

FM 1-06
(14-100)

FINANCIAL MANAGEMENT OPERATIONS

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Financial Management Operations

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Preface

This manual serves as Financial Management's keystone doctrine. The term "financial management (FM)" in this manual refers to both finance and resource management (RM) responsibilities. This manual provides the foundation of FM doctrine, organizations, training, materiel, leadership and education, personnel, and facilities (DOTMLPF) development to support the modular Army.

The purpose of this manual is to provide the authoritative doctrine on how the Army's FM system supports the full spectrum of operations as part of the national-theater sustainment provider. The fundamental purpose of the Army is to provide joint force commanders with sustained and decisive land forces necessary to fight and win the nation's wars. Focused FM support that is responsive, flexible, and precise is crucial to the Army's ability to rapidly project power with the most capable forces at the decisive time and place. In order to support full spectrum operations, FM must provide support during all operational phases.

Financial management maximizes the capabilities of the Army by being responsive to the commander's needs for agility, deployability, lethality, versatility, survivability, and sustainability. This manual discusses how FM operations can extend the operational reach of combat forces by maximizing technology and minimizing the sustainment footprint. The manual recognizes that FM is provided by active and reserve component, Department of Defense and Department of the Army civilian, joint, and multinational assets. This manual also recognizes that FM, like the other warfighting functions, is a commander's combat multiplier. Therefore, FM support is involved throughout the entire military decisionmaking process. It is managed, executed, and assessed through all stages to enable commanders to execute and sustain full spectrum operations over time, as well as to extend the operational reach of the force.

The intended audiences for the manual are: (1) commanders at all levels, to provide a universal understanding of how FM is organized and functions to support Army, joint, interagency, intergovernmental, and multinational (JIIM) forces; (2) sustainment community, staffs, and doctrinal proponents, to institutionalize the integration of FM into all Army components, and JIIM missions; and (3) Soldiers at all levels and within all branches of the Army, to provide a broad knowledge of the FM structure and functions. Army headquarters serving as a joint force land component command or a joint task force headquarters should also refer to ***JP 1-06, Joint Tactics, Techniques, and Procedures for Financial Management During Joint Operations***.

This publication applies to the Active Army, the Army National Guard/Army National Guard of the United States, and United States Army Reserve unless otherwise stated.

The proponent for this manual is the U.S. Army Training and Doctrine Command (TRADOC). Send comments and recommendations to fmdoctrine@jackson.army.mil or on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to Commandant, U.S. Army Finance School, ATTN: ATSG-FSP-C, Building 10000, Fort Jackson, SC 29207-7045.

Unless stated otherwise, masculine nouns or pronouns do not refer exclusively to men.

Introduction

Financial management support is both tailorable and scalable in its ability to rapidly task-organize an independent force for a specific mission. It is sufficiently modular to conduct independent non-contiguous operations, and is able to aggregate into a campaign quality force. FM operations are directly related to the Joint Campaign phases and are directly linked to the strategic, operational, and tactical levels (figure I-1). Each phase contains multiple tasks that are distributed among resource management and finance activities. Chapter 2 provides the details to each task and provides the linkage to the phase and level. This task linkage provides critical synchronization between RM, finance, and contracting operations. The goal of each task is to support the commander's intent by the most efficient means and leaving the smallest possible footprint on the battlefield. Each task has maximum reach back capabilities and minimizes manpower requirements. Focused FM support enhances the commander's ability to manage and apply available resources at the right time and place in a fiscally responsible manner. FM provides the capability for full spectrum finance and resource management (RM) support across the theater to include joint, interagency, intergovernmental, and multinational (JIIM) operations.

Financial management is composed of two core processes: finance operations and resource management (RM) operations. These two processes are similar and mutually supporting in organizational structure and focus. The organizational structure provides a complete FM package, supporting home station and operational requirements for commanders at the Army Service component Command (ASCC) level and below. The integration of finance and RM under FM offers the commander a single focal point for FM operations. The single point of contact at the ASCC, corps, and division level is the G8, who will consult with the financial management center (FMC) at the Army level and the FM SPO at the division and/or corps level. FM relies heavily on other staff elements—such as the Staff Judge Advocate (SJA), Assistant Chief of Staff (G Staffs), and contracting—to accomplish the FM mission. FM also follows policies and procedures established by National Providers, Defense Finance and Accounting Service (DFAS) and Assistant Secretary of the Army for Financial Management & Comptroller (ASA(FM&C)).

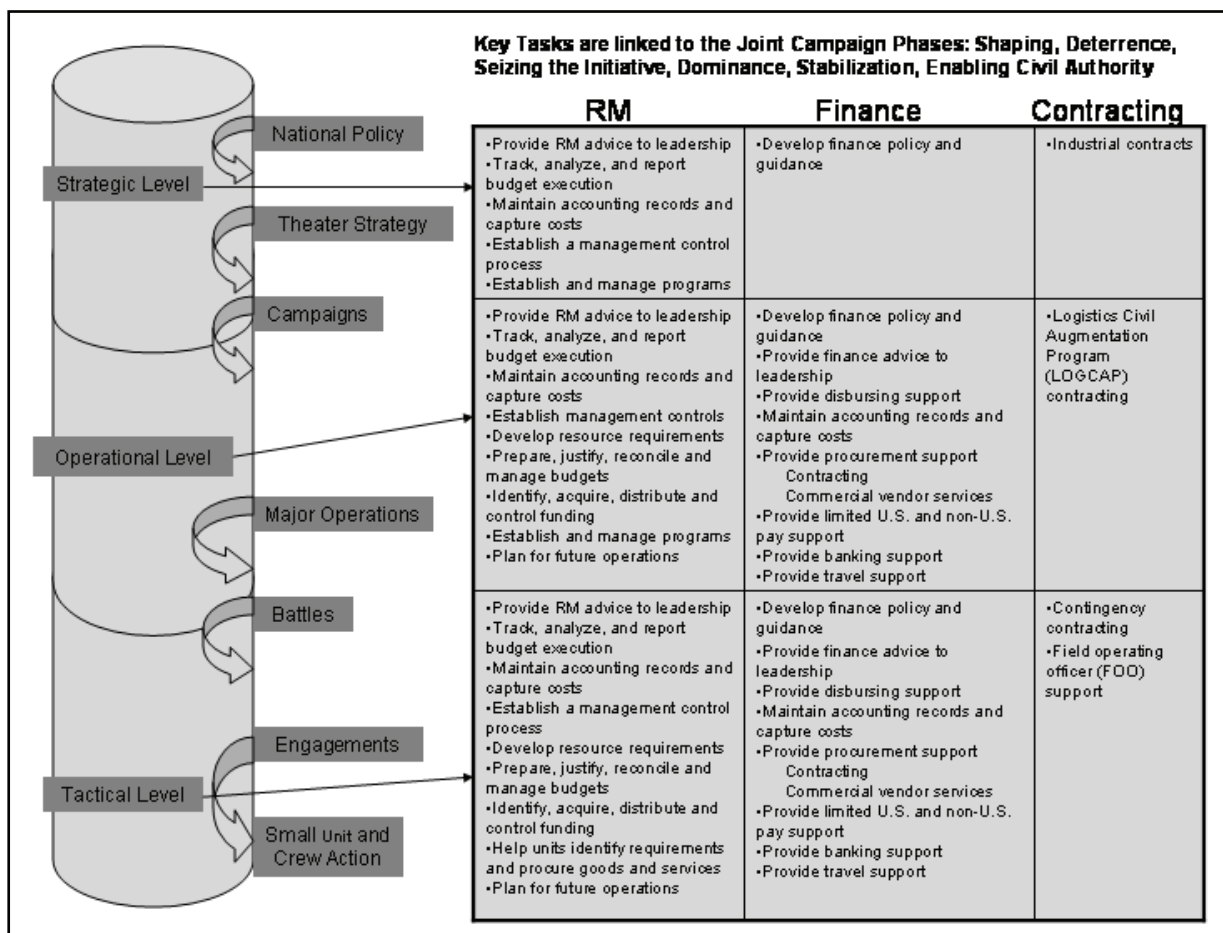


Figure I-1. The levels of FM

FISCAL TRIAD

Fiscal Triad (Figure I-2) is a concept that describes three distinct sustainment assets that support the commander's intent: finance operations, RM operations, and contracting. Together, these assets comprise a system that fulfills the full spectrum of required fiscal support, from acquisition of funds to expenditure of funds. The requirements are fulfilled by the following steps:

- The commander/staff validates each requirement.
- Resource management certifies the funds.
- The item or service is acquired by contracting.
- Finance disburses the funds.

Each element of the triad is interdependent, and works closely with the other elements to obtain products or services to meet the commander's needs. Reconciliation of requirements is a joint effort and must be synchronized within the Triad.

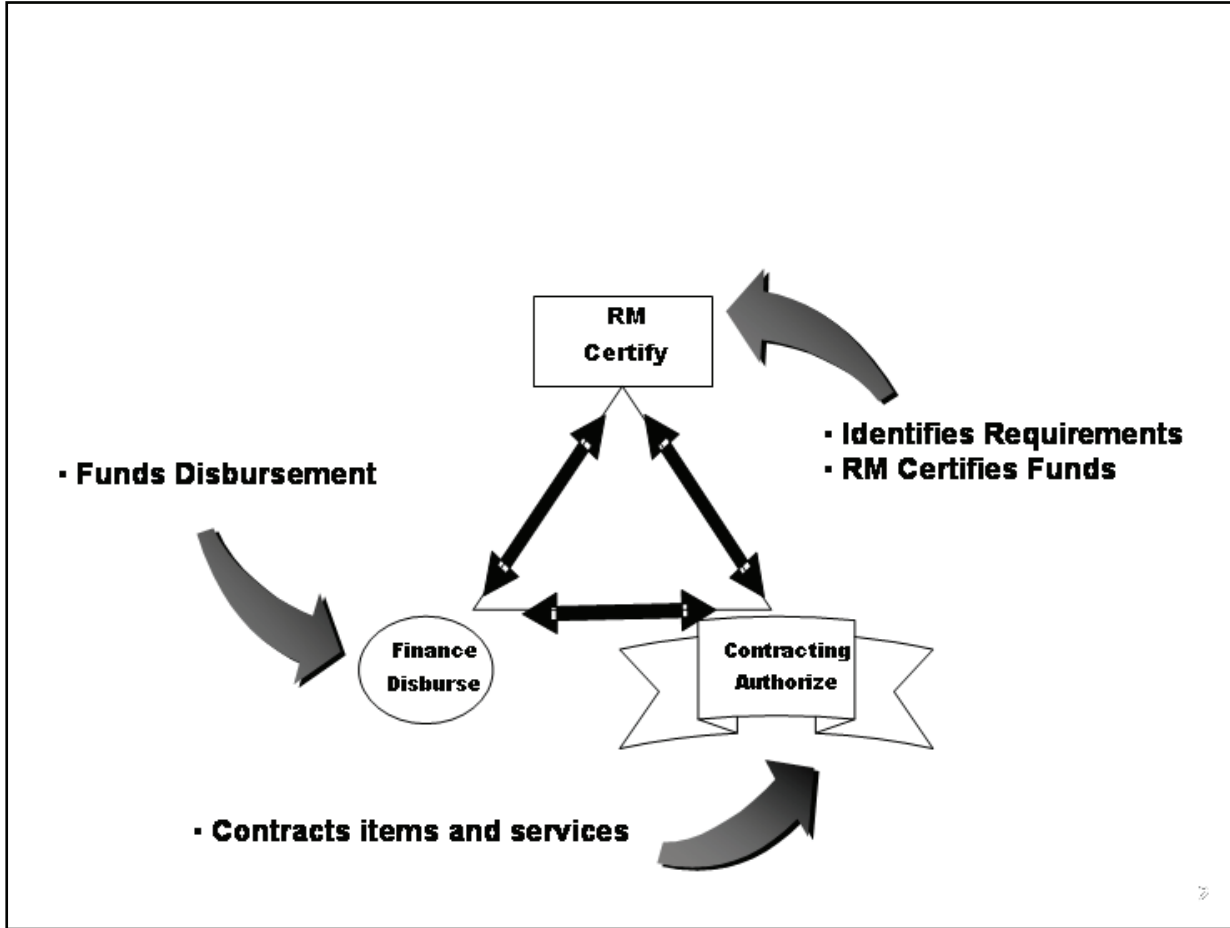


Figure I-2. Fiscal Triad