

Joint Publication 1-06



Joint Tactics, Techniques, and Procedures for Financial Management During Joint Operations



22 December 1999



PREFACE

1. Scope

This publication provides tactics, techniques, and procedures for the financial management process in support of a US joint force.

2. Purpose

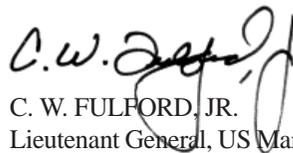
This publication has been prepared under the direction of the Chairman of the Joint Chiefs of Staff. It sets forth doctrine and selected joint tactics, techniques, and procedures (JTTP) to govern the joint activities and performance of the Armed Forces of the United States in joint operations and provides the doctrinal basis for US military involvement in multinational and interagency operations. It provides military guidance for the exercise of authority by combatant commanders and other joint force commanders and prescribes doctrine and selected tactics, techniques, and procedures for joint operations and training. It provides military guidance for use by the Armed Forces in preparing their appropriate plans. It is not the intent of this publication to restrict the authority of the joint force commander (JFC) from organizing the force and executing the mission in a manner the JFC deems most appropriate to ensure unity of effort in the accomplishment of the overall mission.

3. Application

a. Doctrine and selected tactics, techniques, and procedures and guidance established in this publication apply to the commanders of combatant commands, subunified commands, joint task forces, and subordinate components of these commands. These principles and guidance also may apply when significant forces of one Service are attached to forces of another Service or when significant forces of one Service support forces of another Service.

b. The guidance in this publication is authoritative; as such, this doctrine (or JTTP) will be followed except when, in the judgment of the commander, exceptional circumstances dictate otherwise. If conflicts arise between the contents of this publication and the contents of Service publications, this publication will take precedence for the activities of joint forces unless the Chairman of the Joint Chiefs of Staff, normally in coordination with the other members of the Joint Chiefs of Staff, has provided more current and specific guidance. Commanders of forces operating as part of a multinational (alliance or coalition) military command should follow multinational doctrine and procedures ratified by the United States. For doctrine and procedures not ratified by the United States, commanders should evaluate and follow the multinational command's doctrine and procedures, where applicable.

For the Chairman of the Joint Chiefs of Staff:



C. W. FULFORD, JR.
Lieutenant General, US Marine Corps
Director, Joint Staff

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EXECUTIVE SUMMARY

COMMANDER'S OVERVIEW

- Discusses Financial Management for Joint Operations
 - Covers Resource Management and Finance Operations
 - Provides Objectives of Joint Financial Management
 - Discusses the Role of the Executive Agent
 - Covers Financial Advice and Recommendations
 - Discusses Contingency Operations and Sources of Funds
-

Financial Management for Joint Operations

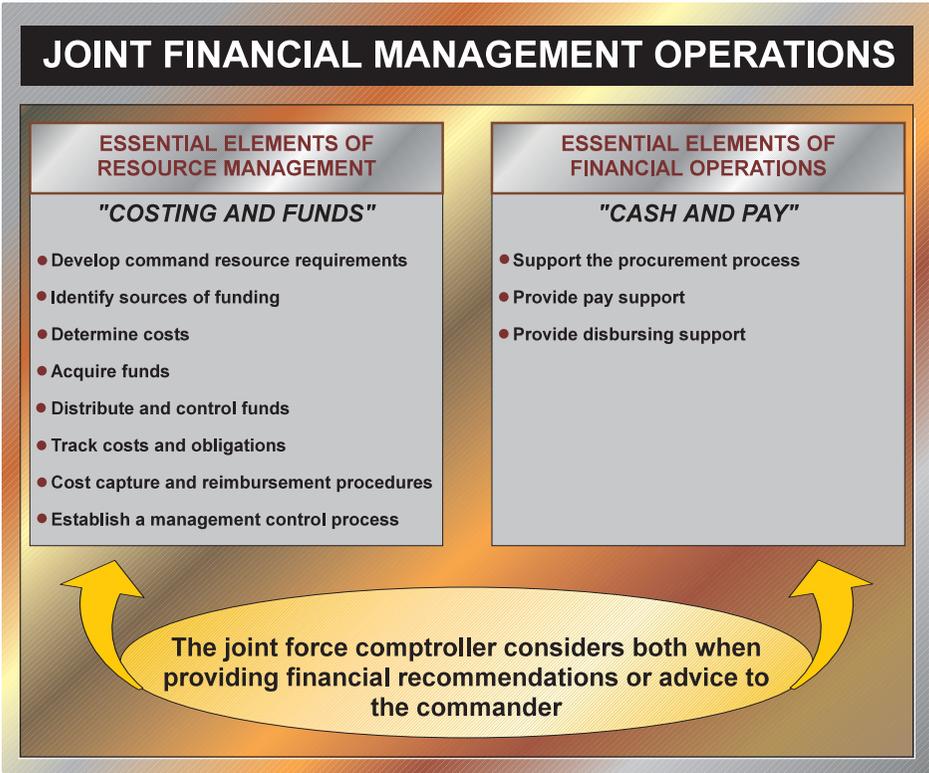
Financial management (FM) support is essential to the mission support of a joint operation and is an issue that many parties in joint operations must understand.

Financial management (FM) support is important to the morale and welfare of a deployed force, but is **essential to the mission support of a joint operation**. This publication provides a **single source financial management document** for commanders, staffs, logisticians, and resource management and financial personnel at the joint operational level. It describes the role of financial management across the range of joint and multinational operations and provides useful information to **assist financial managers** in the support of the overall mission.

Resource Management and Finance Operations

The comptroller's responsibilities include making resources available when needed and assisting the commander in maintaining fiscal responsibilities.

The purpose of joint FM is to **support mission accomplishment** by providing necessary FM capabilities. The comptroller is the officer responsible for providing the elements of **resource management (RM)** and **finance operations**. The RM process of the joint force comptroller is normally comprised of costing functions, and the effort to leverage appropriate fund sources. Finance operations provide the necessary funds to conduct contracting and the full range of pay support needed by members of the joint force.



The joint force comptroller management of these elements provides the joint force commander (JFC) with many necessary capabilities, from **contracting** and **banking support** to **cost capturing** and **fund control**. Joint task forces may conduct operations in austere environments and, in many cases, at great distances from home station support. Requirements for contracting, subsistence (to include fresh fruit and water), billeting, transportation, communications, labor, and a myriad of other supplies and services will be necessary for successful mission support.

Objectives of Joint Financial Management

There are four common objectives of joint FM that provide a unity of effort in using fiscal resources.

This publication establishes **common objectives of joint financial management** for all Department of Defense (DOD) components that form the joint force. These objectives enable the joint force comptroller to provide a common **unity of effort in the use of fiscal resources** to support the JFC. These objectives are:

- **Ensure that mission essential funding is quickly provided** in the most efficient manner;

- **Reduce the impact** of joint operations funding requirements **on readiness**;
- **Prevent funding shortfalls** from compromising mission success; and
- **Conduct detailed FM planning** and coordinate efforts.

Role of the Executive Agent

Whether funding multi-Service contract costs or special programs, the appointment of an FM executive agent will clarify funding responsibilities and simplify reimbursement issues during contingency operations.

Appointment of an FM executive agent (EA) **clarifies the funding responsibilities** and **simplifies reimbursement** during contingency operations. The **Secretary of Defense** may elect to **designate an EA** for the purpose of funding all or part of an operation. The EA is normally the Secretary of a Military Department. The FM EA will normally fund **multi-Service contract costs, unique joint force operational costs, special programs, joint force headquarters operational costs**, and any other designated support costs.

Financial Advice and Recommendations

The joint force commander has the joint force comptroller and the legal advisor available on staff to assist with all aspects of FM.

The joint force comptroller, in conjunction with the legal advisor, provides to the JFC **advice and recommendations on legal aspects of FM**. The requirement for FM is derived from fiscal law. One of the most important FM laws is the Antideficiency Act, codified in Chapters 13 and 15 of title 31, United States Code. This law contains **prohibitions with respect to the use of funds in excess of amounts available** and has punitive provisions for violations of these prohibitions. DOD policy requires that controls, accounting systems, and procedures provide proper identification and records of costs supporting contingency operations.

Contingency Operations and Sources of Funds

Occasionally, operation and maintenance funds are used as supplemental funding for contingency operations by the authority of the Secretary of Defense.

Preventing funding shortfalls during contingency operations presents unique challenges. In the past, supplemental funding of contingency operations has been uncertain and untimely. Financial resources, therefore, are not always identified as being specifically available for these operations in the annual budget requests of DOD components. When financial resources have not been programmed and made available in a budget request, components must accomplish directed contingency operations using **military pay and operation and maintenance funds**.

These funds are used by the DOD components, independent of the receipt of specific funds for the operations. The authority for the components to expend available funds comes from the Secretary of Defense.

CONCLUSION

The joint force comptroller must perform **two key functions** for the commander: first, **ensure that resources are available** when and where they are needed; second, aid the commander in **maintaining his or her fiscal responsibilities**.

CHAPTER I

FINANCIAL MANAGEMENT FOR JOINT OPERATIONS

"Have money and a good army; they ensure the glory and safety of a prince."

Frederick Wilhelm I of Prussia
1724

1. Introduction

a. The Services do not operate alone when part of a joint or multinational operation. Together, the Services contribute a full range of unique functions tailored to a specific mission. This is true not only when the military is the prime strategic option, as it is in war, but when other elements of national power are the preferred option and the Armed Forces of the United States provide support to other US Government (USG) agencies. **Joint forces must be prepared to conduct both warfighting and other smaller scale contingencies with a variety of US agencies, other nations, and international agencies.**

b. **Commanders must understand the importance of integrating financial management (FM) support with mission needs in order to successfully execute**

operations. Every mission, to include peacekeeping, noncombatant evacuations, and foreign humanitarian relief efforts, requires accomplishment with a variety of funding sources and authorities. In addition, financial managers may provide fund control and US and foreign currency that are essential for executing the joint acquisition process.

2. Overview

This chapter delineates the purpose, objectives, and principles of FM for joint operations as well as the role, mission, responsibilities, and organization of the supported combatant commander comptroller and the subordinate joint force commander (JFC) comptroller. By executing the techniques and procedures outlined in this chapter, FM will more effectively support the JFC.



Financial management supports mission accomplishment by providing resource management and finance capabilities.

3. Purpose of Financial Management

The purpose of FM is to support the accomplishment of the mission by providing necessary resource management (RM) and finance capabilities. **FM is composed of two core processes: RM and finance operations** (see Figure I-1). These two processes are different, but mutually supporting. **The execution of the RM mission includes the following elements:** providing advice and recommendations to the commander; developing command resource requirements; identifying sources of funding; determining costs; acquiring funds; distributing and controlling funds; tracking costs and obligations; capturing costs; conducting reimbursement procedures; and establishing a management control process (see Figure I-2). **The essential elements of finance operations are:** providing financial advice and recommendations; supporting the procurement process; providing pay support; and providing disbursing support. By ensuring that these elements of RM and finance operations are provided, the joint force comptroller will accomplish the objectives of joint FM.

The essential elements of RM and finance operations will be discussed in Chapter II, “Resource Management Operations,” and Chapter III, “Finance Operations,” respectively.

4. Financial Management Executive Agent

a. The Secretary of Defense (SecDef) may elect to **designate an executive agent (EA) for the purpose of funding all or part of an operation.** The EA is normally the Secretary of a Military Department. The supported combatant commander will confirm, through the operation plan (OPLAN) and/or operation order (OPORD), the designated financial management EA for the joint operation.

b. The financial management EA will normally fund multi-Service contract costs, unique joint force operational costs, special programs, JFC headquarters operational costs, and any other **designated support costs.** Department of Defense (DOD) components will fund their pre-deployment, deployment, operating tempo (OPTEMPO), sustainment, redeployment, reconstitution, and **military personnel costs.** During the planning for an

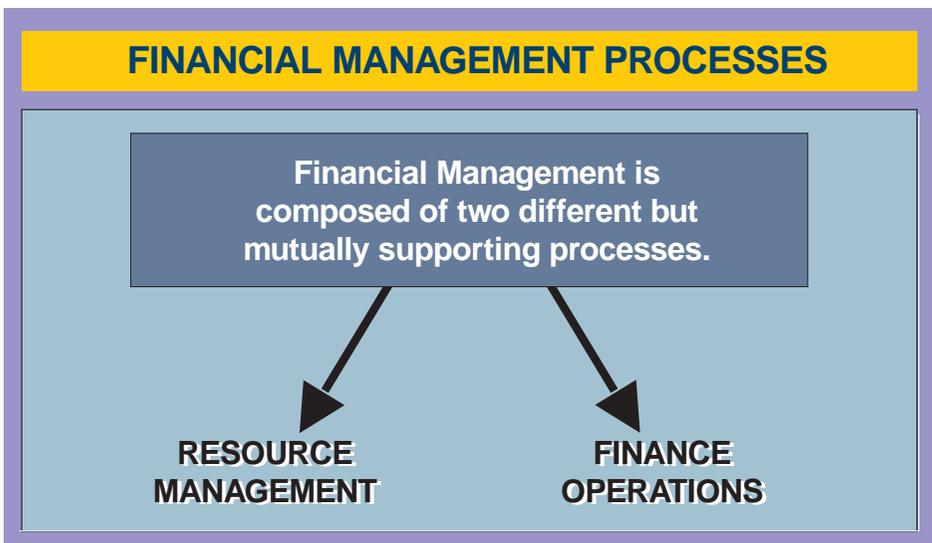


Figure I-1. Financial Management Processes

ELEMENTS OF THE RESOURCE MANAGEMENT MISSION

- ◆ Provide financial advice and recommendations to the commander
- ◆ Develop command resource requirements
- ◆ Identify sources of funding
- ◆ Determine costs
- ◆ Acquire funds
- ◆ Distribute and control funds
- ◆ Track costs and obligations
- ◆ Costing and reimbursement procedures
- ◆ Establish a management control process

Figure I-2. Elements of the Resource Management Mission

operation the subordinate JFC, based on combatant commander guidance, **must designate what the EA will be required to fund and what the components must fund.** When required by the Department of Defense, separate cost accounts are established to capture direct costs incurred in support of other activities such as coalition forces and humanitarian agencies.

5. Stewardship

Stewardship of resources is extremely important. **Available resources shall be used in the most efficient means possible.** The stewardship tenet states that the Department of Defense is entrusted by the American people as steward of the vital resources (funds, people, materiel, land, facilities) provided to defend the nation.

6. Objectives of Joint Financial Management

The establishment of common FM objectives assists in ensuring both **unity of effort** and the **prudent use of resources** in support of the JFC. The FM objectives which support JFC mission accomplishment are shown in Figure I-3 and include the following.

a. **Ensure that mission-essential funding is quickly provided** in the most efficient manner to ensure the operational success of the mission. This includes using the proper source and authority of funds, as well as reviewing applicable agreements.

b. **Reduce the impact of joint operations funding requirements on readiness.** Financial managers achieve this by seeking

OBJECTIVES OF JOINT FINANCIAL MANAGEMENT

- Ensure that mission-essential funding is quickly provided in the most efficient manner
- Reduce the impact of joint operations funding requirements on readiness
- Prevent funding shortfalls from compromising mission success
- Conduct detailed financial management planning and coordinate efforts

Figure I-3. Objectives of Joint Financial Management

alternative funding sources and ensuring that cost estimates are provided to assist in the timely reimbursement of Service component appropriated expenses.

c. **Prevent funding shortfalls from compromising mission success.** Fiscal year integrity and possible antideficiency violations become a major concern, particularly when substantial contingencies occur in the third or fourth quarter. Basic fiscal controls on appropriated funds require obligations to occur within the time limits applicable to the appropriation (e.g., operation and maintenance [O&M] funds are available for one fiscal year) and to be within the amounts authorized, otherwise an antideficiency violation may occur.

d. **Conduct detailed FM planning and coordinate efforts** to provide and sustain resources in support of the logistics effort so the JFC may best accomplish the mission.

7. Principles of Joint Financial Management

a. **To effectively support joint operations**, FM must be responsive and

capable of meeting the JFC resource requirements. The following FM principles are based on sound concepts and operating experience. Their use as guidelines will contribute to development of an appropriate and successful FM concept of support (see Figure I-4).

b. FM Principles

- **Integrate the funding responsibility** of the DOD components and the operational requirements of the combatant commanders. As portrayed in Figure I-5, the combatant commander may choose to conduct operations through subordinate joint force commanders (subunified and joint task force [JTF] commanders), Service component commanders, or functional component commanders. However, **funding for the missions in support of the JFC flows through either a Military Department, US Special Operations Command (USSOCOM), or a Defense agency.** Financial managers must understand these relationships and be able to integrate those unique FM responsibilities associated with joint operations.

FINANCIAL MANAGEMENT PRINCIPLES

- ◆ Integrate the funding responsibility of the DOD Components and the operational requirements of the combatant commanders
- ◆ Provide consistent financial management guidance in support of joint operations
- ◆ Ensure consistency of financial service support
- ◆ Ensure the most efficient use of all available resources

Figure I-4. Financial Management Principles

- **Provide consistent FM guidance** in support of joint operations. This includes being involved in the staff estimate process, development of the FM appendix and, when necessary, conducting an economic analysis of the joint operations area (JOA).
 - **Ensure consistency** of financial service support. The Department of Defense and the military Services financial managers will coordinate to ensure that consistent financial services are provided to all personnel assigned to the JFC. This includes making appropriate provisions for military pay and services, payment of travel entitlements, and cash operations to support Service member requirements.
 - **Ensure the most efficient use** of all available resources. At some level and to some degree, resources are always limited. When prioritizing and allocating resources, the commander must continuously consider economy, but not to the detriment of mission accomplishment.
- 8. Roles and Missions of the Supported Combatant Commander Comptroller and Joint Task Force Comptroller**
- a. Combatant commanders' headquarters are organized differently. In some cases, a comptroller is a principal staff officer. In other instances, they are collocated with the Logistics Directorate of a joint staff (J-4) or constitute a special staff section under the Chief of Staff or Deputy Commander in Chief (CINC). **The goal, however, is to provide a single staff element to oversee all FM requirements for the combatant commander and to act as a liaison to any subordinate JFCs.**
 - b. As outlined in JP 5-00.2, "Joint Task Force Planning Guidance and Procedures," the JTF comptroller can be either a principal staff officer or on the special staff of a joint force responsible for FM support. In most cases, the commander, joint task force (CJTF) will designate the JTF comptroller as a principal staff officer. However, based on the type and duration of the mission and specific support requirements, the JTF comptroller

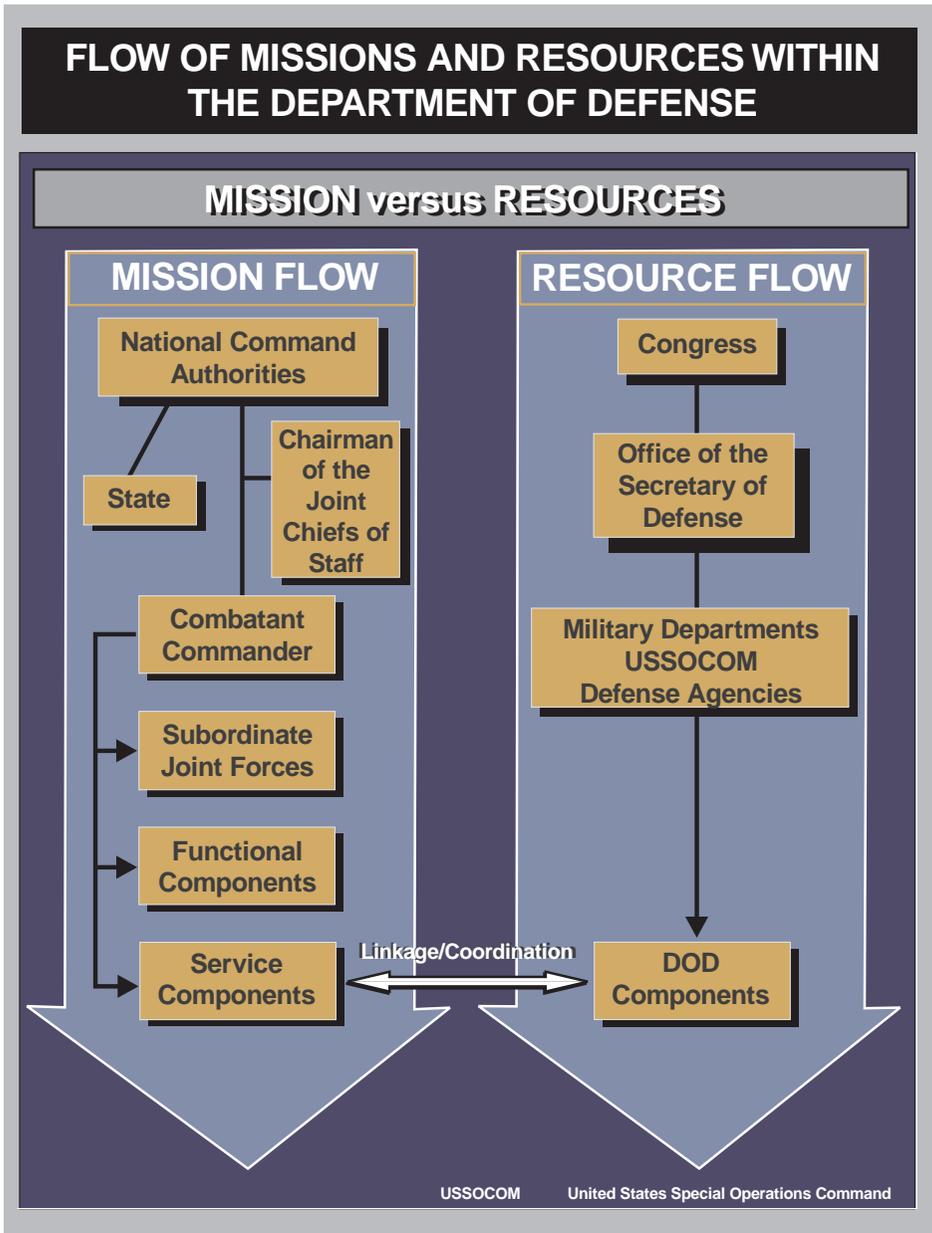


Figure I-5. Flow of Missions and Resources Within the Department of Defense

may have a more limited role and act in the capacity as a special staff officer. In any case, **the JTF comptroller**, along with the supported combatant commander’s comptroller, **must be involved early in the planning process to clearly define the responsibilities for FM**. Although the

component commands have the primary responsibility for providing resources to a particular mission, the JTF comptroller is responsible for integrating the efforts of RM and finance policy planning and execution among all components participating in a joint operation. The CJTF may designate a

component commander's comptroller or finance staff officer to have the dual mission of supporting its component and, if further directed by the CJTF, as the JTF comptroller.

9. Supported Combatant Commander's Comptroller Responsibilities

The supported combatant commander's comptroller is responsible for the following.

a. **Serve as principal advisor** to the supported combatant commander on matters pertaining to FM.

b. **Coordinate** with the Joint Staff, supporting combatant commander's comptroller, and supporting government agencies to ensure timely receipt of FM instructions and authorities.

c. **Provide funding guidance** and, when necessary, coordinate with the Joint Staff and the Secretary of Defense for designation of an EA.

d. **Prepare the FM appendix** to OPLANs and OPORDs issued by the supported combatant commander.

e. **Transfer responsibilities** to the JTF comptroller as soon as possible after activation of the JTF and identification of the JTF comptroller. This includes updating the JTF comptroller on the status of funding actions, financial support, and other mission-unique requirements.

f. **Coordinate** with the supported and supporting governmental agencies and promulgate appropriate reimbursement procedures.

10. JTF Comptroller Responsibilities

The JTF comptroller is responsible for the following.

a. **Serve as principal FM advisor** to the CJTF and as the focal point for CJTF financial management matters.

b. **Prepare the FM appendix** to the JFC OPLANs and OPORDs.

c. **Establish JOA financial management responsibilities.** Based on the mission and geographic locations of components, the JTF comptroller may coordinate the designation of an EA for specific FM functions or special support requirements.

d. **Review** estimated and actual costs of the operation when available.

e. **Establish management controls** to ensure the efficient use of resources.

f. **Coordinate entitlement policy** with the JTF Manpower and Personnel Directorate (J-1) on pay and allowances for the JTF personnel to include a recommendation to the JFC on the per diem status for JTF personnel.

g. **Coordinate with JTF J-4** on logistics and contracting requirements to ensure that they complement the FM responsibilities. Participate in the JTF J-4 planning groups and boards as required. Develop a system with the JTF J-4 for prevention of fraud, waste, and abuse.

h. **Coordinate** with other staff members concerning their FM **requirements**, and provide them guidance on meeting their FM responsibilities.

i. **Determine sources of funding and obligation authority.** Review any applicable agreements that require FM support.

j. When directed, **account for the cost** of allied or other support.

k. **Coordinate** with contracting officials to **verify funding availability** for local contracting needs and determine contract payment requirements.

l. **Coordinate with the finance unit(s)** supporting the JFC to ensure early deployment of finance personnel into the JOA. The purpose is to meet the immediate contracting requirements of the deploying force that are not readily available from USG sources.

m. **Coordinate**, when necessary, the **designation of a limited depository account (LDA)** with the Department of State (DOS).

11. Organization and Functions of a JTF Comptroller

Figure I-6 depicts a typical JTF comptroller organization. **The actual composition will be dictated by the overall organization of the joint force and type of operations.**

The following are **specific functions** of the JTF comptroller organization.

a. The RM Policy Section

- Participates in the staff estimate process and develops the FM appendix to the CJTF OPLAN or OPORD.
- Obtains and interprets economic analysis information.

b. The RM Budget Section

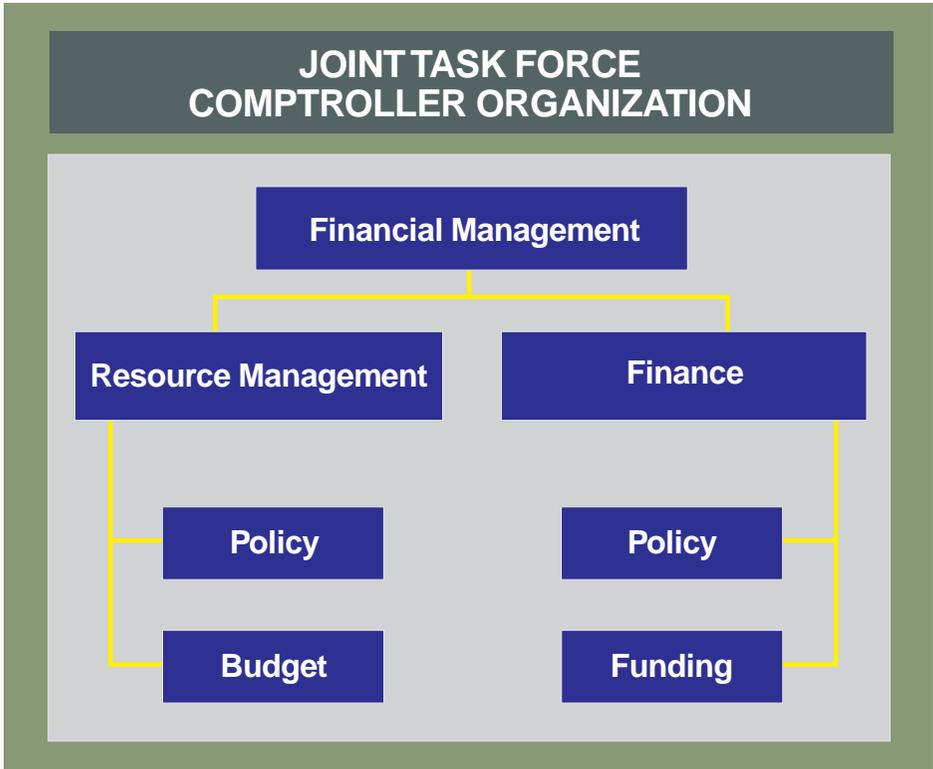


Figure I-6. Joint Task Force Comptroller Organization

- Identifies sources of funding.

See Appendix E, “Authorities and Agreements.”

- Utilizes funding authority and determines costs, acquires funds, distributes and controls funds, tracks costs and obligations, and captures cost.

- Establishes a management control process.

c. The Finance Policy Section

- Coordinates pay entitlement policy with JTF J-1.
- Coordinates and establishes JOA fund security policy, disbursing policy, and guidance.
- Coordinates local procurement support with the JTF J-4, joint contracting cell, and other staff principals having resource allocation responsibilities.
- Obtains and interprets economic analysis information.

d. The finance funding section coordinates host nation (HN) banking support and supports the procurement process with needed currency.

e. Liaison officers from the components and representatives from the Defense Finance and Accounting Service (DFAS) will participate as needed on the staff of the JTF

comptroller to effectively accomplish its mission.

See Appendix A, “Financial Management Responsibilities Within the Department of Defense,” for further information.

12. Component FM Responsibilities

The component FM is responsible for the following.

- a. Allocate funds and monitor execution.
- b. Prepare cost estimates and submit budget justifications.
- c. Provide monthly incremental cost reports to the DFAS.
- d. Provide billing documents to DFAS in those instances where reimbursement is requested.

13. DOD FM Responsibilities

Joint operations involve a vast web of comptroller and RM agencies. This includes both those FM personnel in the JOA and those supporting the operations as far back as the sustaining base located in the United States.

Appendix A, “Financial Management Responsibilities Within the Department of Defense,” identifies the key DOD participants and their responsibilities for the successful planning and execution of FM operations.

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CHAPTER II

RESOURCE MANAGEMENT OPERATIONS

"Now the whole art of war is in a manner reduced to money; and nowadays that prince who can best find money to feed, clothe, and pay his army, not he that hath the most valiant troops, is surest to success and conquest."

Charles Davenant
Essay on Ways and Means of Supplying the War, 1695

1. Overview

a. **The RM mission is to analyze the commander's tasks and priorities to ensure that proper financial resources are available to best accomplish the mission.** RM operations will be performed early and involve a majority of the planning effort for the resource managers. Because joint operations vary greatly in the type of mission, size, intensity, and duration, **RM operations must be flexible** to support changing requirements. For certain funding authority and component resource managers for Service appropriations, the JTF comptroller may be required to identify, allocate, distribute, control, and report fund execution. However, **the majority of the RM operation will occur at the component command level.** As the senior resource manager, the JTF comptroller also advises the commander on the best allocation of resources during the staff estimate process. Depending on mission complexity and duration, JTF comptroller RM duties may include directing or coordinating financial analysis of operations; ensuring the effective and efficient use of funding resources during support operations; and developing and maintaining close coordination with the JTF J-4, contracting personnel, legal, and DFAS.

b. RM functions will be performed during all operations. During high intensity conflicts, however, some RM functions may be temporarily suspended. Upon resuming normal operations, **resource managers must make every effort to capture and report**

costs incurred during these periods of high intensity.

A JTF comptroller checklist is furnished in Appendix B, "JTF Comptroller Checklist," that provides, by phase of a military operation, recommended RM planning and execution considerations.

2. Essential Elements of Resource Management

Though each contingency operation has a unique set of parameters associated with its execution, **all operations involve essential elements of RM:** providing financial advice and recommendations to the commander, developing command resource requirements, identifying sources of funding, determining costs, acquiring funds, distributing and controlling funds, tracking costs and obligations, capturing costs, conducting reimbursement procedures, and establishing a management control process.

a. **Provide Financial Advice and Recommendations to the Commander.** Once approved by the National Command Authorities (NCA), the supported combatant commander will issue notification that includes appropriate fiscal and logistics guidance to component commanders. The JTF comptroller advises the commander concerning the effective use of available resources. Financial managers actively participate in joint planning groups and the joint planning process. **Early and active participation in the deliberate and crisis**



Command resource requirements must adequately reflect the concept of logistic support.

action planning processes assists in successful integration of all FM efforts. The JTF comptroller will also advise the commander on the responsibilities of an EA.

b. Develop Command Resource Requirements

- Budget estimates, operating budgets, and financial plans do not include funds, nor in most cases have funds been reserved for costs incurred in support of unplanned contingency operations. **Funding for an operation will be drawn from current appropriations and authority**, unless provided by a reimbursable agreement with another government or international organization. Thus, it is necessary for each commander to absorb these costs initially from within existing funds. The component command resource managers have the responsibility for ensuring that the capability exists within the JOA for funding all participation costs, separating and collecting the incremental and total costs, and reporting these costs to DFAS. To assist in reprogramming and supplemental funds requests, component command resource managers must

accumulate all costs and promptly submit bills to DFAS.

- When developing command resource requirements, existing agreements must be reviewed by the appropriate staff section. Based on this review, the component resource managers will ensure adherence to proper billing and reimbursement procedures. **It is important that the command resource requirements adequately reflect the concept of logistic support.** Resource requirements include, but are not limited to, contracting, transportation, multinational support, support to other agencies and international organizations, foreign humanitarian assistance, and force sustainment.
- Host-nation support (HNS) can be a significant force multiplier. Whenever possible, **available and suitable HNS should be considered as an alternative to deploying logistic support from the United States.** HNS agreements should include the authority for the JFC to coordinate directly with the HN for support, acquisition, and use of facilities

and real estate. The legal advisor must be involved in determining specific support requirements contained in HNS agreements. Authority for negotiations must be obtained through the supported combatant commander, Joint Staff, Department of Defense, and the DOS.

- Once a course of action (COA) is selected, the JTF comptroller develops the FM appendix to the OPLAN or OPORD that provides RM policy and guidance. This appendix must also include which component is funding any unique aspects of the operation. **The FM appendix should adequately reflect support of logistics requirements.**

Refer to Appendix C, “Guide to OPLAN Development,” for guidance in the preparation of the OPLAN or OPORD FM appendix.

c. Identify Sources of Funding

- Funding the operation can present a challenge because of diverse fiscal requirements, sources, and authorities of funds. **Multiple funding sources** (e.g., the Department of Defense, DOS, United Nations [UN]) may have to be used in order to accommodate the constraints imposed by fiscal law. The JTF comptroller should work closely with the legal advisor when making these determinations.

See Appendix D, “Legal.”

- Resource managers must also be aware of **extraordinary measures**, including emergency funding authorities such as the Feed and Forage Act, which may be used to incur obligations in excess of, or in advance of, available appropriations. A thorough understanding of sources and authorities can provide resource managers with a means of remaining

within the limits of the law and a method to develop alternative funding options to best accomplish the mission. To the extent that a specific funding source has not been identified for a joint operation, **components should pursue additional funding authority, reprogramming, and supplemental appropriation requests to minimize the effect on the readiness of their component.**

See Appendix D, “Legal,” for further information. Appendix E, “Authorities and Agreements,” contains a complete discussion of potential authorities and agreements.

d. Determine Costs

- For emergent operations, preliminary cost estimates are developed before or early in the deployment of military forces by the Under Secretary of Defense (Comptroller) (USD[C]), working in consonance with the Joint Staff, the Services, USSOCOM, and other agencies, as appropriate. DOD requests for supplemental funds or reprogramming are based on **detailed budget estimates** developed by the Services, USSOCOM, and other agencies. As needed, resource managers should apply the policies contained in Department of Defense Financial Management Regulation (DODFMR) Volume II that cover estimating costs of additional personnel plus mutual logistic support with other countries and North Atlantic Treaty Organization (NATO) components.
- Preparing the estimates involves making assumptions about a variety of factors such as the operation’s duration, logistic support, force size, environmental conditions, transportation, and special pay and allowances. **Generally, all factors of mission, enemy, terrain,**



Preparing cost estimates involves making assumptions about a variety of factors, including the operation's duration, logistic support, force size, and transportation.

troops, and available time must be considered in developing assumptions and cost estimates. Costs are estimated using standard cost factors developed from historical costs, and judgment where there are no standard cost factors. This process requires input from various staff sections.

- Figure II-1 depicts the **formula** for determining an operation's cost. Services will utilize the contingency cost report

format issued by USD(C) to provide DFAS and the Department of Defense with an operation's total incremental cost.

- When developing an estimate, misuse of terminology (e.g., confusing incremental and offset costs) can lead to an inaccurate cost estimate. **An understanding and consistent use of these terms are essential** when determining costs. The following are approved definitions of the terms in question.

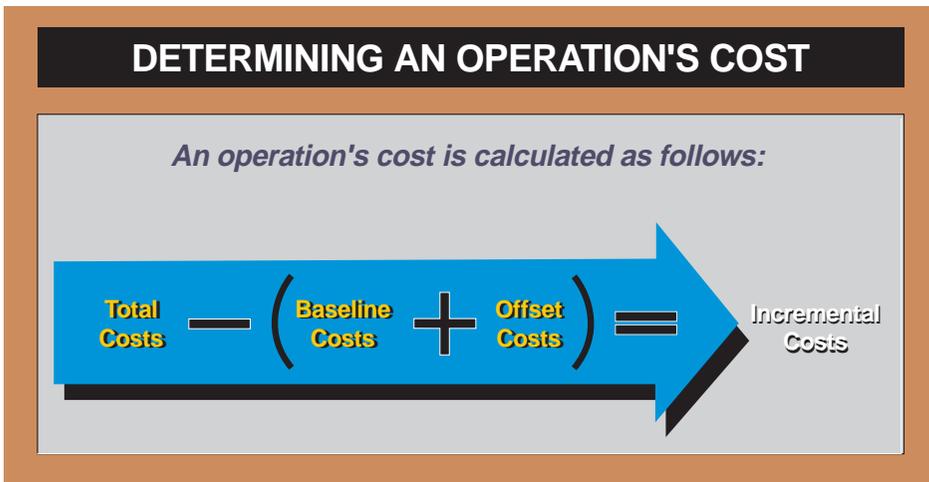


Figure II-1. Determining an Operation's Cost

•• **Baseline Costs.** Baseline costs are the continuing annual costs of military operations funded by O&M and military personnel appropriations. Essentially, **baseline costs are programmed and budgeted costs** that would be incurred whether or not a contingency operation took place (e.g., scheduled flying hours, steaming days, training days, exercises).

•• **Offset Costs.** In some instances, **costs for which funds have been appropriated may not be incurred as a result of a contingency operation** and those funds may then be applied to the cost of the operation. Examples include

basic allowance for subsistence not paid, training not conducted, and base operations support not provided. Reported incremental costs should be reduced by the amount of these cost offsets.

•• **Incremental Costs.** Incremental costs are **additional costs to the appropriations** and are only incurred upon execution of a contingency operation (see Figure II-2). The Department of Defense reports the incremental costs of its participation in contingency operations. The following are **examples** of incremental costs. (1)

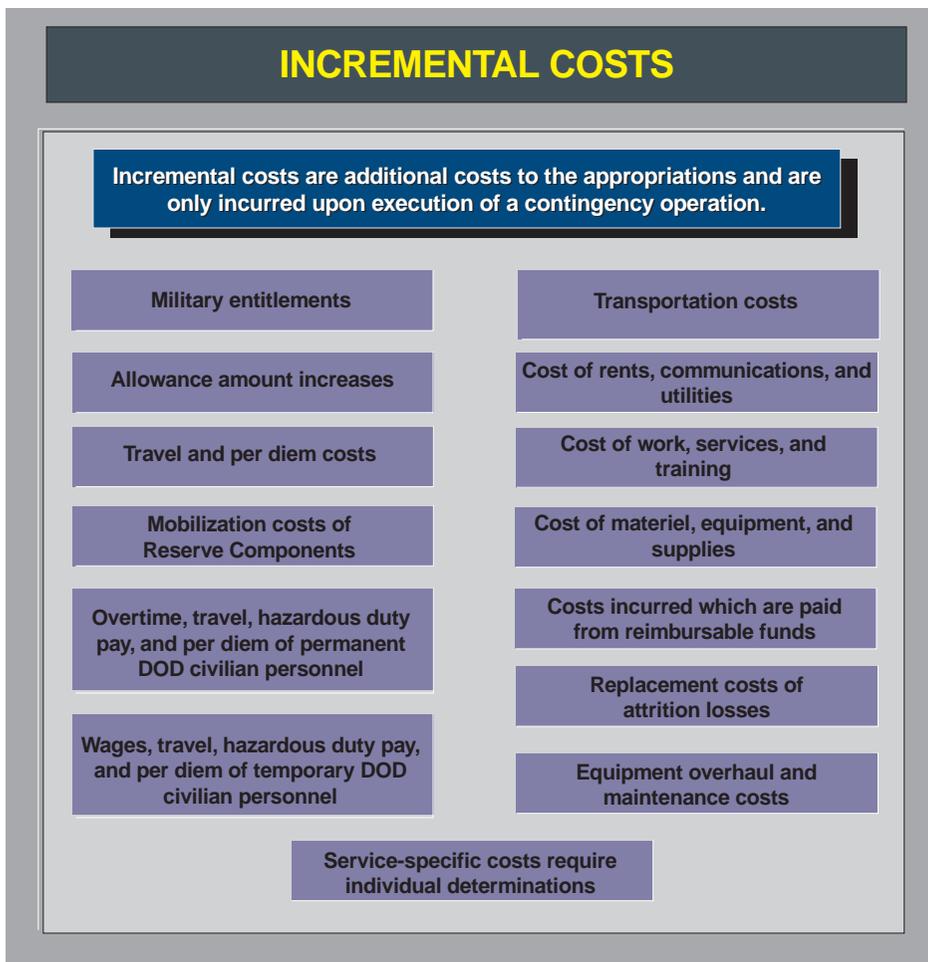


Figure II-2. Incremental Costs



Incremental costs include cost of work and services procured under contract for providing assistance in an operation.

Military entitlements such as imminent danger pay, family separation allowance, or other payments made over and above the normal monthly payroll costs. (2) Increases in the amount of allowances due to changes in the geographic assignment area due to an operation (i.e., basic allowance for subsistence). (3) Travel and per diem costs of active duty military personnel. (4) Mobilization costs of Reserve Components called to active duty by a federal official and assigned solely to support the operation. (5) Overtime, travel, and per diem of permanent DOD civilian personnel in support of an operation. (6) Wages, travel, and per diem of temporary DOD civilian personnel hired or assigned solely to perform services supporting the operation. (7) Transportation costs of moving personnel, materiel, equipment, and supplies to the operation or staging area, including port handling charges; packing, crating, and handling (P,C,&H); first and second destination charges; and other related areas. The **exception** is when the CINC, US Transportation Command receives an NCA order requiring transportation of

non-US owned equipment and/or non-US personnel. In these instances, the Army will pay Military Traffic Management Command costs, the Navy will pay Military Sealift Command costs, and the Air Force will pay Air Mobility Command costs. (8) Cost of rents, communications, and utilities attributable to the operation. Telephone service, and computer and satellite time are examples. (9) Cost of work, services, training, and materiel procured under contract for the specific purpose of providing assistance in an operation. (10) Cost of materiel, equipment, and supplies from regular stocks used in providing directed assistance. Materiel, equipment, and supplies from stock will be priced at the standard prices used for issue to DOD activities. Included in this category will be consumables such as field rations, medical supplies, office supplies, chemicals, petroleum, and **items ordinarily consumed or expended within 1 year** after they are put into use. Materiel, equipment, and supplies determined to be excess to the Department of Defense may be made available for transfer under excess property disposal authority, without

reimbursement. However, in these instances, charges for P,C,&H and transportation will be added to the incremental cost. (11) Costs incurred which are paid from the working capital of trust, revolving, or other funds, whose reimbursement is required. (12) Replacement costs of attrition losses directly attributable to support of the operation. (13) The portion of equipment overhaul and maintenance costs that, when computed on a fractional use basis, reflect an additive cost attributable to the operation. (14) Component-specific costs for increased OPTEMPO, such as steaming costs for the Navy.

e. **Acquire Funds.** Once potential sources and authority of funds are determined, the component resource managers will request **use of various funding authorities**. In many cases, contingency operations require supplies and services not available to the JFC through the normal funding process. One example is funding for transportation required in support of humanitarian relief operations. In such cases, component resource managers will seek separate obligation authority through the appropriate channel.

NOTE: Assistance under this section is commonly referred to as the Denton Program and is jointly administered by the US Agency for International Development (USAID), DOS, and Department of Defense. The Defense Security Cooperation Agency (DSCA) manages the program and the funds. Requests should be forwarded by the supported combatant commander to the Joint Staff for approval by DSCA.

f. **Distribute and Control Funds.** Normally the distribution and control of funds remains with the Services. Procedures will adhere to US laws, regulations, and applicable policies even when RM functions may be temporarily suspended due to high intensity

conflict. **Effective and efficient fund control and certification is critical in the conduct of FM operations.**

g. **Track Costs and Obligations.** Upon notification of an impending joint operation, each participating DOD component will develop **special program codes** for cost capture and reporting purposes. These relate to the three digit Chairman of the Joint Chiefs of Staff project code published by the Joint Staff for contingency operations.

h. Cost Capture Procedures

- Resource managers will establish reporting procedures for units to report their estimated and/or actual commitments, obligations, reimbursable costs, and estimated future costs. Reporting procedures should be **simple and flexible** enough to ensure accurate reporting under any circumstances. Each component resource manager must comply with the reporting requirements issued by the Department of Defense for these operations. **The component must be able to account for and receive reimbursement for the costs of supporting contingency operations by meeting three conditions.** **First**, follow consistent and approved procedures in determining and calculating baseline and incremental costs recorded in accounting records. **Second**, use special interest and/or program accounting codes, object class codes, and customer codes as applicable to trace costs. **Third**, use automated accounting systems that interface with a designated DFAS central billing system or provide a means to generate a manual bill. Cost reports are consolidated monthly and submitted through appropriate command channels to DFAS. Resource managers will capture costs using existing finance and accounting systems and procedures.

- **Contingency cost reports are important for monitoring the adequacy of funding for such operations as well as for a variety of other purposes.** They assist the Department of Defense in monitoring the resources necessary to support contingency operations and help determine the impact on readiness when drawing from previously appropriated O&M funds to cover contingency costs. The reports also help the Department of Defense develop requests for supplemental appropriations and reprogramming of funds and in responding to Congressional and public interest inquiries about the incremental cost of contingency operations. In addition, the cost reports facilitate Congressional oversight of the expenditure of appropriated funds and their assessment of the financial impact of contingency operations on DOD spending plans.

i. Reimbursement Procedures

- Reimbursable costs may occur from providing support to organizations such as the UN, NATO, HNs, foreign nations, nongovernmental organizations (NGOs), private voluntary organizations (PVOs), or other federal agencies. Provisions of said support must be authorized by law. Throughout operations, **careful consideration must be given** to funding, monitoring expenditure authority (see DODFMR, Volume 15, Section 406), maintaining accountability, tracking costs, and tracking support received from or provided to the HN, UN, other foreign nations, or other designated agencies. **This is necessary to determine the detailed costs of an operation and to support the process of billing for reimbursement at all levels.** Congress requires detailed reports on the projected and actual costs of operations. Accurate,

detailed cost reports are needed to determine how costs should be apportioned and billed. Financial managers will capture these costs and provide the required reports and detailed billings (see Figure II-3).

- When support agreements are established by the JFC, the JTF comptroller should ensure that it is clearly understood what assistance can be rendered to requesting units and agencies. If a current agreement exists, the JTF comptroller will, with legal assistance, review the agreement for **proper procedures and support**. If an agreement does not exist, the JTF comptroller will coordinate with the JTF J-4 and legal for required support.

Some of the types of authorities and agreements that may be in place are listed in Appendix E, “Authorities and Agreements.”

- **Only billable costs are submitted** to designated agencies, international organizations, or foreign governments in accordance with the provisions of the Foreign Assistance Act (FAA), other US laws, and the requirements of the organization being billed. Billing information provided by components will include documentation as required by applicable agreements. The JTF comptroller may provide specific guidance for those costs incurred that are reimbursable by another USG agency, foreign government, or private and international organizations. Given the legal restrictions on the use of reimbursed expenses and to ensure timely recoupment of reimbursable costs to the components, **each DOD component must closely follow contingency operations billing procedures.**

See Appendix F, “Financial Support to Military Operations in a Multinational

REIMBURSABLE ORGANIZATIONS

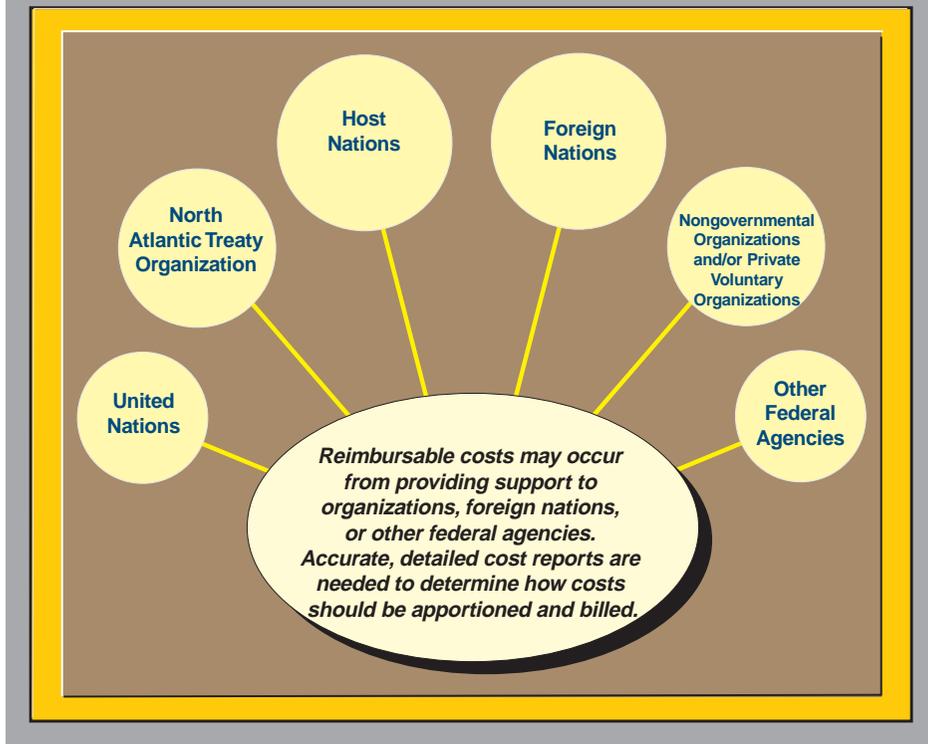


Figure II-3. Reimbursable Organizations

Environment,” for a detailed discussion of financial support to military operations in a multinational environment.

The following are approved definitions.

- **Noncombatant Evacuation Operation (NEO).** Reimbursement procedures for NEO will be accomplished in accordance with memorandum of agreement (MOA) between DOS and the Department of Defense. Contact USD(C) or Service comptrollers for provisions of existing MOAs.

- **UN Reimbursement Procedures.** For UN operations, reimbursements fall

into one of **four categories**: UN determined costs, invoiced costs, letters of assist (LOAs), and leases. (1) **UN Determined Costs.** Reimbursement for these costs is accomplished at the DOD level. Components should ensure that **accurate personnel figures** are reported to the UN headquarters in-theater and included on monthly cost reports submitted to DFAS. These personnel counts form the basis for reimbursement calculations. (2) **Invoiced Costs.** Request for reimbursement for invoiced costs will be prepared by the resource manager, based upon cost reports. The resource manager should **ensure that auditable documentation is available** to validate and substantiate amounts reported on the cost reports. In most



Accurate personnel counts are required to ensure proper reimbursement calculations.

cases, only the **incremental amount** is billable to the UN (for additional information, refer to DODFMR Volume 12, Chapter 23, “Contingency Operations”). (3) **Letter of Assist Costs.** Reimbursement for LOA costs is accomplished using a voucher for transfer Standard Form (SF) 1080. Resource managers should prepare an SF 1080 voucher for the cost of the goods or services provided and reference the LOA number. All LOAs must be forwarded to the DSCA for execution and billing procedures. Forward the voucher, with sufficient detailed documentation and the appropriate UN receipt records, through channels to the UN. A UN official authorized to commit funds should validate the voucher before it is sent through US financial channels for reimbursement. This validation will expedite the processing of the bill at UN Headquarters in New York. **Timely and accurate voucher submission is essential to ensure the most efficient repayment of funds.** The SF 1080 is forwarded to DFAS-Denver (DFAS-DE) with supporting documentation and a certified contingency operations cost

report to support the bill. All vouchers must provide **adequate documentation for accountability and certification.** DFAS-DE will verify the LOA number and item for which a voucher is being submitted, summarize in a separate attachment, and forward the voucher to the US Mission to the UN for transmission to the UN. The UN will not accept a bill that exceeds the UN LOA ceiling. The JTF comptroller must notify DSCA if the billable costs will exceed the UN LOA. DSCA will then negotiate an LOA amendment or revision with the UN to allow for additional costs. (4) **Leases.** Leases of **major end items, and the associated foreign military sales (FMS) support cases,** will be managed by the DSCA. Development of leases for DOD equipment will follow normal procedures in DOD Directive 5105.38M, “Security Assistance Management Manual,” Chapter 12, which are governed by the Arms Export Control Act.

•• **NATO Reimbursement Procedures.**
(1) **Support Arrangements with NATO.** The NATO theater headquarters



NATO theater headquarters will sometimes require specialized logistic support from one or more of the contributing nations.

(HQ) will sometimes require **specialized logistic support from one or more of the contributing nations**. Such support, when included in the mission statement of requirements, is generally requested as a mission contribution on a nonreimbursable basis (e.g., provision of medical capabilities). In other instances, the NATO HQ may request consumable supplies or other support (e.g., fuel) on a reimbursable basis. Submit the SF 1080 to DFAS with sufficient detailed documentation and a certified contingency operations cost report to support the request for reimbursement. During out-of-area operations, reimbursable arrangements with NATO are usually executed in one of the following forms. (a) **Requests for Case-by-Case Reimbursable Support**. Such requests (e.g., military equipment such as vehicles) **must originate with NATO** and should include an advance commitment by the NATO Theater Financial Controller that reimbursement will be provided. Such costs should be invoiced to the NATO theater HQ to be reimbursed by the NATO Theater Financial Controller. (b) **NATO Acquisition Cross-Service Agreement**

(ACSA). Bilateral ACSAs exist with many allied nations and the NATO Maintenance and Supply Organization, enabling operational commanders to arrange mutual support under payment in cash (PIC), replacement in kind (RIK), or equal value exchange (EVE) procedures. (2) **Support Arrangements with Allied Nations**. NATO doctrine establishes that logistic support is a national responsibility; however, **efficiencies should be sought wherever possible**. Other allied nations' forces may require logistic support, which may be provided in a number of different ways. During peacetime, this is generally accomplished through the FMS program. During Article V (within NATO territories) or non-Article V (outside of NATO territory) operations, such support may be provided under the following arrangements: (a) **Role Specialization Arrangements**. Prior to an operation, the nations providing forces may mutually agree to a **division of responsibility in the theater**. Such an arrangement, for example, could result in one nation establishing a field medical facility, with another nation providing an airlift capability. Ideally, **the tasks**

should be divided such that mutual benefit and equity are apparent and supported by law. This is an extremely valuable tool, since it provides a framework for exchange of available items to support time-sensitive mission requirements. (b) **Standardization Agreements (STANAGs)**. NATO nations have made commitments to pursue standardization and interoperability in a number of areas. One means of achieving this is through **adaptation of common technical standards and procedures**, documented in STANAGs. A body of such standardization documents exists, covering functions ranging from communications procedures to refueling other nations' aircraft. Many such agreements also include standard reimbursement procedures. (c) **Direct Reimbursement**. In the absence of other suitable arrangements, nations may **negotiate** for support subject to reimbursement procedures of the nation providing the required supplies or services.

•• **HNS Reimbursement Procedures**. Once the HNS agreement is established, the JTFJ-4 provides a detailed statement of requirements to the HN and begins the negotiations for logistic support. The use of O&M funds are authorized to support HN requirements. **Specific procedures for cost capturing and billing must be negotiated with the HN**. This will prevent locally negotiated agreements that may not be legal or authorized. Submit the SF 1080 to DFAS with sufficient detailed documentation and a certified contingency operations cost report to support the request for reimbursement.

•• **Foreign Nation Support (FNS) Reimbursement Procedures**. (1) **FNS is support provided to foreign forces**

from countries other than the country in which the contingency operation is occurring. This support is generally provided under one of three circumstances. **First**, support can be provided under the existing rules of a parent organization that is controlling the operation (e.g., NATO, UN). Billing procedures under these circumstances should follow standing agreements for support.

See Appendix E, "Authorities and Agreements," for a detailed discussion on several of the legal authorities for reimbursement such as the ACSA, Sections 607 and 632 of the FAA, and the Economy Act.

Second, support may be provided if the United States and the supported country have a bilateral agreement in place prior to the operation. The United States has many of these cooperative agreements with allies. The resource manager must consult with the legal advisor for a copy of any existing bilateral agreements and follow the procedures outlined in the agreement for reimbursement. **Third**, support can be provided based upon an agreement that is negotiated expressly for the operation. Any negotiated agreement for support should include billing and reimbursement instructions. (2) Bills prepared for support during a UN or NATO operation should follow **procedures established by those organizations**. Bills prepared for either standing or negotiated bilateral support agreements should be processed as set out in the agreement. The resource manager must send these bills as required through Service funding channels.

•• **Assistance in Kind (AIK)**. AIK operations, dealing directly with the governments of these eligible countries, provide material and services for a



NGO and PVO expectations for military support, including supplies, services, and assistance, must be reviewed with the organizations and agreements for possible reimbursement by the NGOs and PVOs secured.

logistic exchange of materials and services of equal value. These items are accountable as future reimbursements to the country that initially provides them on a gratis basis. Costs for these items have a current value that is captured as future reimbursements. The JTF comptroller will develop and implement procedures, in coordination with logistics elements, to track the value of support provided in order to ensure an equal exchange of valued materials and services throughout the operation. Particular care must be taken in accounting for these authorized exchanges due to the political sensitivity inherent in multinational operations. Ideally, these in kind reimbursements should derive no monetary gain and should provide mutual benefit and equity between the participating countries.

•• **NGO and PVO Reimbursement Procedures.** NGOs and PVOs do not operate within the military or governmental hierarchy. However, because NGOs and PVOs operate in remote areas of high risk, they may need the logistic, communication, and security support that military forces can

provide. Expectations of military support (including supplies, services, and assistance) must be reviewed with the organizations. Consult with a legal advisor to determine authority to provide support on a reimbursable or non-reimbursable basis. Each organization normally has some type of financial control officer. Military activities should only provide support after they receive approval. Resource managers should ensure that all supply activities, especially fuel, maintain a status of what is provided; submit bills to supported organizations as required; and, if the organization is not authorized to make payment locally, forward the documentation (signed by both organizations) through Service funding channels.

•• **Non-DOD Governmental Agencies Reimbursement Procedures.** Congress provides the Department of Defense with funds for very specific needs. Therefore, support directly to other governmental agencies can be complex. When presented with a request for support by a governmental agency, resource managers should consult with the legal advisor. **An**

MOA or letter requesting support should form the basis for any reimbursable relationship with non-DOD governmental agencies. This agreement can be used to ensure that only authorized support is provided and supply and service activities capture the cost of support. Bills should be compiled as required, using a manual SF 1080 bill, through the supported agency. The SF 1080 must have a copy of the agreement with attached substantiating documents.

j. Establish a Management Control Process. The JTF comptroller should coordinate internal controls throughout the JOA that will provide **reasonable assurance that obligations and costs** comply with applicable laws; funds and other assets are protected; and proper accounting is kept of all expenditures. This management control process should be established as soon as possible, but not at the expense of operational or tactical considerations.

CHAPTER III

FINANCE OPERATIONS

“Financial potency determines the issues of war.”

RADM Alfred T. Mahan
1905

1. Overview

The finance mission during joint operations ensures banking and currency support needed to pay the US military, other US agencies and, if required, non-US personnel. The mission also involves financial analysis and recommendations to help the joint force make the most efficient use of its fiscal resources. Effective finance support across the range of military operations is a combat multiplier by providing the commander the financial resources necessary for successful mission accomplishment. **The finance support structure must provide the funding (cash and negotiable instruments) essential to support contracting requirements and accomplish joint special programs.**

The JTF comptroller checklist in Appendix B, “Joint Task Force Comptroller Checklist,”

provides an example of the resource considerations by phase of a joint mission.

2. Essential Elements of Finance Operations

Though each contingency operation has a unique set of parameters associated with its execution, all operations involve the essential elements of finance operations discussed in this chapter (see Figure III-1).

a. **Provide Financial Advice and Recommendations.** Early and active participation by the JTF comptroller in the deliberate and crisis action planning processes is critical to successful integration of all components’ finance operations. The JTF comptroller must obtain and analyze the economic assessment of the JOA and begin initial coordination with the DFAS Crisis

ESSENTIAL ELEMENTS OF FINANCE OPERATIONS

- ◆ Provide financial advice and recommendations
- ◆ Support the procurement process
- ◆ Provide pay support
- ◆ Provide disbursing support
- ◆ Provide essential accounting support

Figure III-1. Essential Elements of Finance Operations

Coordination Center. The DFAS Crisis Coordination Center will provide advice and act as the primary DFAS liaison. The JTF comptroller will recommend JOA financial management policies and develop the concept of finance operations support outlined in the FM appendix to the OPLAN/OPORD.

See Appendix C, “Guide to OPLAN Development,” for a guide to preparing the FM appendix.

- In order to provide the JFC with accurate and complete FM guidance, **the JTF comptroller must analyze the economic impact of an operation** on the local economy in the JOA and its ability to support FM operations. To obtain needed information, the JTF comptroller should coordinate with the JTF Intelligence directorate (J-2), J-4, and civil affairs (CA) to ensure that requests for information are forwarded to appropriate sources. Other sources of information available to the JTF

comptroller include the DOS, local embassy, Department of Treasury, Department of Commerce, and Central Intelligence Agency World Factbook country reports.

- The analysis includes, but is not limited to, how well the local infrastructure can support the logistics and banking operations; how US currency would affect the economy; and which currencies or scrip should be used. **Effective use of the support available from the local economy is an important factor in the successful sustainment of joint forces.** Procurement of additional labor, materials, food, lodging, sanitation, and other services in the JOA allows for scarce strategic lift to be used for other purposes. The results of a thorough economic assessment are utilized by both resource managers and financial operations personnel. Additional factors to consider in analyzing this information are listed below (see Figure III-2).

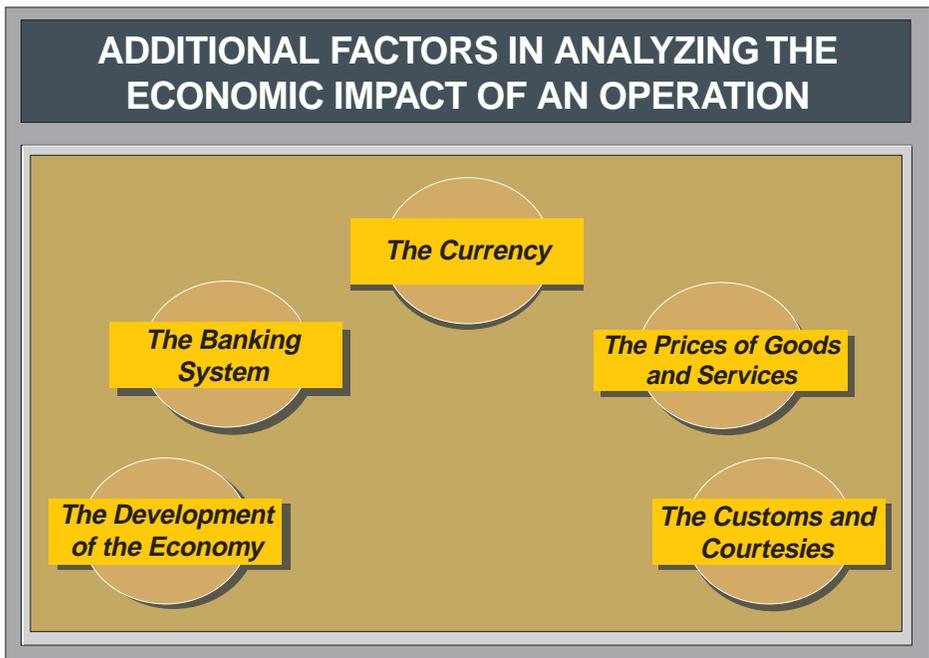


Figure III-2. Additional Factors in Analyzing the Economic Impact of an Operation

- **The Development of the Economy.**

If the economy is very rudimentary, such as a barter economy, it may provide only limited capabilities. Conversely, a highly developed, industrialized economy may be capable of providing a greater level of support.

- **The Banking System.**

Highly developed economies can provide modern banking services such as local currency, checking accounts, and automated teller machines. These banks can also provide an inexpensive source of foreign currency or US coin and currency. Cash requirements may be reduced by local acceptance of the Government Purchase Card. It may even be possible to establish a **partnering relationship** to effect the payment of accounts payable through an HN bank. Access to a local electronic funds transmission network may also be possible. All of these **factors may reduce the cost of providing finance support** to JOA forces.

- **The Currency.**

Some currencies are not readily available on the open market. This can be critical in the early stages of a covert or low visibility operation. The availability of currency must be determined as early as possible in the deliberate planning process. **Availability of currency can have a major effect on exchange rates** and lead to large discrepancies between the official and black market exchange rates. Another consideration is the impact of a sudden large influx of US dollars on the local economy.

- **The Prices of Goods and Services.**

Determination of fair and reasonable labor rates is essential, as skilled and unskilled labor may be needed early in the operation. This information also should be disseminated to ordering

officers in the joint force. Prices for goods should also be determined and disseminated early in the operation so that ordering officers have a measure against which to judge the reasonableness of prospective procurements. Availability of this information aids control of the overall costs of the operation.

- **The Customs and Courtesies.**

Customs and courtesies of the culture in the JOA must also be considered. For example, personal checks, travelers checks, and credit cards are not acceptable in some countries.

b. **Support the Procurement Process. Support of the logistics system and contingency contracting efforts is critical to the success of all joint operations.**

Component finance units, when required, will provide funds for the local purchase of goods and services. Normally, it is more economical to purchase locally than transport from a home station. A large percentage of the finance unit's contingency effort may be directed towards execution of this function. Procurement support is divided into **two areas**: contracting support and commercial vendor services (CVS) support.

- **Contracting support** is normally conducted by a component's finance unit and involves the payment for contracted services and supplies. The finance unit, to the maximum extent feasible, applies the principles of electronic commerce and/or electronic data interchange, which includes maximizing the use of electronic funds transfer (EFT) payments to vendors. Another contracting related function is the CINC Logistics Procurement Support Board (LPSB). Increased demand for locally procured items will tend to inflate prices. The purpose of this board is to manage the prioritization and allocation of limited services and supplies. Component

finance officers should work with the LPSB to eliminate instances of unwarranted price inflation.

See Appendix G, “Contingency Contracting,” for a more detailed discussion of contingency contracting.

- **CVS support** is used to satisfy requirements that cannot be reasonably provided through established logistic channels. If Government Purchase Cards are not recognized, the vendors are normally paid in cash by finance support teams and paying agents, normally in **local currency**. Services and supplies such as day labor, rations supplement, and construction materials are commonly paid using these procedures.

c. **Provide Pay Support**

- **Military (US).** The JTF comptroller will coordinate as necessary with the

component commands to facilitate these payments and **ensure that Service members from all components are receiving financial support**. This support includes answering pay inquiries, local payments, check cashing, and local currency conversion. The distribution of leave and earnings statements is a DFAS responsibility, in coordination with the JTF comptroller and subordinate Service commanders (see Figure III-3).

- Various entitlements have been established to compensate military members for the rigors and sacrifices caused by different types of military operations. In recent years, JFCs and staffs have become more involved in making entitlement determinations and ensuring equity among participants in joint operations. **Thorough consideration** of pay and entitlements issues in the early stages of operational planning **ensures a level of consistency**

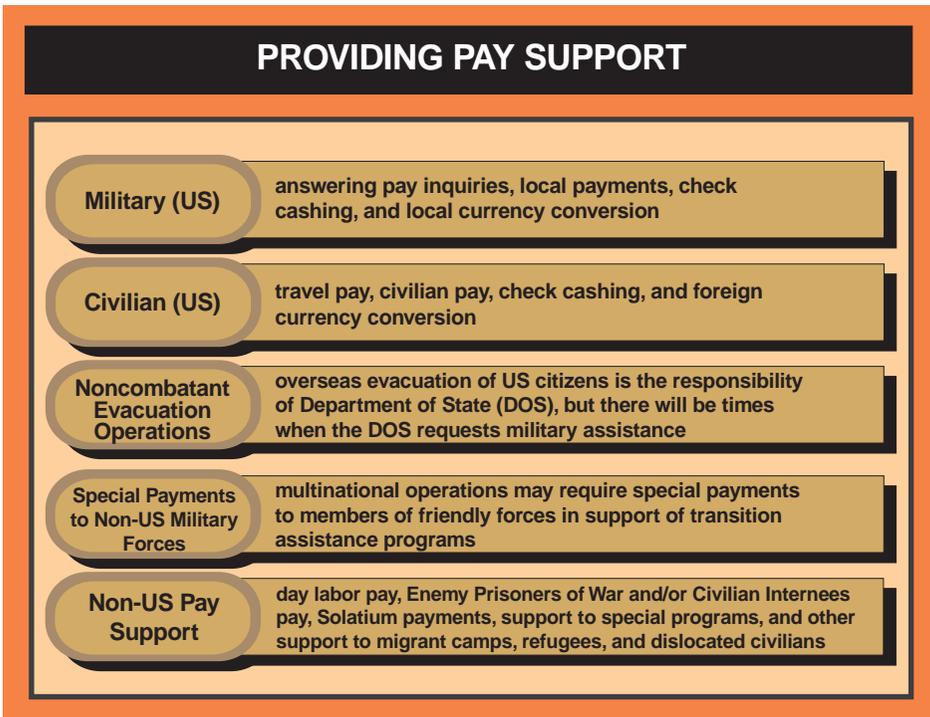


Figure III-3. Providing Pay Support

throughout the operation. The supported combatant commander specifies conditions of duty and entitlement for operations in the theater, an important element in ensuring equitable treatment of all components of a joint force. Subordinate commanders are expected to adhere closely to field duty, group travel, and similar determinations.

- The JTF comptroller, in coordination with the JTF J-1, will ensure that a recommendation pertaining to Service members entitlements, including authorization of per diem allowances, is made to the supported combatant commander. Critical among these is the need to determine the duty status for the initial deployment as either per diem, field duty, or essential mess. **The intent is to avoid situations where** soldiers, sailors, airmen, and Marines serving side-by-side under similar circumstances earn different entitlements due solely to differing determinations made by subordinate Service commanders.

- **Decisions** made by the JFC regarding pay and allowances of JTF Service members **apply equally to all components** serving under similar circumstances. The JFC should announce the conditions of the operations affecting entitlements as soon as possible to ensure that deploying Service members are financially prepared. This information is particularly important as it must appear in many cases on deployment orders. Actions to request entitlements should be initiated so they are in place when the operation begins. Entitlement policy is a J-1 responsibility and will be accomplished in accordance with the applicable DODFMR, Joint Federal Travel Regulations (JFTR), and the entitlement matrix provided in

Appendix H, “Joint Operations Entitlements and Pay Matrix.”

- **Civilian (US).** If necessary, the JTF comptroller will establish the JFC policy for finance support for USG civilian personnel. **The policy should include, at a minimum,** travel pay, civilian pay, check cashing, and foreign currency conversion. Eligible personnel should include contractors and their employees, US citizens who are federal employees, employees of authorized nongovernmental agencies operating with USG agencies, dependents ordered to safe haven posts, and other designated USG personnel.

- **Noncombatant Evacuation Operations.** Overseas evacuations of US citizens are the responsibility of DOS; however, there will be times when the DOS requests **military assistance to execute the mission.** Based on the situation, the evacuee population may consist of nonessential military personnel, federal employees and their families, DOD family members, private US citizens, and designated foreign nationals.

- The NEO (i.e., the **military movement of personnel**) is often confused with the DOS-authorized or -ordered departure, which is an official order recognizing the hostilities or a threat and establishing the effective date for beginning of entitlements for official government employees and their families.

- The Department of State Standardized Regulation (DSSR) defines travel and safe haven entitlements for eligible federal employees and their family members. A reprint of the applicable DSSR chapter may be found in the Joint Travel

Regulations (JTR). The JFTR defines travel and safe haven entitlements for military family members. Except in very unusual cases, deploying JTF personnel should not be required to make advance payments for evacuees. Safe haven entitlements are normally paid by the established repatriation center(s) when the safe haven is in the continental United States. If the safe haven is overseas, the JTF comptroller will coordinate with the joint reception coordination center (JRCC) in the Pentagon. Fund cites for safe haven entitlements for eligible personnel are found in the joint plan for DOD noncombatant repatriation.

•• **Eligible federal employees and their families**, as identified in the JTR and JFTR, are entitled to transportation to a final safe haven location and/or designated place at government expense. Costs borne by the JTF for these evacuees will be charged against the respective Service fund cites or in accordance with DODFMR Volume 12, Chapter 23, “Contingency Operations” submitted to DFAS-DE for reimbursement against the respective federal agency. All other individuals must sign a **promissory note** to DOS before boarding a military or military-chartered conveyance at the point of departure from the subject country.

•• Any finance unit (including those at ports of debarkation) may make an advance of pay, dislocation allowance payment, and/or travel entitlement for deploying personnel supporting a NEO as identified in subparagraph 2c above. The Service components have the authority (37 US Code [USC] Section 405a) to provide special allowances for their Service members and family members under an authorized and/or ordered evacuation from overseas locations. Federal employees and their

family members are also authorized (5 USC Sections 5521-5527) pay and special allowances during an authorized and/or ordered evacuation. US citizens will receive financial assistance through the Department of Health and Human Services or the Red Cross. **Payments of all authorized allowances will be provided at the repatriation site(s) used for processing evacuees.** For DOD families caught in a “stop movement” due to the evacuation, toll-free numbers for each Service and federal agency will be provided by the JRCC. These are the only locations outside the repatriation site(s) authorized to provide separation allowances. For follow-on payments each Service and DFAS have established central sites to support payments while the family is in a safe haven status.

- **Special Payments to Non-US Military Forces.** Multinational operations may require special payments authorized to members of friendly forces in support of transition assistance programs. The JTF comptroller should coordinate with staff legal personnel concerning support to these and other non-US military forces. The supported combatant commander’s comptroller must ensure that specific authority and funding is obtained from the Department of Defense and provided to the JFC before any payments are authorized. The supported combatant commander’s comptroller will obtain copies of such agreements and make them available to the JTF comptroller early in the planning process. When an **agreement has been negotiated between the United States and an allied nation**, US disbursing officers may be authorized to advance currency on an emergency basis to cashiers, disbursing officers, or individual members of the allied nation’s armed forces. **Such agreements may require allied forces to provide reciprocal support to US forces.**

- **Non-US Pay Support**

- **Day Labor Pay.** HN employee and day labor pay are provided through arrangements with the HN or by a designated component of the JFC. The JFC has the authority to contract HN employees and day labor and to make payments. If required, this can be delegated to contracting officers. **Payment rates are determined by the DOS.** These rates, if available, should be obtained by the supported combatant commander and provided to the JTF comptroller in the planning phase of an operation.

- **Enemy Prisoners of War (EPWs) and Civilian Internees (CIs).** The JFC is responsible for providing EPW and CI pay. The JTF comptroller may designate a component to provide currency and other required support. The designated component will also ensure that controls are established to properly process deposits to and payments from designated accounts. The supported combatant commander's comptroller must secure the appropriate pay rates from the Joint Chiefs of Staff and provide them to the JTF comptroller. If payments to EPW and/or CI are required, O&M funds are authorized. The JTF comptroller must coordinate with the assigned staff judge advocate on EPW and/or CI matters.

- **Claims Payments.** Claims payments are monetary payments made by the USG for non-combat injuries or property damages. Claims are paid pursuant to the Personnel Claims Act (US personnel), Federal Torts Claims Act (US citizens), Military Claims Act (US citizens), Foreign Tort Claims Act (FTCA) (foreign personnel), or claims arising under a status-of-forces agreement. Claims will be processed

and adjudicated by an area claims office or, in the case of FTCA, by a foreign claims commission. Claims payments can reach significant dollar amounts. The finance unit is responsible for the disbursement and accounting of all claims payments.

- **Solatium Payments.** A solatium payment is **monetary compensation given to indigenous personnel** to alleviate grief, suffering, and anxiety resulting from injuries and property or personal loss. Sometimes solatium payments are made in order to meet cultural expectations. A solatium payment is nominal in amount and is **not an admission of liability by the United States.** The geographic combatant commander in whose area of responsibility the incident occurred is responsible for determining entitlement for solatium payments. The finance unit is responsible for the disbursing and accounting of all solatium payments.

- **Support to Special Programs — Weapons for Cash.** The weapons for cash exchange, also called the weapons “buy back” program, has been used successfully in operations in Panama, Somalia, and Haiti. This force protection program may be implemented by the JFC in an **attempt to reduce the overall number of weapons held by the civilians within the JOA.** The supported combatant commander must request special funding authority and implementing instructions through the Joint Staff. O&M funding has normally been authorized for this mission with a separate limitation. The DOS, in coordination with DFAS and USD(C), establishes prices and procedures for specified weapons. The JTF comptroller may designate a component to provide this service and fund the requirement. To conduct this mission, the JTF

comptroller may be required to procure “coupons” that can be used to exchange a weapon for a specified amount of cash. These coupons could also contain instructions about where to go to redeem the weapons for cash. The JTF comptroller must establish internal controls to support the execution of this special program. Disbursement documentation is determined by the DFAS.

- **Other Support.** Authorized mission requirements or agreements may require component finance sections to support occupants of migrant camps, refugees, and dislocated civilians.

d. Provide Disbursing Support

- **Establishment and Control of Financial Institutions.** The **supported combatant commander**, in coordination with DOS and US Embassy representatives, **will designate an HN banking activity with US Treasury approval.** Banking support will be provided, when appropriate, by military banking facilities or the banking industry of HNs. When the JFC has authorized the establishment of an FM EA from a component, the FMEA will procure and provide US and local currency for the JFC’s forces. The JTF comptroller, when required, will negotiate and provide liaison with designated banking institutions of an HN to establish LDAs and banking procedures. Coordination with DFAS and the Treasury Department will be required when negotiating with HN banking facilities.

- **Currency Control and Support**

- **Currency Control.** The JTF comptroller, when required, is responsible for **coordinating US and local currency procurement and**

control in support of JFC requirements. The JFC may set conversion limits and policies as recommended by the US Treasury and the DOS.

- **Currency Support.** Currency support includes **supplying US currency**, foreign currencies, US Treasury checks, foreign military scrip, military payment certificates (MPC) and, in some operations, precious metals (gold, silver) **to US and multinational forces in the JOA.** Currency and coins may also be provided to designated facilities as operational considerations permit. Finance units will exchange currency for US Treasury checks or EFT for Service members, nonappropriated fund instrumentalities, and postal units. Finance units can also provide cash for automated teller machines in the JOA. **Commanders must maximize use of existing technology** (to include EFT) in order to **minimize the use of cash in the JOA.** The FM EA should synchronize central funding locations with supported elements of all components. The **central funding agency must ensure** that currencies are available to support finance and contracting missions for all component commands and all elements not supported by assigned finance elements.

- **Other Currency Exchange.** The USD(C) approves the implementation, conversion, or withdrawal of MPC. **MPC will not be implemented unless the expected period of utilization will exceed 6 months.** JFCs requesting MPC need to develop plans to transport the MPC to the theater of operations. Planning must also include the process for securing and distributing the funds.

- e. **Provide Essential Accounting Support.** The ability to report to Congress on the use of appropriated and

nonappropriated funds is critical in meeting the EA's responsibility for stewardship of public resources. Appropriated and nonappropriated accounting requirements for a military operation are immense, and they begin before the first troop deployment. The quality of accounting records is totally dependent upon the timely receipt and accuracy of cost data. The level of accounting

support depends upon the level of conflict and the complexity of the operation. Effective cost capturing is achieved through a joint effort between finance and resource management personnel. From home station, DFAS issues guidance and operates the financial systems, which process all the finance and accounting information transmitted from the operational area.

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APPENDIX A

FINANCIAL MANAGEMENT RESPONSIBILITIES WITHIN THE DEPARTMENT OF DEFENSE

1. Under Secretary of Defense for Policy

The Under Secretary of Defense for Policy (USDP) has responsibility within the Department of Defense for certain contingency operations (peace operations, foreign humanitarian disaster relief, and noncombatant evacuation). The USDP does not have responsibility for domestic disaster relief. The Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict (ASD[SO/LIC]) provides USDP with overall coordination of DOD activities in support of NEO as chair of the evacuation management task force. In that capacity, the ASD(SO/LIC) ensures that existing policy and procedures for NEO remain current, to include a memorandum of understanding with the DOS.

2. Under Secretary of Defense (Comptroller)

The USD(C) is responsible for overall financial policy for contingency operations and works with USDP to determine the most responsive method of financing for contingency operations. In addition, the USD(C) is responsible for pursuing prompt reimbursement to the Department of Defense from the UN and other multinational organizations, other nations, and US agencies. USD(C) will coordinate with the Joint Staff Director for Force Structure, Resource, and Assessment (J-8) to ensure that warning orders and execute orders to the combatant commanders and DOD components include FM guidance. Guidance should include accounting and logistic codes to track an operation's costs, billing procedures for reimbursable support, responsibilities of the supported combatant commander staff for

coordination of FM issues, and any other FM instructions pertinent to the specific operation.

3. Under Secretary of Defense for Personnel and Readiness

The Under Secretary of Defense for Personnel and Readiness ensures that existing policy and procedures for NEO are current and serves as a member of the evacuation management task force.

4. Chairman of the Joint Chiefs of Staff

The Chairman of the Joint Chief of Staff is responsible for transmitting SecDef deployment and execute orders to the combatant commanders. Whenever possible, execute orders will include a funding paragraph outlining the financial responsibilities, as directed by the USD(C) and USDP, and a logistics guidance annex providing organizational identification of logistics responsibility.

5. Director, DFAS

a. DFAS plays a critical role in support of joint operations as the DOD EA for finance and accounting. Defense management resource decision (DMRD) 910, 13 December 1991, directed the consolidation of finance and accounting operations into a single DOD agency, DFAS. In implementing the DMRD, the Deputy Secretary of Defense decided not to consolidate the Services tactical finance personnel into DFAS. The Services retained these personnel to provide the finance and limited accounting support required for their deployable forces during contingency operations. DFAS has the responsibility for DOD finance and accounting policies,

procedures, standards, systems and operations in support of the combatant commanders and the Services. In addition, DFAS has responsibility for centralized cost capturing of the operation for the Department of Defense and the Service components.

b. To facilitate this support role, DFAS has established the defense finance and accounting support element. Operating from DFAS HQs' Crisis Coordination Center, this organization is the single point of contact for guidance and resolution of issues. It is available to assist in the development of finance and accounting plans, policies, and procedures. In addition, this support element has the responsibility to organize DFAS activities to maximize the support provided deployed forces. DFAS can provide liaison personnel to augment the staff of a JTF comptroller in order to assist in establishing unique accounting requirements.

6. Secretaries of the Army, Navy, and Air Force, Heads of DOD Agencies, and United States Special Operations Command

a. The Services are the proponents for FM and provide guidance and implementing instructions regarding all FM issues. USSOCOM provides management and authority on use of major force program-11 funding. They allocate funds appropriated for programs established by Congress, monitor their execution, and recommend major reprogramming of funds. The heads of the DOD components are responsible for preparing cost estimates and submitting budget justifications to the USD(C), and also providing monthly incremental cost reports to the DFAS in accordance with policy from the USD(C). In addition, the DOD components' HQs are responsible for providing to the DFAS, on a monthly basis, certified cost statements, supporting

documentation, and completed billing documents (SF 1080 Vouchers for Transfer) for each LOA or incurred cost for which payment is requested.

b. DOD components and supporting combatant commanders can issue specific FM instructions to their subordinate activities as required to support a contingency operation. These instructions will be coordinated with USD(C) and Joint Staff J-8 to eliminate conflict and normally include requests for cost estimates, reporting requirements, and further component-unique accounting and billing procedures.

7. Director, Defense Security Cooperative Agency

The DSCA is responsible for providing leased equipment and using FMS systems and procedures, when required, to support contingency operations. The DSCA is also responsible for supporting the implementation of those contingency operations supported under the applicable sections of the FAA, when directed by the USDP to provide this support. Such support may be in response to requests from the DOS or requests from the UN for articles and services to support equipment leased under FMS procedures. The DSCA is authorized to use the FMS system network to provide such support.

8. US Mission to the UN (Military Advisor)

The Office of the Military Advisor to the US mission determines the appropriate US agency to support UN requests for assistance. For the Department of Defense, all requests should be forwarded to the USDP for approval and action. The Military Advisor's office will be the focal point for receipt of billings from DFAS, transmittal of information to the UN requesting offices, and follow-up to UN queries when necessary.

APPENDIX B

JOINT TASK FORCE COMPTROLLER CHECKLIST

1. Introduction

The JTF comptroller is the principal or special staff assistant to the JFC on FM matters. The following is a checklist, by phase of military operations, of FM-related activities that the JTF comptroller should consider in planning and executing operations. Activities are not necessarily limited to a single phase.

2. Predeployment and Lodgment Phase

a. RM Operations

- Provide RM advice and assistance.
- Analyze all support agreements for RM implications.
- Ensure that the EA has been designated, when appropriate.
- Maintain an awareness of costs; participate in the staff estimate and joint planning process.
- Prepare FM appendix and review OPLANs, to include the concept of support.
- Review requirements for resource management support and establishment of funding responsibility, to include contracting and procurement. Ensure that mechanism for cost capturing is established.
- Review interagency financial support agreements.
- Determine if support is required for other agencies, such as morale, welfare, and recreation (MWR), Red Cross, NGOs, PVOs, and public affairs (PA).

- In coordination with the JTF J-4, determine availability of HNS and/or AIK support and establish reporting and reimbursement requirements. In coordination with the JFC J-4 and staff engineer, initiate wartime military construction requests or reprogramming action.
- Determine any unique reimbursement procedures through the UN, if necessary, to capture incremental costs.
- Request special appropriations, if required.
- Implement procedures to track multinational support costs and review billing procedures.
- Review cost estimates, when required.
- Coordinate with Staff Judge Advocate (SJA) to ensure that legal considerations are reviewed.

b. Finance Operations

- Prepare finance portion of the FM appendix and review OPLANs to develop the concept of support.
- Consolidate and analyze economic assessment within the JOA.
- Provide financial advice and assistance.
- Determine if foreign currencies are to be used and their exchange rates.
- Develop requirements for check cashing, emergency payments, currency conversion, funding of paying agents, foreign currency conversion, solatium payments, recording of cost data, travel,

- civilian pay, funds disbursement, and other pay support.
- Determine what duty conditions have been designated for the operation by the commander.
- Determine if group travel has been declared.
- Coordinate entitlement, if required, for Reserve and/or National Guard participation.
- Coordinate with the JTF J-1 to ensure consistency of entitlements and level of support. If required, request determination of hostile fire pay, imminent danger pay, hardship duty pay, family separation allowance, special leave accrual, combat zone tax exclusion, and sea duty pay.
- Publish guidance, when required, on UN entitlements, leave, and observers to peacekeeping organizations.
- Determine check cashing limits.
- Coordinate with DFAS Crisis Coordination Center.
- Determine, if necessary, accounting and central funding support necessary for the operation.
- Determine banking support requirements.
- If required, determine appropriate quantities of foreign currencies and formalize resupply procedures.
- Support, if necessary, NEO.
- Provide, if necessary, currency funding support to other US and allied organizations in the JOA.

- Coordinate the establishment of HN LDA.
- Prepare for solatium payments and payments for other claims.
- Coordinate with SJA to ensure that legal considerations are reviewed.

3. Combat and Engagement Phase

a. RM Operations

- Coordinate FM aspects of HNS and AIK.
- Capture costs, when required.
- Provide reports as required, including those needed for reimbursement by a HN, foreign nation, NGOs and/or PVOs, or other federal agencies.
- Coordinate with SJA to ensure that legal considerations are reviewed.

b. Finance Operations

- Perform, if necessary, central funding and accounting (both appropriated and nonappropriated) support.
- Support contracting and local procurement requirements.
- Control currency.
- Provide, if necessary, EPW and/or CI pay support.
- Support, if necessary, NEO.
- Provide pay support to joint and multinational forces as well as designated civilians.
- Coordinate with SJA to ensure that legal considerations are reviewed.

4. Follow-Through and Post Hostilities Phase

a. RM Operations

- Identify additional sources of funds in order to continue sustainment of the operation.
- Obtain MWR funds for support of joint operation personnel.
- Determine requirements, when necessary, for civic assistance funding.
- Coordinate with SJA to ensure that legal considerations are reviewed.

b. Finance Operations

- Provide banking and currency support.

- Provide pay support to joint and multinational forces as well as designated civilians.
- Provide local procurement and/or CVS support.
- Establish pay support procedures for remaining forces in-theater.
- Coordinate with SJA to ensure that legal considerations are reviewed.

5. Redeployment Operations

a. Coordinate and develop FM requirements for redeployment support.

b. Close out contingency funding operations and conduct hand-off procedures with responsible component.

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APPENDIX C

GUIDE TO OPLAN DEVELOPMENT

1. General

The following sets forth administrative instructions and format to govern the development of Appendix 7 (Financial Management) to Annex D (Logistics) to OPLANs.

2. Procedures

a. Unless otherwise indicated, the following format for Appendix 7 (Financial Management) to Annex D (Logistics) in Joint Operation, Planning and Execution System is mandatory for the Joint Staff, all unified combatant commands, the Services, and the combat support agencies responsive to the Chairman of the Joint Chiefs of Staff.

Pertinent FM-related references are listed in Appendix J, "References," of this publication.

b. Development of Appendix 7 (Financial Management) to Annex D (Logistics) will be

accomplished in conjunction with, and in support of, the staff estimate and operational planning process. The appendix will identify and resolve FM support problems and funding responsibilities in advance of plan implementation.

c. Command responsibilities and functional alignments for providing FM support should be described and defined in sufficient detail to ensure that provisions are made to support all mission essential tasks.

d. The following format and guidance must be followed in preparation of Appendix 7 (Financial Management) to Annex D (Logistics). Note: Entitlement information to Service financial managers and DFAS is critical to accurate payment of personnel deploying to support joint force operations and should be communicated as soon as possible.

CLASSIFICATION

HEADQUARTERS

DATE

APPENDIX 7 TO ANNEX D TO XXXXX OPLAN XXXX-XX

REFERENCES: Cite the documents necessary for a complete understanding of this appendix.

1. Situation

a. **Purpose.** This appendix provides broad policy and procedural guidance and assigns tasks for FM operations. This appendix describes the mission and responsibility of the JTF comptroller during deployment and sustainment for both the joint headquarters and components within the JOA.

b. **Enemy.** Refer to Annex B, Intelligence. Assess the impact of enemy capabilities and probable COAs on FM support.

c. **Friendly.** List the component FM organizations and the specific tasks assigned to each supporting the FM operations of the plan. Summarize their capabilities. Include non-US military forces and US civilian agencies, such as banking institutions or embassies, that may support assigned forces in the provision of FM support (or may themselves require support).

d. **Assumptions.** State realistic assumptions and consider the effect of current operations on FM operations. These could be similar assumptions used by the components when developing cost estimates for the operation.

e. **Limitations.** List key limiting factors affecting FM capability.

2. Mission. State in a clear concise statement the FM mission in support of the basic plan.

3. Execution

a. **Concept of Operations.** Summarize the intended COA and state the general concept for FM support in the operational area. In separate numbered subparagraphs, provide specific guidance on the following, as applicable.

Predeployment and Lodgment

- (1) Ensure that the EA has been appointed, when required.
- (2) Obtain and analyze available economic assessment data of the operational area and any financial implications.
- (3) Analyze all support agreements.
- (4) Identify missions that will require special funding and authority, when required.
- (5) Determine if foreign currencies are to be used and, if necessary, determine exchange rates.
- (6) Coordinate entitlement policies with the JTF J-1 prior to deployment.
- (7) Establish joint and combined FM operational requirements, to include disbursing support, contracting support, commercial vendors payment support, and any other unique finance requirements.
- (8) Coordinate the establishment of HN-limited depositories account.
- (9) Determine if support is required for other organizations, such as MWR, Red Cross, NGOs, PVOs, and PA.

Combat and Engagement Phase

- (1) Support contracting and local procurement requirements.
- (2) Provide reports as required.

Follow-Through and Post Hostilities Phase

- (1) Provide policy guidance, if necessary, for EPW and/or CI, NEO, MWR, Red Cross, NGOs, PVOs, and PA.
- (2) Obtain, if required, MWR funds.
- (3) Identify and task component(s) for continued FM support, if required.
- (4) Ensure that a management control process is in place.

Redeployment Operations

- (1) Identify, when necessary, funding requirements for redeployment support.
- (2) Close out contingency funding operations and conduct hand-off with responsible component.

b. **Assignment of Tasks.** In separate numbered subparagraphs, address unique tasks required of the components to accomplish the joint FM mission.

c. **Coordinating Instructions.** This subparagraph will include, but need not be limited to the following.

- (1) Items common to two or more subordinate commands and any unique FM relationships.
- (2) Coordination with adjacent commands and other agencies.
- (3) Agreements with the host country, allied forces, and USG and nongovernmental agencies.
- (4) DFAS Crisis Coordination Center responsibilities.

4. Administration and Logistics. Provide FM guidance for furnishing logistics and administrative support. As appropriate, include guidance on the following.

- a. Contracting requirements.
- b. Logistic support relationships.
- c. Reporting requirements.

- d. Identify any particular personnel or augmentation requirements.
- e. Coordinate with JTF J-2 to determine time frame after which all FM plans and budgets can be declassified.

5. Command and Control

- a. Command relationships.
- b. Discuss command, control, communications, and computer systems requirements for FM support.

APPENDIX D

LEGAL

1. Introduction

This appendix provides background on several important laws that provide the basis for FM operations. It is not meant to be all-inclusive or a source of legal guidance. Financial managers who have questions regarding the legality of payments should contact their local SJA or legal advisor.

2. Fiscal Law

a. Of primary concern to financial managers is fiscal law. Failure to apply fiscal law principles properly may lead to unauthorized expenditures of funds and consequent administrative or criminal sanctions against those responsible. The authority to obligate USG funds is derived from Congress. The law of federal appropriations has constitutional and statutory aspects that generally identify clear rules the General Accounting Office (GAO) and other agencies apply to fiscal decisions. Once Congress has passed an appropriation and the President has signed it into law, agencies must request an apportionment from the Treasury Department within 10 days and the Office of Management and Budget (OMB) must make apportionment within 30 days after signature. Once OMB apportions funds to the Department of Defense, the Department of Defense subapportions funds to the military services, USSOCOM, or Defense agencies to allocate to major commands, which in turn allot funds to operating units. The apportionment process must be complete before funds can be committed.

b. Federal agencies require Congressional appropriation to operate. In some cases, an authorization must also be enacted before an appropriation can be obligated. An appropriation is a law passed by a majority of

members of the House and Senate and signed by the President, which provides budget authority for the stated purposes. No other statutes and resolutions passed by Congress, including budget resolutions and authorization acts, authorize withdrawal of money from the US Treasury.

c. Budget authority is the authorization to incur a legal obligation to pay a sum of money from the US Treasury. Budget authority is not money; it is the authority to spend money that has been appropriated. The US Treasury actually disburses cash only after an agency requests (or, in the case of the Department of Defense, issues) an EFT or a check to withdraw money from the US Treasury to liquidate an obligation.

d. DOD regulations mandate the use of commitment accounting for all appropriations, both unexpired and expired. Commitments are administrative reservations of funds, based upon firm procurement directives, orders, or requests, that authorize the creation of obligations without further approval by the official responsible for certifying the availability of funds. Issuing a commitment that authorizes an obligation in excess of an appropriation or formal subdivision of funds could result in a violation of the Antideficiency Act (See paragraph 3 on the Antideficiency Act).

e. Obligations are amounts of orders placed, contracts awarded, services received or similar transactions made which legally bind the USG to make payments. Congress has imposed fiscal controls which limit the ability of the Executive Branch to obligate and expend appropriated funds. Funds may be obligated only for the purposes for which they were appropriated; further, they may only be used to satisfy the bona fide needs of the

fiscal year for which the appropriations are valid. In most cases, they may not be used beyond their period of availability. No one may obligate funds in excess of (or in advance of) an appropriation, an apportionment, or a formal subdivision of funds without specific statutory authority. If administrative lead time requires contract award prior to the receipt of funds, execute contracts “subject to the availability of funds” to ensure timely delivery of the goods or services. If this clause is used, accept no services or supplies until after receipt of funds.

f. A corollary to the purpose and bona fide needs requirements regarding obligation of funds is the general prohibition against augmentation. Transfers from one appropriation to another are prohibited except as authorized by law. Appropriated funds designated for a general purpose may not be used to pay for an effort for which Congress has specifically appropriated other funds.

g. Continuing Resolution Authority (CRA) is an interim legislation enacted by Congress to provide authority to specific ongoing activities where the normal fiscal year appropriation has not been enacted by the beginning of the fiscal year, pending the annual appropriation enactment by Congress. CRA authorizes continuation of normal operations at a rate not to exceed the latest Congressional action or the previous year’s rate. CRA does not authorize new starts or expansions to a program. A funding gap may occur in the absence of either an appropriations act or a CRA, or when the President vetoes a duly passed appropriations bill or continuing resolution following expiration of either of their predecessors. The Attorney General has determined that, absent an appropriation or a CRA, executive agencies must take immediate steps to cease normal operations. Disbursements supporting new fiscal year obligations may not be made during a funding gap unless specifically authorized by the USD(C).

3. Antideficiency Act

The Antideficiency Act is codified at 31 USC Sections 1341, 1342, 1344, and 1511-1517 and is implemented by OMB Circular A-34, “Instructions on Budget Execution;” DOD Directive 7200.1, “Administrative Control of Appropriations;” and Volume 14 of the DODFMR (DOD 7000.14-R, “Security Assistance Policy and Procedures”). It states that an officer or employee may not make or authorize an obligation or expenditure that exceeds an amount available in an appropriation or formal subdivisions of funds. The GAO has determined that this statute prohibits obligations in excess of appropriated amounts and obligations that violate statutory restrictions or other limitations on obligations or spending. Officers or employees who authorize or make prohibited obligations or expenditures are subject to criminal sanctions and administrative discipline, including suspension without pay and removal from office. Good faith or mistake of fact does not relieve an individual from responsibility for a violation. Factors such as “a heavy workload at year end” or an employee’s “past exemplary record” generally are relevant only to determine the appropriate level of discipline, not to determine whether the commander should impose discipline.

4. Law Of Armed Conflict

The Law of Armed Conflict deals with a wide variety of areas, including monetary issues pertaining to prisoners of war. Actions regarding the treatment of prisoners of war, from what to do with money that prisoners of war are carrying to how much and when to pay them for their labor, are covered within the Law of Armed Conflict.

Additional information on payments to EPWs is contained in Chapter III, “Finance Operations.”

5. Feed And Forage Act

a. The Feed and Forage Act (41 USC 11 and 11a) permits the Department of Defense to incur obligations in excess of or in advance of available appropriations to ensure necessary funding to support members of the Armed Forces of the United States conducting military operations. Clothing, subsistence, forage, fuel, quarters, transportation, and medical and hospital supplies, not in excess of the necessities of the current year, may be incurred at the direction of the Secretary of Defense. The USD(C) issues instructions to implement the order.

b. Although authority to act under the Feed and Forage Act is granted by the Department of Defense, forward-deployed units must be prepared to request urgent obligation authority during contingency operations. Units will submit requests through command and/or resource management channels.

6. Chief Financial Officers Act of 1990

The 1990 Chief Financial Officers Act established a centralized FM structure within the OMB and in major departments and agencies. It strengthened FM internal controls by requiring the following.

a. Preparation of 5-year FM systems improvement plans, both government-wide and in the 23 agencies covered by the act.

b. Preparation of audited financial statements and audits of selected activities of agencies to hold agency heads accountable for their operations.

c. Reporting to the President and Congress on the annual status of general and financial management in the Federal government.

7. Federal Managers' Financial Integrity Act — Public Law 97-255

The Federal Managers' Financial Integrity Act was enacted in September 1982 to strengthen internal control and accounting systems throughout the federal government and to help reduce fraud, waste and abuse, and misappropriation of federal funds. The Act holds agency managers accountable for correcting noted deficiencies and requires that agencies annually identify and report internal control and accounting system problems and planned remedies.

8. Government Management Reform Act of 1994 and the Federal Financial Management Act of 1994

The Government Management Reform Act and the Federal Financial Management Act were enacted to provide a more effective, efficient, and responsible government. These Acts mandated statutory requirements for reports to Congress, the use of EFTs for payments, the establishment of a franchise fund in each of four executive agencies, and the submission of annual audited financial statements to the Director of the OMB.

9. 31 USC

This title of the US Code contains the basic statutory requirements for the use, control, and accounting of public funds.

10. 31 USC S1301 (the Purpose Statute)

This section imposes the requirement to use appropriated funds only for their intended purpose.

11. FM in Multinational Operations

In addition to the statutes listed above, financial managers must be aware of the legal ramifications of operating in a multinational environment. Reimbursement and other funding issues often are complex, requiring knowledgeable financial managers.

In addition to the specific agreements governing each operation, important

references on multinational funding issues are contained in Volume 15, DODFMR DOD 7000.14-R, "Security Assistance Policy and Procedures." Appendix E, "Authorities and Agreements," provides additional information regarding funding authorities for multinational operations. Appendix F, "Financial Support to Military Operations in a Multinational Environment," discusses financial support to military operations in a multinational environment.

APPENDIX E

AUTHORITIES AND AGREEMENTS

1. Introduction

This appendix describes DOD and non-DOD authorities and procedures and, when possible, gives examples of how these authorities and sources of funds have been utilized to support a variety of joint operations. Some of the more important agreements, useful to a complete understanding of financial management in joint and multinational operations, are also discussed. This appendix provides only an overview; in most cases, financial managers, along with their appropriate legal advisors, will want to consult the proper US Code, regulation, or directive prior to any expenditure of resources.

2. DOD Authorities

a. O&M Appropriations

- **Purpose.** These appropriations pay for the day-to-day expenses of DOD components in garrison, during exercises, deployments, and military operations. However, there are threshold dollar limitations for certain types of expenditures such as purchases of major end items of equipment and construction of permanent facilities. Once expended, O&M accounts may be replenished for specific operations through supplemental appropriations from Congress, reprogramming actions, or the UN.
- **Procedures.** The Chairman of the Joint Chiefs of Staff provides an execute order to a combatant commander describing mission requirements. Normally, the combatant commanders' Service components will fund their participation in an operation with O&M funds.

- **Examples.** O&M funds were used to deploy US forces on operations in Haiti, Bosnia, Rwanda, and Somalia. O&M funds were also used to construct migrant camps in Guantanamo Bay, Cuba and transport migrants, based on a Presidential Determination. O&M was also spent during the initial stages of Operation UPHOLD DEMOCRACY to restore power and repair bridges in Haiti. These expenditures were approved because the US commander was authorized to expend DOD funds for activities essential to performance of the mission. The on-scene commander determined that these civic improvements were necessary to enhance security of US forces.

b. Military Construction (MILCON) Appropriations

- **Purpose.** Congressional oversight of MILCON is extensive. Specific approval is required for any project above an established dollar threshold. Funds for these large construction projects require specific Congressional approval and are provided in the annual Specified Military Construction Program. MILCON appropriations also fund part of the Unspecified Minor Military Construction Program. The Secretary concerned, under the authority of 10 USC Section 2805a, may use minor MILCON funds for minor projects not specifically approved by Congress. Statutory authority contained in US Code, title 10, sections 2803 and 2804 addresses this issue. This authority is limited to projects within prescribed dollar threshold limits. O&M funds may be used for unspecified

minor construction under \$500K. Maintenance and repair are not considered construction, and expenditure of O&M for these purposes is not subject to the construction expenditure limitation. Maintenance is recurrent work to prevent deterioration and to maintain the facility in usable condition. Repair is the restoration of a facility in order that it may be used for its original purpose. When construction and maintenance or repair are performed together as an integrated project, each type of work is funded separately, unless the work is so integrated that separation of construction from maintenance or repair is not possible. In such cases, fund all work as construction.

- The Secretary of Defense is authorized to undertake emergency construction projects not otherwise authorized by law that are necessary to support the Armed Forces. Such projects are funded with any unobligated MILCON and family housing appropriations. See 10 USC Section 2808.

c. **Traditional CINC Activity (TCA) Funding**

- **Purpose.** These funds are intended for use by the combatant commander to promote regional security and other US national security goals. These funds fulfill the combatant commanders need for flexible resources to interact with the militaries in their areas of responsibility to promote regional security and other national security goals. TCA funds are not intended to replace or duplicate any other specifically authorized appropriated fund sources available to the combatant commanders. Services provide this funding with both O&M and military personnel appropriations.

- **Procedures.** Combatant commanders are responsible for direct oversight and execution of traditional CINC activities within established policy and legal guidelines. The Department of Defense and members of appropriate interagency working groups exercise broad review and policy oversight.
- **Examples.** Some examples of the use of TCA funding include military liaison teams, traveling contact teams, state partnership programs, regional conferences and seminars, unit exchanges, staff assistance and assessment visits, joint and combined exercise observers, and bilateral staff talks.

d. **CINC Initiative Fund (CIF), 10 USC Section 166a**

- **Purpose.** CIFs provide combatant commanders with funds to support unprogrammed new emergent requirements that occur during the fiscal year. Funds may be used for command and control; joint exercises; humanitarian and civic assistance; military education and training to military and related civilian personnel of foreign countries; personnel expenses of defense personnel participating in bilateral or regional cooperation programs; and force protection.
- **Procedures.** The combatant commander requests the Chairman of the Joint Chiefs of Staff to provide funds for a specific purpose.
- **Examples.** This authority was used to provide initial JTF communication support in Rwanda and some of the initial support required to establish the migrant camp operations at Guantanamo Bay, Cuba.

e. **Official Representation Funds**

- **Purpose.** Occasionally, there will be requirements for supporting foreign military forces at official functions. Examples of this are Fourth of July celebrations, changes of command, special meals, or gifts to foreign contingent commanders.
- **Procedures.** Service regulations and/or directives should be referenced regarding proper obligation and expenditure of these funds.

f. **Humanitarian Assistance, 10 USC Section 2551**

- **Purpose.** This provision authorizes appropriated funds to be used to transport USG-procured humanitarian relief supplies and for other authorized humanitarian purposes.
- **Procedures.** To the extent that funds are authorized and appropriated for humanitarian assistance purposes, DOD funds can be used for military or commercial transportation. Currently, the DSCA manages these funds, which are contained in the Overseas Humanitarian, Disaster and Civil Aid Account. Requests should be forwarded by the supported combatant commander to the Joint Staff for review and approval by DSCA and ASD(SO/LIC).
- **Examples.** Humanitarian assistance funds were provided to the US European Command for combined joint task force PROVIDE COMFORT in 1993-1994 to transport food, staples, and shelter materials to the refugees in Northern Iraq.

g. **Transportation of Humanitarian Assistance, 10 USC Section 402**

- **Purpose.** This legal authority provides for the military transportation of donated humanitarian relief supplies, subject to certain conditions. Assistance under this section is commonly referred to as the Denton Program and is jointly administered by USAID, DOS, and the Department of Defense.
- **Procedures.** The Department of Defense is authorized to transport donated supplies from NGOs and PVOs intended for humanitarian assistance purposes. This transportation is authorized without charge but on a space-available basis. Before supplies can be transported, the Department of Defense must determine that the transportation of the supplies is consistent with US foreign policy; the supplies to be transported are suitable for humanitarian purposes and in usable condition; a legitimate humanitarian need exists for the supplies by the people for whom the supplies are intended; the supplies will be used for humanitarian purposes; and adequate arrangements have been made for the distribution of the supplies in the destination country by the NGO or PVO. DSCA manages the program and the funds. Requests should be forwarded by the supported combatant commander to the Joint Staff for approval by DSCA.
- **Examples.** This authority was invoked to transport food and clothing to Rwanda for NGOs such as World Relief in 1994.

h. **Humanitarian and Civic Assistance (HCA) Provided in Conjunction with Military Operations, 10 USC Section 401**

- **Purpose.** This provision of law allows the Service components to carry out humanitarian and civic assistance activities abroad. Projects must promote

US and HN security interests as well as enhance readiness skills of the US forces that participate. These projects are to be conducted in conjunction with authorized military operations and can complement, but not duplicate, other assistance provided by the USG. HCA is confined to five general areas which are defined by statute: medical, dental, and veterinary care; construction of rudimentary surface transportation; well drilling and construction of basic sanitation facilities; rudimentary construction of public facilities; and detection and clearance of landmines, including education, training, and technical assistance. HCA projects cannot benefit any individual or organization engaged in military or paramilitary activity.

- **Procedures.** HCA projects must be nominated by the HN government and must be supported by the US Embassy, DOS, USAID, and the Department of Defense. Section 401 activities are funded from the Services' operations and maintenance accounts. The ASD(SO/LIC) provides oversight within the Department of Defense.
- **Examples.** HCA projects have included such activities as rudimentary construction and repair of public facilities, drilling wells for water, and the provision of medical, dental, and veterinary care in rural areas to such countries as Ethiopia, Panama, Haiti, and Bangladesh.

i. Emergency and Extraordinary Expense Authority (E&E), 10 USC Section 127

- **Purpose.** E&E provides SecDef and Service Secretaries authority to expend O&M funds without regard to contracting and purpose limitations. This

authority is provided annually in the O&M appropriations. Each Secretary has different amounts, depending on previously established needs. E&E funds are funds that may be used to support certain unique requirements of operations. The DOD and Service regulations that cover these funds define the types of acceptable expenditures.

- **Procedures.** Very small amounts of this authority exist. The combatant commander can request the Service component to provide this E&E. If E&E is available and no other funds are appropriate to resource an essential activity, then normally the combatant commander's Service component will request approval of the Service Secretary through the Service HQ. This authority doesn't provide cash or foreign currency to conduct an activity. Rather, E&E provides the capability to obligate Service funds for an activity normally not authorized for O&M funding. If foreign currency is required to perform the activity, a Service finance office must be notified to obtain the appropriate currency.
- **Examples.** This authority was used to "buy-back" weapons in Panama during Operation JUST CAUSE. It was also cited initially for purchasing weapons in Haiti during Operation UPHOLD DEMOCRACY. Standing authorizations include special operations, criminal investigation purposes, and intelligence contingencies. These requests must have approval on a case-by-case basis.

j. Acquisition and Cross-Servicing Agreement (ACSA), 10 USC Section 2342

- **Purpose.** This agreement's purpose is to acquire or transfer logistic support outside the Arms Export Control Act (AECA) channels. This is a limited,

DOD-specific authority to both acquire logistic support without resort to commercial contracting procedures and to transfer logistic support outside of AECA channels. Under this authority, the Department of Defense, after consultation with DOS, may enter into agreements with NATO countries, NATO subsidiary bodies, other designated eligible countries, the UN, and other international regional organizations of which the United States is a member that provide for the reciprocal provision of logistic support, supplies, and services. This authority is limited to the purchase and sale of logistic support and does not extend to major end items of equipment (e.g., trucks, weapons systems). As a result of the FY 1995 National Defense Authorization Act changes, the Department of Defense is authorized general purpose vehicles and other nonlethal items of military equipment which are not designated as significantly military equipment on the US munitions list. Examples include vehicles, communications equipment, and training aids.

- **Procedures.** After consulting with DOS, the Department of Defense may enter into agreements with NATO countries, NATO subsidiary bodies, and other designated eligible countries for reciprocal logistic support, supplies, and services. However, major end items are excluded. Acquisitions and transfers are on a PIC, RIK, or EVE basis. RIK or EVE must be accomplished within 12 months after the date of delivery of the logistic support, supplies, or services. After 12 months, reimbursement must be on a cash basis.
- **Examples.** This authority was used extensively in the early phase of Somalia operations. This authority also provided

logistic support, supplies, and services to the French-led coalition peace enforcement effort Operation TURQUOISE in Rwanda. This authority has also been used in peace operations conducted by member state coalitions under UN auspices (for example, the Unified Task Force phase of the Somalia operations with Canadian and Australian forces). ACSAs have been used in Bosnia and Kosovo.

k. **Foreign Disaster Assistance, 10 USC Section 404**

- **Purpose.** This section provides the President with the authority to direct the Department of Defense to conduct foreign disaster assistance when necessary to prevent loss of life. This section enables the Department of Defense to utilize its unique airlift and rapid deployment capabilities to address humanitarian problems caused by natural or manmade disasters worldwide. Assistance provided under this section may include transportation, supplies, services, and equipment.
- **Procedures.** This legal authority provides for the military transportation of donated humanitarian relief subject to certain conditions. Assistance under this section is commonly referred to as The Denton Program and is jointly administered by USAID, DOS, and the Department of Defense. FY 1995 was the first year the Department of Defense had specific authority to conduct worldwide disaster relief activities.
- **Examples.** This authority was cited to provide blankets, water, and transportation to the earthquake-stricken people in Japan.

l. **Excess Nonlethal Defense Supplies, 10 USC Section 2547**

- **Purpose.** This makes nonlethal excess DOD supplies available for humanitarian relief purposes.
- **Procedures.** The Department of Defense shall transfer to the State Department nonlethal excess supplies for distribution.
- **Examples.** This authority could be cited to transfer medical supplies, meals ready to eat, and equipment in support of a humanitarian relief effort.

3. Other Authorities

a. Drawdown Authorities

- There are three drawdown authorities contained within the FAA of 1961. All three require a Presidential Determination and some form of notification to Congress. They are available for use within each fiscal year up to a specified dollar amount. The calculation of costs for all goods and services provided under these authorities, and reported to Congress, is on the basis of “full cost to the government.” The calculation of costs includes the full cost of all military and civilian labor associated with the drawdown. Although these authorities are limited to existing defense stocks, a reduction of items from inventory below the reorder point may cause a new procurement action to replenish stocks. Such authority generally does not have funding attached. Drawdown authority does not draw a distinction between stocks that are at the retail or wholesale level.
 - This authority provides defense articles, equipment, military education, and training. It can also provide DOD services. Examples include military transportation, military sealift, and military personnel offloading ships. This authority cannot be used for new contracting or procurement. It can be cited by the Department of Defense to contract for commercial air- or sealift if more economical. However, it cannot be used to provide housing and food under a logistic civil augmentation program contract to members of a foreign country or international organization.
- When drawdown authority is granted, there are very specific statutes that require the President to report to Congress the extent that stocks and services are drawdown. The DOD agency responsible for reporting this information is the DSCA. As such, DSCA is the DOD central point of contact for accounting how much drawdown authority has been used and establishes the reporting requirements for this type of support.
 - Normally using this authority, DSCA may direct the provision of supplies in two ways. First, DSCA may assemble a push package to be sent to the appropriate foreign contingent. Second, DSCA may direct, through an execute order, that certain stocks be provided to a specific foreign contingent.
- **Drawdown for an Unforeseen Emergency, FAA Section 506(a)(1), 22 USC Section 2318 (a)(1).** (1) **Purpose.** Under section 506(a)(1) of the FAA, military assistance (defense articles and services) can be furnished to a foreign country or international organization on a nonreimbursable basis due to an unforeseen emergency. It requires a Presidential Determination and report in advance to Congress that an unforeseen emergency exists that cannot be met under the AECA or any other law. Peacekeeping is a recognized purpose for use of this drawdown authority. (2) **Procedures.** Normally, requests are initiated by the US embassy in the

concerned country and forwarded to the Department of Defense. The combatant commander may also identify needs to the Plans Directorate (J-5) for forwarding to DOS or National Security Council. Once the concept is approved, the DOS initiates documentation for the President to approve and to notify Congress. Once drawdown authority has been approved, DSCA manages the program for the Department of Defense and provides detailed accounting procedures. (3) **Examples.** This authority was invoked during Operation UPHOLD DEMOCRACY to provide vehicles and personal equipment to many of the countries providing soldiers for the multinational force in Haiti. It was also invoked to provide equipment to the Dominican Republic for securing the border with Haiti prior to US intervention. Draw down authority was used in Bosnia.

•• **Drawdown for Refugee Assistance, FAA Section 506(a)(2), 22 USC Section 2318 (a)(2).** (1) **Purpose.** The President can drawdown DOD stocks for counterdrug, disaster relief, and refugee and migrant assistance purposes. This authority provides articles, equipment, and training. It can also provide DOD services. Examples include military transportation, military sealift, and military personnel offloading ships. This authority can be used for new contracting or procurement or it can be cited by the Department of Defense to contract for commercial air- or sealift if more economical. However, it cannot be used to provide housing and food by contract. Under this provision, the President may authorize the drawdown of articles and services for disaster relief and counterdrug purposes and for refugee and migrant assistance under the Migration and Refugee Assistance Act of 1962. It requires a Presidential Determination and report, in advance, to Congress that it is in the

national interest to execute the drawdown. (2) **Procedures.** The same as Drawdown for an Unforeseen Emergency. (3) **Examples.** The President invoked this authority to provide airlift for nongovernmental humanitarian relief agencies for Rwanda. It was also used to pay for military air- and sealift of DOD water purification equipment, generators, and other related equipment. This authority was used extensively (\$75 million) for Hurricane Mitch disaster relief efforts in Central America.

•• **Drawdown for Peacekeeping FAA Section 552(c), 22 USC Section 2348a.**

(1) **Purpose.** The President can drawdown commodities and services from any US agency for unforeseen emergencies to support peacekeeping activities. This authority can be used for new contracting or procurement it can be cited by the Department of Defense to contract for commercial air- or sealift if more economical. However, it cannot be used to provide housing and food. It requires a Presidential Determination and report, in advance, to Congress that an unforeseen emergency exists that requires the immediate provision of assistance. (2) **Procedures.** The same as Drawdown for an Unforeseen Emergency. (3) **Examples.** This authority was invoked to provide vehicles to the Palestinians in support of peace operations with Israel and was considered for helicopter support to the multinational observers in the Peru-Ecuador border dispute. This was also the authority to provide 25 million dollars in support to the reconstitution of the Somalia police force.

b. **Foreign Military Sales Arms Export Control Act, 22 USC Section 2761**

• **Purpose.** FMS is used to sell defense articles and services to the UN and foreign governments. Foreign

governments and the UN may enter into a standard FMS contract with the Department of Defense (LOA) for the sale of defense articles and services. This is the primary authority to lease defense articles to third world countries and international organizations. This was the authority used to lease armored personnel carriers (APCs), tanks, and helicopters to the UN for use in Somalia and to lease APCs to the UN for use by the Ghanaian battalion in UN Assistance Mission in Rwanda (UNAMIR). Sales of related equipment, repair parts, and airlift services were done under the 607 Agreement (See paragraph 3g). FMS is generally regarded as the least preferable authority because of inflexible contract terms, higher costs, and lengthy processing time.

- **Procedures.** The UN or another country can enter into an FMS contract with the Department of Defense through an LOA. Ordinarily, the country pays the Department of Defense in advance for all costs plus an administrative surcharge. FMS as well as ACSA are the only authorities available to the Department of Defense to lease defense articles. Leases are processed as standard FMS cases and are generally on a reimbursable basis. However, leases of defense articles may be made on a nonreimbursable basis if the article has passed three-quarters of its normal service life.
- **Examples.** This authority was used to lease 40 APCs to the UN for use by the Ghanaian battalion as part of UNAMIR.

c. **Excess Defense Articles (EDA), 22 USC Sections 2321j**

- **Purpose of Section 2321j.** EDA is used to sell or grant articles no longer needed by the Armed Forces of the United States to eligible countries. It authorizes lethal

and nonlethal support on a priority basis to countries on the southern and southeastern flank of NATO. Defense articles no longer needed by the Armed Forces of the United States may be made available for sale under FMS procedures or on a grant (no cost) basis to eligible countries. The purpose is to modernize defense capabilities of eligible NATO countries on the southern and southeastern flank of NATO and to major non-NATO allies on these flanks. Eligible countries include Greece, Portugal, Turkey, Israel, Egypt, Morocco, Pakistan, Senegal, and Oman.

d. **Economic Support Fund (ESF), FAA Section 531, 22 USC 2346**

- **Purpose.** The purpose of ESF is to furnish assistance to countries based on special economic, political, or security interests of the United States. Most ESF assistance is provided as cash grant transfers to help other countries improve their balance of payments. The remainder is spent on commodity support to import US goods for development projects. ESF shall be available for economic programs only and may not be used for military or paramilitary purposes.
- **Procedures.** The President is authorized to furnish assistance to countries and organizations, on such terms and conditions as may be determined, in order to promote economic or political stability. DOS usually provides funds directly to the countries involved. However, DOS can provide these funds to the Department of Defense through an agreement pursuant to the FAA, Section 632. The agreement is developed by USD(C) and their counterparts at DOS. If the combatant commander determines a need for these funds, the Joint Staff J-5 may be contacted.

- **Examples.** This authority was used for Somalia police salaries. In Haiti, it was used to distribute miscellaneous payments to members of the multinational force and for special transportation requirements.

e. Peacekeeping Operations (PKO) Fund, FAA Section 551, 22 USC 2348

- **Purpose.** PKO Fund is used to furnish assistance to friendly countries and international organizations pursuant to the national interests of the United States. The President is authorized to furnish assistance to countries and organizations, on such terms and conditions as may be determined, for PKO and programs. Such assistance may include reimbursement to the Department of Defense for expenses incurred pursuant to Section 7 of the United Nations Participation Act (See paragraph 3h).
- **Procedures.** DOS usually provides funds directly to the countries involved. However, DOS can provide these funds to the Department of Defense through an agreement pursuant to FAA Section 632. The agreement is developed by USD(C) and their counterparts at DOS. If the supported combatant commander determines a need for these funds, the Joint Staff J-5 may be contacted. Preferably, the Service funding the operation for the combatant commander will contact USD(C).
- **Examples.** This authority was used by DOS to pay lodging and meals for non-US members of the Military Observer Group on the border between Haiti and the Dominican Republic. It was also used to pay for equipment and supplies in Haiti that couldn't be drawdown from existing DOD stocks. (See FAA S506[a][1].)

f. International Military Education and Training (IMET), FAA Section 541-545, 22 USC Sections 2347-2347e

- **Purpose.** IMET provides military education and training to military and related civilian personnel of foreign countries.
- **Procedures.** DOS obtains a request for training from the HN government and passes the request to the Department of Defense. If the combatant commander desires to provide military education or training to countries in the area of responsibility, this would usually be arranged through the country team at the embassy. CINCs may also submit the proposal to the Joint Staff J-5 for review by the interagency. Once approved by DOS, the Department of Defense, through DSCA, will attempt to provide the services directly. If the Department of Defense is unable, then a security assistance tasking can be prepared, citing IMET funds. DSCA will then contract for the required support.
- **Examples.** Many foreign defense and non-defense establishments have been trained through IMET. Through their attendance at IMET-sponsored training, these personnel receive exposure to US values, regard for human rights, democratic institutions, and the value of a professional military under civilian control.

g. Reimbursable Authority, FAA Section 607, 22 USC Section 2357

- **Purpose.** Section 607 of the FAA authorizes any federal agency to furnish commodities and services to friendly countries, the American Red Cross, voluntary non-profit relief agencies, and international organizations, when the

President determines that such assistance furthers the purposes of Part 1 of the FAA. Support may only be provided on a reimbursable or advance-of-funds basis.

- **Procedures**

- DOS obtains requests for commodities and services from the UN as well as other nations. After review, these requests may be forwarded through DOD Assistant Secretary of Defense (Strategy and Requirements) to the DSCA for execution. Once DSCA approves shipment of the commodities, DFAS will submit a billing statement to the UN or other organization, which will then reimburse the Service. The determination required by the statute must be made each time a new operation will be supported under this authority. The authority for making this determination has been delegated to the Secretary of State and to the Administrator of USAID.

- Support of each new operation requires the negotiation and conclusion of a separate 607 agreement. Section 607 agreements set the overall terms and conditions that govern the provision of assistance and have been used in UN operations in Somalia, the Former Republic of Yugoslavia, Rwanda, and Haiti. The UN LOA procedure is the ordering mechanism specified in those agreements.

- **Reimbursements.** Under Section 607, assistance may only be furnished on an advance-of-funds or reimbursable basis. Reimbursement cannot be waived. Reimbursements received may be deposited by the Service providing the assistance back into the appropriation originally used (or, if received within 180 days of the close of the fiscal year in

which the assistance was furnished, into the current account concerned). These amounts then remain available for the purposes for which they were appropriated. Reimbursements received after this 180-day period cannot be retained by the Department of Defense and must be deposited in the miscellaneous receipts account of the general treasury.

- **Examples.** This authority was used by the Department of Defense to support UN operations, the Organization of African Unity, and friendly third world countries participating in peacekeeping and humanitarian operations in Rwanda. It was also cited for Operation SAFE BORDER when Peru and Ecuador agreed to reimburse the United States for its costs of providing the observer group to monitor their common border.

- h. **Section 7 of the United Nations Participation Act (UNPA), 22 USC Section 287d-1**

- **Purpose.** This section authorizes support to UN PKO. This authority permits the Department of Defense to contribute personnel, nonlethal equipment, supplies, and services to UN operations.
- **Procedures.** The UN will issue a LOA to the US Mission to the UN in New York (USUN). USUN forwards the LOA to the State Department, where it is reviewed and transmitted to the Department of Defense with a recommendation as to approval and funding. Within the Department of Defense, the USDP coordinates the UN request. Upon approval, the Department of Defense will direct a Service to implement the LOA.
- **Reimbursements.** Reimbursement is ordinarily required from the UN.

However, reimbursement may be waived when the President finds exceptional circumstances or that such waiver is in the national interest. DOS also has the authority to waive reimbursement after consultation with the Department of Defense.

- **Examples.** DOD support to UN operations in Cambodia, Angola, and Western Sahara.

i. Sections 628 and 630 of the FAA, 22 USC Sections 2388 and 2390

- **Purpose.** Upon determination of the President that it is consistent with the purposes of the FAA, Section 628 authorizes the head of an agency to detail or assign any officer or employee of that agency to an international organization to serve on the agency international staff or “to render any technical, scientific, or professional advice or service” to such organization. There is no limit on the number of personnel that may be detailed under this authority. This authority has been interpreted broadly and has been used as authority to detail US military to peace enforcement operations (e.g., US logisticians in Somalia).
- **Reimbursements.** Reimbursements for Section 628 details are governed by Section 630 of the FAA. US policy is that the Department of Defense will be reimbursed the incremental costs associated with the participation of the US military in a UN operation.

j. **The Economy Act, 31 USC 1535.** This act provides general authority for federal interagency transactions. It authorizes interagency transactions when no other statute permits the providing agency to render the requested service. The act requires full reimbursement to the providing agency, including indirect costs. It authorizes the

provision of defense articles and services indirectly to third world countries, the UN, and international relief organizations on a reimbursable basis. Under this approach, the DOS or other Federal agencies submit a funded interagency request for support to the Department of Defense. Until recently, this has been the primary authority to provide disaster assistance to third world countries.

k. Stafford Disaster Relief and Emergency Assistance Act, 42 USC Section 5121

- **Purpose.** The Stafford Act provides for an orderly and continuing means of assistance by the Federal government to state and local governments in carrying out their responsibilities to alleviate disaster-related suffering and damage.
- **Procedures.** Upon the request of the affected state’s governor, the President may declare an emergency or major disaster, thereby permitting mobilization of Federal assistance under the Act. The Stafford Act requires reimbursement to the Department of Defense for the incremental costs of providing support. Approval authority and reporting requirements vary depending on the duration and type of support requested. The President may direct any agency of the Federal government to undertake missions and tasks on either a reimbursable or nonreimbursable basis.

4. Agreements

a. United Nations Letter of Assist (LOA)

- A UN LOA is a document issued by the UN to a contributing government authorizing that government to provide goods or services to UN peacekeeping forces. An LOA typically details specifically what is to be provided by the contributing government and establishes

a funding limit that cannot be exceeded. General support LOAs can be negotiated with the UN (if such LOAs are advantageous to both parties) to cover more generic categories such as subsistence, fuel, sustainment, and spare parts. More than one item or service can be included on an LOA. LOAs are considered by the UN to be contracting documents and must be signed and issued by the UN Director, Field Operations Division. The LOA is not considered a funded order, and the UN does not normally provide an advance of funds for the value of the LOA.

- The UN will reimburse contributing countries for the costs of their activities in accordance with UN standard procedures covered in the “United Nations Guidelines to Contributing Governments” and specific and general LOAs. The UN should approve all elements of national contributions and the extent of reimbursement prior to an actual deployment, if possible. Therefore, activities undertaken, troops deployed, or costs incurred for items and services rendered which are not agreed to in advance by the UN will not normally be reimbursed by the UN. Only expenditures in support of an operation approved by the Security Council and authorized by the General Assembly as a legitimate charge to the UN are eligible for reimbursement.

b. **Memoranda of Agreement.** MOAs are agreements between countries or eligible organizations that delineate responsibilities among the participants. Among these responsibilities are the participants’ financial liabilities for support. These agreements

define the specific mechanisms required for reimbursement of costs. An example of the use of this authority is when coalition partners cooperate in a military operation. In this case, support can be provided to foreign forces with which the United States has an MOA. MOAs between the Department of Defense and the defense ministries of other nations or between the Department of Defense and international organizations must be based on specific legal authority and negotiated in accordance with proper procedures.

c. **632 Agreements (Department of State Funds)**

- **Purpose.** DOS and the Department of Defense may negotiate agreements where the Department of Defense agrees to initially fund requirements that are legally a DOS responsibility. These agreements are called 632 Agreements. They are generally negotiated for a specific purpose with a specific amount of funds attached. Once these agreements are signed, they provide the legal authority for the Department of Defense to incur obligations on a reimbursable basis for the purpose intended. The documentation will be consolidated and sent to DOS for reimbursement.
- **Examples.** Examples of the use of this agreement by the Department of Defense and the reimbursement by DOS include the paying of stipend payments to foreign military forces, providing support to foreign military forces not covered under 506 (a)(1) Drawdown Authority, funds to cover emergency medical evacuation of foreign soldiers to US medical facilities, and providing special dietary requirements for foreign contingents.

APPENDIX F

FINANCIAL SUPPORT TO MILITARY OPERATIONS IN A MULTINATIONAL ENVIRONMENT

1. General

a. Multinational operations is a collective term describing military actions conducted by forces of two or more nations, typically organized within the structure of a coalition or alliance. An alliance is a result of formal agreements (i.e., treaties) between two or more nations to meet broad, long-term objectives (e.g., NATO). A coalition is an ad hoc arrangement between two or more nations for common action (e.g., Operation DESERT STORM). Financial considerations for ad hoc arrangements are similar to those for UN operations as stated in paragraph two. Since arrangements will differ based on need, applicable technical changes will be necessary to properly support the operation.

b. Military operations such as PKO and humanitarian assistance have evolved alongside the traditional forms of military action exemplified by deterrence and warfighting. International organizations and agencies will perform an increasing role in the management of future crises and contingency operations. The level of US participation in these operations is dependent on the objectives agreed to at the national level. Nations must also agree separately or through cooperative agreements to the provision of FM resources or specific support requirements for their forces. Financial managers must ensure that available support assets meet not only US standards, but also those of supported multinational forces. FM support, however, remains a national responsibility for multinational operations.

2. UN Operations

Specific FM considerations for UN operations are listed below.

a. A variety of missions may be conducted in conjunction with the UN. Section 7 of the UNPA authorizes support to UN PKO. This authority allows the Department of Defense to contribute personnel, nonlethal equipment, supplies and services to UN operations. Support provided to the UN under Section 7 UNPA authority does not require the negotiation of an agreement. However, there are formal agreements, such as Section 607, 628 agreements, and UN LOAs, established in most cases to facilitate reimbursement for services provided.

b. Any support provided to UN forces must be preapproved by a UN official authorized to commit funds. This will normally be the chief administrative officer or the chief procurement officer. Therefore, activities undertaken, troops deployed, or costs incurred for items which are not agreed to in advance by the UN, as identified and detailed in the Guidelines, Aides Memoire, Notes Verbal or specific or general LOAs, will normally not be reimbursed by the UN. Financial responsibilities will normally be included as part of the agreement between the contributing countries and the UN and will include the details of the financial responsibilities of each party. The US position is normally negotiated by the Department of Defense in coordination with DOS. Close coordination with UN officials throughout the operation should ensure proper reimbursement for all UN-authorized expenditures.

c. When participating with the UN, there are two types of documents that are critical to FM. The first are those standing agreements that are in place related to contributing country participation in a UN operation. These documents are general in nature and provide guidelines on what the UN is willing to pay

for without any further, specifically negotiated, agreements. An understanding of these documents, early in an operation, is essential to ensure proper reimbursement for US participation in a UN operation. Listed below are some examples of the types of support arrangements listed in the standing UN procedures.

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

d. The other method the UN uses to request support is LOAs. A UN LOA is a document, issued by the UN to a contributing government, authorizing that government to provide goods or services to the UN. An LOA details specifically what is to be provided by the contributing government and establishes a funding limit that cannot be exceeded for that specific LOA. General support LOAs can be negotiated with the UN, if such LOAs are advantageous to both parties, to cover more generic categories such as subsistence, POL, sustainment, and repair parts. LOAs are considered by the UN to be contracting documents and must be signed and issued by an authorized UN official.

e. The approved LOA is issued by the UN to the USUN, where it is acted on by the Military Advisor. The Office of the Military Advisor determines the appropriate US agency to receive the request. From the Department of Defense, all requests should be forwarded to USDP for approval and action. The USDP will determine the appropriate organization and provide a copy of the LOA to that organization and DFAS. DFAS is responsible for maintaining a status of all active LOAs.

f. The LOA is not considered a funded order, and the UN does not ordinarily provide an advance of funds for the value of the request. Therefore, an LOA does not provide to a Service any additional obligation authority to accomplish the order. The Service must accomplish the requirement using existing O&M funds or other appropriated funds and prepare an SF 1080 bill for the cost of the goods or services provided, referencing the appropriate LOA.

g. **UN Personnel Reporting.** The UN reimburses participating countries for personnel provided. The UN pays providing countries a basic monthly rate per person for pay and allowances plus a usage factor for clothing and equipment. The UN

reimbursement rate to providing nations in 1997 was \$988 per soldier per month, plus a usage factor per soldier and a supplementary payment for specialists.

3. NATO Operations

Specific FM considerations for NATO operations are listed below.

a. **Background.** NATO is an alliance of 19 member nations who have entered into a mutual defense treaty. Under Article V of the North Atlantic Treaty, an attack upon the territorial integrity of a member state is to be considered an attack on all member states. While mutual defense remains the primary mission of the Alliance, NATO has recently expanded its sphere of activities to include peace support missions outside the territorial boundaries of the allied nations. Such non-Article V, or “out-of-area,” operations may be undertaken upon the request of the UN with the unanimous consensus of all member states.

b. **NATO Funding Eligibility.** NATO conducts missions on the basis of force and capability contributions from its member states. Unlike the UN, it does not provide reimbursement for peacekeeping forces or in any other way underwrite the costs of national participation. As a result, NATO operating budgets are small in relation to those of national forces deploying in support of an operation. NATO funding is generally restricted to establishment and support of the NATO HQ in theater. In exceptional circumstances, the NATO nations may fund theater-wide projects which benefit both the NATO HQ and all nations with forces in-theater (e.g., theater communications systems or certain engineering projects supporting main supply routes or ports). The NATO HQ may establish a multinational logistics center to coordinate this effort among the forces in-theater.

c. **NATO Funding Sources.** The support of national forces in the theater is a national responsibility and is funded through national systems and budgets. In the exceptional circumstance that a category of expenditure might be considered eligible for NATO funding, the requirement must be submitted through the NATO theater HQ for inclusion in the budgetary plans described above. NATO funds its command and control structure through two primary sources.

- The NATO Security Investment Program is generally used to support major investments in operational infrastructure, such as construction or communications systems. Projects originate with the NATO theater HQ engineers and are subsequently screened by the NATO chain of command prior to being reviewed by the NATO Infrastructure Committee at NATO HQ in Brussels. Funding is approved and provided on a project-by-project basis and funds cannot be transferred between projects.
- The NATO Military Budget is the normal source of funding for O&M costs of supporting NATO HQ in the theater of operations. NATO theater HQ funding requirements are assembled by the theater financial controller and consolidated into an operational budget. This budget is screened by the NATO chain of command prior to submission to the Military Budget Committee, also located in Brussels. Funding is approved in accordance with the proposed expenditure plan; however there is generally some flexibility between budgetary line items.

d. **Centralized Contracts.** To reduce competition for resources in the theater, the NATO HQ may solicit and consolidate theater-wide requirements in order to

negotiate basic ordering agreements with local vendors. Such agreements typically establish the prices, ordering procedures, and payment terms, but do not obligate NATO or the nations to purchase specific quantities of goods or services. While allied nations are generally authorized to utilize such contracts on the

same basis as the NATO HQ in-theater, the existence of such agreements does not preclude nations from negotiating their own bilateral contracts. NATO will not finance national requirements; such contracts call for nations to make direct payment to vendors for goods and services they order.

APPENDIX G

CONTINGENCY CONTRACTING

1. General

a. Providing support to a joint operation may require contracting between foreign governments, commercial entities, NGOs, and PVOs. Contracting can be an effective force multiplier of combat service support for deployed forces. Contingency contracting requires an understanding of the legal aspects, funding issues, duties, and responsibilities of procurement personnel, their relationship with support staff, and requirements in deployment preparation. The ability to work with people who have vastly different cultures, backgrounds, perspectives and, most importantly, business practices is another aspect of contingency contracting that will have considerable impact on successful support of a joint operation. Contingency contracting officers continue to follow Federal Acquisition Regulation and Service-specific supplemental guidance.

b. Local business practices, a less than stable environment, and the contractor's lack of knowledge of US payment and contracting procedures may require contracting officers to arrange for immediate payment. Immediate payment can be made through credit cards, the finance officer, or check. Payment for services may be appropriate at the conclusion of each workday, workweek, or upon completion of each specified period of performance. In many cases, responsiveness of contractors is directly attributed to the timeliness of the payment. Advance payments are the least preferred method of payment, and should only be used on rare occasions when it is in the best interest of the government. Recouping money or forcing a contractor to perform according to contract standards through negotiation and litigation after an advance payment may not get the mission accomplished in a timely manner.

2. Host-Nation Support

a. It is essential to establish a link with the HNS teams and obtain cooperation from HN authorities and personnel to enhance the contracting officer's ability to fulfill the contingency contracting obligation. Contact with local authorities and higher HQ will help determine whether there is HNS available. Before deployment, it is useful to coordinate with legal advisors, civil affairs units, and the Defense Intelligence Agency as possible sources for identifying contractor information in the area. A liaison officer should have knowledge of the HN laws, regulations, and military command structure and be able to coordinate with the HN to initiate on-site surveys. The liaison officer for the area of operation can be located through the Roster of Key Security Assistance Personnel Worldwide, published by the DSCA.

b. Reconnaissance visits to proposed deployment locations will identify what support can be provided by the HN. Items such as banking system stability, transportation capability, infrastructure, and vendor base should be investigated. It must be emphasized that any preliminary joint site survey or reconnaissance visit is a military logistic liaison effort only and not for contractual arrangements.

c. To facilitate the contracting process with the HN, all requirements should be prepared in a consistent format. This reduces confusion and delays in later negotiations with the HN.

3. Planning

The contracting officer must have a basic understanding of legal authorities, funding practices, and duties of contingency contracting. Advance planning and

preparation is critical to the success of the contracting effort. In the event of a deployment, the HCA and senior contracting official (SCO) will specify organizational requirements tailored to the mission and location.

4. Deployment

a. **Advance Team.** The officer in charge of the procurement function and a field contracting officer should arrive with the advance team to begin immediate procurements. Depending on the mission, the advance team may include a finance officer, resource manager, and a legal advisor.

b. **Typical Organization Structure.** The SCO will arrive with a support staff of contracting and FM personnel to establish the contracting organization within the first 30 days to augment the initial deployment of advance team contracting officers. Contracting personnel will coordinate with agencies that will assist in the contracting function (e.g., legal advisors, RMs, and CA). The JFC will include contingency contracting officers and contracting support personnel early in the deployment flow.

5. Funding

a. **Finance and Contracting Relationships.** Contracting officers must coordinate with the finance and accounting officers to ensure timely and accurate payments for supplies and services. Regardless of the method of procurement (i.e., credit card, purchase order-invoice voucher, SF 44, blanket purchasing agreement, purchase order, or contract), contractors conducting operations in an austere environment may require immediate payments.

b. **RM Support Relationships.** The appropriate resource manager will verify, through signature certification, the availability of appropriate funds. The resource manager and contracting officer must work closely together during any type of contingency operation to ensure that funds are appropriate, valid, and sufficient.

c. **Funding Procedures.** Accounting data is required on all contractual documents.

6. Contracting Officer Warrant Limitations

In most instances, contracting officer's warrants are limited as to what they can procure. The contingency contracting officer has the mission to provide all services and supplies necessary to sustain the operation. In most cases, the contracting officer will not have the authority to contract for the procurement or lease of real property or construction contracts. These specific engineering contracting functions are usually delegated to a contracting officer warranted to support civil engineering missions required during the operation.

7. Contract Close-Out

As the mission is concluding, the contracting organization will begin the contract close-out process. The regional contracting offices will close out contracts and procurement actions and shift contracts without outstanding deliveries to the contracting HQ. A team of contracting personnel will remain in the area of operations until contracting requirements cease and the ongoing procurement activity is terminated. FM support must continue in order to process claims and final payments of contracts.

APPENDIX H
JOINT OPERATIONS ENTITLEMENTS AND PAY MATRIX

JOINT OPERATIONS ENTITLEMENTS AND PAY MATRIX		
ENTITLEMENT	REFERENCE	REMARKS
Basic Pay	37 USC S203, 204, 1009	Varies by grade.
Basic Allowance for Housing (BAH)	37 USC S403, 403a, 405b DODFMR 7a, Chapter 26	Reservists are authorized full BAH if called to active duty in support of a contingency. All other deployments, non contingency, the reserve member must be called to active duty for more than 140 days to be entitled to full BAH. If the deployment is less than 140 days, non contingency, then the member is only entitled to the BAH-II rate.
Basic Allowance for Subsistence (BAS)	37 USC S402 DODFMR 7a, Chapter 25	Enlisted members performing TDY (not associated with permanent change of station travel), temporary field or afloat assignments of 180 days or less, essential unit messing or group travel will retain the BAS entitlement held at their permanent duty station.
Travel Options and/or Per Diem	JFTR	CINC determination of regular TDY, essential unit messing, or field duty. Per diem and incidental expense payment may vary by location.
Hostile Fire Pay	37 USC S310 DODFMR 7a, Chapter 10 DODI 1340.9	Commander (lowest level of command appropriate) issues statement detailing hostile fire and/or hostile mine explosion incident (identifying each member entitled to the hostile fire pay), and sends certification to servicing financial support office, with copy to regional combatant commander. Death certificate or injury report suffices if it establishes cause of death or injury was due to hostile fire and/or explosion of hostile mine in a foreign area.
Imminent Danger Pay (IDP)	37 USC S310 DODFMR 7a, Chapter 10 DODI 1340.9	Specific geographic area must be designated as IDP area. Effective upon approval by the Office of the Secretary of Defense.
Hardship Duty Pay -- Location	37 USC S305 DODFMR 7a, Chapter 17 DODI 1340.10	Paid to enlisted members only in designated (foreign duty) areas.
Family Separation Allowance	37 USC S427 DODFMR 7a, Chapter 27	Separation from dependents for more than 30 days.

Figure H-1. Joint Operations Entitlements and Pay Matrix

JOINT OPERATIONS ENTITLEMENTS AND PAY MATRIX		
ENTITLEMENT	REFERENCE	REMARKS
Special Leave Accrual	10 USC SS704-704 DODI 1327.5	Members can accrue a leave balance of up to 90 days if deployed at least 120 days to IDP area or in direct support of mission as certified by the commander.
Combat Zone Tax Exclusion Qualified Hazardous Duty Area Tax Exclusion	26 USC S112 DODFMR 7a, Chapter 44 P.L. 104-177, 20 Mar 96 DODFMR 7a, Chapter 44 440102-440103	Full basic pay exempt for enlisted personnel and warrant officers. Commissioned officers exemption is equal to the highest amount applicable for enlisted personnel. Combat zone is designated by executive order. Qualified hazardous duty are has been declared for contingency operations in the former Yugoslavia by public law 104-177.
Sea Duty Pay	37 USC S305a	Eligibility varies by grade and sea duty time.
UN Entitlements, Leave, Per Diem, and/or Mission Subsistence Allowance and Station Allowances	SecDef Memorandum, 27 Jan 1994 SecDef Memorandum, 1 Dec 1994 JFTR, Vol 1, para U 4155 and U 9302	US personnel may not accept direct compensation from the UN when serving in peacekeeping operations. Special rules apply to use of UN leave.
Savings Deposit Program	DODFMR, Volume 7A, Chapter 51	Amounts up to \$10K can be deposited at the rate of 10% per annum.

Figure H-1. Joint Operations Entitlements and Pay Matrix (cont'd)

APPENDIX J REFERENCES

The development of JP 1-06 is based upon the following primary references.

1. Title 10, USC.
2. Title 22, USC.
3. Title 31, USC.
4. Title 32, USC.
5. Title 41, USC.
6. Public Law 97-255, "Federal Managers' Financial Integrity Act."
7. Public Law 100-461, "Foreign Operations, Export Financing, and Related Program Appropriation Act."
8. Public Law 101-165, Title V, "Emergency Response Fund."
9. Public Law 103-139, Sec 8131, "Emergency Response."
10. Arms Export Control Act.
11. Foreign Assistance Act, 1961.
12. Foreign Assistance Act, Sec 506. "Special Authority Foreign Assistance Act," Sec 607. "Furnishing of Services and Commodities."
13. Foreign Assistance Act, Sec 632. "Allocation and Reimbursement Among Agencies."
14. Chief Financial Officers Act of 1990.
15. Federal Financial Management Act of 1994.
16. Government Management Reform Act of 1994.
17. OMB Circular A-34, "Instructions on Budget Execution."
18. DMRD 910, December 1991.
19. Joint Federal Travel Regulation.
20. Joint Plan for DOD Noncombatant Repatriation.

21. DOD Directive 1404.10, “Emergency-Essential DOD US Citizen Civilian Employees.”
22. DOD Directive 5100.1, “Functions of the Department of Defense and Its Major Components.”
23. DOD Directive 5100.3, “Support of the Headquarters of Unified, Specified, and Subordinate Joint Commands.”
24. DOD Directive 5105.38M, “Security Assistance Management Manual.”
25. DOD Directive 7200.1, “Administrative Control of Appropriations.”
26. DODFMR 7000.14-R, “Security Assistance Policy and Procedures,” Volume 4, 5, 7, 10, 11, 14, 15, 23.
27. DODFMR Volume 12 Chapter 23, “Contingency Operations.”
28. JP 1-01, “Joint Doctrine Development System.”
29. JP 1-02, “DOD Dictionary of Military and Associated Terms.”
30. JP 3-0, “Doctrine for Joint Operations.”
31. JP 3-07, “Joint Doctrine for Military Operations Other Than War.”
32. JP 3-07.3, “Joint Tactics, Techniques, and Procedures for Peace Operations.”
33. JP 3-08, “Interagency Coordination During Joint Operations.”
34. JP 3-16, “Joint Doctrine for Multinational Operations.”
35. JP 5-0, “Doctrine for Planning Joint Operations.”
36. JP 5-00.2, “Joint Task Force Planning Guidance and Procedures.”
37. JP 5-03.1, “Joint Operation Planning and Execution System Vol I: (Planning Policies and Procedures.)”
38. CJCS Instruction 3290.01, “Program for Enemy Prisoners of War, Retained Personnel, Civilian Internees, and Other Detained Personnel.”
39. CJCS Memorandum 3122.03, “Joint Operation Planning and Execution System Volume II, (Planning Formats and Guidance).”
40. FM 14-100, “Financial Management Operations.”
41. FM 100-23, “Peace Operations.”

42. Army Regulation 27-20, "Claims."
43. Army Regulation 190-8, "Enemy Prisoners of War-Administration, Employment and Compensation."
44. Army Regulation 190-57, "Civilian Internees-Administration, Employment and Compensation."
45. Air Force Instruction 10-213, "Comptroller Operations Under Emergency Conditions."
46. Air Force Policy Directive 65-1, "Management of Financial Services."
47. Air Force Instruction 65-601, Volume 1, "USAF Budget Guidance and Procedures."
48. Air Force Pamphlet 65-110, "Deployed Agent Operations."
49. Department of the Navy Manual NAVSO P-1000, "Financial Management Policy Manual."

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APPENDIX K

ADMINISTRATIVE INSTRUCTIONS

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Users in the field are highly encouraged to submit comments on this publication to the United States Joint Forces Command Joint Warfighting Center, Attn: Doctrine Division, Fenwick Road, Bldg 96, Fort Monroe, VA 23651-5000. These comments should address content (accuracy, usefulness, consistency, and organization), writing, and appearance.

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GLOSSARY

PART I — ABBREVIATIONS AND ACRONYMS

ACSA	acquisition cross-Service agreement
AECA	Arms Export Control Act
AIK	assistance in kind
APC	armored personnel carrier
ASD(SO/LIC)	Assistant Secretary of Defense (Special Operations and Low Intensity Conflict)
CA	civil affairs
CI	civilian internee
CIF	combatant commander (CINC) Initiative Fund
CINC	commander in chief
CJTF	commander, joint task force
COA	course of action
CRA	Continuing Resolution Authority
CVS	commercial vendor services
DFAS	Defense Finance and Accounting Service
DFAS-DE	Defense Finance and Accounting Service-Denver
DMRD	defense management resource decision
DOD	Department of Defense
DODFMR	Department of Defense Financial Management Regulation
DOS	Department of State
DSCA	Defense Security Cooperative Agency
DSSR	Department of State Standardized Regulation
E&E	emergency and extraordinary expense authority
EA	executive agent
EDA	Excess Defense Articles
EFT	electronic funds transfer
EPW	enemy prisoner of war
ESF	Economic Support Fund
EVE	equal value exchange
FAA	Foreign Assistance Act
FM	financial management
FMS	foreign military sales
FNS	foreign nation support
FTCA	Foreign Tort Claims Act
GAO	General Accounting Office
HCA	humanitarian and civic assistance
HN	host nation

Glossary

HNS	host-nation support
HQ	headquarters
IMET	international military education and training
J-1	Manpower and Personnel Directorate of a joint staff
J-2	Intelligence Directorate of a joint staff
J-4	Logistics Directorate of a joint staff
J-5	Plans Directorate of a joint staff
J-8	Director for Force Structure, Resource, and Assessment, Joint Staff
JFC	joint force commander
JFTR	Joint Federal Travel Regulations
JOA	joint operations area
JP	joint publication
JRCC	joint reception coordination center
JTF	joint task force
JTR	Joint Travel Regulations
LDA	limited depository account
LOA	letter of assist
LPSB	Logistics Procurement Support Board
MILCON	military construction
MOA	memorandum of agreement
MPC	military payment certificates
MWR	morale, welfare, and recreation
NATO	North Atlantic Treaty Organization
NCA	National Command Authorities
NEO	noncombatant evacuation operation
NGO	nongovernmental organization
O&M	operation and maintenance
OMB	Office of Management and Budget
OPLAN	operation plan
OPORD	operation order
OPTEMPO	operating tempo
PA	public affairs
P,C,& H	packing, crating, and handling
PIC	payment in cash
PKO	peacekeeping operations
POL	petroleum, oils, and lubricants
PVO	private voluntary organization
RIK	replacement in kind
RM	resource management

SCO	senior contracting official
SecDef	Secretary of Defense
SF	Standard Form
SJA	Staff Judge Advocate
STANAG	standardization agreement (NATO)
TCA	traditional CINC activity
UN	United Nations
UNAMIR	United Nations Assistance Mission in Rwanda
UNPA	United Nations Participation Act
USAID	US Agency for International Development
USC	United States Code
USD(C)	Under Secretary of Defense (Comptroller)
USDP	Under Secretary of Defense for Policy
USG	United States Government
USSOCOM	United States Special Operations Command
USUN	United States Mission to the United Nations in New York

PART II — TERMS AND DEFINITIONS

antideficiency violations. The incurring of obligations or the making of expenditure (outlays) in excess of amounts available in appropriations or funds. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

baseline costs. Baseline costs are the continuing annual costs of military operations funded by the operations and maintenance and military personnel appropriations. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

combatant commander. A commander in chief of one of the unified or specified combatant commands established by the President. (JP 1-02)

component. 1. One of the subordinate organizations that constitute a joint force. Normally a joint force is organized with a combination of Service and functional components. 2. In logistics, a part or combination of parts having a specific function, which can be installed or replaced only as an entity. (JP 1-02)

contingency contracting. Contracting performed in support of a peacetime contingency in an overseas location pursuant to the policies and procedures of the Federal Acquisition Regulatory System. (JP 1-02)

contracting officer. A US military officer or civilian employee who has a valid appointment as a contracting officer under the provisions of the Federal Acquisition Regulation. The individual has the authority to enter into and administer contracts and determinations and findings about such contracts. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

dislocated civilian. A broad term that includes a displaced person, an evacuee, an expellee, or a refugee. (JP 1-02)

executive agent. A term used in Department of Defense and Service regulations to indicate a delegation of authority by a superior to a subordinate to act on behalf of the superior. An agreement between equals does not create an executive agent. For example, a Service cannot become a Department of Defense Executive Agent for a particular matter with simply the agreement of the other Services; such authority must be delegated by the Secretary of Defense. Designation as executive agent, in and of itself, confers no authority. The exact nature and scope of the authority delegated must be stated in the document designating the executive agent. An executive agent may be limited to providing only administration and support or coordinating common functions, or it may be delegated authority, direction, and control over specified resources for specified purposes. Also called EA. (JP 1-02.)

finance operations. The execution of the joint finance mission to provide financial advice and guidance, support of the procurement process, providing pay support, and providing disbursing support. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

financial management. Financial management encompasses the two core processes of resource management and finance operations. Also called FM. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

foreign nation support. The identification, coordination, and acquisition of foreign

nation resources such as material and labor to support US military forces and operations. Also called FNS. (This term and its definition are provided for information and are proposed for inclusion in the next edition of JP 1-02 by JP 3-16.)

host nation. A nation that receives the forces and/or supplies of allied nations and/or NATO organizations to be located on, to operate in, or to transit through its territory. Also called HN. (JP 1-02)

host-nation support. Civil and/or military assistance rendered by a nation to foreign forces within its territory during peacetime, crisis or emergencies, or war based on agreements mutually concluded between nations. Also called HNS. (JP 1-02)

humanitarian assistance. Programs conducted to relieve or reduce the results of natural or manmade disasters or other endemic conditions such as human pain, disease, hunger, or privation that might present a serious threat to life or that can result in great damage to or loss of property. Humanitarian assistance provided by US forces is limited in scope and duration. The assistance provided is designed to supplement or complement the efforts of the host nation civil authorities or agencies that may have the primary responsibility for providing humanitarian assistance. Also called HA. (JP 1-02)

incremental costs. Costs which are additional costs to the Service appropriations that would not have been incurred absent support of the contingency operation. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

joint force commander. A general term applied to a combatant commander, subunified commander, or joint task force commander authorized to exercise combatant command

(command authority) or operational control over a joint force. Also called JFC. See also joint force. (JP 1-02)

joint operations area. An area of land, sea, and airspace, defined by a geographic combatant commander or subordinate unified commander, in which a joint force commander (normally a joint task force commander) conducts military operations to accomplish a specific mission. Joint operations areas are particularly useful when operations are limited in scope and geographic area or when operations are to be conducted on the boundaries between theaters. Also called JOA. (JP 1-02)

joint task force. A joint force that is constituted and so designated by the Secretary of Defense, a combatant commander, a subunified commander, or an existing joint task force commander. Also called JTF. (JP 1-02)

letter of assist. A contractual document issued by the United Nations (UN) to a government authorizing it to provide goods or services to a peacekeeping operation; the UN agrees either to purchase the goods or services or authorizes the government to supply them subject to reimbursement by the UN. A letter of assist typically details specifically what is to be provided by the contributing government and establishes a funding limit that cannot be exceeded. Also called LOA. (This term and its definition modify the existing term and its definition and are approved for inclusion in the next edition of JP 1-02.)

military payment certificates. An instrument (scrip) denominated in US dollars that is used as the official medium of exchange in US military operations designated as military payment certificate areas. Also called MPC. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

multinational operations. A collective term to describe military actions conducted by forces of two or more nations, typically organized within the structure of a coalition or alliance. (JP 1-02)

nation assistance. Civil and/or military assistance rendered to a nation by foreign forces within that nation by foreign forces within that nation's territory during peacetime, crises or emergencies, or war, based on agreements mutually concluded between nations. Nation assistance programs may include, but are not limited to, security assistance, foreign internal defense, other United States Code title 10 (DOD) programs, and activities performed on a reimbursable basis by Federal agencies or international organizations. (JP 1-02)

noncombatant evacuation operations. Operations directed by the Department of State, the Department of Defense, or other appropriate authority whereby noncombatants are evacuated from foreign countries when their lives are endangered by war, civil unrest, or natural disaster to safe havens or to the United States. Also called NEOs. (This term and its definition modify the existing term and its definition and are approved for inclusion in the next edition of JP 1-02.)

nongovernmental organizations. Transnational organizations of private citizens that maintain a consultative status with the Economic and Social Council of the United Nations. Nongovernmental organizations may be professional associations, foundations, multinational businesses, or simply groups with a common interest in humanitarian assistance activities (development and relief). "Nongovernmental organizations" is a term normally used by non-United States organizations. Also called NGOs. (This term and its definition modify the

existing term and its definition and are approved for inclusion in the next edition of JP 1-02.)

offset costs. Costs for which funds have been appropriated but will not be obligated because of a contingency operation. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

operation. A military action or the carrying out of a strategic, tactical, service, training, or administrative military mission; the process of carrying on combat, including movement, supply, attack, defense and maneuvers needed to gain the objectives of any battle or campaign. (JP 1-02)

private voluntary organizations. Private, nonprofit humanitarian assistance organizations involved in development and relief activities. Private voluntary organizations are normally United States-based. "Private voluntary organization" is often used synonymously with the term "nongovernmental organizations." Also called PVOs. (This term and its definition modify the existing term and its definition and are approved for inclusion in the next edition of JP 1-02.)

resource management operations. The execution of the resource management mission which includes providing advice and guidance to the commander, developing command resource requirements, identifying sources of funding, determining cost, acquiring funds, distributing and controlling funds, tracking costs and obligations, cost capturing and reimbursement procedures, and establishing a management control process. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

solatium payments. Monetary compensation given to alleviate grief, suffering, and anxiety

resulting from injuries, and property or personal loss. (This term and its definition are approved for inclusion in the next edition of JP 1-02.)

status-of-forces agreement. An agreement which defines the legal position of a visiting military force deployed in the territory of a friendly state. Agreements delineating the status of visiting military forces may be bilateral or multilateral. Provisions pertaining to the status of visiting forces may be set forth in a separate agreement, or they may form a part of a more comprehensive agreement. These provisions describe how the authorities of a visiting force may control members of that force and the amenability of the force or its members to the local law or to the authority of local officials. To the extent that agreements delineate matters affecting the relations between a military force and civilian authorities and population, they may be considered as civil affairs agreements. Also called SOFA. (JP 1-02)

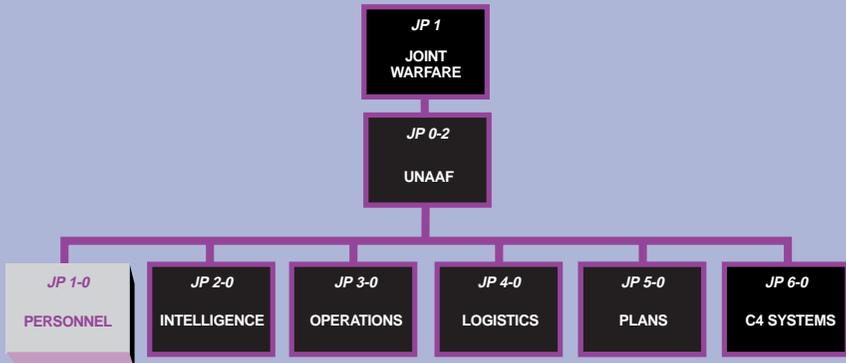
supported commander. The commander having primary responsibility for all aspects of a task assigned by the Joint Strategic Capabilities Plan or other joint operation planning authority. In the context of joint operation planning, this term refers to the commander who prepares operation plans or operation orders in response to requirements of the Chairman of the Joint Chiefs of Staff. (JP 1-02)

supporting commander. A commander who provides augmentation forces or other support to a supported commander or who develops a supporting plan. Includes the designated combatant commands and Defense agencies as appropriate. (JP 1-02)

unified command. A command with a broad continuing mission under a single commander and composed of significant assigned components of two or more Military Departments, and which is established and so designated by the President, through the Secretary of Defense with the advice and assistance of the Chairman of the Joint Chiefs of Staff. Also called unified combatant command. (JP 1-02)

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JOINT DOCTRINE PUBLICATIONS HIERARCHY



All joint doctrine and tactics, techniques, and procedures are organized into a comprehensive hierarchy as shown in the chart above. **Joint Publication (JP) 1-06** is in the **Personnel** series of joint doctrine publications. The diagram below illustrates an overview of the development process:

