



Spc. Nicoll C. Flores, a cashier with the 101st Financial Management Support Detachment, Massachusetts National Guard, fills out the exchange transaction record at Bagram Airfield, Afghanistan, to withdraw money as part of a transaction that allows a Soldier to exchange Afghan currency to U.S. dollars or vice versa. (Photo by Sgt. Sinthia Rosario)

Separating Resource Management From Finance Operations

■ By Gina Smith

Financial management (FM) has been a sustainment function for the past decade. Sustainment leaders must understand what financial managers bring to their formations. The purpose of this article is to describe the functions of FM, the organizations involved in FM, and the key players that execute

FM at the operational and tactical levels.

FM is defined in Field Manual 1-06, Financial Management Operations, published in April 2011, as “the sustainment of U.S. Army, joint, interagency, interdepartmental, and multinational operations through the execution of two mu-

tually supporting core functions, Resource Management (RM) and Finance Operations (FO).”

The term FM reflects the 2008 merger of the finance branch (basic branch code 44) and the comptroller career field (functional area 45) into the FM career field (branch code 36) as part of the FM redesign.

FM Functions

Sustainment leaders must understand that there is a difference between RM and FO. In simple terms, RM manages the “checkbook”—deciding if the funds are available and appropriate given the requirement’s purpose, date required, and the amount of goods or services needed. With some exceptions, RM is a function typically performed at the G–8 (comptroller) level at echelons above brigade.

FO is “cash” management. It uses a negotiable instrument to pay for supplies and services obligated by the government. FO includes the calculation of vendor payments and support to operational contracting. This function is performed by the financial management support center (FMSC) located at the theater sustainment command (TSC) level and the financial management support unit (FMSU) and financial management support detachments (FMSDs) located within the sustainment brigade.

FM Organizations and Key Players

As stated above, echelons-above-

brigade financial managers in the G–8 shops perform the RM function. Some separate brigades, including engineer brigades, military police brigades, and special operations forces brigades, groups, or regiments, also have FM officers who are resource managers. Recent force structure changes created a brigade combat team (BCT) S–8 as part of the third maneuver battalion initiative.

Fiscal year 2014 modified tables of organization and equipment (MTOEs) reflect this change with the addition of an FM captain and sergeant first class. If an S–8 position is not documented on the MTOE (for example, in battlefield surveillance brigades, combat aviation brigades, fires brigades, and maneuver enhancement brigades), the logistics officer in the S–4 is normally assigned the budget responsibilities for the brigade. In cases like this, the logistics officer manages available funds to spend as opposed to certifying that they are available.

G–8 or S–8. The G–8s and brigade S–8s are expected to manage resources by identifying the appropri-

ate sources of funding to meet the commander’s requirements and to certify that funds are available. If the commander does not have appropriate funding available, the G–8 or S–8 works those issues with higher headquarters to find the resources.

The FMSC. Financial managers in the FMSC, FMSU, and FMSD perform the FO function. Field Manual 1–06 describes the FMSC as a modular, tailorable, operational FM unit that is linked to the theater Army service component command G–8 but assigned to a TSC. The FMSC director, a colonel, is the senior adviser to the TSC commander for finance operations.

The FMSC provides the link to key national providers, including the Department of Treasury, the Defense Finance and Accounting Service, and the Assistant Secretary of the Army (Financial Management and Comptroller). It maintains visibility of all finance operations and placement of all operational and tactical FM units in theater, develops theater currency requirements, provides central funding support (to include U.S. currency, foreign currency, and U.S. Treasury checks), and negotiates with host nation banking facilities.

The FMSC enforces policies and guidelines established by national financial management providers and provides guidance to the theater financial management units in coordination with the Army service component command G–8.

As a directorate, the FMSC’s relationship with subordinate FMSUs and FMSDs is one of “technical coordination” since these tactical units are habitually assigned to sustainment brigades and under the mission command of the special troops battalion.

The FMSU and FMSD. The FMSU, commanded by a major, provides mission command of the unit headquarters and three to seven FMSDs. The FMSD, commanded by a captain, provides general support financial management on an



Spc. Joan Bazan, a pay analyst with the 106th Financial Management Support Unit, issues casual pay to Sgt. Maj. Johnny Valdez at Mihail Kogalniceanu Air Base, Romania. (Photo by Sgt. Maj. Michael Pintagro)



Master Sgt. Yuen S. Lee, the internal control noncommissioned officer-in-charge with the 27th Financial Management Company, 371st Sustainment Brigade, reviews paperwork with Spc. Gustavo A. Ramirez, 249th Financial Management Detachment, at Camp Buehring, Kuwait. (Photo by Staff Sgt. Kimberly Hill)

area basis to a brigade task force or equivalent-sized unit or as directed by the financial management support unit commander.

Doctrinally, one FMSD can support up to 6,000 Soldiers. It provides timely and accurate payment for contracting and commercial vendor services, conducts disbursing and funding support operations, and performs limited military pay support.

The FM SPO. As a result of FM redesign, the Army created an FM position within the support operations (SPO) section of the expeditionary sustainment command and the sustainment brigade. The FM SPO, which is led by a major at both levels, determines requirements and coordinates finance capabilities for the supported units of the command.

The FM SPO ensures the FO for the command are nested, synchro-

nized, and integrated with the command's operation plan. The FM SPO recommends priorities of support and maintains situational awareness of all finance support provided to organizations across the battlefield.

The FM SPO, in coordination with the FMSC, develops the FM staff estimate and concept of support. Performing his or her duties correctly, the FM SPO assists the FMSU commander with planning and enables the commander to focus on execution of finance operations.

Sustainment leaders must understand that both the RM and FO functions fall within a FM officer's scope of duties. RM is a G-8 staff officer function. Below the brigade level, RM, or rather budget management, is usually an additional duty.

The FMSU and FMSD perform FO within the sustainment brigade.

FM SPO sections currently exist in the expeditionary sustainment command and the sustainment brigade to assist in FO planning. In the absence of a command and control relationship, coordination is essential among the G-8, the FMSC, the FM SPO sections, the FMSUs, and the FMSDs in order to obtain and distribute financial resources to support the commander.

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