense. In theater, per diem is limited to incidental expenses only. During the competition and early stages of crisis and conflict, there may be extensive requirements for temporary duty to and from the area of operations. Travel support also includes noncombatant evacuation operation travel advances to noncombatants when they evacuate from the area of operations (emergency evacuation allowances). The DOS may issue a noncombatant evacuation order for U.S. citizens in the HN or target country. Evacuation payments are authorized under noncombatant evacuation operation conditions and are usually paid outside the target country at a pre-designated safe haven.

SECTION V – ACCOUNTING

3-111. The Army relies on the finance community to ensure fiscal stewardship of the public funds entrusted to execute its assigned missions. Finance meets this expectation by providing expert fiscal analysis based on timely and accurate financial data and accounting support.

3-112. Accounting support entails execution of all three types of accounting in the provision of theater FM support to theater operations. Managerial cost accounting is the process of accumulating, measuring, analyzing, interpreting, and reporting cost information useful to both internal and external groups concerned with the way in which the organization uses, accounts for, safeguards, and controls its resources to meet its objectives. Budgetary accounting is the accounting necessary to support and control the budget execution process as distinguished from that required to report on financial conditions and operations (proprietary accounting). For example, this includes commitments, obligations, expenditures, and conditions such as appropriations realized, contract authority, and anticipated reimbursements. In contrast to budgetary accounting, proprietary accounting involves those accounting functions and operations necessary to report on financial conditions and financial results of an activity's operations. Proprietary accounting may include accounting for inventory, accounts receivable, accounts payable, and accrued expenditures Details on the particular procedures and processes related to federal budgetary, proprietary, and managerial cost accounting are described in DOD 7000.14-R, Volume 1 and published Statement of Federal Financial Accounting Standards.

OVERVIEW OF ACCOUNTING ACTIVITIES

3-113. ***Accounting support*** **is the accurate and complete recording of financial transactions within the Army financial management information systems and the review and reconciliation of these financial transactions to ensure the proper expenditure of entrusted funds in support of operations**. Accounting facilitates establishing financial control, from time of acquisition to time of disposal, over all assets provided to or acquired by commanders in support of operations. Additionally, accounting support provides the requisite information to financial managers and commanders at all levels of the Army, strategic to tactical.

Accounting support reinforces internal control over USG funds, collections, expenditures, property, and other assets. Accounting in finance operations includes, but is not limited to, the critical activities of transaction recording, transaction reconciliation, financial statements, and cost capturing.

STANDARD LINE OF ACCOUNTING

3-114. All business events and financial events resulting in a commitment must cite a standard line of accounting in accordance with DOD 7000.14-R, Volume 1. They must also be recorded in the general ledger in accordance with the United States Standard General Ledger, Standard Financial Information Structure, and Transaction Library.

3-115. The Standard Line of Accounting is a series of alpha and numeric characters appearing on accounting source documents and is a subset of the Standard Financial Information Structure data standard elements. Also referred to as the accounting classification code, it is comprised of the minimum Standard Financial Information Structure data elements that must be exchanged for business events that have an accounting impact at any point from the initial commitment to the final posting in the appropriate general ledger. A ***line of accounting*** **is a data structure representing a Department of Defense account that may be used to track travel funding (transportation, per diem, meals, and incidental expenses) associated with an organization's budget and to ensure accurate accounting transactions**. This includes commitments, obligations, expenditures, and disbursements. The characters provide the information necessary to enter transactions into DOD accounting systems.

TRANSACTION RECORDING

3-116. Finance organizations at all levels of command must ensure financial transactions are accurately recorded in the Army FMIS. Effective financial data recording is achieved through a joint effort between the finance community, contracting personnel, and the use of applicable FMIS. Transaction recording must be timely and accurate to provide relevant account information to the commander.

TRANSACTION RECONCILIATION

3-117. Transaction reconciliation verifies and corrects fiscal data input into the financial systems of record supported by appropriate documentation. The budgetary process, from committing funding for a requirement to disbursing payment for receipt of that requirement, involves numerous individuals with various authorities and roles. Ideally, a requirement flows through the entire budgetary process without issue; however, errors do occur and require adjustment. Transaction reconciliation ensures that all transactions in the process balance and uses supporting documentation as the basis to correct any errors; these processes serve as an effective internal control system to avoid unmatched, irregular, or erroneous transactions that may result in illegal payments.

FINANCIAL STATEMENTS

3-118. With the Chief Financial Officers Act of 1990, Congress mandated that all federal agencies produce auditable financial statements. Financial statements, through related external audits, should hold finance organizations accountable for their day-to-day operations. Any financial statements that compile financial records must use accounting principles and procedures. Commanders use these reports to make resource-informed decisions.

COST CAPTURING

3-119. Cost capturing procedures use lines of accounting for both internal and external reporting requirements. This provides visibility of commitments, obligations, expenditures, disbursements, reimbursables, and future costs. Reporting procedures should provide accurate information while remaining simple and flexible. During operations below armed conflict or crisis, HQDA will establish a unique special program code to capture costs. Additionally, the joint staff shall issue a three-digit Chairman of the Joint Chiefs of Staff Project Code, which provides precedence for supply requisitions and facilitates cost capturing and reporting. Each unit that supports operations during crisis or armed conflicts must capture related obligations and disbursements in its accounting systems at the lowest possible level of the organization. This provides tracking of obligations and disbursements for affected appropriations. Organizations must use the

data from existing FMIS to accurately capture cost and not develop cost accounting systems solely for determining costs for an operation.

THEATER STRATEGIC-LEVEL ACCOUNTING SUPPORT

3-120. Accounting support during financial disbursements and military expenditures at the theater strategic level provides real-time financial information that helps commanders make sound resource-based decisions.

3-123. In coordination with the ASA(FM&C) policy, DFAS establishes procedures for accounting, reporting, and fund management in support of theater strategic level operations. DFAS is the principal DOD organization for finance and accounting requirements, systems, and functions under the authority and direction of the USD(C). As such, it provides professional finance and accounting services for DOD components and other federal agencies. DFAS directs the consolidation, standardization, and integration of finance and accounting requirements, functions, procedures, operations, and systems, and ensures their proper relationship with other DOD functional areas (for example, budget, personnel, logistics, acquisition, and civil engineering).

3-121. USAFMCOM provides oversight and theater strategic level support to accounting operations for all Army finance organizations. In coordination with the ASA(FM&C), USAFMCOM and the AFMC ensure the continuity of accounting operations in support of commanders from the strategic to tactical level. USAFMCOM establishes business process standardization and leads a centralized testing program for internal controls across all Army business processes, driving the FM enterprise's ability to effectively conduct accounting operations.

3-122. The FIOC at the theater level provides coordination between the AFMC and FISC, to complement the theater accounting policy RM function within supported G-8 staffs and financial units. The focus at the theater level is on conducting accounting support and internal controls oversight and reporting for the entire theater. These activities include the following:

- Ensure data integrity of collections and disbursements.
- Reconcile the Analysis of Unmatched Transactions with Treasury deposits.
- Account for cash and other negotiable instruments.
- Reconcile accounting and disbursing station number and DSSN transactions with FIBNs (for example, MAFR).
- Ensure Collections Information Repository and Payment Information Repository transactions are accurate.
- Reconcile Deposit Tickets and Debit Vouchers with Federal Reserve Bank.
- Assist FIBNs with reconciliation of EagleCash transactions:

3-123. The AFMC, FIOC, and FISC can improve the accounting reporting system by implementing the Diamond 2 report. This report is a consolidation of all finance data from the various FICOs and FIBNs in theater. The type of data collected includes casual pays, checks cashed, cash conversions, EagleCash card activity, paying agent activity, and military pay activity. This data enables the performance of a more accurate review and trend analysis to provide a common operating picture to the FISC director and G-8 staff. Accuracy and timeliness in this reporting from the DSSN is important so that it can better reflect on the cash management section. This report supports theater strategic initiatives by providing a common operating picture that feeds into the battle update brief and commander update brief

OPERATIONAL-LEVEL ACCOUNTING SUPPORT

3-124. At the corps level, FM elements have the responsibility to account for funds and expenditures in accordance with established theater accounting policy. Constant communication with the corps G-8s and accounting channels facilitates maintaining the accuracy and timeliness of the recorded transactions.

3-125. Accounting support provided by the corps FIBNs, with oversight through the theater finance organizations, complements the RM function within supported G-8 staffs. The FIBNs provide C2 and oversight to the FICOs that are operating in the corps or division areas. The FIBNs participate in reviews, as required, to ensure accounting records are accurate and updated in a timely manner. The FIBN has an internal controls section that is responsible for providing requested accounting support to operational units in the corps area. Based on the missions assigned to the corps, the finance accounting functions may include—

- Processing deposits to, and payments from, appropriated, deposit, trust, or other special fund accounts and ensuring disbursements from these accounts are not made without specific authority.
- Advising the internment facility commander on internment/resettlement operations that relate to pay and accounting. Upon request, finance units provide training to personnel assigned to the camp or internment/resettlement unit.
- Reconciling MAFR mismatches.
- Assisting in the daily accounting recorded in the DD Form 2657 (*Daily Statement of Accountability*) and monthly balancing.
- Developing simple accounting code structures to support the FOO.
- Maintaining timely receipt and accuracy of cost data.
- Maintaining all accounting records until shipment to DFAS.
- Accounting for solatium payments.
- Ensuring all ITS.gov data requirements are timely and accurate.

TACTICAL-LEVEL ACCOUNTING SUPPORT

3-126. To eliminate weaknesses and gaps in financial accounting, is imperative to practice accurate accounting at the tactical level where expenditures occur and where they are reconciled with official accounting records. At the tactical level, timely and accurate accounting information enables commanders to make real time resource-informed decisions.

3-127. At the tactical level, the division G-8 is the principal staff officer responsible for all RM functions and accounting in support of operations. The division G-8 is the primary interface and technical expert for brigade S-8s. Depending on mission a FICO is often attached to the division to oversee the employment of financial platoons and FSTs to provided dispersing, payment support, and accounting oversight for finance operations

SECTION VI - INTERNAL CONTROLS

3-128. Monitoring and evaluating FM activities could lead to findings that help develop internal controls to improve operations. Based on the evaluation of progress, leaders and staff personnel make recommendations to the commander or adjustments within their delegated authority. Assessment diagnoses threats, suggests improvements to effectiveness, and reveals opportunities. Finance personnel present the assessment results, their conclusions, and recommendations to the commander.

OVERVIEW OF INTERNAL CONTROLS

3-129. Finance planners at all echelons will ensure an internal controls process is included as part of each phase of the finance operations planning process. Internal controls are the procedures, techniques, and devices employed by managers to mitigate conflicts of interest, fraud, and risk. While audits aim to provide an external and independent review, internal controls are an organization's self-evaluation. Commanders establish internal controls and periodic reviews to identify flaws and deficiencies in daily FM business to reduce the risk of potential loss of funds.

3-130. OMB Circular A-123, applicable DOD instructions, and AR 11-2 prescribe policies and responsibilities for the Army's Risk Management and Internal Control Program. This program applies to all Army organizations and programs, reinforces the accountability of Army commanders and managers for establishing and maintaining effective internal controls tailored to each organization or unit, and provides greater flexibility in their evaluations of internal controls. FM internal controls provide reasonable assurance that establishes accountability and control procedures to comply with applicable laws and regulations.

3-131. Constantly evaluating operations, reporting deficiencies, and citing corrective actions is required to achieve audit readiness. The internal control section may be augmented as required by the AFMC/FISC to provide a more detailed and robust capability, depending on the mission. Some of the main areas to evaluate include—

- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with applicable laws and regulations.

- Prevention and deterrence of fraud, waste, and abuse.
- Payment certification.
- Unprocessed voucher reconciliation.

3-132. Internal control evaluations provide reasonable assurance that established accountability and control procedures comply with applicable laws and regulations. Reasonable assurance refers to a satisfactory level of confidence that internal controls are adequate and are operating as intended. Reasonable assurance recognizes that there are acceptable levels of risk that cannot be avoided because the cost of absolute assurance would exceed the benefits derived

3-133. As it pertains to finance, the internal control evaluations provide the commanders with a clear picture that obligations and costs comply with applicable laws, funds are protected, payments are properly disbursed, and proper accounting is kept of all expenditures (stewardship). It helps FM commanders to promote cost culture in their immediate area of operations. ***Cost culture*** **is a culture where all leaders and managers factor cost into their decision-making and understand both the near and long-term cost implications of their decisions**. The internal control program must be established as soon as possible, but not at the expense of operational or tactical considerations.

ACCURATE ACCOUNTING REPORTING

3-134. The accurate and complete recording of financial transactions within Army FMIS and the review and reconciliation of these financial transactions ensures the proper expenditure of entrusted funds in support of operations. Accurate accounting reporting is critical in maintaining successful fiscal responsibility within the theater of operations.

3-135. Accurate and complete accounting reconciles financial transactions to meet auditability standards. Accounting outlines the chain of custody of public funds through financial records. Errors in this process result in discrepancies that can affect commander decision-making. Finance units can identify and reconcile errors providing more accurate data through two nested functions: transaction reconciliation and financial statements.

MAINTAINING SUPPORTING DOCUMENTATION

3-136. Maintaining supporting documentation helps identify, consolidate, and safeguard relevant transactional documents. The Corporate Electronic Document Management System is the system of record for military pay documentation. Various regulations provide guidance for documentation retention including DODI 5015.02 and DOD 7000.14-R Volume 1. The requirement execution process includes many personnel requiring different supporting documents to complete their portion of the process. The Army has various systems of record (for example, General Funds Enterprise Business System and Wide Area Workflow [WAWF]) to embed required supporting documentation to centralize document maintenance. However, organizations can develop alternate processes to ensure they retain all supporting documentation.

TRANSACTION RECONCILIATION

3-137. The analysis of unmatched transactions is a tool that provides disbursing officers the ability to evaluate the accuracy of their disbursing operations. When properly performed, using this tool prevents loss of funds and prevents fraud. DFAS provides a report by DSSN on a monthly basis that includes DSSN reported deposit tickets and debit vouchers that do not match the Treasury's report. The discrepancies listed in the report lend to the accuracy of the disbursing officer's monthly accountability. Immediate action is required to research and reconcile all unmatched transactions.

SEPARATION OF DUTIES

3-138. To reduce the risk of error, waste, or wrongful acts, or to reduce the risk of those acts going undetected, no one individual should control all key aspects of a transaction or event cycle. Rather, duties and responsibilities (for example, authorizing; approving and recording transactions; making payments; preparing checks and check payments; certification of funding; reviewing and audition) should be assigned to separate individuals to ensure that effective checks and balances exist to minimize risk of loss to the government to the greatest extent possible.

3-139. Appropriate separation of duties is not always practical or possible due to time constraints, manpower shortages, or the use of mechanized systems. The commander should be aware of situations where valid, long-standing separation of duties cannot be achieved, recognize that internal controls have been weakened as a result of such, and make every effort to compensate for loss of the internal control. Unique situations resulting in an inability to separate appropriate responsibilities must be reported to the applicable DFAS or AFMC director or FIBN commander, together with a request for a waiver and recommendations for compensating for the loss of the internal control.

SAFEGUARDING FUNDS

3-140. Commanders, along with finance organizations, are responsible for safeguarding funds and protecting funds from fraud, waste, and abuse. Commanders will control the amount of U.S. and foreign currency available and used in the area of operations. This is necessary to control black market activities and mitigate problems related to inflation of either U.S. or HN currency. Finance units must store public funds in accordance with DOD 7000.14-R, Volume 5 and conduct quarterly cash verifications.

SECTION VII - FINANCIAL DATA ANALYTICS

3-141. Financial data analytics involves collecting, organizing, and analyzing data in order to produce viable information that enhances command decision-making ability. Financial data analytics evaluates financial raw data to drive fact-based, resourced-informed decision making that optimizes commanders' resources.

3-142. Finance units execute numerous transactions, all with various data elements. The ability to draw those data points from systems of record to identify fiscal trends and develop financial forecasts is key to assisting commanders in making decisions through a fiscal stewardship lens. Financial data analytics optimizes the allocation of a commander’s resources, interpreting the data into useful products or reports to inform operations and provide courses of action. Finance personnel must have a complete understanding of how to approach and execute data analytics at their specific level of responsibility.

3-143. Financial data analytics involves three actions: decision support, cost capturing, and cost analysis. The practical application of data analytics across all echelons is exercised using the model of manage, analyze, visualize, and present.

FINANCIAL DATA IN DECISION SUPPORT

3-144. Decision support in finance operations focuses on evaluating disbursing and payment support operations to optimize resources and obtain the greatest effects. Commanders require accurate financial information to make decisions during operations or on training and maintenance priorities. Decision support compiles relevant data into a format that allows commanders to understand the information and make optimal decisions.

COMMERCIAL VENDOR DATA

3-145. Analyzing commercial vendor data helps the organization establish budgeting and spending goals that meet the critical demands of the mission. Processing and tailoring these reports in real time enhances the business decision process by delivering relevant information to commanders as they make financial decisions involving forecasting, cyclic expenses, and purchasing trends identification.

3-146. The following resources are useful when researching commercial vendors and contractors’ data:

- Contractor Performance Assessment Reporting System.
- Federal Awardee Performance and Integrity Information System.
- Approved HN business advisors.
- The local embassy.
- National Counterintelligence and Security Center-Supply Chain Threats.

PAYING AGENT/MICRO PURCHASE DATA ANALYSIS

3-147. Paying agent and micro purchase analysis benefits commanders, military intelligence, and finance organizations alike. This analysis can be used to determine trends in types of items bought and vendors used

and find a nexus between vendors and known illicit activity. Therefore, it is imperative that disbursing officers capture trends in FOO/paying agent activity and report suspicious activity to upper echelons.

DATA POLICY AND LEGAL CONSIDERATIONS

3-148. The authorities to collect, store, share, and use identity data and financial information will vary depending upon the AOR and the partner nations involved. Different countries have strict legal restrictions on the collection and use of personally identifiable information, resulting in the need for a separate bilateral or multinational agreement to alleviate partner nation privacy concerns. Due to such legal complexities, personnel should consult with their SJA or legal advisor along with their corresponding intelligence unit prior to the collection and use of personally identifiable information or biometric data.

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Chapter 4

Resource Management

RM constitutes one of FM core competencies and contributes to the Army's role in national defense. RM is a critical capability that sources organizations with congressionally approved resources. This chapter discusses the different processes and tools resource managers use to fund the force.

SECTION I – OVERVIEW

4-1. Providing funding support is complex and requires FM professionals to leverage multiple authorizations and supplemental appropriations that provide additional funding during the fiscal year (FY). A supplemental funding appropriation is typically in response to urgent and unanticipated operational needs or natural relief efforts. Commanders and resource managers alike need a thorough understanding of the statutes and regulations that govern the use of appropriated and non-appropriated funding in order to successfully fund requirements. Resource managers must understand the flow of funds from Congress to the unit level, the appropriations/authorization process, and the administrative control of funds while working closely with fiscal lawyers to ensure compliance with fiscal requirements established by law. ***Fund the force*** **is the critical capability that matches legal and appropriate sources of funds with thoroughly vetted and validated requirements**.

4-2. RM has a unique set of parameters associated with its execution during contingency operations. RM involves providing financial advice and recommendations to the commander, developing command resource requirements, identifying sources of funding, determining costs, acquiring funds, distributing and controlling funds, tracking costs and obligations, capturing costs, conducting reimbursement procedures, accounting and fiscal validation, and establishing management internal controls.

4-3. Complexities in both the OE and the nature of the mission may require additional flexibility with respect to the use of fiscal resources by commanders to accomplish their assigned missions. Operating with multinational partners may necessitate providing logistics or other support to their forces beyond what a current acquisition and cross-servicing agreement (ACSA) can provide. ACSA is a formal agreement between the DOD and other countries or international organizations that allows for the exchange of supplies, services, and logistic support. However, there must be specific legal authorities that allow the expenditure of appropriated funds to provide for that support. Whenever there is no clear statutory authority, the SJA should be consulted. Statutory limitations on spending certain types of appropriations to satisfy unforeseen requirements could restrict the commander's ability to legally apply fiscal resources toward the successful execution of a mission. In some instances, the requirement may be of such a unique nature that no existing fiscal authority provides legal means to satisfy it. In all these cases, legislative relief of some kind may be necessary to provide commanders with the requisite fiscal flexibility to fund emergent requirements that fall outside the bounds of existing fiscal law.

4-4. Resource managers at all levels must be aware of extraordinary measures, including emergency funding authorities, that may be used to incur obligations in excess or advance of available appropriations. A thorough understanding of sources and authorities can provide resource managers with a means of remaining within the limits of the law and a method to develop alternative funding options.

THEATER OPENING

4-5. As part of RM operations conducted during mobilization and pre-deployment, resource managers should—

- Deploy as a member of the predeployment site survey team.
- Provide RM advice and assistance.
- Ensure that the appropriate funding authority has been identified.
- Perform accounting support (both appropriated and nonappropriated).

- Develop cost capturing methods, accounting processing codes, functional cost account, and fund cite and request access to GCSS-Army.
- Support pre-deployment operations.
- Maintain an awareness of costs, develop an FM staff estimate, and participate in the development of the commander's staff estimate and operational planning.
- Prepare the finance appendix of the unit OPORD and review operation plans, to include the concept of support. Coordinate with FISC at the TSC for information regarding operations as needed to develop the finance appendix. The appendix should include both finance operations and RM tasks and guidance for subordinate commanders and units.
- Review requirements for RM support and establishment of funding responsibility, to include contracting and procurement, and ensure the mechanism for cost capturing is established.
- Establish and identify resourcing processes and approval authorities for requirement development, validation, and funding (all levels, brigade–ASCC).
- Review interagency FM support agreements.
- Analyze all support agreements (for example, ACSA, replacement in kind, foreign nation support) for RM implications.
- Determine if RM support is required for other activities and organizations such as morale, welfare, and recreation, intergovernmental organizations, and NGOs.
- In coordination with the theater-level G-4, determine the availability of HN support or replacement in kind support and establish reporting and reimbursement requirements. In coordination with the G-4 and staff engineer, initiate wartime military construction (MILCON) requests or reprogramming actions. This includes support for ACSAs with other nations.
- Coordinate the FM aspects of HN support, operational contract support, and replacement in kind.
- Identify additional sources of funds to aid sustainment of the mission.
- Determine any unique reimbursement procedures, if necessary, to capture incremental costs.
- Review cost estimates when required.
- Coordinate with the SJA to ensure that legal considerations are reviewed.
- Request special appropriations if required.
- Participate in finance-related boards, centers, cells, and working groups to develop RM/FM plans and support the execution of the concept of operations.
- Review and implement processes to track multinational support costs and review billing and close-out procedures.
- Coordinate with the SJA to ensure legal considerations are reviewed.
- Provide fund certification.
- Establish management internal controls.

THEATER CLOSING

4-6. Reconciling key activities during theater closing could be challenging due to remote locations of units across the AOR. Some of the key RM activities include, but are not limited to, the following:

- Reconcile contract payments made.
- Reconcile all unmatched transactions.
- Reconcile all types of funding by performing joint reviews.
- Reconcile prior year funding.
- Reconcile the analysis of unmatched transactions with Treasury deposits.

4-7. Only the Treasury may close a DSSN. USAFMCOM coordinates and synchronizes with enterprise-level financial operations and unified action partners (DFAS, Federal Reserve Bank) to provide technical coordination to finance units and commands across the theater for requirements to deactivate or close a DSSN.

4-8. Resource managers help coordinate the following during theater closing:

- Closing out all contracts and obligations.
- Requesting additional obligation authority to replace or repair damaged or destroyed equipment.
- Settling outstanding ACSA requirements/reimbursements.

- Retrograding supporting documents to the ASCC or archives.

RESOURCE MANAGEMENT FUNDING PROCESS

4-9. PPBE serves as the Army's primary RM process to obtain funding. The DOD Financial Management Regulation defines PPBE as a cyclic process containing four distinct, but interrelated phases: planning, programing, budgeting, and execution. In addition to establishing the framework and process for decision-making on future programs, the process permits prior decisions to be examined and analyzed from the viewpoint of the current environment (threat, political, economic, technological, and resources) and for the time period being addressed. The ultimate objective of PPBE is to provide operational commanders the best mix of forces, equipment, and support attainable within fiscal constraints.

4-10. PPBE is one of three main decision-support systems used by DOD civilian and military leaders to allocate resources and manage defense acquisitions. Figure 4-1 depicts an overview of the PPBE process. The main goal of the process is to establish, justify, and acquire the fiscal resources needed to accomplish the Army's assigned missions in executing the National Military Strategy.

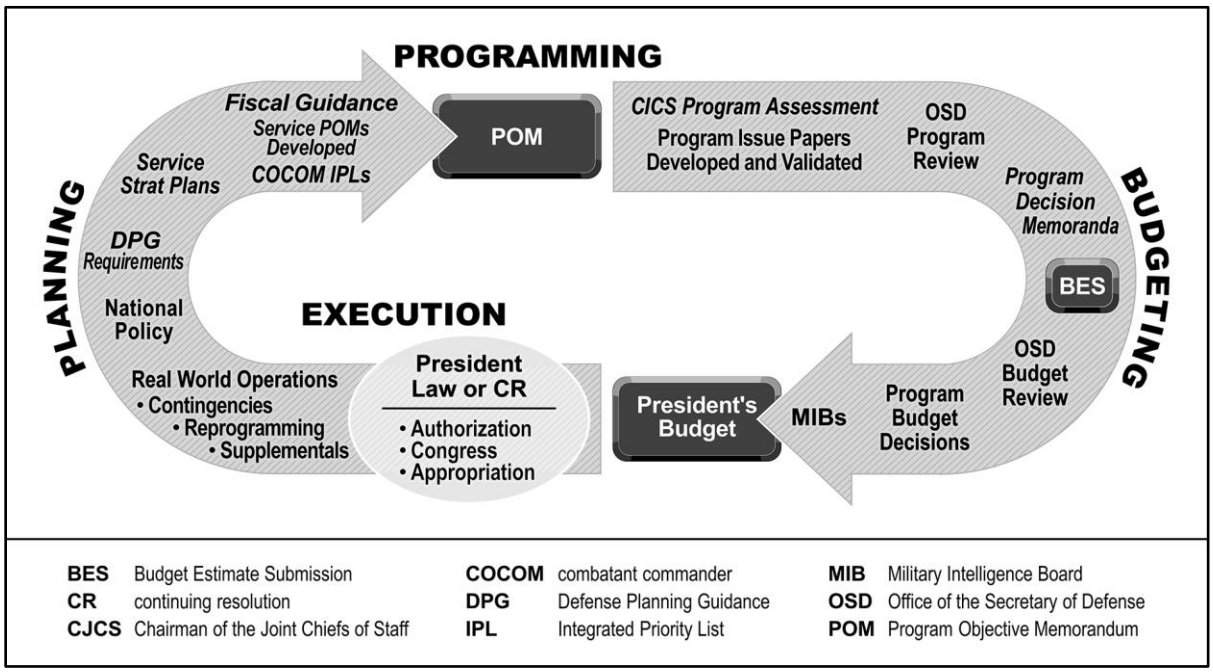


Figure 4-1. The PPBE process

4-11. Strategic, operational, and tactical levels all play an important role in the PPBE process. The Army's strategic level has a fundamental and essential role. It involves setting overarching goals and priorities that align with the national defense strategy. This level is responsible for making high-level decisions about resource allocation, balancing risks and opportunities, and guiding the development of future capabilities. This level is pivotal in setting the direction for the entire PPBE process. It integrates and synchronizes efforts across various sections of the Army, ensuring that all actions and decisions made align with the broader goals of national security and defense. This responsibility extends beyond merely allocating resources. The Army's strategic level is deeply involved in making decisions about where to invest for the future, which capabilities to develop, and how to mitigate potential risks. At the operational level, the PPBE process is a systematic method used to decide how to identify priorities, manage operations, and allocate resources. At the tactical level, the PPBE process serves as a bridge to communicate needs and requirements. This information is used in the planning and programming stages to help decide which program to fund and where to apply resources.

4-12. The PPBE process allows the DOD to allocate funding resources to stay within its annual budget while following the Secretary of Defense's policy, strategy, and goals. It enables commanders and leaders to make resource-informed decisions to achieve the most effective use of resources. Resource managers are active

participants in the PPBE process at the theater strategic, operational, and tactical levels. PPBE is currently an annual process.

PLANNING

4-13. The first step in the process of allocating resources for the DOD is planning. In this phase, the Under Secretary of Defense for Policy assesses strategic guidance such as the President's National Security Strategy, the Secretary of Defense's National Defense Strategy, and the Chairman of the Joint Chiefs of Staff's National Military Strategy. This assessment helps to coordinate the Defense Planning Guidance, which details force development priorities and informs the programming phase. The objective of planning is to size, structure, man, equip, train, and sustain the Army to support the National Military Strategy using The Army Plan, Army Strategic Planning Guidance, and the Army Planning Priorities Guidance. In addition to Army guidance and priorities, the joint staff and CCDRs impact on Army resources through their requirements submitted through the Joint Strategic Review, Chairman's Program Assessment, and Combatant Commanders Integrated Priority List.

4-14. The PPBE planning phase is a function that is designed to provide a vision of the future through broad strategy and plans. This planning phase includes long-range guidance for up to 20 years, long-range objectives for up to 10 years, and mid-range objectives for up to 5 years. Since the primary objective of the planning process is to identify necessary requirements versus what is affordable, fiscal constraints must be considered. However, in recent years, planning has become more fiscally informed.

4-15. There are several primary tasks that need to be accomplished during the planning phase. These include gathering intelligence about the military capabilities and political intentions of foreign nations, assessing the threat to U.S. national security, creating strategies to counter the threat, and determining the necessary force levels to support the strategy.

4-16. Long-range plans are created to reflect the significant force modernization and investment requirements for each DOD component. The planning process is influenced by the national priorities outlined in the National Security Strategy and the activities of Congress.

4-17. In recent years, DOD has moved to a more centrally managed strategic planning process, particularly since 2010. This change was prompted by the combination of changing operational requirements in Iraq and Afghanistan and financial constraints that created a need for significant re-evaluation of U.S. strategy and global objectives.

4-18. Within the Army, planning creates a vision of the Army 10 years into the future and beyond. Macro estimates yield a specified size, composition, and quality of divisional and support forces. Derived from joint strategic planning and intermediate objectives to achieve stated goals, this divisional and support force provides the planning foundation for program requirements.

4-19. Planning sustains the Army's force structure by determining requirements and establishing authorizations that support strategy and guidance. Total Army Analysis identifies the Army's force structure requirements and then determines the means for resourcing those requirements to provide commanders with the optimal mix of forces, equipment, and support to enable mission accomplishment.

4-20. At the strategic level, the Army sets its goals, objectives, and strategies during the planning phase. This involves identifying the Army's requirements, capabilities, and potential threats. The strategic level also determines the direction of the Army and establishes its priorities. At the operational level, units identify their operational needs and requirements. These requirements may include various resources such as personnel, equipment, and training, and are outlined in detail. The information provided by units significantly shapes the Army's strategic goals and objectives and is crucial to inform decisions about resource allocation and priorities. Finally, at the tactical level, units provide critical data to their higher echelon regarding their operational needs, readiness status, and plans. This information may include details about personnel, equipment, training, and sustainment requirements.

PROGRAMMING

4-21. The programming process applies fiscal constraints to the OSD vision that was developed in the planning phase. It is a military Service function that transforms guidance into actionable resourcing steps. Programming involves allocating resources to plans, organizing plans into programs, prioritizing programs,

and determining program affordability. The programming phase builds the POM consistent with the Army's planning and OSD guidance. The objective of programming is to translate planning decisions and strategic guidance into a comprehensive allocation of forces, manpower, and funds among competing requirements. Commands participate in the PPBE process by ensuring all mission and operating requirements are known through commander's program assessments, command-requested changes, briefing to the Program Planning Budget Committee, and budget data calls. Mission essential requirements for manpower, operation and maintenance (O&M), housing, and construction are integrated into centrally managed programs. The POM represents the Army's proposal for a balanced allocation of its resources within OSD fiscal and manpower constraints.

4-22. In the programming phase, specific programs are developed to achieve set goals by outlining necessary capabilities and resources. At the strategic level, resource managers execute the POM, review program budget decisions, submit reclamas to the DOD, and implement the approved POM. At the operational level, identified needs are further refined into more specific plans. In coordination with HQDA and DOD, resource managers participate in POM development and the submission of Management Decision Evaluation Packages (MDEPs) to ensure that developed programs properly align with the strategic goals set out in the planning phase. Specific programs and projects are determined based on the needs and requirements of the units, translating the strategic plan into tactical actions. Resource managers at the tactical level contribute to POM development by integrating command requirements into MDEPs for submission to the next higher headquarters and ultimately to the ASCC for input into the POM.

BUDGETING

4-23. Budgeting is the third phase of the PPBE process. In this phase, near-term resource requirements are formulated and controlled, with a focus on allocation and use based on the results of planning and programming efforts. The budgeting phase results in the creation of the Budget Estimate Submission, which translates the POM into an appropriation format for congressional action. During budgeting, new-term resource requirements and monetary allocation are formulated and justified based on the results of planning and programming efforts.

4-24. During the budgeting phase, HQDA makes critical adjustments based on congressional interest and direction changes. OSD reviews and updates the Budget Estimate Submission and issues the Program Budget Decision incorporating any changes. After final review and update, OSD issues the Program Decision Memorandum and submits the Army's information to OMB as part of the defense budget.

4-25. At the theater strategic level, specific programs are allocated resources based on their funding needs and alignment with the Army's strategic objectives. Resource managers coordinate the Budget Estimate Submission in accordance with HQDA and DOD elements.

4-26. Approved programs are translated into financial terms at the operational level. The costs associated with each program are determined, and a comprehensive budget is created that aligns with the strategic goals outlined in the previous stages. At this level, resource managers must pay meticulous attention to detail, as it is critical to ensure that all costs are accounted for and that the budget is realistic and achievable. Resource managers issue command budget estimate (CBE)-specific guidance and receive and consolidate CBEs and spend plans. At the tactical level, resource managers prepare the CBE. It is essential to obtain input from tactical units to ensure that the budget accurately reflects the required resources.

Note. The Government Accountability Office Cost Estimating and Assessment Guide describes four characteristics for reliable cost estimates. They must be comprehensive, well documented, accurate, and credible.

EXECUTION

4-27. The final phase of the PPBE process is budget execution. Execution is the process by which appropriated funds are obligated and the performance of the planning, programming, and budget formulation phases are measured and validated. The execution phase occurs once Congress enacts authorization and appropriations acts. During execution, assumptions that were made about a program's performance and capabilities can be tested. Risks taken during any previous phase (such as altering funding levels) are often

exposed. The value in tracking execution data is the guidance provided to adjust future plans, programs, and budgets based on actual events. Congress enacts the budget based on its own program plans, so there will be differences between the original defense budget request and the funding received.

4-28. During the execution phase of PPBE, the Army evaluates program results; this occurs concurrently with the program review (in which programs that best meet strategic goals are prioritized), and the budget review (in which spending amounts are determined). The execution phase assesses a program's actual performance in comparison with its planned performance. The Army's GFEBS system plays a crucial role in providing accurate and timely data to Army commanders at all levels in this assessment. GFEBS collects and organizes financial data in a way that enables clear visibility and understanding of the commitment, obligation, and disbursement of Army funds. Through the system, military leaders and decision-makers can access and analyze the information, allowing them to make informed decisions. GFEBS helps in shaping the POM by providing a comprehensive view of the Army's financial situation, including details about expenditures, available funds, and financial forecasts.

4-29. The main objective of budget execution is to manage and account for funds in support of approved programs. Budget execution applies funds appropriated by Congress to carry out authorized programs during the year of execution. The Army continuously monitors how well Army commands and program managers use allocated resources to carry out program objectives through mid-year reviews, Dormant Account Review-Quarterly, and Year-End Closeout. Comptrollers at all levels of command commit and obligate funds to support mission essential requirements while establishing control and determining funding solutions within congressional constraints.

4-30. In the execution phase, the theater strategic-level resource managers oversee program implementation and budget spending to ensure efficiency and effectiveness. At the operational level, resource managers distribute annual funding guidance, participate in mid-year reviews, receive and distribute funds, monitor CBE execution of major subordinate commands, conduct program budget advisory committees, perform unfunded requirement and decrement processing, and publish year-end guidance. They are responsible for overseeing the utilization of allocated resources as per the plan and ensuring that programs achieve their intended goals. Additionally, they conduct regular monitoring and evaluation of program success and make any necessary adjustments to improve efficiency and effectiveness of operations. Programs and projects are implemented at the tactical level. Resource managers receive and distribute funds in accordance with the CBE, execute CBE, conduct unit-level program budget advisory committee meetings, perform unfunded requirement and decrement processing, perform obligation tracking and management, perform fund certification and control, track credits and credit turn-ins, monitor non-stock funds orders and payables, perform government travel card oversight, and conduct year-end close out procedures.

BUDGET, REQUIREMENTS, AND PROGRAM BOARDS

4-31. There will be a three-star Budget, Requirements, and Program Board co-chaired by the Deputy Chief of Staff G-3/5/7, Deputy Chief of Staff G-8, and the ASA(FM&C). The board includes other Army Staff and Secretariat principals as required when addressing issues in which those principals have an interest. This board serves in an executive advisory role or resource-informed decision-making role to review significant execution year or budget year resource allocation, requirements, or prioritization issues identified by senior leaders, HQDA staff, the Army Requirements and Resourcing Board, the Army Campaign Plan forums, or commands.

4-32. Budget, Requirements, and Program Boards receive support from the co-chairs' agencies. The three planning program budget committee executive officers also support the boards by providing a central clearinghouse and coordination function for board activities. The board publishes action and information items, summaries of decisions, agendas, calendars, and meeting announcements in committee memorandums or other documents.

SECTION II - PROGRAMMING

4-33. The HQDA G-8 owns the POM for the Army. Programming involves the translation of decisions into program and resource requirements, consideration of program alternatives, and the development of five-year projections for forces, personnel, and funding. The main outputs of programming are the POM, the Budget

Estimate Submission, Resource Management Decisions, and Future Years Defense Program (FYDP) updates.

PROGRAM OBJECTIVE MEMORANDUM

4-34. Every year during the programming phase, military departments and defense agencies are required to submit a program request called the POM covering a five-FY period, and a budget request known as the Budget Estimate Submission that addresses the first FY of the five-year POM submission. The POM and Budget Estimate Submission serve as mechanisms for the Army to evaluate and right-size requirements and programs. It covers the five-year FYDP and presents a proposal to the Army on how it can balance its resource allocation. The POM is a recommendation from the Army to OSD regarding how the Army plans to allocate funding for a program or programs to meet the Service priorities and the National Defense Strategy. It includes an analysis of missions, objectives, and alternative methods to achieve those objectives. The Army's PPBE process operates on an annual cycle.

4-35. The POM prioritizes and adjusts programs in the FYDP. It describes the risks associated with not funding or underfunding specific programs. Command operational requirements should be prioritized as Mission Critical, Mission Essential, or Mission Enhancement and include urgent emerging requirements. POM submissions and requests for funds should include tangible, defensible metrics, not unsubstantiated generalities.

PROGRAM REVIEWS

4-36. Program reviews are conducted to analyze the POM and help in translating guidance and objectives into action. They assess how big the Army should be, what forces it should contain, what resources will be needed, what should be bought, and where and what should be built. Additionally, fiscal constraints are taken into consideration during program reviews.

4-37. Program reviews allow commanders to evaluate operational tasks accomplished during the POM. The Army's role in the POM process is relatively straightforward. Every two years, the unit articulates what it can do within the constraints of programmed funding or budget ceilings while identifying areas of need.

RESOURCE MANAGEMENT DECISIONS

4-38. The OSD, Cost Assessment and Program Evaluation director conducts an annual review of the POM developed by each DOD component. Throughout the year, OSD collaborates with DOD components to modify programs via Resource Management Decisions. Resource Management Decisions are budget decision documents that are released when analysts from OSD and OMB jointly review Service budget submissions. They reflect Secretary of Defense decisions regarding the appropriate programs and funding to be included in the annual defense budget request, which is part of the President's Budget.

4-39. Prior to submitting the POM, military Services complete a Budget Estimate Submission for the first year of the FYDP. The USD(C) reviews the budget submissions under guidance from OMB. This review ensures appropriate funding and fiscal controls, that the efforts are phased over the funding period, and that execution is feasible within that budget year. At specific points throughout the year, particularly in the fall, OSD collaborates with OMB to make budget changes via Revised Military Directives. Service Comptrollers work with their service counterparts to review and ensure budget requests align with the unified defense budget. Following the budget review, the Secretary of Defense may direct the Services to make changes. Once any changes are made, the final budget will be submitted to OMB in December and included in the President's annual budget request to Congress, which usually occurs in February.

FUTURE YEARS DEFENSE PROGRAM

4-40. The FYDP is a comprehensive database that captures and summarizes information regarding all DOD operations approved by the Secretary of Defense. The FYDP is divided into three primary dimensions: the organizations affected such as military departments and defense agencies; appropriation accounts including Research, Development, Test, and Evaluation and O&M; and Major Force Programs that comprise strategic forces, mobility forces, and more.

4-41. The 11 Major Force Programs include Strategic Forces; General Purpose Forces; Command, Control Communications, Intel, and Space; Mobility Forces; Guard and Reserve Forces; Research and Development Program; Central Supply and Maintenance Program; Training, Medical, and Other Personnel Activities Program; Administration and Associated Activities Program; Support of Other Nations Program; and Special Operations Forces.

4-42. The FYDP is a program and financial plan created by the DOD that is approved by the Secretary of Defense. It outlines the distribution of programmed funds, manpower, and force structure over a period of five years. This data is presented by Major Force Programs for internal review by the DOD to submit for program and budget review. Moreover, it is also submitted to Congress in connection with the President's Budget submission. The calendar year, budget year, and budget year +1 of the FYDP is organized into the Congressional appropriation structure format and submitted with justification narratives to Office of the USD(C) and OMB as the annual Budget Estimate Submission in September. Since the year of execution is not complete, the calendar year is an estimate of execution. The budget year reflects the request from the previous President's Budget. The budget year +1 is the current request undergoing OSD review and reflects the proposed distribution of resources against programs and appropriations.

4-43. Essentially, the FYDP acts as a crosswalk between DOD's internal accounting system and Congressional appropriations through 11 Major Force Programs. The primary data element in the FYDP is the Program Element. It is updated twice during the PPBE process cycle—once upon submission of the POM, and secondly upon submission of the President's Budget.

4-44. The final phase of the FYDP budget cycle is the President's Budget. The President's Budget is submitted by DOD to OMB in January and reflects OSD and OMB formal adjustments, known as decisions, to the Budget Estimate Submission. It is the formal request for appropriations to Congress. The FYDP is an internal working document of the DOD and is kept confidential within the DOD. As the programs beyond the budget year are based on internal planning assumptions, the data is not shared outside the Executive Branch without the explicit permission of the USD(C).

SECTION III - BUDGET FORMULATION

4-45. The main objective of budget formulation is to allocate resources to mission priorities, define the intended execution of those priorities, and request appropriations from Congress. ***Budget formulation*** **is the translation of programming decisions and commanders' operational planning into an appropriation format for justification to Congress**. During the budget formulation stage, the Executive Branch prepares the President's Budget, and the Army Budget Office is responsible for budget formulation. The Army Budget Office supervises and directs the development, submission, and defense of the President's Budget; transforms the POM to the Budget Estimate Submission to the President's Budget; coordinates with the appropriation committee, OSD, and OMB in accordance with laws and regulations; and implements guidance.

4-46. The budget formulation process is DOD's structured approach for preparing and submitting budgets to Congress while aligning the correct appropriation to Army requirements per DOD's guidance. During budget formulation, HQDA converts the first year of the POM into an appropriation structure to create the Budget Estimate Submission. Meanwhile, budget justification materials are updated and developed to ensure that all programs are reasonable and defensible to OSD. The budget formulation process enables commanders to prioritize their requirements.

STAGES OF BUDGET FORMULATION

4-47. The U.S. Army's budget formulation process is a comprehensive, multi-step procedure that involves several key stages from preparation and justification to execution and audit of the Army's financial plan.

4-48. The process begins by determining the Army's resource requirements for the upcoming FY. This stage is crucial, as it involves identifying the Army's needs and calculating the cost. To assess the cost accurately, various factors such as expected operations, maintenance, and personnel expenses are considered. It is a comprehensive process that requires careful analysis and assessment to ensure accuracy.

BUDGET REQUEST

4-49. Once the Army has determined the resources necessary for the upcoming year, it proceeds to prepare a budget request. This document outlines the Army's financial requirements in significant detail, considering all the different areas that require funding. The document provides a comprehensive breakdown of the costs associated with various aspects of the Army's operations, including personnel, equipment, infrastructure, and other critical areas. The budget request is a detailed document that outlines the total amount of funding required and how it will be allocated to meet the Army's needs. It is a critical tool for ensuring that the Army has the necessary resources to carry out its operations effectively and efficiently.

4-50. Once the budget request is prepared, it undergoes a detailed review and approval process facilitated by the DOD and the OMB. During this stage, the budget request is carefully analyzed and scrutinized to ensure that it meets the required financial and strategic objectives. The review process entails a detailed examination of the budget request that focuses on the justifications provided and the feasibility of the proposed costs. The DOD and OMB assess the budget request to ensure that it aligns with the government's overall financial plan and national defense strategy. They also evaluate the budget request to determine if it is realistic and feasible given the current economic climate.

4-51. This stage is crucial as it ensures that the budget request is aligned with the government's financial goals and priorities. Additionally, it provides an opportunity to identify and address any issues or concerns that may arise during the review process. By addressing these issues early on, the government can avoid any potential setbacks or delays in the budget approval process. Overall, the review and approval process is a critical step in the budgeting process, ensuring that the budget request is thoroughly analyzed and evaluated before it is approved.

BUDGET EVALUATION

4-52. Once the DOD and OMB have approved the budget proposal, it is then submitted to Congress. This is where the budget is evaluated by various committees, each focusing on different aspects of the budget. These committees analyze the budget in depth, examining details such as funding allocations, programmatic changes, and policy implications. During the evaluation process, the committees may also ask for justifications from federal agencies to explain certain budget requests. This ensures that the budget proposal is transparent and that any concerns or questions are addressed. The committees may propose modifications to the budget proposal. These modifications can take many forms, such as increasing or decreasing funding for specific programs, adding or removing programs, or revising policy language. The proposed modifications are then debated and voted on by the full Congress and, if passed, are included in the final budget.

EXECUTION

4-53. Once the budget is approved by Congress, it enters the execution phase, which is a critical stage in the budget process. During this phase, the funds are allocated to Army units based on the approved budget. The allocation process is crucial, as it determines how much each unit will receive to fund its operations. The units within the Army that receive funding are required to utilize the funds in accordance with the budget limits specified in the approved budget. This means that they must adhere strictly to the budget limits, ensuring that they do not overspend or underspend. Overspending would result in a deficit, while underspending would mean that the units did not utilize all the funds allocated to it. Units must also ensure that they use the funds for the purposes for which they were allocated. This means that they cannot divert the funds to other areas that are not covered in the approved budget.

AUDIT

4-54. The final stage of the budget formulation process is a crucial step that involves an audit. The audit is a comprehensive review of the use of funds to ensure that they have been utilized as intended and in accordance with the budget plan. The purpose of the audit is to identify any discrepancies, irregularities, or instances of misuse or misappropriation of funds. During the audit, financial records and transactions are thoroughly examined to ensure that they align with the budget plan. The auditor closely scrutinizes the expenditures made during the budget period and compares them with the budget plan. If there are any variances, they are investigated to determine whether they are legitimate or not. Any discrepancies or irregularities found during

the audit are immediately addressed and corrective actions are taken to prevent such occurrences in the future. The audit report is submitted to the concerned authorities for review and further action is taken if necessary. The objective of the audit is to ensure transparency, accountability, and the effective utilization of funds while preventing any misuse or misappropriation.

APPROPRIATIONS AND AUTHORIZATIONS

4-55. The term “appropriations” refers to the decisions taken by Congress regarding the allocation of a part of federal spending. It is important to note that no appropriation can be made without an authorization. Authorization bills are responsible for creating, extending, or making changes to statutes and specific programs. They also specify the amount that appropriators can spend on a particular program. Once the authorization bills are passed, the appropriations bills provide the discretionary funding available to agencies and programs that have already been authorized.

4-56. Congress exercises the power granted to it under the U.S. Constitution to appropriate funds. Congress has further exercised this legislative power by setting legal limits on USG officials.

4-57. The President has an important role in the appropriations process by virtue of constitutional power to approve or veto entire measures unless Congress overrides a veto. The President also has influence, in part, because of various duties imposed by statute, such as submitting an annual budget to Congress.

4-58. As depicted in figure 4-2, the President initiates the appropriations process by submitting the President's Budget for the upcoming FY to Congress. The President is required to submit the annual President's Budget on or before the first Monday in February. The President recommends spending levels for various programs and agencies of the federal government in the form of budget authority because Congress provides budget authority to agencies as opposed to cash. When the President submits a budget to Congress, each agency, such as the DOD, generally provides detailed justification materials to the House and Senate appropriations subcommittees that have jurisdiction over its funding.

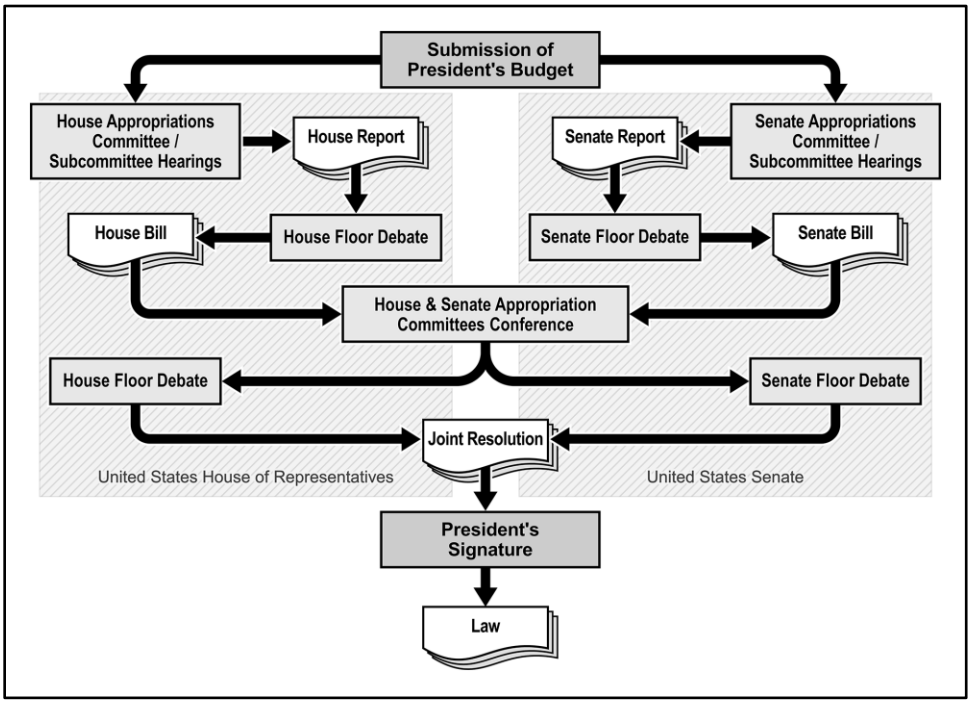


Figure 4-2. Appropriation and authorization process

4-59. Figure 4-2 begins its depiction of the appropriation/authorization process with both the House of Representatives and Senate considering the appropriations measures simultaneously. Traditionally, the Senate would wait until it received the House-passed bill to begin its consideration of the appropriation measure. During the House's consideration of the bill, the House Appropriations Committee (the House

Armed Service Committee for the authorization bill), through its defense and MILCON appropriation sub-committees with jurisdiction over the defense and MILCON appropriation, amends the draft version of the bill. Upon completion, it then reports the bill to the House floor for consideration and passage. After passage, the House sends the bill to the Senate. The Senate Appropriations Committee (the Senate Armed Service Committee) through its sub-committee with jurisdiction over the defense MILCON appropriation, amends the House version of the bill and reports the bill to the Senate floor for additional amendments and considerations. Both chambers have their own rules regarding amending appropriation bills. The Senate then passes its version of the appropriations/authorization bill.

4-60. If the Senate version and House versions do not match, a conference committee is formed to compromise and create a bill that will pass both houses of Congress. The updated conference committee appropriations bill then goes back to the House and Senate for final approval. The approved version is then sent to the President.

4-61. When the President receives the bill from Congress, the President has 10 days to sign or veto the bill. If the President signs the bill, it immediately becomes law. However, if the President vetoes the bill, it will be sent back to Congress. Congress may override the veto by a two-thirds vote in both houses. If Congress successfully overrides the veto, the bill becomes law. If Congress is unsuccessful, the bill dies.

4-62. In instances when Congress and the President do not complete passage of the regular appropriations acts prior to the beginning of the new FY, Congress will pass a continuing resolution to fund current government operations beyond 1 October of the new FY. A continuing resolution is an appropriation act that provides budget authority for federal agencies such as DOD to continue operation in the absence of a regular appropriation act. Resource managers must refer to the continuing resolution to determine the exact authority authorized for that particular time frame.

4-63. A funding gap results when neither an appropriation act nor a continuing resolution exists, and current budget authority expires at the end of the FY. Operations during a funding gap are considerably limited and operational effectiveness significantly hampered.

4-64. Requirements must be funded by the appropriation for the intended purpose of that requirement to ensure funds are appropriated correctly, ultimately preventing violation in accordance with Section 1301 of Title 31, USC, otherwise known as the “Purpose Statute”. Budgets are submitted for each appropriation to enable Congress to see the amounts and justifications for each appropriation separately. DOD 7000.14-R, Vol 2 provides general guidance on the formulation and submission of each appropriation budget request to OSD and Congress. This volume is divided into two books because of the volume size. Volumes 2A and 2B are both necessary for the formulation and preparation of the budget and are separated into chapters based on appropriation and special topics.

SECTION IV - BUDGET DISTRIBUTION

4-65. By law and regulation, each DOD component must design systems for administrative control of funds so that formal administrative subdivisions of funds are placed at the highest practical organizational level consistent with effective and efficient management. Additionally, each component shall restrict the use of limitations on available funds to those necessary to comply with statutory provisions in keeping with the appropriate DOD authorization or appropriation act.

4-66. Funds are distributed either formally (formal subdivision of funds) or informally (informal subdivision of funds) from higher-level organizations to lower-level organizations within the executive branch and the Office of the USD(C). Enterprise Funds Distribution and GFEBS are the official funds control management systems for DOD. OSD’s ability to release funds depends on three steps after the appropriation becomes law:

- Step 1—Apportionment from OMB.
- Step 2—A warrant issued by the U.S. Treasury showing the amount of cash on the account or appropriation.
- Step 3—The issuance of a release letter by OSD, meaning the Defense Department now has the money.

4-67. Allocations are formal distributions of apportionments or funds that do not require apportionment by the departmental-level accounting entity to an operating agency or other intermediate-level accounting entity.

An allocation of funds represents an authorization by a designated official of a DOD component making funds available within a prescribed amount to an operating agency for the purpose of making allotments and incurring obligations. Allocations carry the same legal and other limitations as apportionments. Allocations of budget authority from the Service department to Army commands, ASCC direct reporting units, and operating agencies must be in writing. Allocations, sub allocations, or their parts, that are not required to be further subdivided may be treated and recorded as allotments. Using GFEBS, HQDA issues funding authorization documents to allocate obligation authority and program authority to Army commands, ASCCs, and operational areas.

4-68. An allotment is a formal distribution of budget authority to an execution-level accounting entity (for example, from an Army command to a subordinate command). It authorizes the incurrence of obligations within a specified amount. Sub allotments may be used to further subdivide the budget authority. Accounting for a sub allotment is the same as accounting for an allotment; only the term allotment will be used in this chapter. Army commands, ASCCs, and operating agencies may issue funding authorization documents to their units to allot obligation authority and program authority.

4-69. Commands may informally subdivide funds at lower levels without creating an absolute limitation on obligation authority. These subdivisions are considered funding targets. Targets, referred to as "allowances," represent informal subdivisions of funding. The lowest formal distribution of funds is at the ASCC level with funding allowances being issued to subordinate units. This system allows more flexibility in fund control and lessens the possibility of reportable Antideficiency Act violations.

4-70. Commanders are still responsible for executing their mission within the provided funding allowance, and violations of that guidance may warrant administrative disciplinary action. Exceeding their funding target/allowance does not constitute a statutory violation but could result in an over-obligation or over expenditure of the Army command or ASCC funding authority. Regardless, persons responsible for exceeding their target/allowance will be identified by name as being responsible for any resulting Antideficiency Act violation.

SECTION V - BUDGET EXECUTION

FUNDING SUPPORT

4-71. The funding support mission is to analyze resource requirements, ensure commanders are aware of existing resource implications in order for them to make resource-informed decisions, and then obtain the necessary funding that allows the commander to accomplish the overall unit mission.

4-72. Resource managers identify various funding requirements and responsibilities during operations that include offensive, defensive, and stability operations as well as defense support of civil authorities. G-8s may have to support units conducting these operations simultaneously. They support the commander's operation by providing funding in compliance with established statutes and regulations. Resource managers have various funding sources available and advise commanders on the use of those funds accordingly. Resource managers should leverage ERP systems to automate and manipulate financial data in order provide costs, project command spend plans, and submit future year budget estimates.

4-73. G-8s incorporate cost awareness across each phase of operations within operational limits. The more mature a theater becomes, the more G-8s will have the ability to implement financial data analytics and internal controls and improve the overall funding process.

THEATER STRATEGIC FUNDING

4-74. At the theater strategic level, the ASA(FM&C) manages PPBE, which serves as the Army's primary RM process in obtaining funding.

4-75. Funding at the theater strategic level is engaged in estimating, budgeting, planning, costing, and defending funding requirements for operations in support of national goals to senior Army leaders, the Secretary of Defense, the President, House and Senate appropriation committees, and ultimately to Congress. When in support of a declared named operation, funding is requested through the supplemental process. Congress will expedite approving appropriations should it be necessary (for example, funding in support of

Hurricane Katrina). In all deployment operations, the Army will be required to report to OSD detailed cost reports, by cost structure, and all the funding used in support of the deployment in accordance with DOD 7000.14-R Volume 12. Table 4-1 identifies specific tasks and sub-tasks that are associated with the strategic fundamentals of funding support.

Table 4-1. Theater strategic level funding support tasks

Strategic Command Requirements:	***Identify, Acquire, and Distribute Funds:***
Develop requirements in accordance with Office of the Secretary of Defense instructions to support the Army's funding submission into the supplemental process.	Receive approved supplemental funding from Office of Management and Budget for all phases of contingency operations (pre-deployment and crisis action, deployment and initial combat actions, force buildup and combat operations, and redeployment).
Generate data call to Army commands, Army Service component commands, and direct reporting units with detailed instructions on submission requirements to generate mission critical funding requirements.	Distribute additional supplemental funding to appropriation managers.
Determine HQDA funding requirements to cover potential shortfalls in all Army appropriations in consequence of contingency operations.	Receive approved special funding which could include rewards, economic support funds, and reconstruction funds.
Combine Army-wide requirements and HQDA requirements to generate the Army's supplemental request.	Identify and fund all critical funding requirements necessary to meet HQDA-directed programs and priority projects
Defend Army supplemental requirements to Office of the Secretary of Defense and complete with other Services for supplemental funding.	Fund Army commands based on approved requirements in support of Army priorities and mission critical requirements identified in the supplemental data call.
Defend Army supplemental requirements to Congress.	Fund Army commands based on execution rates and in support of mid-year review decisions.
If required, develop requirements for bridge supplemental in order to meet funding requirements until the supplemental is approved.	Develop and publish resource management guidance to include types of funds authorized in the supplemental and other appropriations, fund cites, and funding levels to distribute to operational and Army commands.
Generate historical execution rates to estimate and validate future resource requirements.	
Develop cost models from historical data for contingency operations.	
HQDA Headquarters, Department of the Army	

OPERATIONAL FUNDING

4-76. Funding at the operational level is engaged in resourcing requirements; identifying, acquiring, and distributing funds; and tracking, analyzing, and reporting execution in support of stated objectives to senior Army leaders and the Army budget office. The corps G-8 will coordinate with the FISC for FM support at the operational level. The corps G-8 is also responsible for complying with ASA(FM&C) published guidance. Special attention should be given to ensuring accurate and timely reporting in accordance with the published guidance. Additionally, the corps G-8 is responsible for providing specific RM guidance, policy, and instructions that influence the corps and below level commander requirements. Theater funding guidance is published in the form of an appendix to the theater OPORD or fragmentary order and implemented by operational level G-8s across the OE. The appendix gives detailed instructions G-8 staff need to follow to meet requirements for funding. Theater funding guidance should include—

- Overview of the types of funding and uses/purpose.
- Evaluating ERP systems requirements necessary for funding tasks.
- Requirements validation with resource boards (for example, Defense Acquisition Review Board), the approval process, and thresholds.
- Risk Management and Internal Control Program with stated objectives and frequency.

- Budget execution and cost management guidance.
- Special program funding describing proper uses and responsibilities.
- Description of centrally funded programs and limitations/restrictions.
- Training requirements for fund certifiers.
- Identifying potential anti-deficiency areas of interest.
- Contract review program.

4-77. See table 4-2 for examples of operational funding tasks.

Table 4-2. Operational funding tasks

Resource Command Requirements:	***Identify, Acquire, Distribute, and Certify funds:***
Formulate mission critical funding requirements in accordance with HQDA instructions and respond to HQDA data calls.	Provide advice to the commander on all financial management implications to include funding available in theater made available by the approved supplemental.
Generate data call to tactical commands with detailed instructions on submission requirements to generate mission critical funding requirements.	Develop and publish detailed resource management guidance to include types of funding authorized in the supplemental and other appropriations, fund cites, and funding levels to tactical commands.
Determine major cost drivers and develop usage rates in order to defend funding requirements.	Identify sources of funding to meet commander's requirements.
Ensure all high-dollar requirements are reviewed by an appropriate validation board and can be defended by the approving authority.	Submit budget estimates or spend plans as required to HQDA to meet daily, monthly, and quarterly funding requirements.
Ensure all requirements are reviewed by an appropriate subject matter expert who can determine validity and identify possible alternatives to meet the requirements.	Distribute funds based on validated and approved requirements submitted in the tactical commands spend plans (monthly/quarterly)
Consolidate spend plans from operational and tactical commands to generate resource requirements.	Certify funds in accordance with approved spend plan and command priorities.
Develop historical execution rates to estimate and validate resource requirements.	
Defend supplemental requirements to HQDA and compete with other Army commands for supplemental funding.	
HQDA Headquarters, Department of the Army	

OPERATIONAL NEEDS STATEMENT

4-78. Operational commanders use the Operational Needs Statement (ONS) process to mitigate operational capability gaps, to correct a high-risk deficiency, to accomplish the mission and reduce the risk of catastrophic loss of life. The Army Requirements and Resourcing Board serves as a senior leadership forum through which the Secretary of the Army and the Army Chief of Staff review, prioritize, and approve Army policy and resource allocation issues.

4-79. The purpose of the ONS process is to adjudicate and reprioritize the allocation of critical Army assets to include funding to meet operational needs. High risk deficiencies addressed in the ONS process are primarily class VII, class VIII, and nonstandard equipment. Other classes of supply are addressed through the logistics enterprise.

4-80. It is important for commanders to be aware of and understand how to use the ONS process. Resource managers at each echelon can assist the commander with developing and submitting ONS. Detailed information for ONS can be found in AR 71-9.

TACTICAL FUNDING

4-81. Funding at the tactical level is engaged in resourcing command requirements; identifying, acquiring, and distributing funds; and tracking, analyzing, and reporting execution. Limited cost modeling can be conducted at the tactical level, but normally will require augmentation from the theater strategic or operational level.

4-82. The division G-8 will be responsible for complying with published RM guidance from higher headquarters and is responsible for providing funding guidance and establishing management internal control requirements. The division G-8 is responsible for briefing the division commander on theater-specific funding available, making fiscal recommendations, and receiving approval of the division funding guidance. Division funding guidance is published in the form of an appendix to the division OPORD. The appendix gives detailed instructions that the division staff and subordinate brigades need to follow to meet requirements for funding.

4-83. Comptrollers assigned or attached at all levels enable commanders to make resource-informed decisions. Table 4-3 gives specific tasks and sub-tasks that are associated with the tactical fundamentals of funding support.

Table 4-3. Tactical level funding tasks

Resource Command Requirements:	***Identify, Acquire, Distribute, and Certify funds:***
Develop spend plans containing mission critical funding requirements in accordance with operational command instructions and respond to data cells.	Provide advice to the commander on all financial management implications to include funding made available by higher headquarters.
Generate data call to subordinate units with detailed instructions on submission requirements to support spend plan development.	Develop and publish detailed resource management guidance to include types of funding authorized, fund cites, and funding levels to tactical commands.
Generate individual funding packets for each requirement, which includes all required information for the approving authority to review and approve the requirement.	Identify sources of funding to meet commander's requirements.
Ensure all high-dollar requirements are reviewed by an appropriate validation board and can be defended by the approving authority.	Submit budget estimates or spend plans as required by higher headquarters to meet daily, monthly, and quarterly funding requirements.
Ensure all requirements are reviewed by an appropriate subject matter expert who can determine validity and identify possible alternatives to meet the requirement.	Fund requirements based on validated and approved requirements submitted in the subordinate commands spend plans (monthly/quarterly).
Use historical and existing requirements as well as master data structures to estimate and validate resource requirements.	Certify funds in accordance with approved spend plan and command priorities.
Ensure master data structures capture command costs by operational lines of efforts.	Report costs by the commander's lines of efforts and provide cost models for the command in coordination with staff elements.
Defend requirements as necessary.	

4-84. Along with enforcing theater published guidance, the division G-8 is responsible for ensuring the most effective and efficient use of resources. The division G-8 must ensure there is an effective requirements approval process. The division G-8 collaborates in the staff process that aligns the requirement with the functional staff proponent who can most effectively review, consider alternatives, and justify the requirement to the approving authority. This process known as division requirements review board, which can be either an electronic process or can be a standing meeting where board members attend on a recurring basis as determined by workload.

4-85. The G-8 must work with the SJA. The legal review is an important component of any requirements packet, and the SJA should be part of any requirements board in order to give the commander (or the chief of staff) an appropriate review. Care should be given when dealing with complex funding issues and relying on the fiscal lawyer's opinion on the legality of the requirement and the proper use of funds. The SJA opinion

does not grant relief from a potential anti deficiency act violation, as the fund certifier is solely responsible for ensuring the appropriateness of funding.

4-86. The brigade S-8 uses published RM guidance, policies, and fiscal law to plan and execute RM operations. The S-8, as a critical member of the brigade principal staff, ensures the commander's operational requirements are properly resourced. The S-8 is in constant synchronization with the fiscal triad and other staff to project funding requirements and oversee tactical execution of spending. The S-8 also ensures that the commander is aware of existing funding implications to make resource-informed decisions and that requirements are properly validated. In addition to these functions, aviation brigade S-8s must understand and be intricately involved in managing the command's flying hour program in coordination with the division G-8.

FUNDING IN MULTINATIONAL ENVIRONMENT

4-87. Multinational operation is a collective term describing military actions conducted by forces of two or more nations, typically organized within the structure of a coalition or alliance. An alliance is the relationship that results from a formal agreement (for example, a treaty) between two or more nations for broad, long-term objectives that further common interests of the members (for example, the North Atlantic Treaty Organization [NATO]). A coalition is an ad hoc arrangement between two or more nations for common action (for example, Operation Iraqi Freedom). FM considerations (including reimbursement policies and procedures) for ad hoc arrangements are similar to those for support to United Nations (UN) operations as prescribed in DOD 7000.14-R, Volume 12.

4-88. Non-traditional military operations such as peacekeeping operations and foreign humanitarian assistance have evolved alongside the traditional forms of military action (deterrence and armed conflict). In the future, international organizations and agencies will perform an increasing role in the management of these crises and contingency operations. The level of U.S. participation in these operations depends on the objectives agreed to at the national level. Nations must also reach agreement, separately or through cooperative agreements, to provide resources or specific support requirements for their forces. FM considerations depend on the nature of the supported multinational operation and vary from one operation to another. These considerations may come from financial arrangements of support based on specific coalition agreements, memoranda of understanding, or technical agreements. It is important to begin coordination of financial arrangements with prospective multinational partners as early in the planning process as possible.

4-89. The following paragraphs describe UN, NATO, HN support, and multinational operations and other operations with respect to FM support.

UNITED NATIONS OPERATIONS

4-90. U.S. forces may conduct a variety of missions in conjunction with the UN. Section 7 of the United Nations Participation Act authorizes support to UN peacekeeping operations. This authority allows the DOD to contribute personnel, nonlethal equipment, supplies, and services to UN operations. Support provided to the UN under this act does not require the negotiation of an agreement. However, formal agreements, such as Foreign Assistance Act (FAA) section 607 and section 628 agreements, and UN Letters of Assist (LOAs), are established in most cases to facilitate reimbursement for services provided.

4-91. Any support provided to UN forces must be pre-approved by a UN official authorized to commit funds. This official is normally the chief administrative officer or the chief procurement officer. Activities undertaken, troops deployed, or costs incurred for items that are not agreed to in advance by the UN (as identified and detailed in guidelines, aide-memoire, notes verbal, or specific or general LOAs) are normally not reimbursed by the UN. Financial responsibilities of each party are usually spelled out in the agreement between the contributing countries and the UN. The U.S. position is normally negotiated by the DOD in coordination with the DOS. Close coordination with UN officials throughout the operation should ensure proper reimbursement for all authorized expenditures.

4-92. Two types of documents are critical to FM when participating with the UN. The first are standing agreements that are in place related to contributing country participation in a UN operation. The second are LOAs.

Standing Agreements

4-93. Standing agreements are general in nature and provide guidelines on what the UN is willing to pay for without any additional, specifically negotiated agreements. An understanding of these documents early in an operation is essential to ensure proper reimbursement for U.S. participation in a UN operation. The following are some examples of the types of support standing agreements:

- Pre-deployment actions. Preparation of personnel and equipment for deployment is the responsibility of the contributing country and includes all preparation costs involved to get the personnel or equipment to the point of embarkation. Billing the UN for reimbursement of these expenses is based on advance negotiations with the UN.
- Deployment and redeployment actions. Transportation to and from the operational area is normally by airlift or sealift. The UN can fund all deployments and redeployments. The contributing government may organize these activities, but the UN must agree to the arrangements in advance. All transportation to be provided by the contributing country must be coordinated and approved by the UN. If reimbursement is requested, it will be made only up to the amount it would have cost the UN to accomplish the move.
- Self-sufficiency period. Each contingent force must be self-sufficient in theater until UN operations and control are sufficiently established to provide sustainment. The UN will reimburse normal and agreed-to costs incurred during the self-sustainment period. All deployed military units should be self-sufficient in rations, water, petroleum, oils, and lubricants for a minimum of 30 days, and other classes of supplies for a minimum of the first 60 days after deployment.

U.N. Letter of Assist

4-94. An LOA is a document, issued by the UN to a contributing government, authorizing that government to provide goods or services to the UN. An LOA details specifically what is to be provided by the contributing government and establishes a funding limit that cannot be exceeded. General support LOAs can be negotiated with the UN (if such LOAs are advantageous to both parties) to cover more generic categories such as subsistence; petroleum, oils, and lubricants; sustainment; and repair parts. LOAs are considered by the UN to be contracting documents and must be signed and issued by an authorized UN official.

4-95. The UN issues the approved LOA to the U.S. Mission to the UN, where it is acted on by the military advisor. The Office of the Military Advisor determines the appropriate U.S. agency to receive the request. All requests from the DOD are forwarded to the Under Secretary of Defense for Policy for approval and action. The Under Secretary of Defense for Policy will determine the appropriate organization and provide a copy of the LOA to the organization and DFAS. DFAS is responsible for maintaining the status of all active LOAs.

4-96. The LOA is not considered a funded order, and the UN does not ordinarily provide an advance of funds for the value of the request. Therefore, an LOA does not provide to a Service department any additional obligation authority to accomplish the order. The Service Department must accomplish the requirement using existing O&M funds or other appropriated funds and prepare an SF 1080 (*Voucher for Transfers Between Appropriations and/or Funds*) bill for the cost of the goods or services provided, referencing the appropriate LOA.

NATO OPERATIONS

4-97. NATO is an alliance of independent member countries from Europe and North America. Under Article 5 of the NATO Treaty, an attack upon the territorial integrity of a treaty member is considered an attack on all member states. While mutual defense remains the primary mission of the alliance, NATO has recently expanded its sphere of activities to include peace support missions outside the territorial boundaries of the member nations. Such non-Article 5, or "out-of-area," operations may be undertaken at the request of the UN with the unanimous consensus of all member states.

NATO Funding Eligibility

4-98. NATO conducts missions on the basis of force and capability contributions from its member states. Unlike the UN, it does not provide reimbursement for peacekeeping forces or in any other way underwrite

the costs of national participation. As a result, NATO operating budgets are small in relation to those of national forces deploying in support of an operation. NATO funding is generally restricted to establishment and support of the NATO headquarters in theater. In exceptional circumstances, the NATO nations may fund theater-wide projects benefiting both the NATO headquarters and all nations with forces in theater (for example, theater communications systems or certain engineering projects supporting main supply routes or ports). The NATO headquarters may establish a multinational logistics center to coordinate this effort among the forces in theater.

NATO Funding Sources

4-99. The support of national forces in the theater is a national responsibility and is funded through national systems and budgets. In the exceptional circumstance that a category of expenditure might be considered eligible for NATO funding, the requirement must be submitted through the NATO theater headquarters for inclusion in the budgetary plans described above. NATO funds its C2 structure through two primary sources, which are discussed in the following paragraphs.

4-100. The NATO Security Investment Program is generally used to support major investments in operational infrastructure, such as construction or communications systems. Projects originate with the NATO theater headquarters engineers and are subsequently screened by the NATO chain of command prior to being reviewed by the NATO Infrastructure Committee at NATO headquarters in Brussels, Belgium. Funding is approved and provided on a project-by-project basis. Funds cannot be transferred between projects.

4-101. The NATO military budget is the normal source of funding for O&M costs supporting NATO headquarters in the theater of operations. NATO theater headquarters funding requirements are assembled by the theater financial controller and consolidated into an operational budget. This budget is screened by the NATO chain of command prior to submission to the Military Budget Committee, also located in Brussels. Funding is approved in accordance with the proposed expenditure plan; however, there is generally some flexibility between budgetary line items.

Centralized Contracts

4-102. To reduce competition for resources in the theater, the NATO headquarters may solicit and consolidate theater-wide requirements to negotiate basic ordering agreements with local vendors. Such agreements typically establish the prices, ordering procedures, and payment terms, but do not obligate NATO or its member nations to purchase specific quantities of goods or services. While member nations are generally authorized to utilize such contracts on the same basis as the NATO headquarters in-theater, the existence of such agreements does not preclude nations from negotiating their own bilateral contracts. NATO does not finance national requirements; such contracts call for nations to make direct payment to vendors for goods and services they order.

HOST-NATION SUPPORT REIMBURSEMENT PROCEDURES

4-103. Once the bilateral international agreement providing HN support is established, the S-4, G-4, or J-4 provides a detailed statement of requirements to the HN and obtains the agreed-upon logistics support. Operations and Maintenance, Army (OMA) funds are normally used to support HN requirements. Specific procedures for cost capturing and billing must be negotiated with the HN and the U.S. This will prevent locally negotiated agreements that may not be legal or authorized. Finance organizations must submit the SF 1080 to DFAS with sufficient detailed documentation and a certified contingency operations cost report to support the request for reimbursement.

4-104. Financial managers must advise commanders of the importance of dealing with foreign authorities during the reimbursement of funds. Each instance must be reviewed carefully and discussed with legal experts during the fiscal triad process to corroborate the authenticity and legality of the claims.

CIRCUMSTANCES FOR SUPPORT

4-105. *Foreign nation support* is civil and/or military assistance rendered to a nation when operating outside its national boundaries during military operations based on agreements mutually concluded between nations

or on behalf of intergovernmental organizations (JP 3-80). This support is generally provided under one of three circumstances:

- Support can be provided under the existing rules of a parent organization controlling the operation (for example, NATO or the UN). Billing procedures under these circumstances should follow standing agreements for support.
- Support may be provided if the U.S. and the supported country have a bilateral agreement in place prior to the operation. The U.S. has many of these cooperative agreements with allies. The financial manager must consult with the legal advisor for a copy of any existing bilateral agreements and follow the procedures outlined in the agreement for reimbursement.
- Support can be provided based upon an agreement negotiated expressly for the operation. Any negotiated agreement for support should include billing and reimbursement instructions.

BILLING

4-106. Bills prepared for support during a UN or NATO operation should follow procedures established by those organizations. Bills prepared for either standing or negotiated bilateral support agreements should be processed as set out in the agreement. DOD strengthens key international partnerships through the acquisition and transfer of logistics support, supplies, and services between DOD and certain countries and regional organizations. These acquisitions and transfers are accomplished on a reimbursement basis, or by replacement-in-kind, or by exchange of supplies or services of an equal value exchange.

ASSISTANCE IN KIND

4-107. Assistance in kind operations, which deal directly with the governments of eligible countries, exchange material and services with foreign nations for materials and services of equal value. These items are accountable as future reimbursements to the country that initially provides them on a gratis basis. Costs for these items have a current value that is captured as future reimbursements. Resource managers at the JTF develop and implement procedures in coordination with sustainment elements to track the value of support provided to ensure an equal exchange of valued materials and services throughout the operation. Particular care must be taken in accounting for these authorized exchanges due to the political sensitivity inherent in multinational operations. Ideally, these in-kind reimbursements should derive no monetary gain and should provide mutual benefit and equity between the participating countries.

NONGOVERNMENTAL ORGANIZATION REIMBURSEMENT PROCEDURES

4-108. A *nongovernmental organization* is a private, self-governing, not-for-profit organization dedicated to alleviating human suffering; and/or promoting education, health care, economic development, environmental protection, human rights, and conflict resolution; and/or encouraging the establishment of democratic institutions and civil society (JP 3-08). NGOs do not operate within the military or governmental hierarchy. However, because NGOs operate in remote areas of high risk, they may need the logistics, communication, and security support that military forces can provide. Expectations of military support (including supplies, services, and assistance) must be reviewed with the organizations. Financial managers must consult with a legal advisor to determine the authority to provide support on a reimbursable or non-reimbursable basis. Each organization normally has some type of financial control officer. Military activities should provide support only after they receive approval. Financial managers should ensure all supply activities, especially fuel, maintain a status of what is provided. Supported organizations are billed as required, and if the organization is not authorized to make payment locally, it should forward the documentation (signed by both organizations) through Service funding channels.

NON-DEPARTMENT OF DEFENSE GOVERNMENTAL AGENCIES REIMBURSEMENT PROCEDURES

4-109. Congress provides the DOD with funds for very specific needs. Therefore, support directly to other USG agencies can be complex. When presented with a request for support by a USG agency, financial managers should consult with their legal advisor. A memorandum of agreement or letter requesting support should form the basis for any reimbursable relationship with non-DOD governmental agencies. This

agreement can be used to ensure only authorized support is provided, and that supply and service activities capture the cost of support. Bills should be compiled as required, using a manual SF 1080 through the supported agency. The SF 1080 must have a copy of the agreement with attached substantiating documents.

SECTION VI - ACCOUNTING

4-110. Accounting support requires the close participation of ASCC, corps, and division G-8s and FISC, FIBN, and FICO personnel supporting DFAS activities in ensuring the proper recording, analyzing, verifying, and reporting of financial data associated with Army activities. Most important, effective financial data capturing is achieved through a joint effort between the FM community, contracting personnel, and the use of applicable FMIS. There are specific types of accounting pertinent to RM such as budgetary accounting, proprietary accounting, and managerial cost accounting.

4-111. A commander must know the status of funds (funding balance, state of financial execution) to make informed resourcing and operational decisions. Resource managers obtain this information for the commander by tracking commitments, obligations, accrued expenditures/expenses, and disbursements daily.

STAGES OF A TRANSACTION

4-112. Transactions are processed through stages that culminate with the recording of a disbursement or payment for goods or services. Figure 4-3 depicts the stages of a transaction.

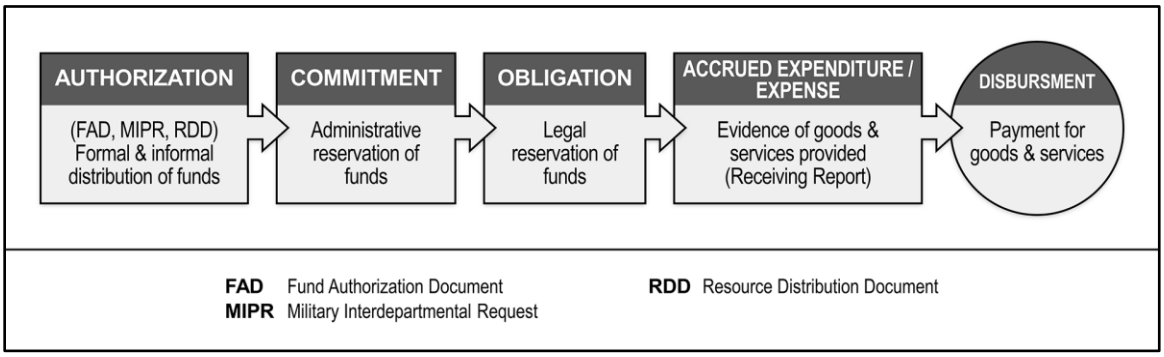


Figure 4-3. Stages of transaction

AUTHORIZATION STAGE

4-113. The accounting process begins with an authorization. Resource managers receive their Fund Authorization Document, DD Form 448 (*Military Interdepartmental Purchase Request*), Resource Allocation Documents, and Resource Distribution Documents via the Program Budget Accounting System or GFEBS. The supported unit will request funds for services or goods; however, only resource managers (G-8/S-8) validate the availability of those funds through funds certification.

COMMITMENT STAGE

4-114. A commitment is an administrative reservation of funds where the funds certifying official certifies that funds are available for an approved requirement. The funds certifying official ensures funds are available and sets them aside for the requirement. Varied accounting systems are used to track commitments. These accounting systems track costs (by event, program, unit, MDEP, and Army Management Structure Code for each transaction) based on the fiscal code. The fiscal code helps track expenditures at a detailed level. It also helps prepare and present fiscal information to the command and staff, including the status of funds, mission or event cost, status of unfinanced requirements, and obligation rates.

4-115. A ***cost center*** **is a base for a management optimization model utilized to reflect the business, its inputs, conversions, and outputs in order to support management decisions.** A cost center is a locally established data element that allows the ability to capture costs and track commitments, obligations, accrued expenditures/expenses, and disbursements in accounting systems. It is a tool used to answer the question of

who spent how much for what. Cost centers may be assigned to specific units, staff sections, events, or functions. Cost centers link MDEPs and Army management structure code with the purpose of the funding.

4-116. Another way to track cost is using a work breakdown structure, which is the process necessary for subdividing major product deliverables and project work into smaller more manageable components. It serves as a valuable framework for the technical objectives, and therefore it is product oriented. Its elements should represent identifiable work products, whether they are equipment, data, or related service products. A work breakdown structure is a product structure, not an organizational structure, providing the complete definition of the work to be performed by all participants and the required interfaces between them.

OBLIGATION STAGE

4-117. The obligation stage begins with the activity that creates an obligation in the accounting system of record. Obligations must be recorded in the official accounting records within 10 calendar days from the day they are incurred. Several actions may lead to the incurrence of a legal obligation (for example, the acceptance of a DD Form 448 or the issuance of a travel order). An obligation is a legal (binding) reservation of funds. Once the obligation is recorded in the accounting system, resource managers ensure the accounting records will accurately reflect the accrued expenditure/expense and disbursement of payment to the obligation.

ACCRUED EXPENDITURES/EXPENSES STAGE

4-118. Accrued expenditures is a term used for the credits entered into the budgetary accounts to recognize liabilities incurred for—

- Services performed by employees, contractors, other government accounting entities, vendors, or carriers.
- Goods and other tangible property received.
- Items such as annuities or insurance claims for which no current service is required.

Accrued expenditures are categorized as either paid or unpaid.

4-119. Expenses are the value of goods or services actually used or consumed during the current period. Expenses are recognized in the period in which they occur even if payment for them is made in a different period. Expenses are recorded when incurred (goods are received and services performed even though the payment of the expense may take place, in whole or part, in another accounting period).

4-120. To illustrate, consider the activities that occur during this stage in terms of a transaction tied to a contracting action. Following contract award, the vendor performs the requested service or delivers the requested supplies to the receiving activity. The receiving activity is the unit or activity that first receives the goods or services. In many instances, the receiving activity may be the same as the activity originating the request. The receiving activity is responsible for inspecting and accepting the delivered goods or services and submitting a receiving/acceptance report to the supporting FICO responsible for vendor services. This acceptance of goods or services represents the accrued expenditure/expense stage in the accounting system. The receiving report is written evidence that indicates government acceptance of supplies delivered or services performed and may be submitted electronically in accordance with DOD 7000.14-R, Volume 4.

DISBURSING STAGE

4-121. A disbursement is the payment for goods and services received. Continuing from the previous scenario, the disbursement stage begins with the vendor submitting an invoice to the billing or paying office designated in the contract once the goods or services are delivered. The vendor is responsible for providing the goods or services as specified in the contract. In theater, the FICO serving as the billing or paying office processes the invoice for payment by reviewing the contract, the receiving/acceptance report, and the invoice to certify that the payment is appropriate and correct for payment. The FICO then pays the vendor for the delivered goods or services in accordance with the terms of the contract. Disbursement of the vendor payment may occur simultaneously along with the delivery of the requested goods or services when employing a FOO and paying agent to satisfy a local procurement using an SF 44 (*U.S. Government Purchase Order – Invoice – Voucher)*.

FISCAL RESPONSIBILITY

4-122. The Army has a responsibility to maximize its resources, operate transparently, and execute its budget according to law and policy. Congress penalizes the Army for losing buying power by cutting funds from its appropriations. It is important the American people have confidence in the Army's management of every taxpayer dollar it receives.

ANTI-DEFICIENCY ACT

4-123. The Antideficiency Act consists of a series of federal statutes that make it illegal for government officials to spend funding other than as Congress intends. Violations of this act require a formal investigation process with the results reported to Congress. Violations can lead to adverse personnel actions and even criminal proceedings. There are three primary legal considerations affecting financial responsibility with funds entrusted to resource managers and commanders. The first is the "Purpose Statute" (31 USC 1301); the second legal consideration deals with the time funding is available to spend (31 USC 1502); and the third legal consideration deals with amount available to spend (31 USC 1517). This is commonly referred to as "Time, Purpose, and Amount".

PURPOSE STATUTE

4-124. The Purpose Statute (31 USC 1341) states that an agency may only spend appropriated funds for a necessary expense of the programs it is operating. Low-cost items classified as personal items or gifts are not necessary expenses and may not be purchased with appropriated funds unless there is specific statutory authority to do so. Resource managers are advised to coordinate with both their higher-level resource manager and their SJA when questions arise.

4-125. A common pitfall for resource managers and commanders involves violating the "Color of Money" or the Purpose Statute. This represents a legal violation and is required to be reported to the President via OMB, Congress, and the Government Accountability Office. Disciplinary action taken must be spelled out in the report. Congress appropriates funds for specific purposes, with the expectation that those funds will only be used for those purposes. Exceeding the minor construction threshold or using O&M to purchase centrally managed equipment are examples of "Color of Money" or Purpose Statute violations.

4-126. Resource managers conduct expense analysis to prevent Purpose Statute violations. They—

- Verify the expenditure is necessary to accomplish the object of an appropriation or will contribute materially to the accomplishment of that objective.
- Assess that the expenditure is not prohibited by law by reviewing the legislation for prohibitive language and restrictions.
- Determine if the expenditure is otherwise provided for. If there are two or more appropriations available for the expenditure, use the most specific appropriation.

TIME

4-127. Congress grants funding for specific time periods and funds must be obligated during that period. Not only must funding be obligated during its period of availability, but obligations must be a legitimate need of that period. Funding must only be obligated to meet a legitimate need arising in the FY for which the appropriation was made. It restricts this year's appropriated funds from being used to fund next FY's requirements. Purchasing items with annual funds appropriated for FY 2024 that will be stockpiled and used in FYs 2025, 2026, and 2027 is a violation of the intent of Congress and is an Antideficiency Act violation. Contracts may legally be entered into during one FY and cross over into the next. Examples include severable and non-severable contracts.

4-128. Severable contracts can be separated into components that independently meet a separate need of the government. Examples of severable service contracts include administrative support, cleaning services, and trash collection. Statutory authority exists that allows service contracts (and leases) to cross FYs. This is so an agency can space out their contracts and not have to start all contracts in October. These contracts cannot exceed 12 months in duration.

4-129. Non-severable contracts produce a single outcome, product, or report that cannot be subdivided for separate performance. Examples include building renovation, development of a software program, or an

effort that will result in an end product. In non-severable service contracts, the government must fund the entire effort with funding available for obligation at the time the contract is executed. The contract performance may cross FYs, and the period of performance may exceed 12 months.

AMOUNT

4-130. Amount represents the final fiscal law principle. You are not allowed to spend more than what is allotted to your command in the budget. Matching your annual budget to requirements, identifying and forwarding deficiencies for review, and requesting additional funds helps prevent going over budget. Periodically match what funds you have remaining with the requirements you have pending. Violating a provision of the Antideficiency Act means you broke the law. This law cannot be ignored, waived, interpreted, or reengineered away.

4-131. Status of funds reports will show what is obligated compared to your authority. Just as importantly, they can show you what is committed that may or may not become an obligation. If you have commitments that are not obligated and exceed your authority, you will commit an Antideficiency Act violation unless you cancel them or request and obtain additional funds from higher headquarters prior to incurring the obligation. There may be a problem if, in any quarterly or annual period:

- Debit (negative) balances exist in a funding document.
- Commitments exceed obligations in an account.
- Commitments exceed authorizations in an account.
- Obligations exceed authorizations in an account.
- Obligations fail to be properly recorded.

TRANSACTION RECONCILIATION

4-132. DOD requires that commitment and obligation transactions recorded in official accounting systems be reviewed for accuracy, completeness, and timeliness at least three times each FY. The requirement for reviews of commitments and obligations applies to all appropriations and funds of all DOD appropriations. This requirement applies not only to direct appropriations, but also to all reimbursable transactions as well as the Department's revolving and trust funds.

FINANCIAL STATEMENTS

4-133. Reporting entities issue general purpose financial statements to communicate financial and related information about the entity. For an entity to be a reporting entity as defined by the Statement of Federal Financial Accounting Concepts, it would need to meet all of the following criteria: the reporting entity’s resource manager is responsible for controlling and deploying resources, producing outputs and outcomes, and executing the budget or a portion thereof (assuming that the entity is included in the budget) and is held accountable for the entity's performance.

4-134. The preparation of financial statements includes compiling financial records that follow established governmental accounting principles and procedures into properly formatted reports. Commanders use these reports to make decisions. Additionally, resource managers create less formal financial statements and reports to identify errors or transactions that are lagging through the spending chain.

COST CAPTURING

4-135. Upon being alerted of an impending contingency operation, HQDA will establish a unique special program code to capture costs. Additionally, the Joint Staff shall issue a three-digit Chairman of the Joint Chiefs of Staff Project Code, which provides precedence for supply requisitions and facilitates cost capturing and reporting. Each unit that supports a contingency operation should capture related obligations and disbursements in its accounting systems at the lowest possible level of the organization. This provides tracking of obligations and disbursements for affected appropriations. Organizations should not establish cost accounting systems solely for determining costs for contingency operations but should use the data from existing FMIS.

4-136. The level of cost capturing, reporting, and the supported decision maker can also determine whether an organization is a cost center, segment, or entity. In many cases, the higher headquarters will identify the reporting entity for the subordinate units.

4-137. Cost reporting is an integral part of the Army's stewardship throughout all levels of RM operations and must diligently capture and accurately report the cost of contingency operations. The Army is required to report the obligation of all funds (regardless of source) to cover the incremental costs of a contingency, including funds received in a supplemental appropriation. HQDA will publish guidance to cover Army-specific items for cost reporting and validating monthly reporting. The guidance will include information regarding the cost data source, validation requirements, and variance analysis procedures.

OBLIGATION MANAGEMENT

4-138. ***Obligation management*** **is a basic function of financial management operations that provides fiscal controls to protect against Antideficiency Act violations.** Tracking obligations enables financial managers to—

- Calculate and report available funding.
- Determine if commitment accounting systems interface issues are occurring.
- Monitor non-stock orders and payables to determine obligation adjustments.
- Locate obligations in excess of disbursement and de-obligate the balance for other funding needs or those that require increase.
- Identify undelivered or delayed orders.
- Determine cancellations.
- Identify patterns in obligation estimates versus actual expenses.
- Identify increased or decreased obligation performance in programs, Army management structure codes, or cost centers.
- Calculate the obligation rate at year-end closeout.
- Review obligation documents for compliance.
- Ensure the accounting classification cited on the obligation document is appropriate for the stated purpose of the obligation.
- Ensure the amount obligated meets statutory and regulatory provisions.
- Ensure the obligation is recorded accurately and in a timely manner.
- Review unliquidated obligations and unobligated commitments on a continual basis.
- Prepare for mandated formal joint reviews.

4-139. Each MDEP, budget activity group, or functional cost account enables resource managers to monitor obligations. In some cases, special program codes are designated by the Chairman of the Joint Chiefs of Staff at the operational or strategic level to capture and report costs for specific contingencies, programs, or exercises. Financial accounts require maintenance to ensure accuracy within the information systems. A key tool used to perform maintenance on accounts is the Non-Stock Fund Orders and Payables Report. Resource managers must continuously monitor this report to find obligations in excess of disbursements, duplicated obligations, negative unliquidated obligations, credits, and accounting or ordering mistakes. Management of this report assists in the identification of available unused funds.

4-140. Obligations must be recorded no later than 10 calendar days following the day that an obligation is incurred (to include obligations incurred when invoices are overpaid or duplicate payments are made), making every effort to record an obligation in the month incurred. DOD 7000.14-R, Volume 3 contains procedures and policy governing obligation management and should be consulted continuously as changes to these regulations are common.

RECORDING OBLIGATIONS

4-141. When recording obligations—

- Record obligations in the accounting classification cited on the obligating document. If the accounting classification is in error, request an amendment or contract modification.
- Record obligation adjustments for the difference between actual and original amounts.

- Adjust obligations for written changes if they are binding on the contractor without further action.
- Record obligations providing for a discount at the net price, unless doing so is not cost effective according to Treasury guidelines. In cases where the servicing accounting system automatically de-obligates the discount amount upon its realization, it is advisable to record the obligation at the gross amount.
- If the contract provides for annual terms with options to extend the terms in subsequent years, obligate for the amount required to be procured by the USG in the first year. Record the obligation for each option year when the option is exercised.
- Adjust obligations to amounts shown on travel authorizations or validated orders when documents are received.

ESTIMATED OBLIGATIONS

4-142. Obligations may be recorded based on estimates. When actual obligation amounts become known, reverse and replace estimated obligations with actual obligations. The estimates and reversals are accomplished using DD Form 2406 (*Miscellaneous Obligation Document*). Serviced activities and accounting activities will jointly ensure the actual obligation document is received to replace the DD Form 2406.

OBLIGATION DOCUMENTATION

4-143. Documentary requirements for recording obligations are provided in 31 USC 1501(a). When signatures are required to validate obligations, sign the documents before the cited funds expire. Show the actual date of each signature. When more than one signature is required, record the obligation on the date of the last required signature.

EXPIRED/CLOSED/CANCELLED APPROPRIATIONS

4-144. Expired appropriations are not available for new obligations. Adjustments may be made to expired appropriations up to five years, provided the transaction being adjusted occurred prior to the cancellation of the appropriation. The closure or cancellation of an appropriation does not eliminate the government’s legal obligation to pay contractors for services rendered or products delivered, nor does it nullify the need for the accounting activity to maintain an audit trail supporting the existing contingent liability to future appropriations. Use unexpired funds available for the same general purpose to pay for obligations that would have been charged to the closed/canceled account if done before account closure/cancellation. See DOD 7000.14-R, Volume 3 for limitations and additional guidance.

DORMANT ACCOUNT REVIEW-QUARTERLY

4-145. The Dormant Account Review-Quarterly replaces the former Triannual Review and is effective for all DOD Components. This change exemplifies DOD commitment to effective stewardship of taxpayer dollars through improved execution of budgetary resources. It also reflects DOD continuous improvement efforts and maturation of internal controls while enabling senior leadership to provide oversight and defend budgets. The Dormant Account Review-Quarterly serves as a quality control mechanism of entity-level internal control activities. In addition to providing USD(C) oversight, this review improves DOD's ability to execute all available appropriations before expiration and ensures remaining open obligations are valid and support accurate financial and budgetary reporting.

4-146. The quarterly review tracks the dormancy and validity of DOD component obligations and ensures proper actions are being taken to correct or expedite the timely execution and full utilization of appropriated funds. 31 USC 1554(c) requires establishing internal controls to ensure an adequate review of obligated balances to support the year-end certification required by law. DOD requires that commitment and obligation transactions recorded in official accounting systems be reviewed quarterly for accuracy, completeness, and timeliness as part of the Dormant Activity Report (see DOD 7000.14-R, Volume 3 for more details).

THEATER ARMY G-8 (CORPS G-8 WHEN ASSIGNED AS JTF)

4-147. Accounting support crosses all echelons. Although capability may be limited at the brigade or more robust at the ASCC, the accounting requirement still exists. The theater Army G-8 is singularly responsible

for all theater RM operations and provides all theater accounting support. Theater Army G-8 accounting support tasks may include the following:

- Use approved systems provided by HQDA to meet congressionally mandated requirements for FM systems.
- Capture costs using approved FM systems, disbursing systems, and contractor and pay systems. Track and report cost of battlefield operations to support reimbursement of costs initially funded with training accounts.
- Track and report costs for specific operations to support requests to HQDA, OSD, OMB, and Congress.
- Establish requirements to become a fund certifier and set funding levels for fund certifiers by name in writing.
- Establish funds control and monitor funds execution to ensure no Antideficiency Act violations.
- Track and report budget execution (obligations) to HQDA monthly, quarterly, or as required.
- Provide financial oversight for all major cost drivers and establish and report daily burn rates and run-out dates. Ensure management controls are in place in accordance with the congressional mandate to provide an annual assurance statement.
- Develop and provide theater accounting policy.
- Reconcile all types of funding by performing joint reviews with the applicable program manager.
- Monitor fund control procedures.
- Review financial transactions to ensure data is timely, accurate, and complete.
- Identify replacement (current year) funds for bills citing expired/closed/canceled accounts, then coordinate with DFAS to record correct fund citation and with the supporting contracting activity for modification of the contact.
- Execute year-end closeout.
- Track, adjust, reconcile, and close prior year funding.
- Assist in resolving/correcting contract (reimbursable)/vendor payment issues.
- Monitor accounts payable and liabilities balances.
- Assist in resolving/correcting accounts receivable, travel advances, and debt.
- Provide advice and assistance on Inter-Service Support Agreements, DD Form 448s, and ACSAs.
- Review reimbursable transactions to ensure data is timely, accurate, and complete.
- Receive, interpret, and implement appropriated and non-appropriated funds accounting policies and guidance for financial issues in accordance with AR 215-1.
- Prepare ad hoc and recurring financial reports for supported activities as required.
- Analyze financial processes for possible improvement.
- Support performance measurement and cost management programs.
- Coordinate and monitor DFAS services provided.
- Coordinate accounting cycle system schedules (for example, non-stock funds, end of year reports).
- Participation in accounting system updates or changes.
- Track commitments and obligations that support the maintenance of regulatory accountable records.
- Evaluate, certify, and report the execution of funds.
- Ensure the general ledger accurately reflects the financial posture of the represented echelon.
- Manage the Audit Readiness Program.

TSC/ESC/CORPS/DIVISION G-8 AND BRIGADE S-8

4-148. Accounting support at the corps and division may include the following:

- Provide customer support to budget analyst and logistics personnel.
- Use approved finance systems provided by HQDA to meet congressionally mandated FM requirements for finance systems.
- Capture costs using approved finance systems, disbursing systems, and contracting and pay systems.
- Serve as the local system administrator for all FMIS.
- Conduct and coordinate financial accounting training as needed for new/current G-8 and S-8 personnel.
- Create help tickets for GFEBS and GCSS-Army as needed to correct problems with the systems.

- Serve as alternate WAWF group administrator, assist in self-registering WAWF-Receipts and Acceptance users, active/deactivate accounts, monitor WAWF usage reports, and perform other group administrator functions as necessary to meet DA-directed requirements.
- Serve as the web-based, DOD-wide Invoicing, Receipt, Acceptance, and Property Transfer (known as iRAPT) application group administrator to activate and inactivate WAWF accounts and monitor invoices without receipts.
- Maintain system master files to ensure all transactions are posted correctly in GFEBS and GCSS-Army.
- Prepare weekly GFEBS and GCSS-Army Unmatched Transactions Report for all G-8/S-8 personnel. Coordinate resolution of unmatched transactions.
- Monitor reports from Defense Travel System, Access Online, Standard Procurement System, and Powertrack.
- Maintain proper documentation for Intermediate Documents (known as IDOCs) in support of Statement of Budgetary Resources audits.
- Resolve errors and issues related to each area.
- Monitor daily cardholder refresh file and create, modify, or delete credit card master records in GFEBS.
- Deposit checks, process cash collections in GFEBS, and forward DD Form 1131 (*Cash Collection Voucher*) to DFAS Cleveland.
- Process miscellaneous payments in GFEBS for approval.
- Research and submit help desk tickets on GFEBS and GCSS-Army for unmatched transactions.
- Perform joint reviews and submit documentation for DFAS.
- Perform unliquidated obligations reviews $10,000 and greater.
- Serve as the year-end coordinator. Ensure the DFAS Letter of Instruction is published, and year-end certification reports are submitted in accordance with higher headquarters guidance.
- Research and prepare monthly Unliquidated Obligation Report, Invoice Receipt Status Report, and Aged Payables (Goods Receipt Status Report).
- Serve as the coordinator for all payment revalidation requirements received from DFAS.
- Assist with Statement of Budgetary Resources audits.
- Track and report costs for specific operations to support requests to theater command.
- Establish requirements to become a fund certifier and set funding levels for fund certifiers by name in writing.
- Establish funds control and monitor funds execution to ensure no Antideficiency Act violations.
- Track and report budget execution (obligations) to theater command monthly, quarterly, or as required.
- Ensure management controls are in place and that subordinate commanders meet the program objectives of providing reasonable assurance that obligations and costs comply with applicable laws.
- Reconcile all types of funding by performing joint reviews with the applicable program manager.
- Provide advice and assistance on Inter-Service Support Agreements, DD Form 448s, and ACSAs.

SECTION VII - INTERNAL CONTROLS

4-149. Internal controls are the rules, procedures, techniques, and devices employed by finance commanders to mitigate conflicts of interest, fraud, and risk. While audits aim to provide an external and independent review, internal controls are an organization's self-evaluation. Commanders establish internal controls and periodic reviews to identify flaws and deficiencies in daily business to reduce the risk of potential loss of funds.

4-150. A common misconception exists that internal controls require less attention during contingency operations. Intense congressional scrutiny of contracting and procurement operations in previous operations, as well as media accounts documenting lapses of internal control in both theaters, demonstrate the significant importance internal controls play in Army operations not only in peacetime, but also during contingency operations. Internal controls should be in place for high-risk areas such as cash, fuel, ammo, and rations to prevent fraud, waste, and abuse. Without proper internal controls, commanders are placing their units and mission accomplishment at risk. This section covers the essential elements of the internal control process.

4-151. Internal controls must be embedded in everything a finance unit does and must be a priority for every commander, leader, and Soldier. Internal controls are not simply an adherence to a series of checklists; they are a continuous process that ensures the effective and efficient use of entrusted financial resources in mission execution across all areas of operations. Continuous development and review of internal controls ensures that what should happen in daily operations does happen.

Internal Controls – Financial Instability in Niger

In the summer of 2023, hostilities in Niger escalated, leading the US Treasury to remove Nigerien banks as trusted financial institutions. Consequently, the U.S. could no longer make EFT payments for vendors supporting U.S. forces in the region, causing an accumulation of unpaid invoices. All efforts to make payments within Niger failed. This resulted in the Special Operations Command Africa requesting assistance from the 106th Corps Finance Battalion for payment support.

While the 106th prepared to deploy an FST to make cash payments, the internal control team worked with Special Operations Command Africa, contracting, and DFAS to establish a common operating picture of the contracts requiring cash payments. The internal control team's effort was critical to the prevention of duplicate or erroneous payments since some payments had already been processed to vendor bank accounts outside of Niger. The team ensured proper finance procedures were in place to prevent any duplicate payments by the FST.

The 106th's FST departed Ramstein Air Base for Niger with $1.8M U.S. dollars. Over the course of the week, the FST paid over $1.3M U.S. dollars to vendors providing critical support to U.S. Forces in Niger. The diligent work of the internal control team identified discrepancies and errors in the documentation for the remaining $500K worth of unpaid invoices. Instead of proceeding with these contract payments, they returned the documentation for correction to ensure the integrity of the financial process. The FST followed internal control procedures, using thoroughly recorded supporting documents, to track the status of funds and prevent incorrect payments.

KEY INTERNAL CONTROLS

4-152. Key internal controls are those controls that are absolutely essential to ensuring that critical processes operate as intended and that resources are safeguarded from fraud, waste, and misuse. HQDA functional proponents are responsible for identifying key management controls based on risk. Some of these controls are—

- Delegation of authority and certifying officers.
- Authority to approve goods receipts.
- Review and resolution of intermediate documents errors.
- System access review.
- Dormant Account Review-Quarterly.
- Reconciliation of budgetary amounts from feeder systems.
- Development and review of standard operating procedures (SOPs).
- Journal entry review.
- Management journal entry review.
- Collections Reconciliations Report.
- Commitment approval - fund approval.
- Obligation approval.
- Goods/services receipt approval.
- Defense Travel System Insufficient Funding Error Message.
- Time and attendance certification.

- Payroll exceptions review.
- Request for personal action approval.
- Master Employee Record.
- Reimbursable Agreement Budget Analyst Review.
- Revenue Recognized to Cost Incurred Reconciliation.
- Sales Order Review/Reconciliation.

FUNDS CONTROL

4-153. Distribution of funds (31 USC 1514) requires agencies to prescribe by regulation a system of administrative control not inconsistent with accounting procedures prescribed by law. The Program and Budget Accounting System is the vehicle for controlling receipt and distribution of funds within the Army. This includes all formal fund distributions at HQDA, operating agency, and installation levels and informal distribution made by operating agencies under the Fund Allowance System. The Program and Budget Accounting System issues both fund authorization documents and Fund Allowance System documents. Distribution of targets or allowances to installation activity directors, satellites, and other activities which are made outside of the Program and Budget Accounting System must be documented and delegated in writing.

4-154. Fund control is the authority exercised over the receipt, distribution, use, and management of budget authority appropriated to, or administered by, the Army to ensure that—

- Funds are used only for authorized purposes.
- Funds are used economically and efficiently.
- Distributions, commitments, obligations, and expenditures do not exceed amounts authorized and available.
- Distribution, obligation, or disbursement of funds is not reserved or otherwise withheld without congressional knowledge and approval. This does not preclude deferral or withholding action to provide reserves for contingencies or reprogramming within delegated authority.

4-155. Fund control systems and administrative procedures will—

- Provide for segregation of duties in the fund distribution, obligational, and disbursement process.
- Require clear delegation of all funding authority in writing to lower echelon officials.
- Perpetuate administrative and statutory limitations established by higher authority.
- Distribute, monitor, and control funds at the highest level possible.
- Establish appropriate reserves or other withholding of funds for contingencies.
- Ensure that fund withdrawals are appropriately coordinated before being made.
- Control funded reimbursement authority and automatic reimbursable authority on funding documents.
- Provide a mechanism to update amounts available. This includes preventing and detecting over-distribution, over-commitment, over-obligation, and over-disbursement of funds at appropriate levels.
- Accountants involved in budget, finance, and accounting will be familiar with the provisions of DOD 7000.14-R, Volume 14, and the Anti-deficiency Act (31 USC 1517) and how they relate to informal and formal subdivision of funds.

4-156. The status of funds is determined by using a variety of FMIS reports generated to assist in determining funding balance, commitments, obligations, and disbursements. Resource managers provide timely, accurate, relevant, and reliable financial information that enables leaders and managers to incorporate cost considerations into their decision-making process.

MAINTAINING SUPPORTING DOCUMENTATION

4-157. Title 44 USC Section 3301 and the National Archives and Records Administration General Record Schedules include document retention requirements applicable to federal entities. The DOD has also developed supplementary guidance in DODI 5015.02 and DOD 7000.14-R, Volume 1. However, these requirements do not emphasize the retention requirements of documents necessary to assert and support audit readiness.

4-158. Resource managers must adhere to professional standards, which have been codified as Auditing Standards. These standards do not directly contain document retention requirements. Instead, they define evidential matter (for example, supporting documentation) that auditors must obtain and test to form an opinion on the reporting entity's financial statements.

4-159. Accordingly, the document retention requirements to achieve auditability and reliable financial information are sometimes different and more stringent (longer duration) than the requirements set forth by the National Archives and Records Administration General Record Schedules, DOD directives, and reporting entity-specific requirements. The retention requirements for auditability may be less stringent in some cases; therefore, reporting entities must adhere to the most stringent record retention requirement.

SEPARATION OF DUTIES

4-160. Separation of duties creates a situation that shall preclude errors or attempts at fraud or embezzlement from going undetected. Key duties such as authorizing, approving, and recording transactions; issuing or receiving assets; making payments; preparing checks and check signing; certification of funding; and reviewing or auditing shall be assigned to separate individuals to minimize the risk of loss to the government to the greatest extent possible.

4-161. The disbursing officer will not be assigned duties that create a potential conflict of interest. For example: A payment is made under the disbursing officer’s DSSN that results in a request for a waiver of indebtedness. If the disbursing officer also supervises those individuals involved in the adjudication of requests for waivers, then the disbursing officer is placed in a position of influence over the decision of the waiver.

4-162. Appropriate separation of duties is not always practical or possible due to time constraints, manpower shortages, or the use of automated systems. For example, payments and collections through the Intragovernmental Payment and Collection system can occur outside the disbursing work center without weakening internal controls because the payee is always another federal agency and recovery of an erroneous payment is assured. Other situations can require closer scrutiny. The commander and the disbursing officer shall be aware of situations where valid, long-standing separation of duties cannot be achieved, recognize that internal controls have been weakened as a result, and make every effort to compensate for loss of the internal control. Unique situations resulting in an inability to separate appropriate responsibilities shall be reported to the applicable DFAS or Service commander, together with a request for a waiver and recommendations for compensating for the inability to separate roles.

SECTION VIII - FINANCIAL DATA ANALYTICS

4-163. To optimize the benefits of the integrated ERP environment (GFEBS and GCSS-A) and the large amounts of data they produce, the Army must mature its approaches to financial data analytics. Resource managers must move from descriptive and diagnostic analytics that are historically based, predominantly transactional, and focused on performance evaluation toward enabling predictive and prescriptive analytics using real-time data.

4-164. Leveraging big data and executing enhanced financial data analytics capabilities is an FM strategic initiative. The initiative goal is to turn financial data available in theater into business insight, facilitating more informed decisions and driving resource efficiencies for the commanders operating in theater.

4-165. Financial data analytics is an emerging capability that optimizes business processes, enables conservation, and safeguards financial resources. Due to constrained resources and audit readiness requirements, financial data analytics is a skill and a capability that will provide commanders at every echelon, both home station and deployed, a tailorable, integrated, and scientific financial readiness picture across the full spectrum of operations, even within a joint, interagency, or multinational environment. Financial data analytics can leverage non-financial aspects of the OE (for example, HN holiday periods where vendors may be unavailable) to identify trends, schedule challenges, and other cultural aspects that may have an impact on day-to-day operations or the command spending priorities.

4-166. Financial data analytics synchronizes spending plan development, cost management, and decision support using ERP automated systems and tools such as GFEBS, GCSS-Army, and business analytical tools

to align resource requirements with commanders' lines of effort. Cost management collects and links financial (cost) data with non-financial output and performance data, presenting the information in a way directly related to major mission objectives.

4-167. Resource managers that leverage financial data ensure commanders are aware of existing resource implications in order for them to make resource-informed decisions and obtain the necessary funding that allows them to accomplish their mission.

Data Analytics – Talisman Sabre 23

The USARPAC FM team utilized the data framework of manage, analyze, visualize, and present to extract and automate data from multiple systems of record, seamlessly integrating data into operational processes during Talisman Saber 23. Leveraging user data input for emerging requirements in a standardized data entry allowed, for the first time, a dynamic fiscal landscape with known and emerging requirements for funding consideration. The publishing of an interactive dashboard allowed each member of the fiscal triad to fight from a common data picture and significantly reduced the time from validation of requirement to disbursement. This effort enabled near-real-time data that enhanced operational agility and set the tone for all future campaigning efforts. Commanders, staff, and partnered nations were able to obtain data directly in an operationalized format and make informed decisions.

Furthermore, the careful consideration of cost collection from the G-8 team on how costs were captured using attributes and standardization enabled quick analysis during the exercise which enables prescriptive analytics. This standardization of data also enhances predictive analytics as it allows for the utilization of artificial intelligence tools to project future exercise costs. By operationalizing data, the USARPAC FM team was able to enhance decision-making, improve efficiency, and set the stage for future success.

COST CAPTURING

4-168. Financial data analytics and business intelligence provide commanders with actionable information about key performance indicators, along with supporting financial and budget strategies that influence critical funding and contracting decisions during contingency operations. Financial data can be mined and leveraged to provide a complete and comprehensive cost analysis and to support achieving and sustaining auditability, all while funding commander requirements efficiently and effectively. Resource managers have the responsibility to improve financial readiness and provide Soldiers and commanders with the business analytic support for resource-informed decision-making.

ECONOMIC ANALYSIS

4-169. An ***economic analysis*** **is a detailed report identifying all the financial aspects of military spending of a specific geographical area and the economic effect of the United States forces' presence**. It enables commanders to assess the value proposition of each requirement through its life cycle (concept, testing, production, operations and support, and disposal) to fulfill the Army's strategic goals and support resource-informed decision-making processes.

4-170. Economic analysis is a preferred action that provides financial information to organizational decision makers. It defines a solution aimed at achieving specific Army and organizational objectives by quantifying the potential financial impacts and other business benefits such as—

- Savings and cost avoidance.
- Revenue enhancements and cash-flow improvements.
- Fund performance improvements.

4-171. The economic analysis process considers non-financial or non-quantifiable benefits of a specific course of action (COA) within the OE. This feature is important because although the financial data may favor one COA over another, there may be situations where the non-financial data/information is considered more important to the analyst or senior decision maker. Furthermore, the non-financial criteria and conclusions may support something other than what the financial data favors.

4-172. This process also provides an evaluation and justification of a proposed solution (including any associated expenditures) before a significant amount of funds are invested. Economic analysis documents the reasons for the spending and the options available and describes how the expense helps the organization reach its goals. It guides the decision maker to focus on the major issues surrounding the recommended solution and to not spend time on minor issues.

Chapter 5
Financial Management Readiness

This chapter covers the importance of FM readiness through planning, plans and orders, and training. FM support in theater requires mission readiness of a unique set of skills and capabilities critical to sustainment operations. As the fourth element of the sustainment warfighting function, FM integration during all phases of operations is critical to the successful deployment of finance units.

FINANCIAL MANAGEMENT PLANNING CONSIDERATIONS

5-1. FM planners coordinate through a network of explicit command and staff relationships and implicit coordination between staffs that exist from the ASCC down to the lowest tactical finance unit. In between these levels of command, various finance units and coordinating staffs within multiple organizations (for example, TSC, FISC, ESC, division, sustainment brigade, and FIBN) integrate, synchronize, and plan theater FM operations. G-8 staffs at corps echelon and above advise and resource their commander's priorities while the TSC's FIOC or FISC, in coordination with the theater Army G-8, plans theater finance operations executed by tactical-level finance units. From the homeland, USAFMCOM plans critical strategic FM support to operations in theater. Active collaborative planning ensures an ongoing analysis of commanders' tasks and priorities to ensure that adequate and proper financial resources are available and applied to aid success.

5-2. Planners must attend and participate in planning cells and working groups in order to anticipate requirements and build comprehensive finance sustainment solutions. The expertise provided by the FM staff assists the commander in accurately visualizing an operation to make appropriate decisions. Functional cells plan according to time horizon and assist with C2. Integrating processes include intelligence preparation of the battlefield, information collection, targeting, risk management, and knowledge management. See FM 6-0 for more information on staff organization and meetings.

FINANCIAL MANAGEMENT PLANNING PRIORITIES

5-3. During large-scale combat operations in a multidomain environment, degraded communications can be generated by cyber intrusion, lack of power, or other events. Adversaries will attempt to disrupt, degrade, or curtail communications and access to enterprise systems. In response to this threat, finance units must train and prepare to operate in a disconnected OE with redundant manual systems. Sustainment operations rely on effective ERP systems, which require access to the DOD Information Network. Planners must place emphasis on coordination efforts with G-6 elements to gain access to necessary networks. Proper training and planning allow FM units to operate in denied, degraded, and disrupted communications environments. Some considerations include the following:

- Secure low bandwidth in sustainment tactical network environment.
- Maintain manual input proficiency.
- Maintain and complete manual forms.
- Perform manual disbursing operations (non-electronic commerce capability).
- Conduct record keeping and supporting documentation management (hard copy).
- Maintain manual accountability.

5-4. Communications are critical for FM units to provide timely and critical support. FMIS and FM capabilities depend greatly on the ability of finance units to communicate throughout the area of operations. Widely dispersed units must rely on communications with their headquarters to accomplish their mission. Although units use wire communications, they also need to possess and be able to utilize mobile and secure communications equipment. They must be able reach-back from forward positions in brigade areas, through division, corps or other forward areas in theater.

5-5. The tempo and lethality of large-scale combat operations may overwhelm FM capabilities; therefore, planners will continue to monitor fragmentary orders and conduct a detailed analysis and assessment of

support requirements and availability of resources based on the OE and mission tempo. Additionally, planning should consider changes to operational variables to include the limited availability of commercial support due to increased enemy activity.

5-6. Focus during conflict should remain on maintaining fiscal stewardship and auditability at all times, despite the rapid changes and unexpected transitions between phases of operations or movement and maneuver between areas of support.

5-7. Planners must anticipate and plan for the employment of FM capabilities and proactively gather emerging information to update running estimates. An increase in enemy finance networking during large-scale combat is expected; therefore, support should be flexible and tailorable in support of tactical commanders, never bypassing internal controls or fiscal stewardship responsibilities. During conflict, running estimates should capture the following FM considerations:

- Facts relating to availability of commercial support, changes in HN banking infrastructure and theater policy, access to enterprise systems, status of contingency DSSNs, ecommerce, LDAs and replenishment of U.S. and foreign currency.
- Assumptions relating to forecasts of cash and currency requirements, changes to finance force structure, degradation in HN banking capabilities, and potential increase in enemy finance networks.
- Friendly force status (higher, lower, and adjacent units).
- Conclusions and recommendations for future FM operations and COAs.

FISCAL DIPLOMACY

5-8. Fiscal diplomacy involves the Army's ability to procure and pay for required supplies and services through the coordinated efforts of contracting, RM, finance operations, unified action partners, and the U.S. State Department, with a holistic understanding of the culture of the personnel providing the support. To effectively manage U.S. relationships with foreign governments, international organizations, and other countries, commanders should consider the importance of fiscal diplomacy to effectively execute stability tasks requiring the purchase of supplies and services from local vendors or contractors. Prompt or delayed payment is an important aspect of fiscal diplomacy and can enhance or impede relationships.

5-9. HN support to economic development includes the Army FM enterprise, which uses economic analysis to identify specific country or region procurement methods that may create delayed payments that may cause mistrust from the local vendors. FM capability may include local currency, other applicable foreign currency, U.S. dollars, and possibly precious metals to establish trust and goodwill with local vendors. At times payment can occur through EFT, credit card, or cash. While there is a desire to focus solely on EFT, this may not be the most effective payment method. Determining the best mix of options to ensure timely payments bolsters credibility. Fiscal diplomacy involves identifying the most effective payment method to ensure we do not inadvertently create ill will or foster hostility, regardless of current trends and desires. There are times when cash is the best option.

RULES OF ALLOCATION FOR FINANCE

5-10. Planners employ finance assets and personnel across theater by following planning factors in determining the minimum number of finance units required to provide the necessary support within an AOR:

- FISC: One per TSC or ESC.
- T-FIBN: One per 2 to 6 T-FICOs.
- C-FIBN: One per 2 to 6 C-FICOs.
- T-FICO:
  - One per ESC.
  - Two per sustainment brigade in the joint security area.
  - One per contracting support brigade.
  - Two platoons per T-FICO.
  - Four FSTs per platoon.
- C-FICO:
  - One per corps.
  - One per division.
  - Two platoons per C-FICO.
  - Four FSTs per platoon.

***Note*.** Support requirements for FORSCOM mobilization force generation installations in the continental United States may differ from the requirements to support a concept of operations in theater.

FISCAL TRIAD

5-11. ***Fiscal triad*** **is the process that governs the critical path between entities within the acquisition process that ensures statutory and regulatory compliance for contracting and financial management for acquisition management, internal controls, and fiscal law prescribed for the procurement process.**

5-12. Figure 5-1 provides a depiction of how the fiscal triad interacts between synchronized functions of distinct activities (contracting, finance, legal counsel, and the requiring activity) in order to ensure the effective and efficient execution of theater procurement support of Army forces. Each activity reinforces the procurement process with respect to acquisition management, internal controls, contract payment, funds disbursement, and accounting and compliance with administrative and fiscal law.

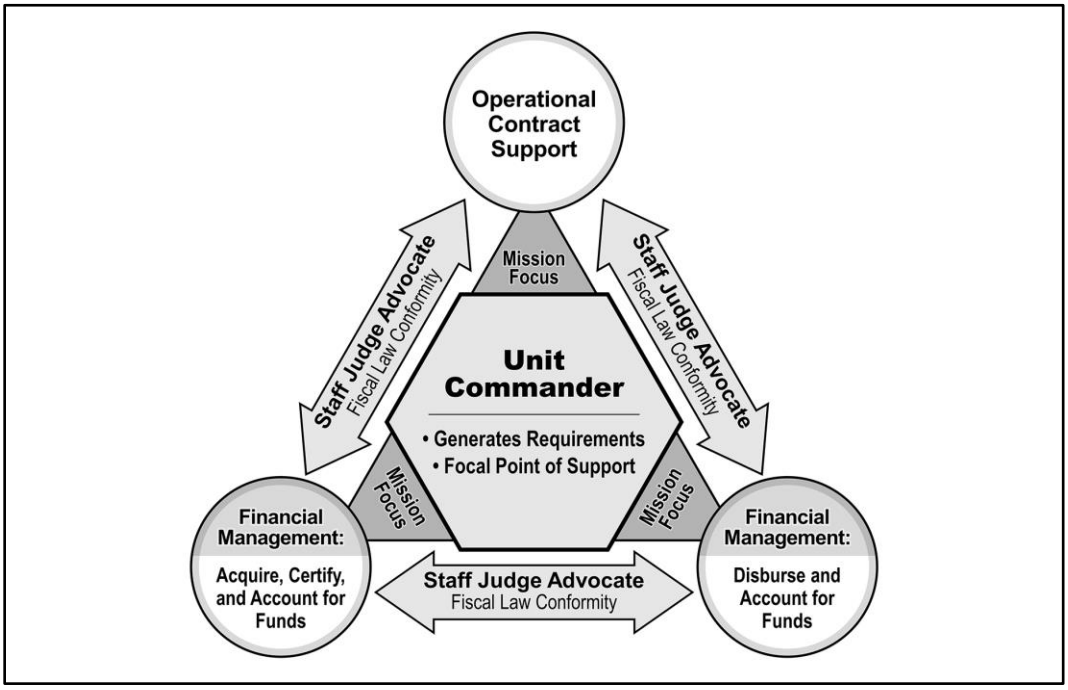


Figure 5-1. The fiscal triad

5-13. At the center of the fiscal triad is the unit commander, who generates mission requirements and initiates the process. All elements of the fiscal triad must coordinate to comply with the existing policies, regulations, and laws to prevent fraud, waste, and abuse of government funds. To ensure separation of duties, each element of the triad is independent, yet works closely with the others to obtain products or services to meet the commander's needs in compliance with applicable laws and regulations.

5-14. FM support begins with the certification of funds for valid requirements generated by supported units. This certification of funds is a different process from payment certification. Finance not only certifies funds, but also tracks expenditures throughout all phases of the process. These requirements, depending on the dollar amounts or particular nature, are vetted in accordance with applicable theater policies and, if appropriate, receive legal reviews by the SJA. The SJA ensures that contracting actions are in accordance with existing contract law and regulations such as the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS). The supporting contracting activity legally contracts for the requested supplies or services and provides contract administration.

5-15. FM support (finance operations and RM) within the fiscal triad continues with obligation validation, ensuring the presence of a valid contract during the contract execution, ensuring that it stays within the spending threshold, that there is a receiving report, and an invoice prior to making a payment to the vendor. Finally, finance provides accounting information to the supported contracting office to close out contracts and obligations.

5-16. As part of the fiscal triad, FM plays a key role in helping contracting officers establish the Overseas Operating Cost (formerly known as Overseas Contingency Operations) plan. FM's role in support of this plan includes—

- Planning payment for contract requirements established by the units supported under various contingencies.
- Designating, deploying, and augmenting finance units.
- Defining operating procedures and responsibilities of FOOs, finance personnel, and paying agents.
- Participating in site surveys and deployment exercises.
- Identifying funding and cash requirements.
- Providing a theater economic assessment.

5-17. The commander is the focal point of the procurement process. Every effort and activity in the procurement process is directed toward generating, sustaining, and preserving combat power using the most cost-effective means. A program is cost effective if, on the basis of a life cycle cost analysis of competing alternatives, it is determined to have the lowest costs expressed in present value terms for a given amount of benefits. Units generate requirements using cost management and established theater and local SOPs. Finance units assist commanders in developing these SOPs in close coordination with the other members of the fiscal triad as well as the sustainment community.

5-18. Commanders should pay special attention to the appointment and training of contracting officer representatives. Contracting officer representatives ensure that no contractor furnishes materials or services in addition to, less than, or different from those required by the contract prior to certifying the receiving report. In the procurement process, commanders and their staffs are the requirement owners and are responsible for the following tasks:

- Defining the requirement—conducted by the commander, staff, and functional area experts.
- Writing the performance of work statement for the requirement—preferably conducted by the functional area experts.
- Developing and coordinating the requirements validation package in accordance with established SOP.
- Submitting funding requests for the requirement through the supporting G-8 to the designated approving authority.
- Working with the supporting contracting office or program office to support contract award and contract oversight activities.
- Maintaining oversight of the post award for the commander if the requirement exists.

5-19. Synchronizing all elements of the fiscal triad requires constant coordination. This coordination is facilitated by the following actions:

- Co-locating regional contracting personnel, G-8 personnel, fiscal lawyers, and supporting finance units whenever possible.
- Conducting weekly fiscal triad meetings to discuss ongoing procurement operations and emerging issues and trends.
- Leveraging theater communications and network technologies to facilitate data and information sharing between all elements of the fiscal triad.
- All activities participate in any pre-deployment site survey to a new theater of operations to establish initial procurement support capabilities.
- All activities should maintain visibility of supported unit relief in place and transfer of authority to ensure existing contracts are still properly managed and closed out as necessary. This includes ensuring the training of new FOOs, paying agents, and contracting officer representatives.

5-20. As a critical component of the fiscal triad, FM provides both funding for commander's validated requirements (RM) and makes payment (finance operations) for contracted goods and services. Once the

goods or services are received and accepted by the government representative, the documents are forwarded to the commercial vendor services section of the FIBN/FICO. The commercial vendor services section then ensures all required documents are available and accurate prior to payment certification process and eventual submission to the disbursing section for payment. The commercial vendor services section ensures the legal obligation to pay exists (typically a contract), the payee has fulfilled the prerequisites for payment (typically an invoice), the proof of receipt and acceptance is obtained where required (material inspection and receiving report), the amount of the payment entitlement and identity of the payee are correct, and the payment entitlement is legal under the appropriation or fund involved (typically the correct FY and appropriation).

5-21. The commercial vendor services section ensures that internal controls are incorporated into operations to maintain complete, consistent, and accurate data for contract files and related entitlement and accounting records throughout the life of the contract. Theater policy dictates document disposition. Additionally, a post-payment review must be conducted to meet audit readiness requirements and proper internal controls. After payment, reconciliation is performed with contracting and the G-8 or S-8.

5-22. Financial managers are responsible for identifying differences, conducting research, performing reconciliations, approving recommended adjustments, processing corrections timely, and maintaining appropriate supporting records. See DOD 7000.14-R, Volume 10 for information on contract payment policy and procedures and Volume 5 for disbursing policy and procedures.

PLANS AND ORDERS

5-23. Effective FM operations rely heavily on comprehensive planning and preparation. They require technical and tactical expertise in FM capabilities and systems, understanding of the commander's intent, and a keen awareness of the relationships between finance organizations and their supporting units.

5-24. The steps in the operations process are planning, preparing, executing, and assessing (refer to ADP 5-0 for more information). The following describes these steps:

- Plan - Planning is the art and science of understanding a situation, envisioning a desired future, and determining effective ways to bring that future about.
- Prepare - Activities performed by units and Soldiers to improve their ability to execute an operation.
- Execute - The act of putting a plan into action by applying combat power to accomplish the mission and adjusting operations based on changes in the situation.
- Assess - The determination of progress toward accomplishing a task, creating a condition, or achieving an objective.

ARMY AND FM PLANNING

5-25. Army planning is a process of problem solving to reach a desired end state. The process begins with identifying a problem and developing criteria to test proposed solutions. Planners then generate possible solutions, then analyze, compare, and ultimately choose the best solution. FM planning focuses on financially sustaining friendly forces to the degree that supported units can accomplish the desired end state. It is a continuous process in evaluating current and future operations from the functional perspective.

5-26. Planners at all levels anticipate where the greatest need might occur during operations, integrate FM as part of the sustainment warfighting function, and quickly react to changing requirements. The focus of FM planning and operations shift in scope, priority, and time at each level of warfare. At the national strategic level, planning is conducted to synchronize action across government and unified action partners to deliver support to a theater. At the theater strategic level, planning integrates and synchronizes economic instruments of national power and unified action partners to support CCDR's achievement of policy aims in support of national strategy. At the operational level, planners support and resource major operations. At the tactical level, finance units plan activities to support and resource battles, engagements, and small-unit actions.

5-27. FM leaders and staff must be involved during the early planning stages of operations synchronizing with other warfighting functions. Poor planning and coordination by FM leaders and staff may create gaps in FM support and increase mission risk.

5-28. FM planners must understand the commander's intent and the set of conditions that describe the desired end-state. FM operations must be planned, prepared, and executed in order to achieve that end-state. FM staff

planners at all echelons serve as the primary finance integrators for future operations, current operations, and plans.

5-29. During the FM planning phases, it is important to establish dependencies in theater. Finance elements are dependent on appropriate elements of the TSC, ESC, corps, and division for religious, legal, force health protection, personnel and administrative, communications, and logistics support, supplemental transportation support for personnel, and transportation and security for moving currency throughout the theater.

5-30. Commanders and staff members consider the consequences and implications of each COA with respect to the FM mission. Upon COA selection planners will—

- Formulate specific FM tasks that support the commander's intent.
- Formulate running estimates.
- Insert finance equities to theater operational planning.
- Review theater Army plans to influence the strategic PPBE process.
- Identify required FM staff actions.
- Develop an assessment framework.
- Identify FM mission support requirements.
- Coordinate G-6 support.

5-31. Successful FM planning ensures an integrated network of finance support capabilities and systems that link finance activities to sustainment operations. Involved finance commanders and their staffs see an OE, anticipate requirements in time and space, understand what is needed, track and deliver resources or services requested, and make timely decisions to ensure responsive FM support.

MILITARY DECISION-MAKING PROCESS

5-32. The military decision-making process (MDMP) is a seven step, multi-discipline approach that synchronizes forces and warfighting functions to solve a military problem. It is an iterative planning methodology used to understand the problem or problems, understand the situation and mission, develop COAs, decide on a COA, and produce an operation plan or order. It is an orderly, analytical process that integrates the activities of the commander, staff, and subordinate headquarters in the development of a plan or order. MDMP helps leaders apply thoroughness, clarity, sound judgement, logic, and professional knowledge to develop situational understanding and produce a plan or order that accomplishes the mission. Commanders may initiate MDMP in advance of an official higher echelon order or alert or whenever the commander recognizes an opportunity or problem.

5-33. Staffs must be familiar with MDMP. Throughout the process, staffs should consider how COAs reflect the required FM support for the operation. Planners must tailor FM support to the particular context of an operation. Figure 5-2 depicts the key inputs and outputs of each step of MDMP.

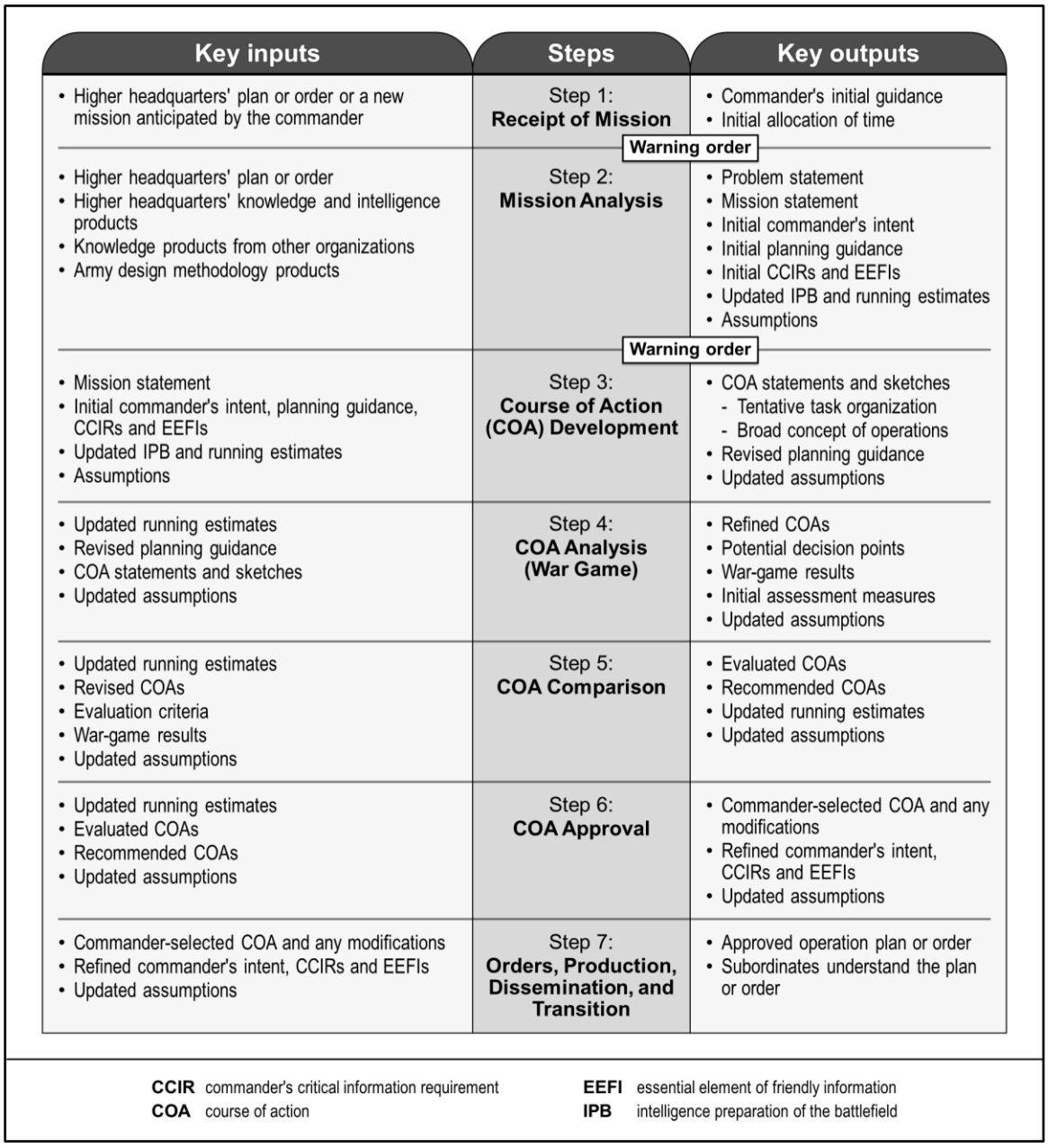


Figure 5-2. Military decision-making process

Receive The Mission

5-34. Commanders and staffs conduct mission analysis to better understand the situation and problem. They identify what the command must accomplish, when and where it must be done, and most importantly, why (the purpose of the operation). Higher echelon mission orders may specify FM tasks in detail, but FM planners must also consider implied tasks to ensure comprehensive support.

5-35. Upon receipt of the mission, the staff assesses the available orders and information to develop running estimates. A *running estimate* is the continuous assessment of the current situation used to determine if the current operation is proceeding according to the commander's intent and if planned future operations are supportable (ADP 5-0). Running estimates aid in developing the unit's common operational picture and the commander's visualization of the operation. Running estimates consider both quantifiable and intangible

aspects that include essential facts and assumptions impacting the commander's visualization of the operation. Running estimates are updated continuously as the situation changes.

5-36. Facts incorporated into FM running estimates include—

- Unit readiness (personnel, training, supply, equipment).
- Current budget or currency availability.
- Manpower or unit requirements (rules of allocation).
- Disbursing and pay support information.
- Availability of banking facilities.
- FMIS and ecommerce requirements.

5-37. Assumptions are estimations or forecasts the future. Assumptions incorporated into FM running estimates include—

- Budget forecasts.
- Potential supplemental or special authority funds.
- Expected reimbursements.
- Unit readiness impacts.
- Economic impact and analysis.
- Expected paying agent population.

Mission Analysis

5-38. Subsequent planning relies heavily on understanding the situation and the problem. Developing an understanding of the OE is key to generating plans that solve problems. Staffs generate two unique products that aid in understanding the OE. These are economic analysis and fiscal preparation of the OE. Economic analysis is a detailed report available to commanders to facilitate decision-making regarding applying the economic instrument of power, identifying all financial aspects in a specific geographical area, and the economic effects of U.S. force presence on the specific AOR. Fiscal preparation of the OE is the systematic process of analyzing banking, economic, and civil considerations and known threats in an area of interest to determine their effect on operations.

Course of Action Process Considerations

5-39. Once sufficient information exists to define the problem and receive an approved initial commander's intent, planners begin creating a set of criteria to assist the commander in choosing solutions. A criterion is a standard, rule, or test by which something can be judged—a measure of value. Criteria are based on facts or assumptions and define the limit of what is an acceptable solution. Criteria should be feasible, acceptable, suitable, distinguishable, and complete.

5-40. Commanders and staffs use financial data analytics and their fiscal expertise to develop well thought-out benchmarks. Planners consider fiscal or physical resources, manpower, and systems requirements. Planners also consider fiscal stewardship and auditability.

Information Requirements

5-41. Commanders and staffs document information requirements as a result of knowledge gaps and risk associated with executing a plan. Events that cause a significant variance leading to the current situation deviating from the expected situation that may directly threaten the success of a main effort are also information requirements.

5-42. A *commander's critical information requirement* is specific information identified by the commander as being essential to facilitate timely decision making. (JP 3-0). Each commander's critical information requirement is directly tied to a decision that facilitates the successful execution of military operations.

5-43. These information requirements fall into one of two categories: priority intelligence requirements and friendly force information requirements. A *priority intelligence requirement* is the intelligence component of commander's critical information requirements used to focus the employment of limited intelligence assets and resources against competing demands for intelligence support (JP 2-0). A *friendly force information*

requirement is information the commander and staff need to understand the status of friendly force and supporting capabilities (JP 3-0).

5-44. Planners nominate information requirements that materially affect their commander's mission. Examples of these information requirements include—

- Significant resupply or loss of currency.
- Changes in availability of HN support.
- Loss or compromise of a major HN financial institution.
- Loss of key Soldiers or leaders.
- Illicit economic activity (significant fraud, waste, or abuse).
- Enemy threat finance activity.

Finance Orders Production and Dissemination

5-45. When developing the plan or order, ensure that FM capabilities support the commander's or higher echelon's mission statement and the commander's intent. The unit mission statement, along with the commander's intent, provides the primary focus for subordinate actions during the operations process.

5-46. FM key tasks or significant activities to achieve the commander's desired end state are addressed in the plan or order. Sustainment plans and orders reflect the commander's understanding, visualization, description, and direction of unit employment. They also show operational priorities, unit locations, and functional support provided.

5-47. Finance organizations down to the battalion contribute to or prepare Appendix 4 (Financial Management) of Annex F (Sustainment). Annex F (Sustainment) describes how sustainment operations support the concept of operations described in the base plan or order.

5-48. General planning includes—

- Unit deployment and force flows.
- Task organization.
- Command and support relationships.
- Specified, implied, and essential tasks for units and agencies.
- Assessments, data analysis, and reporting framework.
- Knowledge management and record keeping requirements.
- Joint, interagency, inter-government, multinational, and commercial support agreements.
- Cyber, FMIS automation, and continuity of operations.
- Risk management and internal controls.
- Accounting and audit.
- Commander's critical information requirements.

5-49. The G-8 or comptroller has coordinating staff responsibility as the unit's finance officer. The G-8 at echelon is also responsible for FM plans and operations, FM budget execution, and FM special programs cells.

5-50. RM technical planning considerations include—

- Command resource requirements submission.
- Identification of funding sources.
- Determination of costs.
- Acquisition of funds.
- Distribution and funds control.
- Tracking and reporting costs and obligations.
- Reimbursements, reprogramming, and cost transfers.
- Accounting and fiscal validation.
- Management internal controls program instructions.
- New or unfinanced requirements.
- Audit, accounting reviews, reconciliation, and close-out.

5-51. In finance operations, each unit or organization is responsible for the management of special program cells. Finance operations technical planning includes—

- Banking.
- Central funding.
- Disbursing.
- eCommerce.
- Currency requirements, distribution, and collections.
- Pay support (military, travel, contractors, non-US).
- Operational contract support.
- CVP.
- Physical security.

Execution

5-52. Upon completion of MDMP, commanders and staffs focus their efforts into putting decisions into action by transitioning to execution. They maintain situational understanding to assess progress according to previously developed criteria, and they adjust FM support as the situation changes throughout the Army strategic contexts and the different dynamic OEs.

TRAINING

5-53. Finance units must train to support large-scale combat operations that include conventional and irregular warfare, humanitarian assistance operations, security force assistance, and support to civil authorities. Competition, crisis, and conflict present a new and uncertain strategic environment; it is imperative that FM leaders execute training aimed to remain globally responsive and support not only the Army but also its joint and multinational partners.

Note. See FM 7-0 for more information on training and log into the Army Training Network (https://atn.army.mil/) to download collective and individual tasks. These tasks have been developed and approved by the Army Training Development Capability and hosted on the Central Army Registry to develop unit training plans.

5-54. Informed by the Army's Regionally Aligned Readiness and Modernization Model (known as ReARMM), the process begins with the Army Synchronization and Resourcing Conference. This conference synchronizes Army activities across four lines of effort (operational requirements, training and exercises, modernization, and other Army Service requirements).

FINANCIAL MANAGEMENT TRAINING SUPPORT STRATEGY

5-55. Finance units at every echelon and across all components should conduct training in the most efficient, effective, and realistic manner possible to achieve sustainable readiness. Training should focus on technical and tactical skills, providing units the opportunity to train on the key sustainment tasks that focus on allowing future Army forces to sustain freedom of movement and action across multiple domains.

5-56. Training for finance formations must be adaptive, innovative, flexible, agile, and realistic in nature. It includes units from all components on short notice. The next major contingency may require deployment of finance units from all components and may strain the time available for both Army National Guard and United States Army Reserve pre-mobilization training. Around 68% percent of the finance force structure resides in the Reserve Component. Therefore, the increased training readiness for the wartime missions of Reserve Component units is critical to the success of the Army.

5-57. Leaders must integrate and synchronize technical training with Reserve Component commanders to ensure these formations are well trained and integrated into the multi-component sustainment force structure prior to deployment. Commanders also leverage opportunities to strengthen sustainment-training relationships with other Services, interagency organizations, private industry, and multinational partners whenever feasible.

5-58. Commanders must ensure that their units train on both tactical and technical skills, providing their Soldiers with the proper level of readiness prior to deployment. The training covering technical skills must cover both finance operations and RM operations.

5-59. Since the Army is largely based in the continental United States, leaders and units must practice deploying into an austere theater through contested ports, conducting reception, staging, onward movement, and integration, and immediately supporting operations.

5-60. The training strategy must aim to ensure leaders and trainers have knowledge and access to the following essential resources:

- Combined arms training strategies, which provide unit-specific collective task selections for sustainment and finance units.
- A unit mission-essential task list focused on core tasks that units must be able to perform.
- A training environment and platform that provides leaders with the capability to conduct progressive and successive training.
- Robust, effective, constructive gaming and virtual simulations.

5-61. Commanders develop unit readiness at home station. Home-station training must be rigorous, operationally relevant, and challenging. Home-station training prepares units and leaders for their culminating training events to reach required proficiency levels. Home-station training provides Soldiers, leaders, and units the capability to attain and sustain proficiency in their approved mission-essential task list.

5-62. The USAFMCOM operational support team (also known as the OST) can assist units with preparing and executing finance training at home stations and may be able to act in an advisory role during training execution.

PRE-DEPLOYMENT TRAINING

5-63. Unit commanders are charged with training and assessing a unit's mission readiness against their mission-essential task list from an operational perspective prior to deploying. A deployment exercise is an exercise that trains tasks and procedures for deploying Soldiers and units from home stations or installations to potential areas of employment. It includes the participation of associated installation support agencies.

5-64. Pre-deployment training must be comprehensive and should include a culminating training event or mission rehearsal exercise at home station or mobilization station on all necessary finance core competencies and functions based on deployed mission requirements. The operational support team can tailor training to each unit and its deployed mission and includes the disbursing officer, deputy disbursing officer, disbursing agent, cashier, commercial vendor services, pay support, internal controls, FM operations, cash management, banking, policy operations, accounting, automation (FM systems), and RM training. Training incorporates the current suite of deployable finance and ecommerce systems to include GFEBS.

SUSTAINMENT TRAINING FOCUS AREAS

5-65. The complex and uncertain environment in which sustainment and finance units will operate present several challenges that should be incorporated into realistic unit training. Sustainment forces should focus their training on areas such as: survivability, mobility, distribution, and communications.

Survivability

5-66. Survivability is a key objective in all training, especially for sustainment formations. These units are vulnerable due to size, limited protection resources, and the requirement to continue sustainment operations while simultaneously conducting force protection tasks. Training in the protection function of unit and convoy defense on local and area security tasks is also critical in ensuring the survivability of finance units in an environment where there are no safe areas. Units must be equipped, structured, trained, and prepared to execute their missions at all times.

Mobility

5-67. Large-scale combat operations over extended distances require that all finance units be mobile. Leaders must ensure units replicate frequent moves and split-based operations between units and their headquarters

on a continual basis during training. Training should address planning considerations and sustainment transportation support during the issuing of OPORDs and warning orders. Coordination between units and movement and maneuver elements is required to remain mobile.

Distribution

5-68. Finance units train to sustain and fund the force in austere areas where pre-positioning of equipment may not be feasible, adequate bases may not be available, and the industrial base and infrastructure are poorly developed.

Communications

5-69. Adversaries will attempt to disrupt, degrade, or curtail friendly communications and access to sustainment and finance enterprise systems. In response to this threat, sustainment units train and prepare to operate in a disconnected OE with redundant manual systems. Units must train to endure the challenges of operating without connectivity to FMIS and acquire the flexibility to anticipate requirements in a disconnected OE.

5-70. FM operations rely on effective ERP systems like GFEBS, which requires access to the DOD Information Network. Commanders should train finance units on setting up communications to gain network access as an essential task.

FINANCE INFORMATION SYSTEMS TRAINING

5-71. Sustainment information systems provide the visibility required for sustainment decision making. It is important that Army sustainers understand what ERP systems are, what enterprise resource programs the Army has, and how they are integrated. GFEBS is used for disbursing, payment support, travel pay, vendor pay and RM. Training on FMIS may include coordinating with the G-6/S-6 for assistance when systems fail and when scheduling system upgrades. Training on FMIS such as the Deployable Disbursing System (DDS), Computerized Accounts Processing Systems-Windows (also known as CAPSW), and other Financial Management Tactical Platform software should be part of the overall training plan.

Financial Management Tactical Platform Training Database

5-72. The Financial Management Tactical Platform Training Database is a web-based training tool available to finance Soldiers to train in a full suite of FMIS applications and U.S. Treasury peripherals, DDS, Computerized Accounts Payable System-Windows, ITS.gov, OTCnet, EagleCash Card, Operational Data Store, and the Standard Finance System. This web-based database provides Soldiers the optimum platform allowing them to train as they fight.

Training With Industry

5-73. The Army's continued partnership with corporations offers participants assignments to positions within the private sector for one year. This is a unique opportunity for participants to be immersed within the industry and understand the internal workings of industry partners. Participants are exposed to the industry partner's broad FM operations; they are not interns nor observers. This program benefits the assigned participant, the government, and the industry by expanding the participant's exposure to the private sector's decision-making process, FM operations, and strategic objectives while also exposing industry to practices on how the government's financial military industry operates. Selectees rotate through hands-on, multi-functional corporate learning experiences, actively participating and contributing. AR 621-1 governs the program.

5-74. Training with industry officers and noncommissioned officers are assigned to a Fort Jackson student detachment during their internship time, and upon completion they serve a two-year obligation in key branch code 36 positions. Army Civilian participants return to their home duty stations upon completion of their training with industry assignments. The goal of the program is to grow participants into top finance leaders by applying the lessons of corporations' successes and challenges to improve Army overall performance.

Chapter 6
Financial Management Information Systems

FM operations depend heavily on FMIS. The processing and dissemination of timely and accurate financial information is critical to the success of Army missions worldwide. This chapter discusses the FMIS hardware and software used to support FM operations in theater.

INFORMATION SYSTEMS IN SUPPORT OF FINANCE MISSION

6-1. For Army forces, the *cyberspace domain* is the interdependent networks of information technology infrastructures and resident data, including the Internet, telecommunication networks, computer systems, embedded processors and controllers, and relevant portions of the electromagnetic spectrum (FM 3-0). The processing and dissemination of timely and accurate financial data and information is critical to the success of operations. Commanders and staffs are responsible for FMIS within their organizations. The automation sections or designated automation personnel are responsible for executing information management. The FIBN automation section provides support to assigned or attached subordinate FICOs as required to implement theater initiatives and support.

6-2. Coordination with supporting signal personnel is the first step in ensuring proper communication requirements exist to support FMIS throughout the area of operations. Personnel must be familiar with the requirements of each FMIS. Supporting signal personnel will provide the necessary support to the specific communication requirements that FMIS demands (for example, SIPRNET or NIPRNET connectivity), bandwidth, port accessibility, hardware setup, and systems vulnerabilities. Additional support specific to FMIS O&M is provided by the system's proponent.

DEGRADED OR DENIED COMMUNICATIONS

6-3. FMIS rely on the systems to be coupled with advanced communications networks. It is critical to FM that these systems are thoroughly supported by a network that is dependable and can accommodate their particular requirements. However, even with the ideal bandwidth or connectivity, finance units are always prepared to resort to alternative business processes in the event of major systems failures or insufficient automation infrastructure.

6-4. U.S. adversaries, including Russia and China, have demonstrated the ability to contest communications in the electromagnetic spectrum and degrade friendly C2. Degraded connectivity to a secure communications network poses risks to situational understanding, C2, and ultimately mission accomplishment. Finance units must be prepared to continue operations and achieve mission objectives when FMIS are down or when out of contact with higher echelons or adjacent units. Units should assume intermittent rather than continuous connectivity during operations. A mission command approach to C2 empowers subordinate leaders to act within the commander's intent with degraded communications, reporting their new situation as soon as able to do so.

6-5. Even under ideal cyber support conditions, finance units must be prepared to resort to alternative processes during disconnected operations or in the event of major systems failures. Peer threats can impose disruptive effects on cyberspace that will challenge Army sustainment during pre-deployment, deployment, and redeployment. These disruptive effects may occur at unit home stations, ports of embarkation, while in transit to the theater, and upon arrival at ports of debarkation as well as within theater.

DEFENSE INTEGRATED BUSINESS SYSTEMS

6-6. Defense Integrated Business Systems is accountable for standardizing, streamlining, and sharing critical data across the Army, DOD, and industry partners and procuring the best management capabilities to Soldiers and end users. Defense Integrated Business Systems consist of GFEBS, Army Training Information System, Army Contract Writing System, Foreign Military Sales-Army Case Execution System, and Logistics Modernization Program, amongst others.

SUSTAINMENT TRANSPORT SYSTEM

6-7. The Sustainment Transport System provides force readiness through an integrated network of information systems linking sustainment to operations. As a result, commanders at all levels see the OE, anticipate requirements in time and space, understand what is needed, track and deliver what is requested, and make crucial decisions ensuring responsive sustainment.

6-8. The Sustainment Transport System replaces the legacy combat service support very small aperture terminal (commonly known as VSAT) and the Combat Service Support Automated Information Systems Interface (commonly known as CAISI). It will improve and better protect sustainment connectivity using advanced technology that includes a satellite communications terminal system for beyond-line-of-sight communications, a wireless capability that provides Wi-Fi to support multiple sustainment applications, and a line-of-sight capability that extends connectivity between distant Wi-Fi enclaves. Sustainment communications through the Sustainment Transport System converges with Integrated Tactical Network capability at specific echelons. Sustainment Transport System modernization and its convergence with the Integrated Tactical Network provide more effective and secure sustainment communications while streamlining materiel and support requirements for the network.

CYBER THEATER SERVICES

6-9. Information technology (IT) services and communications are provided by United States Cyber Command and signal elements in theater. During the planning phase, FM planners must coordinate with their supporting sustainment automation support management office for the bandwidth and network support needed to deploy all FMIS capabilities. FMIS use both the NIPRNET and SIPRNET.

Nonclassified Internet Protocol Router Network

6-10. The NIPRNET is a network of government-owned internet protocol routers used to exchange sensitive unclassified information. It provides access to specific DOD network services and supports a wide variety of applications such as electronic mail, web-based collaboration, information dissemination, and connectivity to the internet. Access to the NIPRNET is obtained through a standardized tactical entry point site or teleport and is then distributed through an unclassified theater network. NIPRNET enables a myriad of other reach functions from deployed forces to the sustaining base and lateral collaboration among deployed elements.

SECRET Internet Protocol Router Network

6-11. The SIPRNET supports critical C2 applications and intelligence functions. It operates in a manner similar to the NIPRNET, but as a secure network. As with the NIPRNET, SIPRNET provides access to many web-based applications as well as the ability to send and receive classified information up to secret. These applications and capabilities enable the effective planning and execution of plans in a secure environment. SIPRNET also enables a myriad of reach logistics functions from deployed forces to the sustaining base and lateral collaboration among deployed elements.

RESOURCE MANAGEMENT SOFTWARE AND SYSTEMS

6-12. Several systems are in place to allow the proper distribution and execution of funds during the funding process. Many of the legacy systems have been replaced by ERP solutions that help achieve real-time accounting and improve auditability.

GENERAL FUND ENTERPRISE BUSINESS SYSTEM

6-13. GFEBS is the Army's integrated FM system for funds distribution, execution, and reporting. The system provides real-time visibility of transactions as well as historical data; the availability of this data provides the financial analytic foundation for resource-informed decision-making. GFEBS standardizes business processes and transactions across the active Army, the Army National Guard and Army Reserve, and DFAS.

6-14. GFEBS is a single integrated, web-based solution that employs a commercial-off-the-shelf ERP solution. GFEBS complies with statutory and regulatory requirements, enforces internal controls, and is the Army's centerpiece for achieving audit readiness.

6-15. GFEBS is one of a small group of Army ERP systems, and it interfaces (exchanges data) with each of them. Perhaps the most significant GFEBS interface in a theater of operations is with GCSS-Army. GCSS-Army is primarily a logistics (but also a financial) system that is integrated with GFEBS and provides sustainment support in both tactical and garrison environments. GCSS-Army receives funds only from GFEBS, shares the FM module of GFEBS, and provides execution data to GFEBS for consolidation.

6-16. The GFEBS functional scope and processes include the general ledger; accounts payable; accounts receivable; funds management; cost management; financial reporting; and property, plant, and equipment management. GFEBS can empower commanders to make financial decisions that have a direct impact on the mission.

COMPUTERIZED ACCOUNTS PAYABLE SYSTEM-WINDOWS

6-17. Computerized Accounts Payable System-Windows (commonly known as CAPS-W) is a client server application designed to automate the processes used at each CVP field site. This application calculates amounts due for payment based on accurate accounting, technician input, and data received from interfacing systems (when used). It ensures compliance with the Prompt Payment Act by accurately determining the date entitlements are to be paid while tracking previous entitlements to preclude erroneous payments. Computerized Accounts Payable System-Windows is software that is installed to a designated computer (server) to which other computers within the CVP office are networked (clients). It is used to manage, entitle, and certify contractual and non- contractual payments. It is generally used by Army CVP offices during initial entry operations where the use of GFEBS is not feasible or possible, and it is also used to entitle and certify payments funded outside of GFEBS. Computerized Accounts Payable System-Windows is capable of interfacing with various systems, but these interfaces are typically not used by CVP offices due to their remote locations.

ENTERPRISE FUNDS DISTRIBUTION

6-18. Enterprise Funds Distribution is the DOD system for managing and distributing funds to the military departments. Its capabilities include distributing budget authority to the military departments, managing rescissions and continuing resolutions, and reprogramming or transferring budget authority as needed to support changes in funding priorities throughout the year. GFEBS interfaces with the system and distributes allocable funds within the Army. The Enterprise Funds Distribution system provides visibility, audibility, and traceability of appropriated funds distributed within the DOD.

OPERATIONAL DATA STORE

6-19. Operational Data Store translates legacy financial data formats into modernized data and Standard Financial Information Structure outputs that can be consumed by GFEBS; thus, it serves as a bridging solution in enabling the incremental modernization of the information environment as legacy systems are sunset. Operational Data Store uses the information to permit DFAS and Army finance personnel to retrieve, review, and update financial payment information. The information is also used for archive requirements as well as to support any litigation and audit requirements.

STANDARD PROCUREMENT SYSTEM

6-20. Standard Procurement System is a standardized, automated procurement system used by the DOD acquisition community. It is linked to logistics and financial systems to enable accurate tracking and reporting of financial data through the budgeting, requisition, contracting, contract administration, payment, and contract close-out processes. This integration of acquisition, logistics and finance functions on a single procurement system is a key element in realizing the Army fiscal triad concept which governs the critical path between contracting, finance operations, and RM. It expedites contract creation and provides electronic contract information for later use in payment and contract research.

PROCUREMENT INTEGRATED ENTERPRISE ENVIRONMENT

6-21. The Procurement Integrated Enterprise Environment is the DOD one-stop-shop for procurement capabilities. It is home to WAWF, Electronic Data Access, MyInvoice, and capabilities that include data from multiple applications, payment, contract close out, and standardized procurement hierarchy for purchase

card. Procurement Integrated Enterprise Environment operations support DOD activity address code management, robust data reporting, and single data layer hosting for all procurement data.

ELECTRONIC DOCUMENT ACCESS

6-22. Electronic Document Access is one of the DOD's sourcing environment programs. It is intended to simplify and standardize the methods used to interact with commercial and government suppliers in the acquisition of catalog, stock, and made-to-order and engineer-to-order goods and services. It is a web-based system that provides secure online access, storage, and retrieval of contracts, contract modifications, Government Bills of Lading, DFAS Transactions for Others, vouchers, and contract deficiency reports to authorized users throughout the DOD. Electronic Document Access provides for the online creation of contract deficiency reports and the contract deficiency reports workflow.

WIDE AREA WORKFLOW

6-23. WAWF is a secure web-based system for electronic invoicing, receipt, and acceptance. WAWF allows access to other systems that contain the documents required to entitle payment to a vendor. The WAWF application enables users to electronically submit documents related and required to pay vendors, government inspections, and accept documents to support the DOD's goal of moving to a paperless acquisition process. It provides the technology for government contractors and authorized DOD personnel to generate, capture, and process receipt and payment-related documentation via interactive web- based applications. Authorized DOD users are notified of pending actions by e-mail and are presented with a collection of documents required to process contracting or financial actions. WAWF helps to mitigate interest penalty payments due to lost or misplaced documents and highlights vendor offered discounts, in addition to streamlining the process from weeks to days or minutes.

FINANCE OPERATIONS SOFTWARE AND SYSTEMS

6-24. Finance units use FMIS to improve the accuracy of all transactions and provide commanders with real-time information. The employment of FMIS in theater enables fast and accurate support to elements across the area of operations.

THE DEFENSE MILITARY PAY OFFICE SOFTWARE SUITE

6-25. The Defense Military Pay Office software suite provides processing access to the military pay system to facilitate pay support. This software is provided for all Army components in accordance with DFAS policies and procedures for contingency operations. Access to the military pay system of record (currently DJMS) depends on the availability of dedicated communications. If online query capability is not available, finance units must develop a method to research pay problems in a signal contested environment as this software has no offline capabilities. When connectivity is available, the Defense Military Pay Office Standard Inquiry System provides the capability to download and archive pay data for an individual or an entire unit.

DEFENSE JOINT MILITARY PAY SYSTEM

6-26. DJMS provides the data needed to ensure that military pay and allowances are accurate. This system provides pay computation, leave, and financial accounting for military Service members serving in the Army, Navy, and Air Force. DJMS documents and accounts for military pay and allowances, disbursements, and collections; verifies and accounts for system input transactions; identifies, corrects, and collects overpayments; establishes, controls, and maintains member indebtedness notices and levies; completes individual Master Military Pay Account reviews; and provides internal and external managers with statistical and monetary reports.

DEPLOYABLE DISBURSING SYSTEM

6-27. DDS provides automated disbursing support. The system provides the capability to write Treasury or LDA checks, plus the daily accountability and reconciliation for all transactions. DDS receives information from the commercial vendor support and travel modules, which allows the writing of checks to pay vendors and travel claimants. It is capable of being used in remote military operations within contingency locations with foreign currency. DDS interfaces with GFEBS to enable deployed disbursing functions. DDS creates pay vouchers and formatted output for upload to the military pay system for payment. The EFT interface

requires a DDS file payment upload to ITS.gov to place payments in the Federal Reserve Bank. In situations where the Department of the Treasury's ITS.gov will not support mission requirements, disbursing officers may maintain official LDAs for check or EFT payments in foreign currency with banks designated as "Depositaries of Public Money of the U.S." by the Treasury (except for LDAs in U.S. dollars established under Title 10 USC 127 for intelligence contingency fund purposes). LDAs in U.S. dollars may not be established unless specific authority is first obtained from the Director for Accounting and Finance Policy, Office of the USD(C) through the director of DFAS.

TREASURY CASH MANAGEMENT SYSTEM

6-28. The Treasury Cash Management System has assumed cash concentration functionality for all deposits reported and processed through Treasury. Financial institutions must now use the Federal Reserve Bank's National Settlement Service for all transfers, which replaces CA$HLINK II's Automated Clearing House and Fedwires.

6-29. As one of the critical elements within the collections and cash management architecture, the Treasury Cash Management System is the application managing the settlement of inflows to and outflows from the Treasury's operating cash account at the Federal Reserve Bank. It is the sole provider of cash concentration from depository financial institutions and federal reserve banks. It modernizes, streamlines, and improves the processes and IT systems currently supporting collections business line by eliminating the duplicative cash concentration processes within the current systems.

DEFENSE TRAVEL SYSTEM

6-30. The Defense Travel System is a fully integrated, web-based, electronic, end-to-end travel management system that automates temporary duty travel for the DOD. It meets unique DOD mission, security, and financial system requirements within the guidelines of federal and DOD travel policies and regulations. It increases visibility of travel expenditures and reduces both voucher settlement time and processing costs to the Army.

ELECTRONIC COMMERCE SYSTEMS

6-31. Transitioning the theater from cash to a cashless battlefield is a principal goal during contingency operations. How quickly this transition occurs is operationally dependent on local banking infrastructure, vendor capability to accept EFT payment, and HN communication infrastructure. All ecommerce applications are the conduit for removing cash from the battlefield. FM leaders must continually assess their operations to promote ecommerce initiatives.

6-32. The FISC, in conjunction with USAFMCOM and the Department of Treasury, can proliferate the theater with ecommerce technology. eCommerce technology and its usage must be considered in all operational planning. The U.S. Department of the Treasury has developed stored value card, ITS.gov (vendor payments), U.S. debit card, and OTCnet (check capture processing) applications designed to improve financial controls and cash management, streamline administrative processes, improve internal controls, and improve quality of life for Soldiers.

6-33. Theater policies must be developed and tailored to expand the use of these applications within a theater of operations early on. The FM community and the Army recognizes that to improve accuracy and timeliness of transaction processing, a paper-based environment must be replaced by electronic processing to provide single-source entry and the electronic transmission and storage of data.

6-34. Finance units are also equipped with DDS and must maximize its capability. DDS provides automated accounting and disbursing documentation to mobile and remote military operations within contingency locations requiring foreign currency. DDS also interacts with stored value cards, ITS.gov, and OTCnet.

6-35. The following list comprises the ecommerce portfolio:

- OTCnet.
- EagleCash stored value card kiosks and points of sale.
- ITS.gov.
- U.S debit card.

OVER THE COUNTER CHANNEL APPLICATION

6-36. OTCnet is a web-based application that integrates check capture and deposit reporting functionalities into one system. It is created from two legacy systems: Paper Check Conversion Over the Counter and Treasury General Account Deposit Reporting Network. OTCnet's design accommodates check capture and deposit reporting using electronic collection mechanisms instead of paper-based processing. Check capture activities are primarily performed online; however, there is an offline check capture capability for agencies operating in locations where internet connectivity and bandwidth are intermittent or unavailable. Reporting transactions and associated accounting data will be required under the Government Wide Accounting or Central Accounting Reporting Systems Modernization initiative and serve as the standard for all government agencies. OTCnet supports Central Accounting Reporting System functionalities.

EAGLECASH STORED VALUE CARD

6-37. The primary goals of the EagleCash card program include supporting mission readiness and increasing security; the program provides a strategic alternative to traditional cash management by improving efficiencies and reducing high risk and costly U.S. currency transportation in deployed environments. EagleCash card replaces or reduces cash in locations characterized by highly restricted physical access, poor telecommunication infrastructure, and limited or no access to commercial banking services. The application consists of encrypted smart cards and specially configured hardware devices. This enables cardholders to add value to the card from designated bank accounts and use the funds on it to make purchases at exchange stores; military post offices; dining facilities; morale, welfare, and recreation facilities; or local concessionaries. In addition, the program is used to convert cash transactions from exchange stores, military post offices, dining facilities, and morale, welfare, and recreation back onto the card. Deployment of EagleCash card should be coordinated with the theater FISC and USAFMCOM.

ITS.GOV

6-38. ITS.gov is a comprehensive global payment and collection system used for processing foreign vendor, payroll, and miscellaneous payments. It offers a government-wide common solution for issuing international payments in established and emerging markets. Payments supported by ITS.gov include Automated Clearing House, Society for Worldwide Interbank Financial Telecommunication, check, and Western Union. Federal agencies may either manually create payments online or send a file to ITS.gov; it accepts a variety of file formats, including most produced by DOD disbursing systems. Deployment of ITS.gov should be coordinated with the theater FISC and USAFMCOM.

U.S. DEBIT CARD

6-39. The U.S. debit card is an ecommerce tool that aptly supports the mission of deployed forces or paying agents needing an immediate-use card. Using this card solves cash management challenges by reducing coin, currency, checks, and money orders in the field. The program utilizes a reloadable, VISA-branded card that allows funds to be provided to paying agents in a streamlined manner while increasing accountability and security of funds. It also eliminates the need for paying agents to make unexpected trips to U.S. embassies abroad to acquire additional funds. The program requires no additional equipment, and the U.S. Treasury absorbs the cost of debit card stock.

ADDITIONAL AUTOMATION SYSTEMS AND HARDWARE

6-40. There are other systems that interface with all FMIS besides the essential finance applications and systems needed to establish support in the area of operations. The interface between those systems is done using different types of software or hardware specialized in different areas of information management to deploy and process FM capabilities on time and accurately.

GLOBAL COMBAT SUPPORT SYSTEM-ARMY

6-41. GCSS-Army is a logistics and financial system that is tightly integrated with GFEBS and supports both tactical and installation operations. It utilizes a web-based, ERP solution to provide access to and exchange of operational data related to maintenance, materiel management, property accountability, standard stock supply procurement, and the associated financial execution information. GCSS-A is transforming Army

logistics processes by integrating or subsuming nine legacy logistics systems and various sustainment functions into a single repository to receive, store, issue, maintain, and account for materiel.

6-42. While GCSS-Army and GFEBS are two separate systems, they are fully integrated. Together, they revolutionize C2 by providing staffs and commanders with reliable data in real time on the status of funds and the disposition of supplies and equipment. GCSS-Army and GFEBS integrate key capabilities such as centralized funds distribution and retraction, consolidated status of funds and trial balance reporting, centralized reimbursable execution, and comprehensive managerial cost accounting and reporting.

INTEGRATED PERSONNEL AND PAY SYSTEM-ARMY

6-43. IPPS-A is an on-line HR system that provides integrated personnel, pay (future), and talent management (future) capabilities in a single system. The system uses a commercial off-the-shelf system that runs utilizing Oracles' PeopleSoft-based software. It provides end-to-end tracking of pay and personnel data and gives individual Soldiers access to their Soldier record brief. The system will automate the pay process while linking HR transactions such as dependent changes and promotions. The IPPS-A program provides integrated access by granting visibility and transaction functionality to commanders, Soldiers, and Army HR professionals and will greatly reduce the use of paper forms for data entry by allowing direct or automated input into the system.

FINANCIAL MANAGEMENT TACTICAL PLATFORM

6-44. The AN/TYQ-132(V)1 and AN/TYQ-132(V)2, Financial Management Tactical Platform is a deployable, modular, local area network configured hardware platform. It supports deployed ESC, FIBN, and FICO operations and is equivalent to systems used at home station.

6-45. The system is a modular design with FM applications necessary to perform mission tasks during operations. It operates on standard tactical networks and local area networks as well as on the DOD Information Network-Army and NIPRNET using the Sustainment Transport System.

6-46. Financial Management Tactical Platform functionality includes commercial vendor services, pay support, disbursing, accounting, travel, RM, and can provide access to GCSS-Army and GFEBS via a browser. This system improves internal controls, reducing loss of fund and accountability risk, and complies with congressional and DOD mandated FM reporting requirements.

THE 3IN1 NEXT GENERATION (FORMER 3IN1 TOOL)

6-47. The 3in1 Next Generation application is a streamlined solution to automate the SF 44, including ordering, receiving, and payment-now functionality that is accessible on smartphones, tablets, laptops, and desktops. This application replaces the legacy 3in1 Tool allows users to quickly fill out SF 44 forms and simplifies the process of clearing orders.

6-48. 3in1 Next Generation has an offline mode to support paying agents in locations with no network connectivity. This mode allows users to create SF 44s and queue them for clearance when a network connection becomes available. 3in1 Next Generation delivers an easy-to-use technology to execute immediate, off-the-shelf field purchases of supplies and services where use of the government purchase card is appropriate, but not feasible. It reduces risk to the field team, improves procurement and cash management on the battlefield, and provides immediate visibility of purchases and payments.

6-49. Use of 3in1 Next Generation is mandatory when automating the SF 44 process. For more information, visit the Joint Contingency and Expeditionary Services website at https://www.jccs.gov/JCCSCOE/.

Note. Paying agents and FOOs may use SF 44 for overseas transactions when supporting contingency, humanitarian, or peacekeeping operations as defined in FAR 2.101, not to exceed the simplified acquisition thresholds in accordance with DFARS 218.201(6).

FINANCE INFORMATION TECHNOLOGY CAPABILITIES

6-50. The AFMC and FISC have assigned IT Soldiers (military occupational specialties 25U, 25B, and 255A [warrant officer]) that are fully dedicated to support all IT-related issues and demands and provide specific FMIS IT support to all finance units in the area of operations.

6-51. The FISC can provide substantial organic IT support to units in its area of operation. The list below discusses IT capabilities the AFMC and FISC can provide:

- Full help desk support.
- Risk Management Framework standards for DOD IT.
- Certification to connect and approval to operate in the network.
- Install approved Army operating systems.
- Install applications and FMIS software.
- Troubleshoot configuration problems.
- Refer to enclave specific policies in theater.
- Request (through appropriate signal channels) for setup of new user and email accounts.
- Information assurance officer functions at accounting and disbursing station number or DSSN level.
- Establish and administer telephone control officer functions (divisional level).
- Define requirements for IT purchase.
- Establish and manage a life cycle replacement program.
- Deploy tactical communications and Financial Management Tactical Platform.
- Design and administer disaster recovery procedures, backups, and archives.
- Decommission sites and systems.
- Proper destruction of data drives.
- Personally identifiable information protection.
- Reach-back to FISC rear or other IT supporting organizations.
- Provide/coordinate communication requirements (for example, commercial telephone line, defense switch network, and local area network) for EagleCash Kiosks.

6-52. All FIBNs possess limited organic IT capabilities to support themselves and subordinate units under their C2. Below is a list of IT capabilities the FIBNs can provide:

- Basic help desk support.
- Troubleshoot individual computer problems.
- Install basic hardware.
- Submit and manage help desk tickets.
- Image personal computers.
- Load software (including FM-specific software).
- Install network drops.
- Cable runs.
- Network layer 1 troubleshooting.
- Request (through appropriate signal channels) for setup of new user and email accounts.
- Conduct Terminal Area Security Officer functions at their direct level or DSSN department level.
- Deploy tactical communications and Financial Management Tactical Platform.
- Maintain and perform disaster recovery procedures, backups, and archiving.
- Decommission sites and systems.
- Proper destruction of data drives.
- Personally identifiable information protection.

Appendix A

Appropriations, Authorities, Agreements, and Special Programs

Statutory limitations on spending certain types of appropriations to satisfy unforeseen requirements could restrict the commander's ability to legally apply fiscal resources toward the successful execution of a mission. This appendix describes several appropriations, authorities, agreements, and special programs available to commanders to complement their fiscal resources in theater.

APPROPRIATIONS

A-1. The United States Constitution directs that no money may be taken and used from the Treasury in absence of an appropriation. Appropriation bills provide the Army the authority to execute fiscal resources in line with the bill's intended purpose. In some instances, the requirement may be of such a unique nature that no existing fiscal authority provides legal means to satisfy it. In all these cases, legislation is necessary to provide commanders with the requisite fiscal flexibility to fund emerging requirements that fall outside the bounds of existing fiscal law.

OPERATION AND MAINTENANCE

A-2. The O&M appropriation has three types, each aligned to support the three components: OMA; Operations and Maintenance, Army Reserve; and Operations and Maintenance, Army National Guard. These appropriations pay for the day-to-day expenses of Army units in garrison and during exercises, deployments, and military operations. However, there are threshold dollar limitations for certain types of expenditures, such as purchases of major end items of equipment and construction of permanent facilities. Once expended, O&M accounts may be replenished for specific operations through supplemental appropriations from Congress, reprogramming actions, or the UN. O&M funds are typically a 1-year appropriation available for a specific FY and must be obligated during that FY (1 October - 30 September).

A-3. The Chairman of the Joint Chiefs of Staff provides an execute order to a CCDR describing mission requirements. Normally, the ASCC funds its participation in the operation with OMA funds. Service components use O&M to fund their Title 10 responsibilities for subordinate units and any additional responsibilities when designated as executive agent for a particular function or type of support.

A-4. O&M funds can support minor MILCON costing less than $2,000,000 (10 USC 2805).

Note. All amounts are subject to change. Refer to official and authoritative sources prior to action.

A-5. O&M funds cannot be used to procure equipment or systems that cost in excess of $350,000. This $350,000 limit is known as the expense/investment threshold. This limit and other similar limitations involving the use of O&M funds are the current thresholds established by Congress and are subject to change.

MILITARY PERSONNEL

A-6. The Army's Military Personnel appropriation has three types, each aligned to support the three components: Military Personnel, Army (MPA); Military Personnel, Army Reserve; Military Personnel, National Guard. Military personnel appropriations are used for paying entitlements, allowances, individual clothing, subsistence, interest on deposits, gratuities, and permanent change of station travel (including all expenses for organizational movements) for members of the active Army and mobilized Reserve Component Soldiers.

A-7. MPA is generally available for one FY and is centrally managed and funded. It supports theater bottled water and raw food acquisition in theater for military personnel (for civilians, raw food is funded with OMA). Since MPA is centrally managed, plan in advance for the use of MPA funding to ensure receipt of funding in time to satisfy the requirement.

PROCUREMENT

A-8. The Army's procurement appropriation has five sub-type appropriations: aircraft procurement, missiles procurement, weapons and tracked combat vehicles procurement, ammunition procurement, or other. While OMA funds day-to-day operations, Procurement is typically used for centrally managed items or systems that are considered investment items requiring the use of procurement funds regardless of cost (or the cost of individual components), large pieces of equipment, or systems that exceed the expense\investment threshold or are the purpose of some other major procurement account, such as aircraft or shipbuilding.

A-9. Procurement funds major end-item investments and/or table of organization and equipment to provide core capabilities to Army units. Examples: Tactical vehicles, communications equipment, computer networks and systems and any piece of equipment or system with a cost in excess of $350,000.

A-10. Due to the nature of this appropriation, procurement funding generally requires more planning lead-time than OMA. Units in theater do not normally receive any procurement funding and must coordinate with their ASCC G-8 for any requirements entailing Procurement funding. The ASCC will seek procurement funding from the Army Budget Office for all validated and approved procurement requirements. Army commands usually prescribe procedures to their subordinate units and activities detailing the acquisition and execution of procurement funding for mission requirements. Procurement funding is available for three years.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

A-11. Research, development, test, and evaluation funding provide for the development, engineering, design, purchase, fabrication, or modification of end items, weapons, equipment, or materials.

A-12. This appropriation is not normally used in theater by Army deployed units unless involved in the research, development, acquisition, and testing process. Research, development, test, and evaluation funding is available for two years.

MILITARY CONSTRUCTION

A-13. This appropriation provides for the acquisition of land and construction of buildings for which authorizing legislation is required. Examples include dining facilities, detention facilities, billets, and operations centers. It has three sub-type appropriations: Military Construction, Army; Military Construction, Army Reserve; and Military Construction, National Guard.

A-14. Congressional oversight of MILCON is extensive. Specific approval is required for any project above an established dollar threshold. Funds for these large construction projects require specific congressional approval and are provided in the annual Specified MILCON Program. MILCON appropriations also fund part of the Unspecified Minor MILCON Program. The Secretary of the Army may use minor MILCON funds for minor projects not specifically approved by Congress under the authority of 10 USC 2805a. Statutory authority contained in 10 USC 2803 and 2804 addresses this issue. This authority is limited to projects within prescribed dollar threshold limits. O&M funds may be used for unspecified minor construction under $2,000,000. Maintenance and repair are not considered construction, and expenditure of O&M funds for these purposes are not subject to the construction expenditure limitation. Maintenance is recurrent work to prevent deterioration and to maintain the facility in usable condition. Repair is the restoration of a facility in order that it may be used for its original purpose. When construction and maintenance or repair are performed together as an integrated project, each type of work is funded separately unless the work is so integrated that separation of construction from maintenance or repair is not possible. In such cases, all work is funded as construction. The Secretary of Defense is authorized to undertake emergency construction projects not otherwise authorized by law that are necessary to support the Armed Forces. Such projects are funded with any unobligated MILCON and family housing appropriations. MILCON is available for five years. Active Army projects are funded with the MILCON, Army appropriation.

THEATER COMMANDER ACTIVITY FUNDING

A-15. Theater commander activity funds are used to promote regional security and other U.S. national security goals. These funds fulfill the CCDR's need for flexible resources to interact with the militaries in their AOR to promote regional security and other national security goals. Frequently used authorities to fund these activities are not intended to replace or duplicate any other specifically authorized appropriated fund

sources available to the CCDRs. Services provide this funding with both O&M and military personnel appropriations.

A-16. CCDRs are responsible for direct oversight and execution of traditional theater commander activities within established policy and legal guidelines. The DOD and members of appropriate interagency working groups exercise broad review and policy oversight. Some examples of the use of traditional theater commander activity funding include military liaison teams, traveling contact teams, state partnership programs, regional conferences and seminars.

COMBATANT COMMANDER INITIATIVE FUND, 10 USC 166A

A-17. The Combatant Commander Initiative Fund (10 USC 166A) provides means for combatant commands to react to unexpected contingencies and opportunities. It is not intended to subsidize ongoing projects, supplement budget shortfalls, or support Service component expenses that are normally the responsibility of the parent Service. Funds may be used for C2, joint exercises, humanitarian and civic assistance, military education and training to military and related civilian personnel of foreign countries.

A-18. The CCDR may request the Chairman of the Joint Chiefs of Staff to provide funds for specific purposes to provide initial JTF communication support or initial support required to establish migrant camp operations.

EMERGENCY AND EXTRAORDINARY EXPENSE AUTHORITY, 10 USC 127

A-19. Emergency and Extraordinary Expense (EEE) authority (10 USC 127) provides the Secretary of Defense and Service secretaries authority to expend funds for any emergency or extraordinary expense which cannot be anticipated or classified within the limitation of the appropriation made for the purpose. This authority is provided annually by the Service Secretary in the O&M appropriation. EEE funds are funds that may be used to support certain unique requirements of operations. DOD and Service regulations that cover these funds define the types of acceptable expenditures.

A-20. The CCDR can request the Service component command to provide EEE. If EEE is available and no other funds are appropriate to resource an essential activity, the CCDR's Service component command normally requests approval of the Service Secretary through the Service headquarters if authority has not already been delegated or granted. If foreign currency is required to perform the activity, a Service finance office must be notified to obtain the appropriate currency. Types of EEE for the Army include funds for official investigations, criminal investigations, and intelligence contingencies. These requests must have approval on a case-by-case basis.

OFFICIAL REPRESENTATION FUND

A-21. Another type of EEE funds is the Official Representation Fund. It is used by high-level commanders (usually division commander and above) to uphold the standing and prestige of the U.S. by extending official courtesies to certain officials and dignitaries of the U.S. and foreign countries. Used correctly, it is very helpful in building relationships in contingency operations.

A-22. Service regulations and directives should be referenced regarding proper obligation and expenditure of these funds. Examples of when these funds may be proper to use include Fourth of July celebrations, changes of command, special meals, or gifts to foreign contingent commanders.

HUMANITARIAN ASSISTANCE, 10 USC 2561

A-23. 10 USC 2561 authorizes appropriated funds to be used to transport USG-procured humanitarian relief supplies and for other authorized humanitarian purposes.

A-24. To the extent that funds are authorized and appropriated for humanitarian assistance purposes, DOD funds can be used for military or commercial transportation. DSCA currently manages these funds, which are contained in the Overseas Humanitarian, Disaster, and Civic Aid account. The supported CCDR should forward requests to the Joint Staff for review and approval by DSCA and the Assistant Secretary of Defense (Special Operations and Low Intensity Conflict and Interrelated Capabilities).

FOREIGN SECURITY FORCES: AUTHORITY TO BUILD CAPACITY, 10 USC 333

A-25. The Secretary of Defense is authorized to conduct or support a program or programs to provide training and equipment to the national security forces of one or more foreign countries for the purpose of building their capacity to conduct counterterrorism operations, counter-weapons of mass destruction operations, counter-illicit drug trafficking operations, counter-transnational organized crime operations, maritime and border security operations, military intelligence operations, air domain awareness operations, operations or activities that contribute to an existing international coalition operation that is determined by the Secretary to be in the national interest of the United States, and cyberspace security and defensive cyberspace operations.

A-26. The Secretary of Defense and the Secretary of State shall jointly develop and plan any program carried out pursuant to subsection (a) of 10 USC 333. In developing and planning a program to build the capacity of the national security forces of a foreign country under subsection (a), the Secretary of Defense and Secretary of State should jointly consider political, social, economic, diplomatic, and historical factors, if any, of the foreign country that may impact the effectiveness of the program. The Secretary of Defense and the Secretary of State shall coordinate the implementation of any program under subsection (a). The Secretary of Defense and the Secretary of State shall each designate an individual responsible for program coordination under this paragraph at the lowest appropriate level in the Department concerned. Any notice required by this section to be submitted to the appropriate committees of Congress shall be prepared in coordination with the Secretary of State.

A-27. A program under subsection (a) may include the provision and sustainment of defense articles, training, defense services, supplies (including consumables), and small-scale construction supporting security cooperation programs under this section. A program under subsection (a) shall include elements that promote observance of and respect for the law of armed conflict, human rights and fundamental freedoms, the rule of law, and civilian control of the military and Institutional capacity building.

TRANSPORTATION OF HUMANITARIAN ASSISTANCE, 10 USC 402

A-28. 10 USC 402 provides for the military transportation of donated humanitarian relief supplies, subject to certain conditions. Assistance under this section is commonly referred to as the Denton Program and is jointly administered by the United States Agency for International Development (USAID), the DOS, and the DOD.

A-29. The DOD is authorized to transport donated supplies from NGOs intended for humanitarian assistance purposes. This transportation is authorized without charge but on a space-available basis. Before supplies can be transported, the DOD must determine that the transportation of the supplies is consistent with U.S. foreign policy, that the supplies to be transported are suitable for humanitarian purposes and in usable condition, that a legitimate humanitarian need exists for the supplies by the people for whom the supplies are intended, that the supplies will be used for humanitarian purposes, and that adequate arrangements have been made for the distribution of the supplies in the destination country by the NGO. DSCA manages the program and the funds. The supported CCDR should forward requests to the Joint Staff for approval by DSCA.

HUMANITARIAN AND CIVIC ASSISTANCE PROVIDED IN CONJUNCTION WITH MILITARY OPERATIONS, 10 USC 401

A-30. 10 USC 401 allows Service components to carry out humanitarian and civic assistance activities abroad. Projects must promote U.S. and HN security interests, as well as enhance readiness skills of the U.S. forces that participate. *Humanitarian and civic assistance* is assistance to the local populace, specifically authorized by Title 10, United States Code, Section 401, and funded under separate authorities, provided by predominantly United States forces in conjunction with military operations (JP 3-29). These projects are to be conducted in conjunction with authorized military operations and can complement, but not duplicate, other assistance provided by the USG. Humanitarian and civic assistance is confined to four general areas, which are defined by statute: medical, surgical, dental, and veterinary care; construction of rudimentary surface transportation; well drilling and construction of basic sanitation facilities; and rudimentary construction and repair of public facilities. These projects cannot benefit any individual or organization engaged in military or paramilitary activity.

A-31. Humanitarian and civic assistance projects must be nominated by the HN government and must be supported by the U.S. Embassy, the DOS, USAID, and the DOD. Section 401 activities are funded from Services' O&M accounts. The Assistant Secretary of Defense (Special Operations and Low Intensity Conflict and Interrelated Capabilities) provides oversight within the DOD. Humanitarian and civic assistance projects have included such activities as rudimentary construction and repair of public facilities, drilling wells for water, and providing medical, dental, and veterinary care in rural areas.

FOREIGN DISASTER ASSISTANCE, 10 USC 404

A-32. 10 USC 404 provides the President with the authority to direct the DOD to conduct foreign disaster assistance when necessary to prevent loss of life. This enables the DOD to utilize its unique airlift and rapid deployment capabilities to address humanitarian problems caused by natural or manmade disasters worldwide. Assistance provided under this section may include transportation, supplies, services, and equipment.

A-33. This authority provides for the military transportation of donated humanitarian relief subject to certain conditions. Assistance under this section is commonly referred to as the Denton Program and is jointly administered by USAID, the DOS, and the DOD.

EXCESS NONLETHAL DEFENSE SUPPLIES, 10 USC 2557

A-34. 10 USC 2557 makes nonlethal excess DOD supplies available for humanitarian relief purposes. The DOD transfers nonlethal excess supplies to the DOS for distribution. This authority could be cited to transfer medical supplies, meals ready to eat, and equipment in support of a humanitarian relief effort.

THE ECONOMY ACT, 31 USC 1535, ET SEQ.

A-35. The Economy Act (Title 31, USC) authorizes agencies to enter into agreements to obtain supplies or services from another agency. The FAR applies when one agency uses another agency's contract to obtain supplies or services. If the interagency business transaction does not result in a contract or an order, then the FAR does not apply. The Economy Act also provides authority for placement of orders between major organizational units within an agency; procedures for such intra-agency transactions are addressed in agency regulations. An activity within DOD may place an order for goods or services with (1) another activity within the same DOD component, (2) another DOD component, or (3) with another federal agency.

A-36. Transactions include interagency and intra-agency support, where an activity needing supplies or services (the requesting or ordering agency) obtains them from another activity (the servicing or performing agency). Within the DOD, Economy Act orders are typically executed by issuance of a DD Form 448. Project orders are outside the scope of the Economy Act as defined under 41 USC §6307 and discussed in DOD 7000.14-R, Volume 11A shall be referenced for overall guidance and discussion of general reimbursement procedures and supporting documentation. For example, this authority is used routinely when a requesting agency (customer authority) places an order for goods or services to another federal agency or DOD component.

PROJECT ORDER ACT

A-37. The Project Order Act gives DOD activities the authority to place orders with other DOD activities in accordance with published guidance. A project order is a specific, definite, and certain order issued under the authority contained in 41 USC 23. When placed with and accepted by a separately managed DOD establishment, the project order serves to obligate appropriations in the same manner as orders or contracts placed with commercial enterprises.

A-38. Guidance regarding project orders is contained in DOD 7000.14-R, Volume 11A. A “DOD-owned establishment” for the purpose of this chapter is any DOD-owned and operated activity (that is not contractor-owned or operated). Such activities include working capital fund activities, other revolving fund activities, and those appropriated fund activities engaged in reimbursable operations that reasonably are not severable into FY segments and where such operations can be forecasted with reasonable accuracy. Examples of such activities include equipment overhaul or maintenance shops, manufacturing or processing plants or shops, research and development laboratories and computer software design activities.

STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT, 42 USC 5121, ET SEQ.

A-39. The Stafford Disaster Relief and Emergency Assistance Act (42 USC 5121) provides for an orderly and continuing means of assistance by the Federal Government to state and local governments in carrying out their responsibilities to alleviate disaster-related suffering and damage.

A-40. Upon the request of the affected state's governor, the President may declare an emergency or major disaster, thereby permitting mobilization of federal assistance under the act. The Stafford Act requires reimbursement to the DOD for the incremental costs of providing support. *Incremental costs* are costs additional to the Service appropriations that would not have been incurred absent support of the contingency operation (JP 3-80). Approval authority and reporting requirements vary depending on the duration and type of support requested. The President may direct any agency of the Federal government to undertake missions and tasks on either a reimbursable or non-reimbursable basis.

AUTHORITIES

A-41. In addition to regulatory mandates, there are other authorities that contain guidance and directives that complement the current laws and regulations governing the funding process. During the conduct of contingency operations, complexities in both the OE and the nature of the mission may require additional flexibility with respect to the use of fiscal resources by commanders to accomplish their assigned missions and achieve the desired end-state. Operating with multinational partners may necessitate providing logistics or other support to their forces beyond what a current ACSA order can provide. However, there must be specific legal authorities that allow the expenditure of appropriated funds to provide for that support. The SJA, as an integral member of the fiscal triad, should be consulted whenever there is no clear statutory authority.

DRAWDOWN AUTHORITIES

A-42. There are three drawdown authorities contained within the Foreign Assistance Act of 1961, as amended. All three require a presidential determination and some form of notification to Congress. They are available for use within each FY up to a specified dollar amount. The calculation of costs for all goods and services provided under these authorities and reported to Congress is on the basis of "full cost to the Government." The calculation of costs includes the full cost of all military and civilian labor associated with the drawdown. Although these authorities are limited to existing defense stocks, a reduction of items from inventory below the reorder point may cause a new procurement action to replenish stocks. Such authority generally does not have funding attached. Drawdown authority does not draw a distinction between stocks that are at the retail or wholesale level.

A-43. Drawdown authority provides defense articles, equipment, military education, and training. It can also provide DOD services. Examples include military transportation, military sealift, and military personnel offloading ships. This authority cannot be used for new contracting or procurement. It can be cited by the DOD to contract for commercial airlift or sealift (if more economical). However, it cannot be used to provide housing and food under a Logistics Civil Augmentation Program contract to members of a foreign country or international organization.

A-44. Under normal circumstances, DSCA may use this authority to direct the provision of supplies in two ways. First, DSCA may assemble a rush package to be sent to the appropriate foreign contingent. Second, DSCA may use an execute order to direct certain stocks be provided to a specific foreign contingent.

Drawdown for an Unforeseen Emergency, FAA Section 506(A)(1)

A-45. Under section 506(a)(1) of the FAA, military assistance (defense articles and services) can be furnished to a foreign country or international organization on a non-reimbursable basis due to an unforeseen emergency. This action requires a Presidential Determination and report in advance to Congress that an unforeseen emergency exists that cannot be met under the Arms Export Control Act or any other law. Peacekeeping is a recognized purpose for using this drawdown authority.

A-46. Normally, requests are initiated by the U.S. Embassy in the concerned country and forwarded to the DOD. The CCDR may also identify needs to the J-5 for forwarding to DOS or the National Security Council.

Once the concept is approved, the DOS initiates documentation for the President to approve and to notify Congress. Once drawdown authority has been approved, DSCA manages the program for the DOD and provides detailed accounting procedures.

Drawdown for Peacekeeping, FAA Section 552(C)

A-47. The President can draw down commodities and services from any U.S. agency for unforeseen emergencies to support peacekeeping activities. This authority can be used for new contracting or procurement, or it can be cited by the DOD to contract for commercial airlift or sealift (if more economical). However, it cannot be used to provide housing and food. It requires a Presidential Determination and report in advance to Congress that an unforeseen emergency exists that requires the immediate provision of assistance.

A-48. As with the drawdown for an unforeseen emergency, requests are normally initiated by the U.S. Embassy in the concerned country and forwarded to the DOD. The CCDR may also identify needs to the J-5 for forwarding to DOS or the National Security Council. Once the concept is approved, the DOS initiates documentation for the President to approve and to notify Congress. Once drawdown authority has been approved, DSCA manages the program for the DOD and provides detailed accounting procedures.

CONTINGENCY CONSTRUCTION AUTHORITY

A-49. Contingency construction authority allows use of O&M funds to carry out a construction project outside the U.S. under the following conditions:

- The construction is necessary to meet urgent military operational requirements of a temporary nature involving the use of the Armed Forces in support of a declaration of war, the declaration of a national emergency by the President under the National Emergencies Act (50 USC 1621), or a contingency operation.
- The construction is not carried out at a military installation where the U.S. is reasonably expected to have a long-term presence.
- The U.S. has no intention of using the construction after the operational requirements have been satisfied.
- The level of construction is the minimum necessary to meet the temporary operational requirements. Commanders use this authority to fund with OMA those construction projects that exceed the OMA construction limitations of $2,000,000 for minor MILCON.

A-50. Construction projects are vetted and submitted through command channels to the CFLCC. The CFLCC is the proponent for these projects. The projects are submitted by the CFLCC through the Assistant Chief of Staff Installation Management Command to the USD(C) for approval. The level of congressional authority is contained in the current appropriations law. The responsible combatant command prioritizes these projects and includes them in their construction integrated priority list. For example, this authority has been used to construct detention facilities, base camps, and other infrastructure in theaters of operation.

FOREIGN MILITARY SALES ARMS EXPORT CONTROL ACT, 22 USC 2761

A-51. The Foreign Military Sales Arms Export Control Act, (22 USC 2761) is used to sell defense articles and services to the UN and foreign governments. Foreign governments and the UN may enter into a standard foreign military sales arms contract with the DOD for the sale of defense articles and services. This is the primary authority to lease defense articles to third world countries and international organizations. 22 USC 2796-2796a contains the specific authority for leasing defense articles in the Foreign Military Lease Program (part of The Foreign Military Sales Arms Export Control Act). The Foreign Military Sales Arms Export Control Act is generally regarded as the least preferable authority because of inflexible contract terms, higher costs, and lengthy processing time.

A-52. The UN or another country can enter into a foreign military sales contract with the DOD through an LOA, which is a contractual document issued by the UN to a government authorizing it to provide goods or services to a peacekeeping operation. Ordinarily, the country pays the DOD in advance for all costs, plus an administrative surcharge. The Foreign Military Sales Arms Export Control Act and ACSAs are the only authorities available to the DOD to lease defense articles. Leases are processed as standard foreign military

sales cases and are generally made on a reimbursable basis. However, leases of defense articles may be made on a non-reimbursable basis if the article has passed three-quarters of its normal service life.

EXCESS DEFENSE ARTICLES, 22 USC 2321J

A-53. The Excess Defense Articles Provision (22 USC 2321j) gives the authority to sell or grant articles no longer needed by the Armed Forces of the U.S. to eligible countries. It authorizes lethal and nonlethal support on a priority basis to countries on the southern and southeastern flank of NATO. Defense articles no longer needed by the Armed Forces of the U.S. may be made available for sale under foreign military sales procedures or on a grant (no cost) basis to eligible countries. The purpose is to modernize defense capabilities of eligible NATO countries on the southern and southeastern flank of NATO and to major non-NATO allies on these flanks. Eligible countries include Greece, Portugal, Turkey, Israel, Egypt, Morocco, Pakistan, Senegal, and Oman.

ECONOMIC SUPPORT FUND, FAA SECTION 531, 22 USC 2346

A-54. The purpose of the Economic Support Fund (22 USC 2346) is to furnish assistance to countries based on special economic, political, or security interests of the U.S. Most assistance is provided as cash grant transfers to help other countries improve their balance of payments. The remainder is spent on commodity support to import U.S. goods for development projects. The fund shall be available for economic programs only and may not be used for military or paramilitary purposes.

A-55. The President is authorized to furnish assistance to countries and organizations, on such terms and conditions as may be determined, to promote economic or political stability. The DOS usually provides funds directly to the countries involved. However, DOS can provide these funds to the DOD through an agreement pursuant to section 632 of the FAA. The USD(C) and counterparts at the DOS develop the agreement. If the CCDR determines a need for these funds, the Joint Staff J-5 may be contacted.

PEACEKEEPING OPERATIONS FUND, FAA SECTION 551, 22 USC 2348

A-56. The Peacekeeping Operations Fund (22 USC 2348) is used to furnish assistance to friendly countries and international organizations pursuant to the national interests of the U.S. The President is authorized to furnish assistance to countries and organizations, on such terms and conditions as may be determined, for peacekeeping operations and programs. Such assistance may include reimbursement to the DOD for expenses incurred pursuant to Section 7 of the United Nations Participation Act.

A-57. The DOS usually provides funds directly to the countries involved. However, the DOS can provide these funds to the DOD through an agreement pursuant to Section 632 of the FAA. The USD(C) and counterparts at the DOS develop the agreement. If the supported CCDR determines a need for these funds, the Joint Staff J-5 may be contacted. Preferably, the Service funding the operation for the CCDR contacts the USD(C).

INTERNATIONAL MILITARY EDUCATION AND TRAINING, 22 USC 2347-2347E

A-58. The International Military Education and Training Provision (22 USC 2347 to 2347E) provides military education and training to military and related civilian personnel of foreign countries.

A-59. DOS obtains a request for training from the HN government and passes the request to the DOD. If the CCDR desires to provide military education or training to countries in the AOR, it is usually arranged through the country team at the U.S. Embassy. CCDRs may also submit the proposal to the Joint Staff J-5 for review. Once approved by the DOS, the DOD (through DSCA) attempts to provide the service directly. If the DOD is unable to provide the service directly, a security assistance tasking can be prepared, citing international military education and training funds. DSCA then contracts for the required support. For example, many foreign defense and non-defense establishments have been trained through the international military education and training provision. Through their attendance at sponsored training, these personnel receive exposure to U.S. values, regard for human rights, democratic institutions, and the value of a professional military under civilian control.

REIMBURSABLE AUTHORITY, FAA SECTION 607, 22 USC 2357

A-60. 22 USC 2357 authorizes any federal agency to furnish commodities and services to friendly countries, the American Red Cross, voluntary nonprofit relief agencies, and international organizations when the President determines that such assistance furthers the purposes of Part 1 of the FAA. Support may be provided only on a reimbursable or advance-of-funds basis.

A-61. The DOS obtains requests for commodities and services from the UN as well as other nations. After review, these requests may be forwarded through DOD Assistant Secretary of Defense (Strategy and Requirements) to DSCA for execution. Once DSCA approves shipment of the commodities, DFAS submits a billing statement to the UN or other organization, which then reimburses the Service. The determination required by the statute must be made each time a new operation is to be supported under this authority. The authority for making this determination has been delegated to the Secretary of State and to the Administrator of USAID.

A-62. Support of each new operation requires the negotiation and conclusion of a separate FAA Section 607 agreement. Section 607 agreements set the overall terms and conditions that govern the provision of assistance and have been used in UN operations around the world. The UN LOA procedure is the ordering mechanism specified in those agreements.

A-63. Under FAA Section 607, assistance may be furnished only on an advance-of-funds or reimbursable basis. Reimbursement cannot be waived. Reimbursements received may be deposited by the Service providing the assistance back into the appropriation originally used, or, if received within 180 days of the close of the FY in which the assistance was furnished, into the current account concerned. These amounts then remain available for the purposes for which they were appropriated. Reimbursements received after this 180-day period cannot be retained by the DOD and must be deposited in the miscellaneous receipts account of the general treasury.

SECTION 7 OF THE UNITED NATIONS PARTICIPATION ACT, 22 USC 287D-1

A-64. Section 7 of the United Nations Participation Act (22 USC 287d-1) authorizes support to UN peacekeeping operations. This authority permits the DOD to contribute no more than 1,000 personnel at a time to serve as observers, guards, or in any noncombatant capacity and to contribute nonlethal equipment, supplies, and services to UN operations.

A-65. A memorandum of understanding serves as the agreement between the UN and the United States to establish the administrative, logistics and financial terms and conditions to govern the contribution of personnel, equipment, and services provided in support of a peace operation. Standard reimbursement rates will apply.

A-66. The UN field staff will conduct verification inspections and initiate a verification report to ensure each party is meeting its obligations under the terms of the memorandum of understanding. The report is reviewed and signed by the peacekeeping operation's Force Commander/Police Commissioner, the Chief Administrative Officer, and the Contingent Commander and is sent to UN headquarters. The UN headquarters balances the report against the memorandum and calculates the reimbursement for disbursement. Reimbursements are calculated on quarterly basis and paid in March, June, September, and December each year.

A-67. Reimbursement is ordinarily required from the UN. However, reimbursement may be waived when the President finds exceptional circumstances or that such waiver is in the national interest. The DOS also has the authority to waive reimbursement after consultation with the DOD.

AGREEMENTS

A-68. Different agreements are designed to establish a common understanding between nations, governments, and organizations. Resource managers must be aware of these agreements and follow them with extreme caution since the impact has a higher relevancy during operations involving other allies, Services, or international organizations.

ACQUISITION AND CROSS-SERVICING AGREEMENT, 10 USC 2342

A-69. The purpose of the ACSA authority provided under 10 USC 2342 is to acquire or transfer logistics support, supplies, and services outside of the Arms Export Control Act channels. Under this authority, the DOD, after consultation with DOS, may enter into agreements with eligible nations and international organizations (this includes NATO and its subsidiary bodies and the UN). This authority is limited to the purchase and sale of logistics support, supplies, and services and does not extend to major end items of equipment such as trucks or weapons systems.

A-70. Acquisitions and transfers are on a monetary reimbursement, replacement in kind, or equal value exchange basis. Replacement in kind or equal value exchange must be accomplished within 12 months after the date of delivery of the logistics support, supplies, or services. After 12 months, the order converts to monetary reimbursement.

STATUS OF FORCES AGREEMENT

A-71. Status-of-forces agreements are between countries or eligible organizations that delineate responsibilities among the participants. Among these responsibilities are the participants' financial liabilities for support. These agreements define the specific mechanisms required for reimbursement of costs. An example of the use of this authority is when multinational partners cooperate in a military operation. In this case, support can be provided to foreign forces with which the U.S. has a status-of-forces agreement. The agreement between the DOD and the defense ministries of other nations, or between the DOD and international organizations, must be based on specific legal authority and negotiated in accordance with proper procedures.

632 AGREEMENTS (DEPARTMENT OF STATE FUNDS)

A-72. The DOS and DOD may negotiate agreements in which DOD agrees to initially fund requirements that are legally a DOS responsibility. These agreements are called 632 Agreements. They are generally negotiated for a specific purpose with a specific amount of funds attached. Once these agreements are signed, they provide the legal authority for the DOD to incur obligations on a reimbursable basis for the purpose intended. The documentation is consolidated and sent to the DOS for reimbursement. Examples of the use of this agreement by the DOD and the reimbursement by the DOS include the paying of stipend payments to foreign military forces, providing support to foreign military forces not covered under 506 (a)(1) drawdown authority, funds to cover emergency medical evacuation of foreign Soldiers to U.S. medical treatment facilities, and providing special dietary requirements for foreign contingents.

Note. DODI 4000.19 provides the DOD policy for interservice and intragovernmental support agreements.

SPECIAL PROGRAMS

A-73. These programs are designed to address specific areas that regular funding and appropriations may not cover. They are very specific in nature and their use is intended to have an immediate positive effect on the overall mission. These programs may or not be available at any given time or place.

DOD REWARDS PROGRAM

A-74. Title 10, USC, Section 127b authorizes the DOD to pay rewards to persons for providing USG personnel or government personnel of multinational forces participating in a multinational operation with U.S. Armed Forces with information or assistance that is beneficial to: (1) an operation or activity of the armed forces or of multinational forces participating in a multinational operations with multinational forces conducted outside of the U.S. against international terrorism; or (2) personnel protection of the armed forces or multinational forces participating in a combined operation with U.S. armed forces. This authority is useful to encourage the local citizens of foreign countries to provide information and other assistance, including the delivery of dangerous personnel and weapons, to USG personnel or government personnel of multinational forces. The DOD Rewards Program is not an intelligence program and is not intended to replace existing programs.

A-75. DOD 7000.14-R, Volume 12 provides overall policy and guidance for the implementation of the DOD Rewards Program. Combatant commands provide additional policy guidance for this program within their respective AOR. For example, U.S. or multinational units pay rewards for information helpful to the multinational force and is not limited only to information leading to the capture of a high value individual or seizure of weapons.

DOD Authorities for Foreign and Security Assistance Programs

A-76. These authorities and appropriations are made available to train, equip, and maintain the security forces of the HN government. These authorities serve as a funding stream that provides support to all elements of HN security forces including the Army, police forces, special task forces, and border security.

A-77. Host Nation Forces Fund is administered by Multinational Security Transition Command. Congress appropriates funding HN Forces Fund annually and the attendant authority is not codified in law. These funds are used to purchase equipment, sustainment, training, facilities, and other resources necessary to train and equip HN security forces.

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Glossary

The glossary lists acronyms and terms with Army or joint definitions and other selected terms. Where Army and joint definitions differ, (Army) precedes the definition. The glossary lists terms for which FM 4-80 is the proponent with an asterisk (*) before the term. For other terms, it lists the proponent publication in parentheses after the definition.

SECTION I – ACRONYMS AND ABBREVIATIONS

ACSA	acquisition and cross-servicing agreement
ADP	Army doctrine publication
AFMC	Army Financial Management Center
AOR	area of responsibility
AR	Army regulation
ASA(FM&C)	Assistant Secretary of the Army (Financial Management and Comptroller)
ASCC	Army Service component command
ATP	Army techniques publication
C2	command and control
CBE	command budget estimate
CCDR	combatant commander
C-FIBN	corps finance battalion
C-FICO	corps finance company
CFLCC	coalition forces land component commander
CMS	Case Management System
COA	course of action
CVP	commercial vendor payment
DA	Department of the Army
DD	Department of Defense (form)
DDS	Deployable Disbursing System
DFARS	Defense Federal Acquisition Regulation Supplement
DFAS	Defense Finance and Accounting Service
DJMS	Defense Joint Military Pay System
DOD	Department of Defense
DODD	Department of Defense directive
DODI	Department of Defense instruction
DODM	Department of Defense manual
DOS	Department of State
DSCA	Defense Security Cooperation Agency
DSSN	disbursing station symbol number
EEE	emergency and extraordinary expense
EFT	electronic funds transfer

EPW	enemy prisoner of war
ERP	enterprise resource planning
ESC	expeditionary sustainment command
FAA	Foreign Assistance Act
FAR	Federal Acquisition Regulation
FIBN	finance battalion
FICO	finance company
FIOC	finance operations center
FISC	finance support center
FM	field manual, financial management
FMIS	financial management information system
FOO	field ordering officer
FORSCOM	United States Army Forces Command
FST	finance support team
FY	fiscal year
FYDP	Future Years Defense Program
G-1	assistant chief of staff, personnel
G-3/5/7	assistant chief of staff, operations, plans, and training
G-4	assistant chief of staff, logistics
G-6	assistant chief of staff, signal
G-8	assistant chief of staff, financial management
GCSS-Army	Global Combat Support System-Army
GFEBS	General Fund Enterprise Business System
HN	host nation
HQDA	Headquarters, Department of the Army
HR	human resources
INDOPACOM	United States Indo-Pacific Command
IPPS-A	Integrated Personnel and Pay System-Army
IT	information technology
ITS.gov	International Treasury Services
J-4	logistics directorate of a joint staff
J-5	plans directorate of a joint staff
JP	joint publication
JTF	joint task force
LDA	limited depositary account
LOA	letter of assist
MAFR	Merged Accountability and Fund Reporting
MDEP	Management Decision Evaluation Package
MDMP	military decision-making process
MILCON	military construction
MPA	Military Personnel, Army

NATO	North Atlantic Treaty Organization
NGO	nongovernmental organization
NIPRNET	Nonclassified Internet Protocol Router Network
O&M	operation and maintenance
OE	operational environment
OMA	Operations and Maintenance, Army
OMB	Office of Management and Budget
ONS	Operational Needs Statement
OPORD	operation order
OSD	Office of the Secretary of Defense
OTCnet	Over the Counter Channel application
POM	program objective memorandum
PPBE	planning, programming, budgeting, and execution
RM	resource management
S-1	battalion or brigade personnel staff officer
S-3	battalion or brigade operations staff officer
S-4	battalion or brigade logistics staff officer
S-6	battalion or brigade signal staff officer
S-8	battalion or brigade financial management officer
SF	standard form
SIPRNET	SECRET Internet Protocol Router Network
SJA	staff judge advocate
SOP	standard operating procedure
T-FIBN	theater finance battalion
T-FICO	theater finance company
TSC	theater sustainment command
UN	United Nations
U.S.	United States
USAFMCOM	United States Army Financial Management Command
USAID	United States Agency for International Development
USARPAC	United States Army Pacific
USC	United States Code
USD(C)	Under Secretary of Defense (Comptroller)
USG	United States Government
WAWF	Wide Area Workflow

SECTION II – TERMS

***accounting support**

The accurate and complete recording of financial transactions within the Army financial management information systems and the review and reconciliation of these financial transactions to ensure the proper expenditure of entrusted funds in support of operations.

administrative control

Direction or exercise of authority over subordinate or other organizations in respect to administration and support. (JP 1, Vol 2)

***audit readiness**

The activities and enabling initiatives to strengthen internal controls and improve practices, processes, and systems so there is reasonable confidence the information can withstand scrutiny by an independent auditor.

***banking support**

Establishing and coordinating the mechanisms for obtaining, exchanging, and depositing physical and electronic currency and negotiable instruments necessary to support policy, operations, and host-nation banking infrastructure.

***budget formulation**

The translation of programming decisions and commanders' operational planning into an appropriation format for justification to Congress.

characteristic

A feature or quality that marks an organization or function as distinctive or is representative of that organization or function. (ADP 1-01)

commander's critical information requirement

Specific information identified by the commander as being essential to facilitate timely decision making. (JP 3-0)

core competency

An essential and enduring capability that a branch or an organization provides to Army operations. (ADP 1-01)

***cost center**

A base for a management optimization model utilized to reflect the business, its inputs, conversions, and outputs in order to support management decisions.

***cost culture**

A culture where all leaders and managers factor cost into their decision-making and understand both the near and long-term cost implications of their decisions.

cyberspace domain

The interdependent networks of information technology infrastructures and resident data, including the Internet, telecommunication networks, computer systems, embedded processors and controllers, and relevant portions of the electromagnetic spectrum. (FM 3-0)

***disbursing support**

The paying of public funds to entities in which the United States Government is indebted; the collection and deposit of monies; the safeguarding of public funds; and the documenting, recording and reporting of such transactions.

***economic analysis**

A detailed report identifying all the financial aspects of military spending of a specific geographical area and the economic effect of the United States forces' presence.

executive agent

A delegation of authority by the Secretary of Defense or Deputy Secretary of Defense to a subordinate to act on behalf of the Secretary of Defense. (JP 1, Vol 2)

***finance and comptroller**

The branch and profession that represents the totality of integrated fiscal capability required at all echelons.

***finance operations**

A financial management core competency that consists of the functions of disbursing, banking, payment support, accounting, internal controls, and financial data analytics.

***financial data analytics**

The process of collecting, organizing, and analyzing financial data to drive fact-based, resourced-informed decision making that optimizes commanders' resources.

***financial management**

(Army) An element of the sustainment warfighting function that leverages fiscal policy and economic power across operations through the two core competencies of finance operations and resource management.

***fiscal stewardship**

The careful and responsible management of public monies entrusted to the Army by the American People.

***fiscal triad**

The process that governs the critical path between entities within the acquisition process that ensures statutory and regulatory compliance for contracting and financial management for acquisition management, internal controls, and fiscal law prescribed for the procurement process.

foreign nation support

Civil and/or military assistance rendered to a nation when operating outside its national boundaries during military operations based on agreements mutually concluded between nations or on behalf of intergovernmental organizations. (JP 3-80)

friendly force information requirement

Information the commander and staff need to understand the status of friendly force and supporting capabilities. (JP 3-0)

***fund the force**

The critical capability that matches legal and appropriate sources of funds with thoroughly vetted and validated requirements.

host nation

A nation which receives forces and/or supplies from allied nations and/or North Atlantic Treaty Organization to be located on, to operate in, or to transit through its territory. (JP 3-57)

humanitarian and civic assistance

Assistance to the local populace, specifically authorized by Title 10, United States Code, Section 401, and funded under separate authorities, provided by predominantly United States forces in conjunction with military operations. (JP 3-29)

incremental costs

Costs additional to the Service appropriations that would not have been incurred absent support of the contingency operation. (JP 3-80)

joint force commander

A general term applied to a combatant commander, subordinate unified commander, or joint task force commander. (JP 1, Vol 1)

joint security area

A specific area to facilitate protection of joint bases and their connecting lines of communications that support joint operations. (JP 3-10)

joint task force

A joint force that is constituted and so designated by the Secretary of Defense, a combatant commander, a subordinate unified commander, or an existing joint task force commander to accomplish a specific mission. (JP 1, Vol 1)

letter of assist

A contractual document issued by the United Nations to a government authorizing it to provide goods or services to a peacekeeping operation. (JP 3-80)

***limited depositary account**

A checking account in a United States or foreign commercial bank that is designated by the Treasury Department to receive deposits from disbursing officers for credits to their official limited depositary checking accounts.

***line of accounting**

A data structure representing a Department of Defense account that may be used to track travel funding (transportation, per diem, meals, and incidental expenses) associated with an organization's budget and to ensure accurate accounting transactions.

mission command

(Army) The Army's approach to command and control that empowers subordinate decision making and decentralized execution appropriate to the situation. (ADP 6-0)

multidomain operations

The combined arms employment of joint and Army capabilities to create and exploit relative advantages to achieve objectives, defeat enemy forces, and consolidate gains on behalf of joint force commanders. (FM 3-0)

national strategic level of warfare

The level of warfare at which the U.S. government formulates policy goals and ways to achieve them by synchronizing action across government and unified action partners and employing the instruments of national power. (FM 3-0)

noncombatant evacuation operation

The withdrawal of civilians and noncombatants from a threatened area abroad that is carried out with the assistance of the Department of Defense. (JP 3-68)

nongovernmental organization

A private, self-governing, not-for-profit organization dedicated to alleviating human suffering; and/or promoting education, health care, economic development, environmental protection, human rights, and conflict resolution; and/or encouraging the establishment of democratic institutions and civil society. (JP 3-08)

***obligation management**

A basic function of financial management operations that provides fiscal controls to protect against Antideficiency Act violations.

operational environment

The aggregate of the conditions, circumstances, and influences that affect the employment of capabilities and bear on the decisions of the commander. (JP 3-0)

operational level of warfare

The level of warfare in which campaigns and operations are planned, conducted, and sustained to achieve operational objectives to support achievement of strategic objectives. (JP 3-0)

***payment support**

The calculation of entitlements, verification and validation of appropriate documentation, and certification of payments.

***pecuniary liability**

The fiscal responsibility for the physical loss or deficiency of public money, vouchers, checks, securities, or records.

principle

A comprehensive and fundamental rule or an assumption of central importance that guides how an organization approaches and thinks about the conduct of operations. (ADP 1-01)

priority intelligence requirement

The intelligence component of commander's critical information requirements used to focus the employment of limited intelligence assets and resources against competing demands for intelligence support. (JP 2-0)

***procurement support**

The critical role financial management plays in acquiring, certifying, accounting, and disbursing the funding requirements for operational contract support.

***resource management**

(Army) A financial management core competency that consists of the functions of programming, budget formulation, budget distribution, budget execution, accounting support, internal controls, and financial data analytics.

running estimate

The continuous assessment of the current situation used to determine if the current operation is proceeding according to the commander's intent and if planned future operations are supportable. (ADP 5-0)

***spot rate**

The price that is quoted for immediate settlement on a commodity, a security, or a currency.

sustainment warfighting function

The related tasks and systems that provide support and services to ensure freedom of action, extend operational reach, and prolong endurance (ADP 3-0).

tactical level of warfare

The level of warfare at which forces plan and execute battles and engagements to achieve military objectives. (JP 3-0)

***technical oversight**

Encompasses the provision of recommendations and advice to theater commanders regarding the employment, integration, direction, and control of financial management forces for the accomplishment of assigned missions.

unified action partners

Those military forces, governmental and nongovernmental organizations, and elements of the private sector with whom Army forces plan, coordinate, synchronize, and integrate during the conduct of operations. (ADP 3-0)

warfighting function

A group of tasks and systems united by a common purpose that commanders use to accomplish missions and training objectives. (ADP 3-0)

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