

# The Role of the Financial Management Company at End of Mission

When the U.S. military mission in Iraq concluded, the 9th Financial Management Company shifted its focus to auditing, reconciling, and closing the financial books in preparation for the new phase of operations.

By Major Cody W. Koerwitz

**D**uring Operation Iraqi Freedom, the 9th Financial Management Company (FMCO) carried out its traditional missions: providing disbursement, commercial vendor service (CVS) support, military pay, and e-commerce support. The unit provided mission command to eight financial management detachments spread throughout Iraq.

After nearly 9 years of combat operations in Iraq, the colors of U.S. Forces–Iraq (USF–I) were cased on 15 December 2011, marking the end of the U.S. military mission in Iraq. At that time, the 9th FMCO assumed the mission to close down a disbursing station symbol number (DSSN) that had been operational since the beginning of combat operations in Iraq. A DSSN is a disbursing account authorized by and tied directly to the U.S. Treasury.

The closure of a disbursing account is not a typical mission of the FMCO. The DSSN assigned to the 9th FMCO, DSSN 5579, was the last operational disbursing account in Iraq. It had previously been used to absorb other accounts that were closed at the start of the drawdown in Iraq. DSSN 5579 was different because no other account would ever absorb it. The 9th FMCO was responsible for the complete audit and reconciliation of the account and for ensuring that every last penny was balanced and returned to the Defense Finance and Accounting Service (DFAS) and the U.S. Treasury.

## Mission Analysis

Closing DSSN 5579 started with conducting a mission analysis and identifying external agencies to provide assistance, specifically from the members of the fiscal triad: resource management (U.S. Army Central [ARCENT]/USF–I G–8), financial operations (18th Financial Management Center [FMC]), and contracting.

Internally, the company conducted several mission

analysis sessions to determine the scope of the work, identify specified and implied tasks by section, and develop a tentative timeline from which to operate. Developing a timeline was important because time was an identified constraint.

Initially, the company was slated to redeploy along with the other USF–I forces departing theater as the mission closed at the end of December 2011. Understanding that the closure of the disbursing account would take time, the FMCO enlisted the assistance of the theater FMC and the ARCENT G–8 to be reassigned from USF–I to ARCENT so that it could stay an additional 90 days to close out operations.

The major tasks necessary to close down the account were divided into four categories based on the mission analysis. The four categories centered on the four main technical functions of the company: disbursing, CVS, military pay, and e-commerce.

For disbursing, the FMCO had to—

- ❑ Clear and balance the unmatched transactions report—essentially, ensuring that all debits and credits were balanced.
- ❑ Transfer local bank accounts remaining open in Iraq to the FMC.
- ❑ Close out all financial management detachment disbursing operations.
- ❑ Clear all remaining paying agents.
- ❑ Return all physical currency to the U.S. Treasury or the local bank accounts in Iraq.
- ❑ Turn in all remaining U.S. Treasury checks.
- ❑ Mail off final disbursement records to DFAS and the Federal records center.

For CVS, the FMCO had to—

- ❑ Coordinate with G–8 to ensure all open lines of accounting involving contracts owned by the 9th FMCO were closed.

- ❑ Close out all open files in the Commercial Accounts Payable System database.
- ❑ Prepare series 1099 tax statements for all payments issued to U.S. corporations.
- ❑ Complete the certification of funds for all contracts transferred to DFAS for payment.
- ❑ Ensure all open contracts were modified to reflect DFAS Rome as the paying office.
- ❑ Mail all contract files to the Federal records center. For military pay, the FMCO had to—
- ❑ Ensure the Merged Accountability Fund Report was in balance and all casual pays and advances in pays were collected.
- ❑ Ensure all Case Management System cases were closed. (The Case Management System is used to transfer military pay cases to DFAS for intervention.)
- ❑ Ensure all military pay transactions had cleared.
- ❑ Mail records to the Federal records center. For e-commerce, the FMCO had to—
- ❑ Mail all EagleCash cards back to the Federal Reserve Bank of Boston.
- ❑ Retrograde all EagleCash card equipment to either Kuwait or the Federal Reserve Bank of Boston.

### Developing Benchmarks and Metrics

Having identified the major specified and implied tasks required to close the account, the FMCO then focused on establishing timelines and benchmarks for evaluating progress. Developing benchmarks and metrics to measure performance was a useful tool for managing the closure mission. However, developing metrics proved to be a continuous challenge because no doctrine exists to measure the performance of closure operations.

Through trial and error and through discovery learning, the metrics used to measure performance continuously evolved. Few of the metrics used at mission completion resembled the metrics used at the start. However, at all times they proved useful and provided a tool that the company used to brief the sustainment and financial management leaders.

### The Fiscal Triad and National Providers

The fiscal triad comprises resource management, financial management operations, and contracting, which share a common focus of supporting the battlefield commander. All three members of the triad have common functionality and rely on each other to complete their missions.

*Second Lieutenant Ted Wynne, a financial management officer, and Sergeant First Class Carlos Andrews, a financial management technician, review finance reports during Exercise Diamond Saber 2012. (Photo by SSG Daniel Balda)*



Contracting requires the resource manager to provide funding for a contract and finance operations to pay for the contract. Resource management requires feedback from contracting and finance to balance its ledger and ensure that obligations have been disbursed. Finance requires feedback from contracting when contracts have been closed and from resource management to ensure no further obligations remain open.

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At the conclusion of Operation New Dawn, the fiscal triad supporting USF-I began to focus on mission closure. The triad created an atmosphere in which each responsible section could make use of the other members' resources to enhance its own efforts and close its books on USF-I.

Held at Camp Arifjan, Kuwait, the first fiscal triad synchronization meeting was used to provide guidance and to develop goals, benchmarks, and metrics to measure progression and performance. The meeting was hosted by the ARCENT G-8, Brigadier General Thomas Horlander. Attendees included members of the G-8 financial operations staff, the 18th FMC, the Senior Contracting Official-Iraq, and the 9th FMCO.

At each weekly session, members of the triad could refine their goals and metrics and share information and points of contact. The meetings eventually evolved to include representatives from DFAS Rome and the Army Contracting Command at Rock Island Arsenal, Illinois.

The fiscal triad synchronization meeting proved to be the 9th FMCO's most useful tool for closing the disbursing account. The ability to have unabated access to resource management and contracting proved invaluable and allowed the company to close its account ahead of schedule.

National providers, such as DFAS, the U.S. Treasury, and the U.S. Army Financial Management Command, also were stakeholders in the disbursing account. Their assistance through weekly teleconferences was critical in ensuring that issues and discrepancies were resolved and that best practices were noted.

### The Scope of Work and Accomplishments

The 9th FMCO successfully closed down DSSN

5579 inside of the 90-day timeline. In closing down the account, the FMCO executed innovative transactions and learned some valuable lessons that will be of assistance in supporting the eventual Afghanistan mission reduction. The following is a summary of the scope of work and accomplishments.

**Disbursing.** The company retrograded more than \$49 million off the battlefield to the FMC. The money was later returned to the U.S. Treasury. It also returned more than \$10 million in Iraqi dinars back to the Bank of Baghdad. The company then executed the first-ever electronic funds transfer of Iraqi dinars using the SWIFT [Society for Worldwide Interbank Financial Telecommunication] system and returned the money to the U.S. Treasury. The company also closed down 14 disbursing sites in a 6-week period.

**CVS.** The 9th FMCO reconciled and audited more than 15,000 contracting files, cleared more than 2,000 lines out of the database used to manage contracts, and reconciled more than 800 unliquidated obligations. The company also completed 23 series 1099 tax forms for payments issued to U.S. corporations.

**Military pay and e-commerce.** Little action was required out of the military pay section at mission closure because the section led the theater in sustained performance. The section ensured the military pay accounts of the company were balanced every month. The e-commerce section assisted with the retrograde of more than 60 pieces of equipment, including kiosks and laptops.

At end of mission, the 9th FMCO successfully closed its DSSN and safely redeployed to Joint Base Lewis-McChord. The success of the company can be attributed to two factors. First, having quality Soldiers who are professional and technically competent made all the difference in the world.

Second, the role of the fiscal triad and support from the FMC were absolutely critical to ensuring the company had open access to resources and assistance when needed. The role of the fiscal triad was validated by the synergy developed among its three members. Closing down a DSSN is not only a FMCO responsibility; it is also the responsibility of the other members of the triad since all actions among the three entities are directly linked.

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