

# RM RESOURCE MANAGEMENT

Information • Education • Professional Development

HIGHLIGHT P. 10  
FY 2012 Resource  
Management Awards

**Focus on**

## Audit Readiness

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Command's Pathway to  
Auditable Financial  
Statements

19 Financial Management in  
a Drawdown



**RM** RESOURCE  
MANAGEMENT

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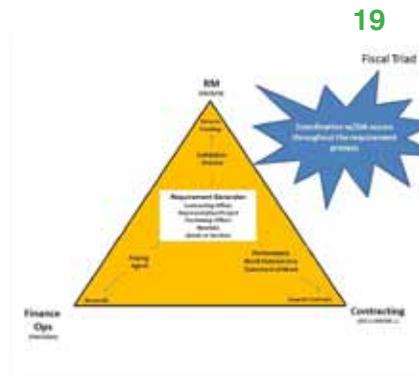
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# RM

## RESOURCE MANAGEMENT

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\*RM Publication Special Edition - This 2013 edition includes articles and photographs covering 2 - 4th Qtr. Due to the fiscal uncertainty and the shutdown individual editions were not published.

## Message from the Assistant Secretary of the Army (FM&C): Auditability

By The Honorable Mary Sally Matiella

The Army has made great strides towards achieving full auditability of its financial statements by September 30, 2017. In the third quarter of 2013, an external auditor finalized its report on the Army's second examination of the General Fund Consolidated Statement of Budgetary Resources (GF SBR). The auditor's findings are consistent with those we previously identified which highlighted that the Army has made significant progress towards achieving auditability of the GF SBR.

The auditor identified three areas that require immediate improvement: 1) journal voucher processing must be properly implemented across the enterprise, 2) correct supporting documentation must be provided in a timely manner, and 3) General Fund Enterprise Business System (GFEBS) General IT controls must be in place and operating effectively. Over the next several months we will focus on these areas as the GF SBR Exam 3 is underway. It is the full engagement of our leaders and all personnel that will ensure we successfully accomplish our audit readiness mission.

### 3 AREAS THAT REQUIRE IMMEDIATE IMPROVEMENT:

- 1) Journal voucher processing must be properly implemented across the enterprise**
- 2) Correct supporting documentation must be provided in a timely manner**
- 3) General Fund Enterprise Business System (GFEBS) General IT controls must be in place and operating effectively.**



Applause is well deserved for these efforts, but the challenge is far from over. Looking ahead at the coming fiscal year, we have set the bar high for financial improvement, but the goals are attainable. We will be looking closely at the results from the ongoing GF SBR Exam 3 and the Real Property Quick Wins Exam. We will also monitor results and provide commands feedback from our own internal monthly testing. In Fiscal Year (FY) 14, we will also be asserting to the Existence & Completeness of Military Equipment, General Equipment, and Real Property to validate our progress for these critical Accountability

and Audit Readiness milestones. I am encouraged by the momentum we have built to date and am deeply committed to meeting our goals and perfecting the quality of the Army's financial information. I take great pride in knowing our financial management community is professional, skilled, and poised to achieve audit readiness.

Again, thank you for continued engagement in this great effort. **RM**

## Functional Chief Representative: Civilian Workforce Transformation

By: *Ivonne Reid-Borland*

Financial Managers today are facing a more constrained and challenging resource environment. As a result, we must endeavor to sharpen our focus and capitalize on training and development opportunities. Resources and resourcing strategies are being scrutinized to ensure the best return on the training investment for long and short term training and developmental opportunities. Rapidly changing technologies in the Civilian Workforce Transformation (CWT) arena provide fresh opportunities for the planning and execution of training and development of Army Civilians.

In this article we will update you about CWT, the success of Army Career Tracker (ACT) and the launch of GoArmyEd for Civilians. Civilian leaders now and in the future will be required to be effective managers, creative thinkers, accomplished professionals, and prudent risk takers, educated, and dedicated to life-long learning. Established by the Assistant Secretary of the Army (Manpower and Reserve Affairs (ASA (M&RA))), the Civilian Workforce Transformation (CWT) was chartered to look at existing Civilian workforce programs and offer recommendations and modifications to realize the Army's vision of a Civilian workforce management program able to attract and retain top talent. When fully implemented, CWT will prepare the Civilian workforce to succeed in leadership positions throughout the Army. All of CWT's efforts are focused on ensuring that the Civilian cohort is a trained and ready professional workforce.

The Civilian Workforce Transformation (CWT) Initiatives will help Army Civilians improve on their skills, knowledge and abilities in order to continue to advance in terms of promotion and levels of responsibility using the most efficient and effective methods available. Under the CWT umbrella, the Army successfully implemented the Army Career Tracker (ACT) in 2012.



*continued on pg. 3*



ACT is a web-based tool that provides users (employees, supervisors and Career Program Managers) an integrated view of training and education in one personalized and easy to use web-based dashboard to track and manage career development. ACT presents the user with a search capability of multiple education and training resources and allows supervisors to track and advise employees on their personalized leadership development.

GoArmyEd, the next application under the CWT umbrella will be launched November 2013 for all Army Civilians. GoArmyEd is the virtual gateway for all eligible Active Duty, National Guard and Army Reserve Soldiers to request Tuition Assistance (TA) online, anytime, anywhere for classroom and distance learning. It allows Soldiers to manage their education records including college classes, testing, on-duty classes and Army Education Counselor support. In November 2013, Army Civilians will also use GoArmyEd to apply for their Civilian education, training, and leader development events. GoArmyEd will advance the Army's goal for a single enterprise system for managing education for all Army personnel worldwide (Military and Civilians) - anytime, anywhere. With this integration Army Civilians Corps will use GoArmyEd to process online training applications and SF 182 Authorization, Agreement and Certification of Training requests for G-3/5/7 centrally and command-funded training and professional development classes. Administrative users (Supervisors, Career Program Managers, Training Managers, and HQDA G-3/5/7) will have role-based access to GoArmyEd to respond to support requests, manage funds, approve training applications and registration requests, record and track completions, and/or manage school and vendor invoices based on the permissions of assigned administrative role.

Schools and vendors that provide training and education to Army Civilian Corps will also have role-based access to GoArmyEd to process invoices and input course completions/grades as they do for Soldiers taking Army Tuition Assistance-funded classes at their schools today.

There will be training and help available. After you create your GoArmyEd account you will have access to detailed training videos on how to use each GoArmyEd function. You will have a quick desk reference guide for your use also. In addition, the GoArmyEd helpdesk is available Monday through Friday 7:00 AM – 7:00 PM Eastern Standard time at 1-800-817-9990.

The Proponency point of contact for GoArmyEd is Ms. Patricia Hughes at 703-695-7655.

Additional detailed end-user training documentation will be provided on the GoArmyEd Website at <https://www.goarmyed.com>. **RM**

**GOARMYED HELPDESK:**  
**AT 1-800-817-9990.**  
**M-F 7AM – 7PM EST**

**GOARMYED WEBSITE**  
**[WWW.GOARMYED.COM](http://WWW.GOARMYED.COM)**

**GOARMYED POC**  
**MS. PATRICIA HUGHES AT 703-695-7655**

## U.S. Army Forces Command's Pathways to Auditable Financial Statements

By: Emily Cooke

The National Defense Authorization Act for Fiscal Year 2010 required the DoD to become auditable by 2017. The current DoD goals are to have auditable financial statements by 2014 and to meet all remaining audit readiness requirements by 2017. Attaining and maintaining auditable financial statements is an enduring mission for U.S. Army Forces Command (FORSCOM), because it allows them to better support the warfighter through disciplined management of Army resources. FORSCOM determined that the road to achieving auditable financial statements is dependent on visibility, accountability, transparency, oversight and control. Beginning in September of 2012, FORSCOM began to steadily amplify its focus on becoming auditable.

They enlisted knowledgeable and experienced assistance for their efforts by coordinating with ASA (FM&C) to leverage an existing Audit Readiness contract with IBM. The contract personnel assigned to FORSCOM worked on Army Audit Readiness with the ASA (FM&C) contract support team(s). This gave FORSCOM a unique advantage in that their contract personnel had little to no learning curve to overcome and could hit the ground running. They were also well positioned to assist FORSCOM in increasing communication with the ASA (FM&C) Audit Readiness contract support team.

FORSCOM then formed an Audit Readiness Working Group (ARWG), spearheaded by the Internal Review Office, advised by the contract support team, with representatives from G4 and G8. Personnel were selected for the ARWG from each area to ensure that FORSCOM would be prepared to address all facets of Audit Readiness. The Internal Review personnel would lead the overall effort and coordinate with Installation Management Command (IMCOM) Internal Review. The G8 personnel would provide input and subject matter

expertise for Statement of Budgetary Resources (SBR) topics. And the G4 personnel would provide input and subject matter expertise on Military Equipment/General Equipment (ME/GE) and Existence and Completeness (E&C) topics.

The ARWG coordinated initial contact with FORSCOM's Mission Support Elements (MSEs) and Major Subordinate Commands (MSCs) in November and December of 2012. In January and February of 2013 the ARWG held Video Teleconferences (VTCs) with the Commanders and Directors of MSEs/MSCs and their Internal Review, G4, and G8 personnel to increase communication and make an initial assessment of each site's current state of Audit Readiness. The VTCs highlighted Audit Readiness pain points, knowledge gaps, and communication issues occurring across FORSCOM and at individual sites. The ARWG developed training materials and set up a site visit schedule to address the difficulties faced by the MSEs/MSCs.

The ARWG recognized that along with good communication, leadership involvement and support are integral to the success of any major undertaking. They drafted an Execution Order (EXORD) on Audit Readiness for the Deputy Commanding General (DCG) of FORSCOM. The EXORD was issued 6 February 2013, shortly after the ARWG completed the VTCs. It emphasized the DCG's support of audit readiness efforts and provided HQ FORSCOM's timeline for site visits, supplemental internal controls testing, corrective action, and sustainment. It also clearly outlined roles and responsibilities for Corps, Division, MSC Commanders, MSE Directors, and HQ FORSCOM Command and Staff.

During the VTCs, multiple sites identified a major issue to the ARWG. A gap exists between current Army Regulations and Audit Readiness requirements on document retention. Audit Readiness requires the Army to retain documents for 6 years and 3 months, but Army Regulations require shorter retention time periods or sometimes require the destruction of those key documents. Understanding the seriousness of this gap and that updating Army Regulations can take a considerable amount of time, the ARWG included an annex in the EXORD specific to document retention.

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The annex requires FORSCOM MSEs/MSCs to retain all Audit Readiness related documents for the period of six years and three months regardless of regulations.

Between February and April of 2013 the ARWG conducted site visits at 16 FORSCOM locations across the country. The ARWG conducted training consisting of an in-depth review of the internal controls catalogs for SBR, reviewed ME/GE and E&C requirements, and introduced Audit Readiness Job Aids and a FORSCOM Audit Readiness Army Knowledge Online (AKO) page. The ARWG was able to delve more deeply into and began to correct the root causes of Audit Readiness challenges at each site. They encountered larger challenges such as coordination with other commands to seemingly small concerns with large impacts like updating signature functions in Microsoft Excel. But they also discovered those sites performing exceptionally and learned best practices to share among all FORSCOM sites. One very successful site assigned a dedicated Audit Readiness point of contact responsible for collecting, reviewing, and uploading all documents for Audit Readiness testing. Others provided recommendations for reports that would better satisfy Audit Readiness requirements or that would streamline Audit Readiness processes. HQ FORSCOM was able to share these best practices across all MSEs/ MSCs.

After the site visits were complete, the ARWG performed Audit Readiness internal controls testing for ME/GE and SBR to supplement that performed by ASA (FM&C). ASA (FM&C)'s Audit Readiness testing team uses a statistical sample of all Army sites. This means several FORSCOM sites were not tested on some controls and other smaller sites were never tested on any controls. Providing supplemental Audit Readiness testing to all FORSCOM sites not only reinforced and assessed the effectiveness of the training provided by the ARWG, it allowed many sites to experience and to better understand the testing process.

The ARWG is currently in the process of providing results of supplemental testing to each of the FORSCOM sites tested. They are in the planning phase to perform follow-up site visits. The ARWG will visit those MSEs/ MSCs who performed well to determine best practices. They will perform site visits to those sites in need of additional

assistance to provide corrective actions, additional training, and share best practices.

FORSCOM has seen a marked improvement in ASA (FM&C) Audit Readiness testing results since beginning their endeavors. They recognize that Audit Readiness is not a goal with an end state at 30 September 2017. FORSCOM will apply continuous testing and self correction in order to meet the standards of auditable financial statements in 2017 and into the future.

*About the Author:*

*Ms. Emily Cooke earned a Bachelor of Science degree in Psychology from Old Dominion University in 2005. She joined the civil service through the CP-11 DA Intern Program and completed her internship in 2007. She served 4 years as a Financial Management Analyst with Resource Services, Washington (RSW) within the Office of the Administrative Assistant to the Secretary of the Army. Ms. Cooke graduated from the Defense Comptrollership Program in 2012, earning a Masters in Business Administration and an Executive Masters in Public Administration from Syracuse University as well as obtaining her CDFM. Ms. Cooke is currently serving as a Financial Systems Analyst within the FORSCOM G-8. **RM***



## Fiscal Year 2012 Army Resource Management Award Winners: Congratulations to all Winners!!!

The OASA (FM&C) sponsors the RM Annual Awards Program to recognize and encourage outstanding performance of individuals, teams, and organizations that make significant contribution to the improvement of resource management. Open to both Soldiers and civilian employees, the RM awards are an excellent opportunity for the Assistant Secretary to recognize the accomplishments of extraordinary performances of resource managers in the Army comptroller community.

The panels met and Dr. Mary Sally Matiella, the Assistant Secretary of the Army for Financial Management and Comptroller approved the selections for the FY 2012 Resource Management (RM) Awards. She is proud to announce the following awards for each deserving recipient:

### ASSISTANT SECRETARY OF THE ARMY (FM&C) CIVILIAN AWARD

The ASA (FM&C) Civilian Award recognizes the top civilian Army employee serving in a leadership capacity whom the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Civilian Award recipient is Ms. Carla Brown, Internal Review Evaluator, TRADOC Internal Review and Audit Compliance Office, Fort Eustis, VA. Ms. Brown led a fast-paced analysis and evaluation effort to assist the Army's Asymmetric Warfare Group (AWG) in preparing for a re-inspection by the Department of Army Inspector General (DAIG) and for complying with TRADOC regulations and policy in a myriad of areas. She identified the need to re-compete the primary AWG operations support contract to improve contract quality



assurance and reduce costs. She worked with AWG personnel to re-write the performance work statement and quality assurance plan for contract requirements worth more than \$100 million annually.

### ASSISTANT SECRETARY OF THE ARMY (FM&C) MILITARY AWARD

The ASA (FM&C) Military Award recognizes the top Soldier serving in a leadership capacity whom the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Military Award recipient is Colonel William E. Owen, Deputy Chief of Staff, Comptroller, Headquarters, U.S. Army Special Operations Command, Fort Bragg, North Carolina. He has facilitated easy access of financial management information for commanders and leaders, provided information to support auditability and enabled the workforce to spend their workday on more analytical and less administrative functions. He created a climate throughout USASOC where commanders access and utilize financial data as part of their routine; this had a very positive effect on the Joint Reconciliation Program (JRP) metrics – USASOC met all JRP goals in FY 12 and USASOC has dramatically reduced their de-obligations. He effectively prepared the Army Special Operations (ARSOF) community for financial management and decision support in the 21st century GFEBS environment.



### FUNCTIONAL CHIEF REPRESENTATIVE (FCR) SPECIAL AWARD

The FCR Special Award recognizes someone serving in a leadership capacity whom the FCR personally cites for outstanding contributions to the CP 11 Program. The FCR Special Award recipient is Ms. Linda Davidson, Chief Training & Education, U.S. Army Audit Agency.



Ms. Davidson has successfully managed the Agency's training program overcoming obstacles such as staffing shortages and frequent changes to policy and budget. She also ensured the auditor workforce would meet the requirements of the DoD Certification Program by aligning all the FM audit competencies to the FM certification levels and continues to work with DoD personnel in preparation for the implementation. She is a key contributor to the identification, selection, and management of Civilians, Interns and attendees to the Defense Comptroller Program.

## ORGANIZATION & TEAM AWARDS

### Outstanding Resource Management Organization Award (Above Command)

U.S. Army Central Command, G8 - USARCENT G8 developed, implemented and matured several key stewardship programs that complement the theater's full-spectrum operations in an effort to stretch the theater's purchasing power to provide more value at a lesser cost to the US taxpayer.



The goals of these efforts have been to ensure that the theater manages its assets (people, equipment, funding, supplies, etc.) and optimizes its purchasing power, thereby reducing the cost of SWA theater contingency operations, primarily in Afghanistan and, previously, in Iraq. A portfolio of this magnitude and complexity requires (in addition to key leader involvement) a team of dedicated professional from several different disciplines coming together in a synchronized fashion to optimize their efforts in a way that safeguard the equities of the entire operation and ensures the effectiveness and efficiency of the myriad of missions through the Combined Joint Operations Area (CJOA).

**Organization Lead: Major General Gary Cheek**

**Organization Members: BG Thomas Horlander, COL Andrew McConachie, COL Marcia Smith, COL Darryl Brimberry, LTC Jim Kopko, LTC Jasen Johnson, LTC Jill Cahill, LTC Mike Dunning, LTC Mike Williams, MAJ Adam Collins, MAJ Carl Kleinholz, CPT Diana Alquero, CPT Charryse Ellis, Anthony, Merritt, Helenmary Dudley, Ken Kielman, Jeff Chappelow, Mary Hansen, Brendan, and O'Sullivan, Audrey McEver.**

### Outstanding Resource Management Organization Award (Below Command)

U.S. Army Corps of Engineers, New Orleans District—Setting the standard for the Corps of Engineers - The Resource Management Organization streamlined the financial operations during FY 12, reducing the operation of



the office by four positions saving the district over \$365K in salaries. This effort did not sacrifice superior customer service for their internal and external stakeholders. The Organization processed 8,642 labor/plant cost transfers totaling over \$123.3 M, processed \$8.5M in billing distributions from nationalized organization, reviewed over 1,232 accruals greater than 100K and processed monthly over 1,200 time and attendance sheets with 100% accuracy. The Organization developed and recommended a new cost transfer form to be implemented across the Corps for accurately processing multi-line transactions.

**Organization Lead: Dr. James Moyer**

**Team Members: Ms. Gloria Reeves-Weber, Mr. Osby Mosley, Ms. Carol Joseph, Ms. Regina Lowe, Ms. Kathleen Gibson, Ms. Jernice Cheavis, Ms. Sylvia Sanderful, Ms. Sabine Faltenbacher, Ms. Clarice Nixon, Ms. Kimberly Baudy-Patterson, Ms. Rosiland Pines, Ms. Trisha Ware, Mr. Antonio Engleberg, Mr. Larry White, Mr. Kenneth Bingham, Ms. Ingrid Moore, Ms. Debbie Scott, Ms. Mangjee Yeh, Mr. Brvan Gassen, Mr. Thomas Bludsaw**

### Outstanding Resource Management Team Award (Above Command)

U.S. Army Medical Command - The team identified systemic issues affecting the recently fielded GFEBs financial system and areas for immediate budgetary review to maximize use of both current and prior year funding. Members also provided additional clarifications and revision to policy and procedures for recording financial transactions. This ensured that about \$200 million in receivables previously never recorded on the financial statements were recognized and reported. The team also coordinated and implemented a new debt management

process to directly cross-service delinquent debts with US Treasury. This cost saving initiative will result in monetary benefits of about \$5 million for backlogged debts and will save about \$1 million annually in process cost reductions.



**Team Leader:** MAJ Sean Casperson

**Team Members:** Mr. Martin Hagan, Mr. Victor Stansberry, Christopher Mendoza, Isabelle Brentson, Melvin Williamson, Daryl Spencer, Barry Lipton, Derrick Jamerson, and Francis Weiss

### Outstanding Resource Management Team Award (Below Command)

CESAW-RM Cost Share Team – US Army Corps of Engineer, Wilmington District- The team revamped financial administration, coordination, and tasking processes heightening productivity and oversight of 46 active cost share projects exceeding \$661M. The Team ensured and masterfully orchestrated critical systems problems, reviews, reports, and recorded \$2.6M in sponsor of in-kind credits and \$1M in administrative labor costs associated with \$9.5M in sponsor of Land, Easements, Rights-Of-Way, Relocation and Disposal Areas (LERRD). The team’s interoperable innovations were providing “top cover” and corporate visibility of essential, relevant financial data and critical tasks seamlessly shared across the District, customers, stakeholders and cost share partners.



**Team Leader:** Anita C. Bisette

**Team Member:** Christopher Paul Wicker Jr.

## INDIVIDUAL AWARDS

### Accounting and Finance (Above Command)

**Ms. Miranda Taylor, U.S. Army Special Operations Command**

Ms. Taylor’s efforts directly contributed to USASOC’s successful close out of over \$2.5B in obligations for FY 12 in a fiscally responsible manner. Her initiative and accounting expertise has resulted in new processes and Business Rules that will provide long-term benefit to ARSOF. Her efforts to automate processes and track expenditures have resulted in more accurate and timely financial data that is critical to institutionalizing a cost culture with USASOC. Ms. Taylor’s professionalism and dedication reflect great credit upon herself, USASOC, HQDA and USSOCOM.



### Accounting and Finance (Below Command)

**Ms. Jernice Cheavis, U.S. Army Corps of Engineers, New Orleans District**

Ms. Cheavis’s outstanding leadership assisted in processing product lines of \$794M in de-obligations of expiring year funding from over 16, 106 separate records. She implemented a program to close out the expiring year funding documents prior to the projected close out date, allowing the Commander to make vital decisions aligning critical requirements. She developed and recommended a new cost transfer form to be implemented across the region for accurately processing multi-line transactions which maintained the Corp of Engineers “Unqualified” clean annual audit opinion.



## Analysis and Evaluation (Above Command)-Civilian

**Carla R. Brown, U.S. Army Central Command**

The ASA (FM&C) Civilian Award recognizes the top civilian Army employee serving in a leadership capacity whom the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Civilian Award recipient is Ms. Carla Brown,



Internal Review Evaluator, TRADOC Internal Review and Audit Compliance Office, Fort Eustis, VA. Ms. Brown led a fast-paced analysis and evaluation effort to assist the Army's Asymmetric Warfare Group (AWG) in preparing for a re-inspection by the Department of Army Inspector General (DAIG) and for complying with TRADOC regulations and policy in a myriad of areas. She identified the need to re-compete the primary AWG operations support contract to improve contract quality assurance and reduce costs. She worked with AWG personnel to re-write the performance work statement and quality assurance plan for contract requirements worth more than \$100 million annually.

## Analysis and Evaluation (Above Command)-Military

**LTC James Kopko, U.S. Army Central Command**

LTC James P. Kopko developed, coordinated and implemented the Theater Requirements, Contracting Execution and Reconciliation (TRCER) across the Combined, Joint Operations Area (CJOA) in the SWA theater. His efforts singularly enabled leaders and commanders to make



better cost informed and timely decisions about their outsourced capabilities. His leadership, technical expertise and an enterprise level of understanding proved to be the critical and most instrumental ingredient to the successful execution of a \$26.4 billion Overseas Contingency Operations budget with significant contracts-serviced by more than 20 contracting offices located throughout CONUS and abroad.

## Auditing (Above Command)

**Ms. Carla Brown– U.S. Army Training and Doctrine Command**

Ms. Carla Brown led a fast-paced analysis/evaluation effort to assist the Army's Asymmetric Warfare Group (AWG) in preparing for a re-inspection by the Department of Army Inspector General (DAIG). Ms. Brown's expertise and assistance in internal control management were integral to the success of the inspection. Ms. Brown closely worked with AWG personnel for several months to write and improve the performance work statement (PWS) and quality assurance surveillance plan (QASP) for contract requirements worth more than \$100 million annually to make it consistent, detailed, and inclusive of key metrics. Through her efforts the TRADOC team was able to move AWG's new contract effort along very quickly and effectively.

## Author of the Year (Above Command)

**BG Thomas Horlander, U.S. Army Central Command**

BG Thomas Horlander is recognized for his article entitled "Resourcing National Security through a Strategic Lens – A Strategic Resourcing TRIAD".



His perspective regarding the need for optimal resourcing solutions in order to balance strategic objectives with near term equities of commanders in combat provides tactical and operational level knowledge for Resource Managers. BG Horlander provided Financial Managers with a model that is familiar, thought provoking and brings to the forefront the need for Financial Managers to raise their thinking and mastery of the Financial Management profession.





**Budgeting  
(Above Command) - Civilian**

**Ms. Melinda Rainey, U.S. Army Training and Doctrine Command**

Ms. Melinda Rainey led the effort to resolve and research numerous GFEBS processing issues and conducted a flawless FY 2012 yearend closeout using the legacy and GFEBS financial management systems (\$400 billion). Ms. Rainey took on the challenge as a GFEBS power user and methodically worked through each business process area successfully and provided effective solutions to budget problems. Ms. Rainey significantly contributed to improve budget execution processes that affect the Statement of Budgetary Resources (SBR) and maximized Army's investment in GFEBS.



**Budgeting (Below Command) - Civilian**

**Ms. Berna Johnson, U.S. Army Test and Evaluation Command**

U.S. Army Operational Test Command - Ms. Johnson stepped forward and became the subject matter and technical expert in the formulation of the United States Army Operational Test Command's budget policies, accounting processes, and long range planning and programming of the command's financial program. She spearheaded efforts in planning, coordinating and setting the conditions to ensure the command was postured for implementation of the General Funds Enterprise Business System (GFEBS), while ensuring all aspects of financial management support was provided in an efficient and effective manner. During FY 2012 yearend close, Ms. Johnson worked diligently with leaders and directorates throughout the command and effectively obligated over \$67.2 million in direct and reimbursable funding.



**Budgeting  
(Below Command) - Military**

**MAJ Terrie Peterkin**

MAJ Peterkin expertly coordinated with Department of Defense, Department of the Army, forward deployed resource managers, and other governmental and nongovernmental agencies to forecast, acquire, distribute and monitor the execution of over \$28B in multiple appropriations in support of Operations New Dawn and Enduring Freedom. MAJ Peterkin team crafted and implemented an operational plan integrating all elements of the fiscal triad. Assuming resourcing responsibilities; retrograding functions; and participating in recurring in process reviews (IPRs) with all stakeholders she ensured processes were in place to continue all financial management and contracting requirements through the life of the appropriations and contract closeout. This construct will serve as the model for future contingency operation fiscal closeout



**Comptroller/Deputy Comptroller  
(Above Command) - Military**

**COL William Owen, U.S. Army Special Operations Command**

COL Owen successfully implemented and facilitated the easy access of financial management information for commanders and leaders by creating a financial management dashboard to ensure decision support information was accurate, timely and the information supported auditability. COL Owen managed USASOC's conversion to GFEBS in a flawless manner ensuring Financial Managers leverage the capabilities of GFEBS in an efficient and effective manner and has prepared the Army Special Operations (ARSOF) community for financial management and decision support in the 21st century.



## Comptroller/Deputy Comptroller (Below Command) - Military

**MAJ Phillip Wooden, U.S. Army Special Operations Command**

MAJ Wooden, Finance Officer led the financial operations of the largest unit in the United States Army Special Operation Command (USASOC) with 7 Groups, 17 National Guard units, 2 geographically separated battalions and a CJSOTF deployed to Afghanistan with a total annual budget of \$330 million. Realizing the severity of manpower shortages, MAJ Wooden took on the added responsibility of other Command Analysts to support the Regiment. MAJ Wooden reduced prior year de-obligations to the lowest rate in the history of the command.



## Cost Analysis (Below Command) - Civilian

**Mr. James A. Golden**

Mr. Golden's development and implementation of a new Software Resources Report (SRR) capability will save the Army approximately \$90M over the next six years, and has implication across the Army and other agencies (the Missile Defense Agency has implemented his strategy to collect, store and analyze software data on the Terminal High Altitude Area Defense (THAAD) System). His identification of savings and avoidances on three LSS projects of \$150M benefits PEO STRI directly and the Army through shared LSS efficiency efforts. His work on GFEBs implementation at PEO STRI solves the problem of linking cost estimating, budget planning and programming, and execution in GFEBs to enhance Army cost management goals, improve life cycle cost analysis, and planning and programming.



## Cost Savings Initiatives (Above Command) - Civilian

**Victor Stansberry**

Mr. Stansberry's imperturbable vision resulted in a force multiplier for the entire command for decades to come. His actions will drastically reduce future administrative costs & processing time, increase collection rates, and significantly improving auditability. The pilot site has already reduced processing costs by \$33,000 and is receiving collection actions on over \$9.6 million of delinquent public receivables processed in just two months. Projected cost savings for MEDCOM over the next 18 months is calculated at \$5 million, the recurring annual savings are estimated at \$1 million.



## Education, Training and Career Development (Above Command)

**Ms. Kathleen Scott, U.S. Army Medical Command**

Ms. Scott's successful participation in providing administrative and logistical support to Headquarters, U.S. Army Medical Command Financial Management Civilian Internship Program and her sharing Career Program 11 (Comptroller) training and educational opportunities through the Headquarters, MEDCOM and to the Major Subordinate Commands. Her efforts to the civilians, interns and the resource management community have better prepared them for financial and fiscal responsibilities. Her hard work assisted the G8 by making Education, Training and Career Development important topics for discussion at Directorate staff meetings.





## Resource Management (Above Command) - Civilian

**Mr. Gerald Hardin, Headquarters, U.S. Army Corps of Engineers**

Mr. Hardin enrolled in a DA Lean Six Sigma (LSS) Master Black Belt (MBB) training course, and was certified as the first MBB in USACE in FY 12. Mr. Hardin recruited and mentored three MBB candidates for USACE. He conducted a series of activities designed to both deploy and sustain LSS. He coordinated with DA to establish two USACE sponsored LSS training courses- one for Black Belts and one for Green Belts. This resulted in an 80% increase in LSS capacity by the end of FY 12 which far exceeded the expectation of 20%. Mr. Hardin volunteered to lead the root cause analysis and corrective action development of a multitude of contracting material weaknesses discovered by the DA Inspector General (DAIG) in the wake of a contracting fraud investigation. His efforts led to the restoration of contracting authority of the three affected USACE elements within two weeks; and the baseline for a comprehensive Corrective Action Plan for USACE contracting material weaknesses.



## Resource Management (Below Command) - Civilian

**Ms. Mazella J. Thomas, U.S. Army Corps of Engineers (USACE), Engineer Research and Development Center, Vicksburg, MS**

Ms. Thomas developed a strategy for senior leadership to reverse its heavy investments in human capital and establish a process for blending the Full Time Equivalent (FTE) targets emanating from vastly different appropriation bills. She developed a system which synthesized the direct programming guidance from ERDC's civil works and military sources with the reimbursable projections of the researchers and historical income of the seven labs garnered. This process allowed her to analyze the data in a manner which provided senior leadership with the best allocation of



FTEs. Ms. Thomas is a strong advocate of professional development. She has personally motivated and prepared employees to pass all the CDFM modules. As a result, the Great River Chapter of ASMC has seen over 10% of its membership achieve CDFM status thanks to Ms. Thomas efforts.

## Resource Management in Acquisition Environment (Above Command)

**Ms. Carla R. Brown**

Ms. Brown led a fast-paced analysis and evaluation effort to assist the Army's Asymmetric Warfare Group (AWG) in preparing for a re-inspection by the Department of Army Inspector General (DAIG) and for complying with TRADOC regulations and policy in a myriad of areas. She identified the need to re-compete the primary AWG operations support contract to improve contract quality assurance and reduce costs. She worked with AWG personnel to re-write the performance work statement and quality assurance plan for contract requirements worth more than \$100 million annually.



## Resource Management in Acquisition Environment (Below Command)

**Ms. Berna Johnson**

Over the course of the past year, Ms. Johnson has consistently exceeded expectations in aggressively streamlining funding requirements, assessing the command's unique and diverse operational test missions, and effectively ensuring that funding were readily available and swiftly executed to ensure the continued success of numerous high visible requirements and missions. Additionally, her tremendous leadership, outstanding professionalism, meticulous attention to detail, and devotion to duty proved vital in leading efforts to effectively implement and integrate a new financial management system -- the General Funds Enterprise Business System (GFEBS) throughout USAOTC while simultaneously enabling the command in achieving overwhelming success during FY12 Yearend Closeout.



## Outstanding Intern Award (Above Command)

Ms. Kaja Black, U.S. Army Special Operations Command



Ms. Black spearheaded the division's drive to leverage automation for purposes of timeliness and efficiency. She was at the forefront in developing tools for sharing information across all echelons to include our component subordinate commands/units. Specific projects included developing the USASOC Un-Financed Requirements (UFR) web portal, enhancing the USASOC MIPR portal, creating a collaborative workspace on the BED portal, and streamlining the monthly Cost of War report.

The FY 2013 RM Award announcements will be available on the ASA, (FM&C) website: <http://www.asafm.army.mil/> site.

Our resource managers did an excellent job in FY 2012 receiving awards. The goal is to increase the number of winners in FY 2013. The key to obtaining this goal is to submit nominations of the many resource managers who make significant contributions to their organizations and the Army.

Nomination is easy; just follow the instructions included on the announcement. It is up to you! Take the time to recognize that motivated resource manager with a nomination, which may lead to him or her winning one of the various RM award opportunities. **RM**



**Congratulations  
to all ASMC award  
winners!**

# Army Audit Readiness

By: Mr. William Roberts

The Office of the Assistant Secretary of the Army (Financial Management and Comptroller) (OASA (FM&C)) is now a year into recurring monthly testing across the enterprise as well as multiple focus areas to include the Army's General Fund Consolidated Statement of Budgetary Resources and Existence and Completeness validation from the Army's General Fund Consolidated Balance Sheet. Testing results have continually revealed three primary focus areas that are resulting in failures not only for Commands, but that will result in a failure for the Army during an examination. The three areas that require significant improvement across all testing efforts are:

## 1. Document Retention & Retrieval

- a. Army personnel must provide the correct document(s) within 5 days of request.
- b. Document retention policies must be updated or implemented to ensure documents supporting asset records are maintained for minimum time requirements.

## 2. Evidence of Review

- a. Transaction documents must be signed and dated to evidence review (e.g. hand receipt and transaction forms).
- b. Reviews of transactions must be evidenced and documented in an acceptable manner:
  1. Digital signature and date (preferred);
  2. Email to file;
  3. Hard copy signature and date.

## 3. Authorization Documents

- a. Must be able to verify transaction (e.g. signatures missing or illegible; document did not include the required information, such as the 6-character UIC).
- b. Supporting documentation must be complete and accurate.

It is vital that all audit readiness stakeholders ensure these focus areas are a regular part of business. There are several resources available on the Army Audit Readiness website on AKO that can assist with the process for retrieving and maintaining documents to support audit requests related to controls. The Audit Support Handbook provides various examples of supporting documentation that satisfies the OASA (FM&C) requests during testing.

To help facilitate the requirements, a comprehensive training curriculum has been developed. Courses are designed to ensure personnel at all levels within the organization have the knowledge and skill sets needed to function effectively in the audit readiness environment. Courses are geared toward audit readiness awareness, comprehension and performance of controls, audit preparation, improvements to business processes, and other activities that support audit readiness.

Training is currently delivered via instructor-led sessions, as well as through Defense Connect Online (DCO) and

Audit Readiness Topic	Available Courses
Foundation	Army Audit Readiness Army Financial Improvement Plan (FIP)
Readiness	Internal Control Testing Corrective Action
Sustainment	SBR Business Processes Audit Readiness: General Contractual Services/ Acquisition of Assets Civilian Payroll Inbound Reimbursable
	Existence & Completeness Audit Readiness: Military Equipment/ General Equipment (ME/GE) Operating Materials & Supplies (OM&S) Real Property (RP)

Video Teleconference (VTC). Instructor-led training is currently based on the following framework: Army personnel that do not have access to, or are unavailable to attend, instructor-led training may access computer-based courses on ALMS and on the Audit Readiness homepage on AKO.

As of June 2013, the Accountability and Audit Readiness Directorate has trained over 18,000 military and civilian personnel at more than 200 locations. For additional resources and information, visit the Audit Readiness home page on AKO to access materials, such as Control Catalogs, Business Process Overviews, and Audit Support Handbooks, or to request training.

For more information on audit readiness requirements or assistance with training, please contact the OASA (FM&C) at [usarmy.pentagon.hqda-asa-fm.mbx.audit-readiness@mail.mil](mailto:usarmy.pentagon.hqda-asa-fm.mbx.audit-readiness@mail.mil).

*About the Author:*

*Mr. William Roberts, Director, Army General Fund – Office of the Assistant Secretary of the Army (Financial Management & Comptroller), Accountability and Audit Readiness.*





## Innovative Edge

By Dr. Wayne Appenwhite

When hours are short and purse strings are tight, is when prior leadership planning must shine. No one can be everywhere, yet, tasks must be completed; on time and within budget. Sounds easy, but can it work? The short answer is yes. The longer answer is also yes; but you have to plan for times like today.

As leaders, we must constantly work with our business units, groups, cells, divisions, departments, and organizations in defining the priorities, the who, what, when, why, and yes, sometimes the how. Then, as leaders, we must communicate those priorities and objectives clearly, as to resolve the ambiguity and confusion that sometimes occur. We, as leaders, must also embrace the fact that things happen, priorities change and we must be flexible enough to take those considerations in stride. When that happens, we must fall back on the two common denominators that typically are misused or not practiced very well in the workplace; communication and collaboration.

If we continuously define the objectives, prioritize the projects, plan for the peaks and valleys, develop our individuals, and practice omni-directional communication and collaboration; we will be much further ahead of the game than if we wait. As someone once said, "Waiting until the house is on fire is much too late to buy fire insurance!"

*Dr. Appenwhite is a co-founder of the leadership development firm, Just Leadership, LLC., and an Adjunct Professor for Boston University. Please visit his website: [www.justleadership.net](http://www.justleadership.net). If you have a comment or question, you can also drop him a line: [wayne@justleadership.net](mailto:wayne@justleadership.net). – Thank you for reading!*



### Start today!

**Define, prioritize, plan, develop, and best of all, communicate and collaborate.**

**UNTIL THE NEXT TIME; LEAD ON!**



## DoD Financial Management (FM) Certification

By Carol DeZwarte

The DoD FM Certification Program is continuing to move out. Army has begun its phased deployment by command, with one pilot command complete and three commands in progress. As your command's implementation slot approaches, you'll be hearing from us directly to set up briefings and start moving out.



In the mean time, you are asking great questions...a lot of great questions. We have created a Frequently Asked Question (FAQ) document to capture them. This document will be available on the Proponency Office web page soon. Here are our "top 10."

### Q. Do I have to participate?

- A.** You must achieve a DoD FM Certification if you are a full time employee in one of the following:
- DoD civilian in the 05XX Occupational Series;
  - DoD civilian who performs financial management tasks but who is not in the 05XX series;
  - Military members in the FM/comptroller/resource management occupational series.
  - Military members not in the above series who perform, supervise, or manage FM work of a fiscal, financial management,



accounting, =auditing, cost, or budgetary nature.

### Q. I've been doing FM work for many years. Can I be grandfathered in?

**A.** No. There is no grandfathering in this program. However, with

so many years of experience and training accomplished, you probably have many or all of the requirements for your certification level already completed.

### Q. What is the deadline for getting this certification?

**A.** You have two years from your start date to earn your DoD FM Certification. The clock will start for all participants on 1 July, 2014, meaning personnel must be certified by 30 June, 2016.

### Q. Will certification be a hiring criterion?

**A.** No. Similar to the Defense Acquisition Workforce Improvement Act (DAWIA) certification program, you will have two years from the date hired into a position to achieve the certification required for that position.



### Q. Do I have to pass any tests to achieve the DoD FM certification?

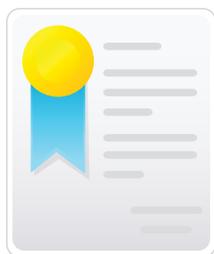
**A.** No, there will be no test at the end to determine if you've earned certification. You only need to complete the training

hours, years of experience, and developmental assignment (Level 3 only) requirements.



**Q. If I am required to obtain a Level 3 certification, do I first have to obtain Levels 1 and 2?**

A. No, you are only required to be certified at the level to which your current position is coded.



**Q. Is there a time limit on how far back I can go in my education to claim credits? For example, if I got a FM degree from a university in 1975, do those classes count?**

A. There is currently no time limit. So yes, you can receive credit for those classes as long as they map into the requirements of your certification level.



**Q. Will waivers be allowed for employees nearing retirement?**

A. No. Waivers will not be granted for employees approaching retirement.

**Q. It looks like we're starting with only civilians. When will military start?**

A. As soon as we establish a clean process for retrieving the information we need from the military personnel data systems (MILPDSes) and getting it into LMS. Date TBD.

**Q. I have a question about the DoD FM Certification Program. Whom should I ask?**

A. The Comptroller Proponency Office is the implementer for the Army. Questions can be sent directly to the program's mailbox, USARMY Pentagon HQDA ASA FM Mailbox DOD Certification. If your command's on boarding is completed (meaning you're already in LMS), you should direct questions first to your LMS Component Administrator (CA).



**Check out the Proponency Office web page for more Q & A!**

## USAWC STRATEGY RESEARCH PROJECT Financial Management in a Drawdown

By Colonel Bryan A. Stewart



This manuscript is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The U.S. Army War College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

### Abstract

*Classification:Unclassified*

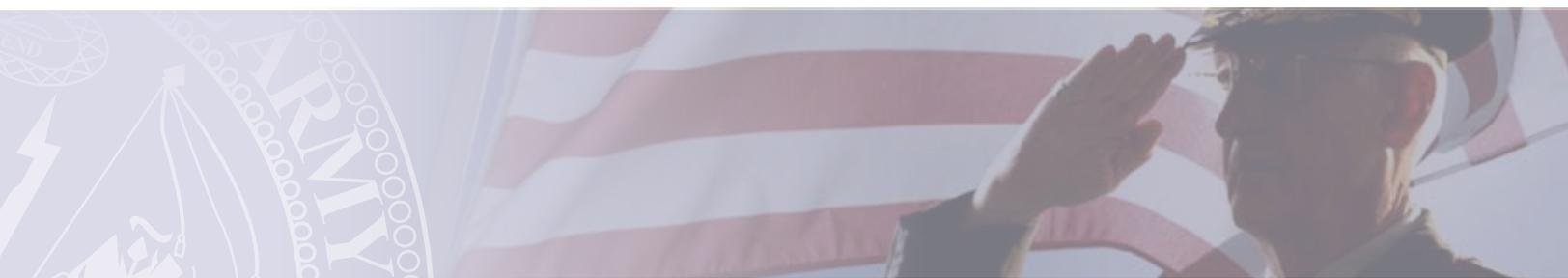
While financial management (FM) is not usually discussed in a major combat retrograde operation, it is an important element in concluding a campaign. Drawing on the experiences of Iraq, Afghanistan, and other operations is important to develop doctrine and techniques for success in the future. This paper looks at these experiences and recommends that FM operations must be well-planned and deliberate. The main themes are planning, budget execution, closure of the Commander's Emergency

Response Program (CERP), and the stand up of an office of security cooperation. Fiscal austerity usually comes with drawdown/retrograde operations, thus making financial management all the more important.

Before doing battle, in the temple one calculates and will win, because many calculations were made; before doing battle, in the temple one calculates and will not win, because few calculations were made; many calculations, victory, few calculations, no victory, then how much less so when no calculations? By means of these, I can observe them, beholding victory or defeat!

—Sun-Tzu, *The Art of War*, 400-320 BCE

The United States military has conducted numerous drawdown operations in its long history and such operations can be difficult and protracted undertakings, especially after a lengthy conflict. However, America's complete and deliberate withdrawal of forces from Iraq after eight years of war was unprecedented for our nation. Some parallels can be drawn to the full withdrawal of American forces from Viet Nam, but in contrast, the post war drawdown in Germany, Japan, and Korea involved leaving a significant American military presence that continues to this day. The departure of nearly all American troops from Iraq in December 2011 required significant planning and coordination, and the resulting withdrawal operation was executed purposefully and according to plan. This deliberate conclusion of Operation New Dawn contributes many lessons to American strategists and planners and should serve as the template for planning for the withdrawal of forces from future conflicts. One of the critical components of any troop withdrawal is the planning and executing the fiscal closeout or transfer of financial management operations to other appropriate resource owners. This is a complicated process that requires significant cooperation and collaboration with the host nation and other U.S. governmental partners. Resource managers must conduct thorough and careful planning well in advance to conserve resources, maximize efficiency, and ensure this coordination meets success despite the mounting political pressure to bring troop numbers down as quickly as possible. Effective management of the financial aspects of a withdrawal operation is critical to the success of the overall mission, especially in these days of financial austerity for our nation and the military, although the US has faced austerity after most wars.



Financial management in a drawdown operation must be a well-planned process that includes planning and execution from all elements of the military and interagency team. This process requires extensive coordination, and should begin immediately after the decision to redeploy forces, and well before initial withdrawals of units. Programs managed by uniformed personnel must either be concluded and fiscally closed out or management responsibilities passed to Department of State (DoS) or other appropriate agencies.

The military personnel responsible for financial management in theater must identify, program by program, which activities will conclude and which activities will be transferred to other resource owners such as the State Department or the theater executive agent. Planning for the transfer process requires these resource owners to accept responsibility by identifying new procedures for program administration, and to further identify and resolve any issues relating to the planned transfer. All parties must agree to a timeline for transfer and planning for this transition must occur well in advance of the actual transfer of responsibility.

In Iraq, the financial management drawdown process began with thorough planning among all appropriate units and agencies leading to budget execution, closeout of programs such as the Commanders Emergency Response Program (CERP), and the closing of contracts and retrograde of contractors. The process ended with transfer of military programs such as security assistance programs to the United States Embassy's country team's Office of Security Cooperation (OSC). Emphasis must be placed on timely planning and execution of these steps, and adequate time and manpower must be allocated to these efforts. The deliberate planning and execution of the financial management drawdown in Iraq contributed many lessons to American strategists and planners that should serve as the template for financial management for the withdrawal phase of future conflicts.

*James Clavell, ed., Sun Tzu, The Art of War, (Delacorte Press, 1983), p. 11.*

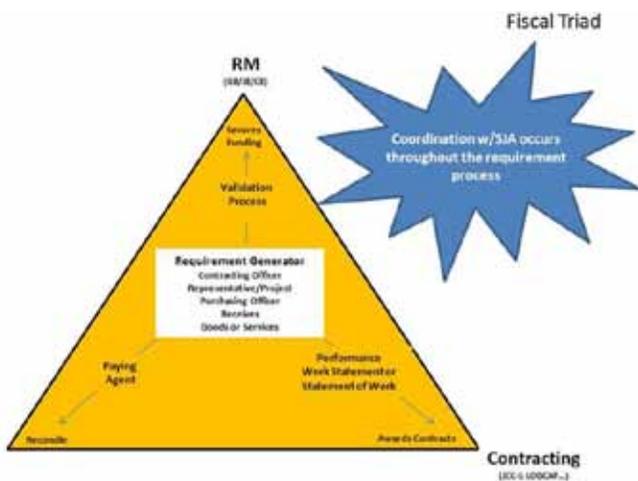
## Planning

Planning is key to the successful accomplishment of a financial drawdown operation. As the commander's principle staff officer responsible for Financial Management (FM), the J8 serves a key role in the planning process. When the commander issues the drawdown order, the J8 initiates mission analysis as soon as possible and ensures the planning team includes all pertinent players. BG Thomas Horlander, the Army Central Command (ARCENT) G8 during the withdrawal of American forces from Iraq at the end of 2011 emphasized a term that identifies several military teams critical to planning. General Horlander's "Fiscal Triad," referred to the Theater Resource Management/J8 Comptroller (J8), the Financial Management Support Units (FMSUs), and the Theater Contracting Command: all professionals who are gathered with a common goal to support the commander with accurate resourcing solutions. This Fiscal Triad supervises auditing, records management, database reconciliation, closing the financial books, and the transfer of security cooperation financial duties to the OSC, under the DoS. The team plans and coordinates with representatives from the organizations (e.g. CENTCOM, ARCENT, DoS, and OSC) who will accept responsibility for managing activities that will continue after the military withdraws. Such activities include managing existing financial books and contract closure, which may be transferred to the theater executive agent (EA) after the mission. In "an operation as complex and cumbersome as resourcing warfighters in a highly contracted environment like Operation Iraqi Freedom or Operation Enduring Freedom, it is unavoidable that some work must be accomplished after end of mission." The Fiscal Triad must identify such work and plan for the accomplishment of this work by others.



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In accordance with the commander's guidance, the Fiscal Triad makes some assumptions, gathers facts, and identifies key principles and processes that will guide subordinate elements through planning for and execution of the drawdown. First, the Triad must establish the desired fiscal end state after the deployed formations depart. Second, they must conduct cross-functional planning early, which will circumvent extensive extra work. Third, they establish goals and metrics early and track them to completion. Fourth, the team establishes a common operating picture early and conducts a standard recurring briefing as the mission develops, and lastly, the team should expect a lot of discovery learning especially in the initial stages of the drawdown operation. With this vision and structure, the team can approach the planning process deliberately.



The Fiscal Triad establishes the processes required to plan and execute the financial management (FM) drawdown. Perhaps the most fundamental of all these processes is the establishment of a recurring meeting with multiple organizations to share information and track progress. Communication and coordination with key partners is essential to developing an effective common operating framework. The Triad conducts monthly or periodic meetings with these partners to identify resource management, contracting, and financial operations closeout requirements. The Fiscal Triad ensures that the

right partners are present at these meetings, to include the Expeditionary Support Command (ESC) support operations officer (SPO), the sustainment brigade (SBDE) SPO, the financial management support unit (FMSU), the financial management center (FMC), and contracting command. Though the Fiscal Triad should strive for inclusiveness to ensure all organizations are represented, the theater J8 should serve as the lead facilitator to preclude organizational confusion.

In an optimal FM drawdown operation, the theater J8 serves as the single point of entry for financial operations in the theater. An After Action Report published by a financial task force recently deployed in Afghanistan stated "another positive lesson learned was establishing the J8 as the single point of entry for operations in Theater. Although there were many noteworthy benefits, most important was the increased situational awareness across the FM spectrum." The J8 is the senior FM advisor to the theater commander and should possess in-depth situational awareness of all FM issues and operations to adequately advise the commander.

The commander looks to his J8 for advice and recommendations in all FM matters pertaining to current operations and drawdown.

In addition to serving as the single point of entry for FM operations, the J8 also serves as the theater's senior financial management leader, and in this role provides proper guidance and standard operating procedures (SOPs) to all subordinate units and sections. In Operation New Dawn (OND) and Operation Enduring Freedom (OEF), the publication "Money as a Weapon System" (MAAWS) was the primary FM SOP. The J8 updated this SOP twelve months out from the anticipated withdrawal from OND to ensure all forces received proper guidance for the fiscal close out. Additionally, the J8 ensures that all theater operation orders (OPORDS) and fragmentary orders (FRAGOS) contain an FM annex detailing proper financial drawdown procedures. The J8, as the commander's primary staff officer, takes advantage of the orders process to issue fiscal guidance and to ensure this direction is given with the weight of a command order.

Publication of the FM annex to the withdrawal order is the culmination point of the planning process, and represents the collective efforts of all FM entities operating in theater.



The J8, in conjunction with the other members of the Fiscal Triad, must act early to establish a vision and supporting plan, create the coordination network required to support the process, and provide clear guidance through the publication of proper guidance and standard operating procedures. To be effective, the J8 must carefully orchestrate the collaborative efforts of planners from the host nation, the Department of State, and other entities remaining in country.

### **Budget Execution During Phased Retrograde**

Financial management in a drawdown is a complex process, and requires comptrollers to continue day to day budget execution until the very end of the operation. Even while devoting significant time and attention to the planning the drawdown process, the J8 and Fiscal Triad must simultaneously focus on budget execution. As the withdrawal date approaches, the J8 must relook how he executes his day-to-day operations, and make modifications to accommodate changed requirements, circumstances, and resources. He must consider a phased approach to executing the FM mission as battle rhythm events, personnel numbers and locations, the command structure, and reporting requirements change as troops begin to withdraw. Added requirements to budget, execute, and track the funding of the withdrawal operation itself may levy new FM requirements in the final phases of the drawdown. The J8 monitors budget execution to maintain holistic awareness of the state of FM in theater, and as the forcing function to manage all aspects of the FM drawdown.

Routine battle rhythm events assist the commander and the Fiscal Triad in managing drawdown budget execution. These events include weekly meetings or video telephone conferences (VTCs) with resource owners and the chain

of command (e.g. contract review boards (CRB), Fiscal Triad, DCG-S Update), providing opportunities to identify and resolve emerging issues during the withdrawal process. As the withdrawal operation progresses, these battle rhythm events become increasingly important. The staff validates all requirements through a Joint Plans and Operations Decision Support Process. In the late stages of an operation, the staff should subject new requirements to extra scrutiny as each additional expenditure requires further staff effort to track and close. Routine Fiscal Triad meetings continue, though the J8 may schedule these more frequently in the final phases of an operation or elect to augment these sessions with weekly meetings or video conferences with division G8s. Information gleaned in these sessions give the J8 a holistic view of the state of FM in theater, the pace of withdrawal, and permits quick identification of any issues that require resolution. In the final phases of an operation, the J8 should focus extra attention on the commander directed Contract Review Board, which reviews and authorizes high dollar or special interest contracts for initiation or renewal. Though some new contracts are required to maintain the pace of withdrawal operations, the J8 must carefully consider the impact of new contracts to the withdrawal plan, as each additional contract must either be closed out or transitioned to another resource owner as the troops withdraw.

As the drawdown begins to affect troop structure, military personnel across the theater will begin to contract to centralized bases and hubs in preparation for leaving the theater. The personnel conducting financial management are not necessarily exempt from impact. Command structures, personnel numbers and locations of J8 elements, contracting offices, and FMSUs may change. Though personnel numbers required to conduct operations will decrease as force levels drop and numbers of supported bases decrease, the FM community must conduct a thorough mission analysis to determine personnel needs and locations to support the total force drawdown. As for the theater J8 section, it is helpful to keep the organization together and avoid split operations as keeping the J8 personnel in one location ensures better command and control. Contracting offices and finance companies need to let each other and the J8 know their move/retrograde plans and must de-conflict these moves with FM operations. Failure to do so has a significant impact on the ability to conduct contracting and financial actions.

*continued on pg. 23*

The command structure of FM elements in theater plays a significant role in the ability of the J8 and Fiscal Triad to effectively execute the budget during the drawdown.

It is essential that the theater J8 have oversight and staff planning authority over the FMSUs. These units are companies, commanded by a major, each with three to six detachments, commanded by a captain, that perform traditional finance duties in-country. The FMSUs routinely provide pay support, cash management, Eagle Cash support, etc., to personnel in a given geographical area. The FMSUs are under command and control of the sustainment brigade commander who may not have the experience to best employ the FMSU, or orchestrate their withdrawal. It is critical to the command's ability to successfully execute the withdrawal mission to maintain the right personnel resources in the right locations to conduct day to day budget execution. To that end, clear and open coordination between the J8, the Sustainment Brigade, and the FMSUs is essential.

In addition to communication with in-country FM players, it is essential for the J8 to maintain open and effective contact with the Financial Management Center (FMC) and the theater EA. The J8 must occasionally overcome some organizational structure challenges to effect this communication. The FMC, commanded by a colonel, is usually located at the theater level and is responsible for developing policy and guidance for FM operations. However, the FMC is not in the FMSU's chain of command, which occasionally may be an issue. The FMSU, as a participant in a deployed joint task force, has a chain of command that reports through the sustainment brigade to the JTF and ultimately to the Geographic Component Command. The FMC, on the other hand, is typically organized at the service component command level. No direct command authority exists between FMC and FMSU. As successful withdrawal hinges on effective cooperation, the FMC may consider placing a liaison officer at the theater J8 and at the sustainment brigade to alleviate coordination problems.

In the case of OND and OEF, this awkward financial management command structure triggered some unique challenges. For both operations, the ARCENT G8 located in Kuwait was designated the theater EA. At the end of any theater operation, the financial books and ledgers are passed to the EA, so continuous coordination between the Fiscal Triad and the EA is useful.

In OND and OEF, the theater EA was part of the Army Service Component Command, in this case ARCENT. USF-I, on the other hand, reported directly to CENTCOM. The Government Accountability Office (GAO) cited this situation as a cause of problems and concern as guidance and orders issued from ARCENT did not have the authority of a command order. In any FM operation, especially a drawdown, executive agency and command authority should remain combined.

Though FM personnel resources, locations, and structures may change as the drawdown commences, some FM requirements may actually increase in the final phases of the drawdown. The J8 must plan to retain sufficient personnel in the correct locations to manage this new workload. Examples of such budget execution considerations include tracking the costs of the drawdown, implementing automated pay agent procedures (small value transactions involving cash or credit card), and assisting the J4 in analyzing the costs and benefits for equipment to be retrograded or left behind for host nation use.

In the case of OND, FM personnel assiduously tracked the cost of the drawdown itself, isolating these costs from other warfighting expenses. Using accounting codes to track specific drawdown costs may seem unnecessary and onerous, but by doing so, the J8 gleaned information that may prove vitally important to plan future drawdowns such as the U.S. military departure from Afghanistan. Implementation of automated pay agent procedures is initially labor intensive, but theater automation and software is available alleviate some personnel requirements by reducing paperwork and file storage requirements.

In the final phases of an operation, J8 personnel will assist the J4 by analyzing the relative costs and benefits to leaving equipment in place or retrograding it to the US or elsewhere. Drawdown costs can be decreased significantly by conducting cost benefit analyses to assist the commander in deciding whether or not to retrograde equipment, or leave equipment in-country and passing it to other government agencies or to the host nation. The J4 is the lead agent for property disposal, but FM analysis is key as significant transit costs may be avoided if low-value or high-bulk items are left in place. The J8 supports the J4 in this effort, and although cost avoidance has no impact on the financial books, the J8 maintains visibility

## ANALYZING THE RELATIVE COSTS & BENEFITS



and provides the personnel resources required to inform the command's decision.

In Operation New Dawn, the Foreign Excess Personal Property (FEPP) program delivered to the Iraqis such items as containerized housing units, AC units, generators, T walls, non-tactical vehicles, etc., at a cost avoidance over retrograding out of country of almost two billion dollars. Policy should dictate that the priority for this "left behind" equipment and facilities should go to US agencies first, and then to the host nation if legal and appropriate. The theater executive agent develops these policies in conjunction with higher authority guidance.

As the timeline for the redeployment of American forces progresses, the J8 is challenged to execute increased and varied responsibilities with fewer personnel resources, and may be subjected to additional complications such as internal and external command structure coordination requirements, personnel movements, and additional reporting requirements. Successful execution of the drawdown plan requires the FM team to orchestrate all aspects of the ongoing budget execution while simultaneously conducting their own retrograde actions and maintaining holistic awareness of the state of FM in theater.

### **Contractor Accountability and Contract Closeout**

During the planning phase of a drawdown operation, the FM team must design an exit strategy for each contract. As the drawdown is executed, some of these contracts will be downsized and many will reach fiscal closure. As

troops begin to leave the country, many support contracts, and the contractors who provide the manpower to execute those contracts, will no longer be required. In both OEF and OIF, and continuing into OND, the commanders responsible for the troop presence in Afghanistan and Iraq wanted to closely monitor the number of contractors in country. A major part of any large drawdown operation is contractor retrograde and contract closure, and commanders can gauge progress by tracking these statistics as they decline. However, this data is not always readily available to commanders.

The physical accountability of all contractors in theater including US contractors, third country nationals, and local nationals, is a government responsibility as is the conscientious repatriation of these contractors. Although the US Congress mandates tracking contractors in theater, a GAO report in 2011 stated that accounting and personnel systems in Iraq and Afghanistan were still not effectively tracking contractors. Death and injury of contractors attracted significant attention in both theaters of conflict. Concern for the safety of our contractors prompted our nation's leaders to demand better accountability for these individuals. Accountability for contractors during retrograde operations always warrants significant command emphasis, especially since these wars proved the loss of a contractor, especially a US citizen, was newsworthy and frequently strategic in nature. To effectively track the retrograde of contractors from Iraq, the commander required firm numbers of how many contractors were actually in country, supporting which contracts, by location.

This information was not immediately available, in part due to the accountability deficiencies noted by the GAO in 2011. Although tracking numbers of contractors is not doctrinally a FM or J8 function, the J8 section in OND leveraged the resources of the FM community and conducted the initial contractor census. At the beginning of OND, the J8 determined there were approximately 50,000 troops from all services remaining in Iraq and over 75,000 contractors supporting these troops, which conclusively proves the import of tracking contractor withdrawal as well as troop withdrawal. Though the J8 conducted the initial contractor census in Iraq, this is neither doctrinally correct nor is it an efficient solution. Tracking personnel is inherently a command function, with responsibilities in both the personnel and operations areas. The requirement to track contracting personnel and plan for their withdrawal cannot be effectively executed solely by FM leaders. At the beginning of OND, the US commander directed his staff to track the number of contractors authorized to accompany forces (CAAF) for demobilization operations. To comply with this directive, the OND staff formed a Contracting Fusion Cell (CFC) manned by personnel from the Senior Contracting Office-Iraq (SCO-I). The CFC verified the initial census data, and monitored the demobilization of contractors, relieving the USF-I J8 of this census duty. This organization was successful in its mission, but the USF-I staff could have supervised the contractor retrograde more effectively. Arguably, contracting personnel are not best suited for managing the demobilization of personnel. Contractor management and retrograde is an operational issue, and responsibility for these functions should reside with the J3 as the integrator of operational contract support (OCS) for the theater. The J1 is responsible for establishing the Joint Manning Document (JMD), which should establish coded positions for contracting officers to serve in the Joint Operations Center (JOC) to perform this function and issue guidance. Additionally,

the J1 should include the contractor population in the daily Personnel Status (PERSTAT) report which tracks the military and government civilian population. The contracting command should ensure all contracts include a demobilization clause that requires the contractor parent company in its performance requirements to include a plan for retrograde of all employees. Finally, the J3 should require contractor retrograde and accountability reporting requirements to be included in all theater and task force orders and rehearsal of concept (ROC) drills to ensure this phase of the drawdown is fully embedded into the operational plan. The Joint Contracting Command should serve as an advisor in this process, but as stated, contractor retrograde planning and control should reside in the J3.

Along with physical contractor retrograde, contract closure is an essential piece of an FM drawdown operation. Contract closure requires a cooperative effort from many parties, and cannot be effectively accomplished without significant planning and input from outside the contracting command. As part of the Fiscal Triad, the FM and contracting communities must partner together to effectively and efficiently close contracts and ensure that goods and/or services are delivered and contractors paid. In 2009, the U.S. government realized that there were tens of thousands of unclosed wartime military contracts backlogged and created a task force to reduce this queue. A senior contracting official stated that “contract closeout is perceived as a lower priority to contract execution and resources are inadequately assigned to prevent contract closure backlog.” A possible solution to this problem is to centralize contract closure at the senior contracting office in theater, thereby allowing the subordinate contracting offices to concentrate on contract award and execution. This centralized contract closure clearing house would require an FM cell to ensure payment is made for each contract closed. Toward the end of Operation New Dawn, an FM cell was embedded with the contracting





command to assist in contract drawdown and this proved to be a successful effort.

An experienced contracting official stated, “the ability to track contractor payments is integral to closing out a contract because it links the acceptance of the goods or services to contractor payment. Payment to a contractor is a finance responsibility and the contracting officer has no visibility over the transaction.” Obviously, contract payment and closure is a significant event in any drawdown operation, especially operations as large and complex as OIF/OND and OEF. Contract disputes from the first Gulf War still linger in litigation and the final resolution of contracts from more recent conflicts is likely to haunt government contracting professionals for years to come.

A centralized, coherent, and efficient contract closure process would do much to alleviate additional work required to resolve lingering disputes. Plans produced by the command J3 and J5 should include planning for contractor retrograde and contract closure, rather than relegating these critical components of the withdrawal operation to an obscure additional duty for just the contracting and financial management community. Contracting and FM personnel must be integral parts of the J3 and J5 staff to synthesize these requirements. Chain of command interest at the general officer level is necessary to ensure proper planning and execution of contractor retrograde and contract closure.

### **Commander’s Emergency Response Program (CERP) Closure**

The FM community must plan to close out many special programs when conducting a drawdown operation. This paper will use the example of the special program CERP, as an example due to the large scale and complexity of the program. The CERP was a major program in OIF/OND and OEF and will probably continue in some form in future long-term contingency operations. The closure of CERP in OND was a major effort for the Fiscal Triad and consumed considerable effort. Along with other efforts listed in this paper, the same planning and execution considerations apply to CERP. CERP gave commanders “walking around money” to do small-scale humanitarian or civil programs in their areas of operation. Commanders at all levels and their financial managers, including the author of this paper gained extensive experience with the program in Afghanistan and Iraq.

The U.S. military use of CERP during this past decade of conflict generated much controversy and discussion of the program’s positive and negative aspects. To put in simple terms: CERP was designed as a counter-insurgency (COIN) tool to give commanders funding to do local projects in their area of operations, generating peace, stability, and goodwill amongst the local populace and support for U.S. intent. CERP’s critics, on the other hand, claimed the program got out of control by militarizing foreign aid, which many believe should be the exclusive domain of either private entities alone, or some combination of private entities and other governmental organizations. In particular, critics decried the military’s execution of large projects (including multi-million dollar roads, etc.) deeming such projects are best accomplished with funding streams from other entities, such as the Department of State or US Agency for International Development (USAID). Full exploration of the efficacy of CERP is not within the scope of this paper; rather, this paper addresses closure of the CERP program from a FM perspective, and techniques and procedures for managing the final phases of the execution of an exemplary special program.

Planning for closure of special programs such as CERP should begin as soon as possible in the process of a drawdown operation. Each CERP project must be closed physically, administratively, and fiscally; and a responsible host nation government representative must formally accept the completed project, preferably with written documentation. Operationally, the need for CERP is phased out during a drawdown as U.S. forces shift their concentration from COIN to the physical departure of their troops from the host nation. In accordance with the withdrawal plan, the command sets a termination date for any new starts for CERP projects. The intent is for all commanders to complete their projects prior to physical departure from country, and permit fiscal closeout of the projects and the overall CERP program. Despite this guidance, the command may consider some exceptional needs for CERP funds right to the very end. The chain of command should approve these projects on a case by case basis to achieve critical goals linked to the withdrawal plan and long term strategy.

Command involvement and commander's guidance are critical to successful closure of the CERP program during the military drawdown; therefore, it is essential that the command issue proper authoritative orders early in the process and that such guidance is clear. This guidance should include limitations for the magnitude and scope of projects by project categories. Additionally, this guidance should require units to submit project proposals that include a risk mitigation plan to limit size and establish an end date for project completion well before end of mission (EOM). These limitations allow for the gradual drawdown of the CERP program in preparation for troop withdrawal, paving the way for program closure.

Proper preparation for program closure by command guidance will allow units to obtain a better understanding of the mission, commander's intent, current status of existing projects, and close out requirements. Program managers must have a clear definition of the closure objectives and the timeline to achieve success. As CERP is a commander's program, general officer involvement, such as the theater support deputy commanding general, could be very beneficial in issuing initial guidance and in monitoring progress of CERP closure, and establishing battle rhythm events and reporting procedures.

An important consideration for CERP closure is the responsibility for JTF staff program management. In USF-I, the program manager for CERP was the J8, which is not the logical choice for routine management of the program or for planning its eventual closure. The J8 procures and monitors funding for the program, but lacks visibility of program requirements and objectives on the ground. A more appropriate staff element for program management is the J9 Civil Affairs section which has better understanding of the intent, the requirements and the collective impact of these projects on the overall mission. During a drawdown operation, the J9 is best suited to lead the CERP closeout, supported by the J8 and other applicable staff sections.

Records management is a less interesting and tedious aspect of CERP closure. Numerous records for CERP projects may exist, especially during an extended campaign (OIF/OND/OEF) and records from the early part of a campaign may be paper documents only, due to lack of theater maturity at the time. Proper recording of projects into a reliable database to record administrative and fiscal

closeout is important to show proper stewardship of these funds to auditors and to the American taxpayer. CIDNE, the database used to track CERP in Iraq, was not fully implemented until late in OIF, and even after implementation, many units failed to properly enter projects into the CIDNE database. USF-I created a special task force to properly enter these files and to ship years of paper CERP files found stored in country in shipping containers to CONUS.

Planners for future withdrawal operations can draw some clear tenets for closure of special programs. To ensure special programs are closed effectively, units conducting a withdrawal must begin planning early; get command involvement from the start, and issue clear guidance and orders early. Commands should set realistic milestones and establish goals to end the program with allowance for "discovery learning" and delays in the timeline. A phased approach to project closure is helpful by setting goals for numbers of projects closing in an elapsed time period. The command should consider inviting an independent audit agency such as the Army Audit Agency, the Government Accountability Office, or the Special Inspector General for Iraq Reconstruction to review and audit the program. Planning and executing the effective closure of large special programs such as CERP is critical to the success of the drawdown operation.

## **Stand-up of the Office for Security Cooperation and Transfer of Duties**

As planning for a military drawdown begins, the theater commander needs to conduct mission analysis to determine which military tasks will endure, which will be terminated, and which tasks should be handed off to other agencies, primarily the U.S. Department of State (DoS). In preparation for assumption of these tasks, the U.S. Department of Defense, in conjunction with the Department of State, may elect to stand up a security assistance program under the Office of Security Cooperation (OSC) at the U.S. Embassy. Although standing up this office is not inherently a financial management function, there are significant financial management requirements the departing command must meet.

To stand up a new OSC, the military in conjunction with State must find financial authorities for numerous logistical requirements such as personnel, base living



facilities, force protection, etc. This task is uniquely challenging for the military financial manager, as many of these requirements must be funded with new financial authorities or funding streams with which he may not normally work. The military must identify personnel to fill the new billets. FM personnel in charge of conducting the military drawdown may simultaneously be charged with standing up the OSC, as in the case of USF-I in OND. Finally, as the OSC will work under the auspices of the U.S. Embassy and with multiple funding streams, planning effective oversight is critical. The success of the military drawdown requires smooth transfer of responsibility to the U.S. Embassy's country team, which requires a functional, well-funded, and well-staffed OSC, which should be stood up as early as possible at full operational capacity.

As drawdown workload increases for financial managers, personnel available to execute the mission supplied through the JMD usually decreases with the drawdown, making the transition to OSC all the more challenging. Given the requirement to balance the various workloads, the composition of an OSC J8 office is usually small and austere. In the OSC-Iraq office, the J8 staff consisted of five military officers. These personnel must concentrate on meeting financial requirements for the main force leaving during the drawdown while at the same time conduct planning and mission analysis for the enduring military presence in-country under the OSC.

Their physical departure from the JTF to the OSC must be carefully planned to ensure the unrestricted continuance of both missions.

Planning the standup of a large OSC requires coordination with numerous higher headquarters and agencies not normally encountered by a JTF J8 such as the Global Combatant Commander (GCC) J8, the Office of the Secretary of Defense Comptroller (OSD-C), and financial managers from DoS. Coordination with State is uniquely challenging, as financial management in the DoS is usually very centralized and managed from Washington DC. FM personnel planning to resource the OSC will also encounter fiscal authorities not normally found in a theater FM environment by a J8 financial manager. These include funding from DoD and DoS including Title 10 (traditional DoD), Title 20 (security assistance), and Title 22 (DoS), each with specific caveats and limitations.

The GCC directs the stand up of an OSC by publishing definitive planning guidance, which is preferably in the form of a revised Theater Campaign Plan (TCP), or a Theater Security Cooperation Plan (TSCP), which now includes a directive to stand up the OSC. If the GCC does not issue this guidance formally, or if this guidance is delayed, the ability of the new OSC to operate effectively will be significantly hampered. In the financial arena, the J8 must prepare funding requests in different authorities to go through the military and interagency

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bureaucracies to reach Congress in time for approval and appropriation. Without the TCP or TSCP guidance, these funding requests lack formal authority.

The timeline for planning transition of responsibilities to State, especially financial planning with cost justifications to Congress, is normally compressed in a drawdown environment. MAJ Omar Garcia, one of the original members of the OSC-I J8 in December of 2011, describes the compressed timelines and the complexities of the various funding streams he experienced.

We've just completed the annual process of projecting and justifying organizational requirements, priorities, and funding needs—otherwise known as the Program Budget Review (PBR). For the typical government organization, this process should take about six months, with three months spent on strategy and another three on financial planning and budgeting. For the OSC-I, the process was compressed into two months and took the efforts of five organizations to complete: DoS, OSC-I, USF-I, U.S. Central Command (USCENTCOM), and the Office of the Secretary of Defense (OSD). We made many assumptions about the end-state U.S. footprint, or lack thereof, in conducting the PBR, since the GoI had not decided whether to retain U.S. military trainers within its borders beyond 2011. This was a key factor identified during budget formulation, since mistaken initial assumptions could lead to exponential cost growth during the year.

Planning and executing the stand up of an OSC is an unusual and difficult task, requiring extensive interagency cooperation and the determined efforts of many FM personnel.

With the transition from DoD to DoS, there may be blurred requirements requiring innovative solutions that draw upon converging Defense and State funding streams. Rarely is there a clear line between a requirement and a single funding stream, so quite often planners must develop interagency solutions to meet the requirements of the mission. Adding to this complexity for the JTF J8 is the variety of different funding streams required to carry out diverse missions, which may be complicated by different appropriations and the timing of these appropriations.

In the USF-I experience, the U.S. Congress issued funding authorities in regular operations and maintenance (O&M), Iraqi Security Forces Funding (ISFF), Title 22 (DoS), and special funding for the OSC standup; and these authorities were spread over three fiscal years, including 2010, 2011, and 2012. In a fiscal environment such as this, the financial manager requires thorough knowledge of their craft, strong critical thinking skills, a good understanding of fiscal law, and a strong partnership with the JTF fiscal lawyer. DoD and DoS require a supportive Congress to obtain special authorities and funding for a well planned and effective stand-up of the OSC, including authorities in military construction (MILCON) for facility construction and force protection requirements. A timely and current Theater Security Cooperation Plan is useful to determine proper funding authorities and limitations.

Conversely, in anticipation of a military drawdown situation, DoS should start planning and budgeting early for a reduced military presence, especially in the areas of base support and force protection. The State general budget is much less than Defense and State must identify new funding requirements to Congress in a timely manner. A State Department IG report in 2009 stated that “Embassy Baghdad should verify resource needs to meet the expected increase of logistical and program support requirements stemming from the departure of U.S. military resources, and should request additional funds as necessary.” Though the impact of the military drawdown was anticipated, the Embassy struggled to quantify the requirements and meet State budget submission timelines.



The impact of complicated fiscal conditions with unfilled FM positions in the OSC, a lack of experience in dealing with the special fiscal authorities given, and the uncertain security environment of a country like Iraq or Afghanistan limits the capacity for financial oversight in the stand-up and operation of an OSC. Reduced oversight risks possible waste and mismanagement, especially with regard to special congressional authorities and limitations. Security cooperation can be difficult even under normal circumstances, but non-standard interdepartmental relationships and the variety of special funding streams and authorities make drawdown and transition to an OSC more difficult. Despite limited personnel resources, leadership cannot afford to fail in the area of oversight. Close monitoring is necessary to prevent fraud, waste, and abuse of funds and other resources and ensure mission success.

In the case of Iraq, the Department of Defense adopted measures to aid success in the financial transition from DoD to DoS control via the OSC. Defense designated the Under Secretary for Defense Policy as the OSD point of contact for Iraq transitions. This proved to be a good move that ensured the transition effort received proper OSD coordination and focused attention. USF-I provided increased engineer, financial and other senior

staff support to the Deputy Commanding General for Advising and Training, who was overall responsible for the OSC creation. CENTCOM formed a committed Iraq Transition Team made up of cross-functional experts to serve as the GCC's single point of contact for all Iraq transitional issues. The amount of staff coordination required within the FM military community and with other agencies is extensive and probably not in the experiences of most DoD financial managers. Discovery learning is common and flexibility and agility are essential.

During the drawdown and transfer of functions to DoS and other agencies, planners must anticipate factors and situations beyond the JTF or DoD control. There may be uncertainty about the size of the post-drawdown US force presence, a lack of a security agreement with the host nation, a lack of status of forces agreement (as in Iraq), lack of approval for the OSC, a lack of land-use agreements for the OSC and DoS. Issues may arise not just with the host nation, but also internally within the US government, such as the acquisition of necessary State Department funding to assume DoD missions or planned transition of specific functions and congressional approval for authorities to support the OSC. These issues must be identified early in the planning process and quickly resolved to avoid hindering the transition to DoS.

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## Conclusion

The U.S. military has conducted several drawdown operations in its military history, but, a complete drawdown and troop retrograde such as the operation USF-I conducted to conclude OND in Iraq is uncommon. Planning and executing a military drawdown and troop retrograde must provide for the accomplishment of the many financial management variables and tasks discussed in this paper.

The tasks and specific recommendations provided in the paper include:

- Use the Fiscal Triad to guide the process.
- The J8 should be the single financial management theater focal point.
- Increase contract scrutiny toward the operational end point.
- Conduct thorough mission analysis.
- Avoid splitting J8 operation.
- Insert a Financial Management Center liaison at the J8.
- Assist the staff with cost/benefit analysis.
- The J3 should manage contractor retrograde.
- The senior contracting office (SCO) should manage contract closure.
- Plan early for CERP closure.
- The J8 should not be the CERP program manager.
- An independent third party should conduct a final audit on CERP closure.
- Begin early planning for the OSC stand-up.

Future planners would do well to remember the examples of Iraq and Afghanistan to maximize efficiency and thereby get the most value for the American taxpayer. America's current fiscal situation demands leaders of future military operations have a clear exit strategy, with reasonable ability to predict the costs of executing and concluding the operation. In times of future national austerity, the country's leaders must have the clearest

possible picture of all costs of war. Comprehensive understanding and acceptance of definite end states and goals between military and civilian leaders is essential to the future financial integrity of the nation.

Drawdown planners must include accomplishment of financial management requirements while planning the greater retrograde mission, and planners must include input from all players of the military and interagency team. Within the financial community, responsibility for core planning and execution rests with the Fiscal Triad, consisting of the J8 for resource management, the FMSU for traditional finance support, and the Theater Contracting Command for contracting support. The J8 is the theater commander's primary financial advisor and should be the focal point for all aspects of financial management affecting the mission in and out of theater, to include coordination with the FMSU, the FMC, and with the Theater Contracting Command on policy and guidance for the theater.

In the same manner, the Fiscal Triad must serve the commander and units in execution of the drawdown plan by determining how to best support the drawdown and retrograde operation. The Triad should determine FM force structure and reduction and locations that are suitable to support forces as they withdraw. During the execution process, the J8 and FM community must maintain contact and coordination with many diverse organizations at both higher and subordinate levels.

Military strategists normally do not consider the responsible retrograde of contractors and the proper closure of contracts while planning a military drawdown. Commanders in both Iraq and Afghanistan realized the critical nature of this formerly neglected task. Planners must include the resolution of theater-wide special programs such as CERP in the greater drawdown plan, as the close out of these special programs is complicated and requires commanders to conduct thorough planning and follow-up in execution. In the case of CERP in Afghanistan and Iraq, program close out is, in fact, directly tied to the ability of the command to conduct responsible close of mission.

A final financial management consideration for future planners is the transfer of functions and missions from DoD to DoS. The largest part of planning this fiscal transition will likely be the creation and stand-up of the

Office of Security Cooperation (OSC). Proper execution of this task requires early guidance from DoD and the GCC, and early and rigorous planning. Planners must work through many financial management details with the host nation and the US legislative and executive branches. Transition to DoS is fiscally complicated and usually beyond the experience level of most DoD financial professionals. As a result, successful mission accomplishment requires education, significant lead times, and thorough coordination. Planning and execution of a military drawdown can be a professionally unique and rewarding experience if done with diligence and forethought. The financial management aspect of the withdrawal operation is an important component of the overall military mission that history and the nation will use to judge overall operational success.

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