

# HANDBOOK

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## Commander's Guide to Money as a Weapons System

*Tactics, Techniques, and Procedures*



Approved for Public Release  
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## Foreword

This Center for Army Lessons Learned (CALL) handbook assists company-, battalion-, and brigade-level officers and noncommissioned officers to effectively use money as a weapons system on the counterinsurgency (COIN) battlefield. Coalition money is defeating COIN targets without creating collateral damage, by motivating antigovernment forces to cease lethal and nonlethal operations, by creating and providing jobs along with other forms of financial assistance to the indigenous population, and by restoring or creating vital infrastructure. Money also funds other tools of war.

Key lessons:

- Money is a valuable weapons system.
- Money and contracting in a COIN environment are vital elements of combat power.
- Leaders must leverage money and contracting in operations.
- Leaders must understand funding programs and contracting.
- Brigades often lack internal resource management expertise and knowledge of funding.
- Financial management administrative requirements in a combat environment can be extremely burdensome but are necessary for good stewardship.
- Financial management expertise and knowledge of funding are critical to successful operations.
- Without proactive leadership involvement, the potential for extensive fraud, waste, and abuse of funds exists in the COIN environment.

This handbook is a guide and addresses some of the most common funds available to warfighters. Since policies, procedures, and guidelines change as do sources and amounts of funds available to fund warfighters, obtain the latest funding information from the supporting resource manager before taking action to fund warfighters.

A handwritten signature in black ink that reads 'T. A. Clay'.

T. A. Clay  
Colonel, Finance Corps  
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The Secretary of the Army has determined that the publication of this periodical is necessary in the transaction of the public business as required by law of the Department.

Unless otherwise stated, whenever the masculine or feminine gender is used, both are intended.

**Note:** Any publications (other than CALL publications) referenced in this product, such as ARs, FMs, and TMs, must be obtained through your pinpoint distribution system.

## Introduction

“Money is my most important ammunition in this war.”

—MG David Petraeus, 101st Airborne Division Air Assault

Warfighters at brigade, battalion, and company level in a counterinsurgency (COIN) environment employ money as a weapons system to win the hearts and minds of the indigenous population to facilitate defeating the insurgents. Money is one of the primary weapons used by warfighters to achieve successful mission results in COIN and humanitarian operations.

Types of funds possibly available to warfighters include the following:

- Commander’s Emergency Response Program
- Iraqi Commander’s Emergency Response Program
- Quick response funds
- Central Command rewards
- Logistics Civil Augmentation Program
- Official representation funds
- Operations and Maintenance, Army
- Field ordering officer funds
- Iraqi Security Forces Fund
- Afghan Security Forces Fund
- Contingency Construction Authority
- Other Procurement, Army
- Other funding sources (U.S. and coalition partners)

Unfortunately, funding sources, amounts, and guidelines vary by area of operations. What applies in one area is not necessarily true in other areas. Additionally, written guidelines, policies, and procedures constantly change. The best funding information source is the supporting resource manager (J8/C8/G8) who provides both the funds and guidance for use of the funds.

This handbook provides a synopsis of types of money that may be available to fund warfighters at brigade level and below and information on managing and using funds. It is a user’s guide. Current funding information is available from the resource manager supporting operations. Leaders who work directly with local leaders and governmental entities (including coalition government agencies) should

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meet with their supporting resource manager to become aware of all funding sources available to maximize their use to achieve the coalition's COIN goals.

Much of the information in this handbook is taken from the Multi-National Corps–Iraq CJ8 (Office of the Resource Manager) money as a weapons system standing operating procedure.

## **Chapter 1**

### **How to Fund Warfighters**

Unit leaders who use proactive management controls to provide timely and accurate funding to warfighters are paramount to success or failure on the counterinsurgency (COIN) battlefield. Warfighters with timely access to the right types of money and in the appropriate amount can influence the outcome of operations with both temporary and, hopefully, permanent results. However, warfighters and their leaders must ensure their actions will stand up to a Congressional inquiry and must not cause embarrassment to the Department of Defense.

#### **Money as a Weapon**

While warfighters receive training on most weapons systems they will use, most receive little if any training on money as a weapons system prior to deployment. Use the acronym WEAPONS to remember the seven steps in funding warfighters:

- Work to identify the requirement and appropriate funding authority.
- Estimate the cost and ensure funding is available.
- Attain required approval(s).
- Purchase the goods or services.
- Oversee the requirement to receipt or completion.
- Notify the appropriate authorized U.S. government (USG) disbursement agency when the goods/services are received or project is complete.
- Secure the appropriate documentation.

#### **Rules of Engagement for Funding Warfighters**

The following specific, resource management rules of engagement will assist warfighters to be good stewards of U.S., coalition, or indigenous country funds:

- Ensure the decision making process considers costs.
- Look to the local government (such as Afghanistan or Iraq) to fully fund or share expenses.
- Identify and articulate the need to expedite the process when the attorneys, comptrollers, and contracting officers process the requirements.
- Possess the legal authority to fund a requirement; the absence of a prohibition does not convey authority.
- Match the requirement to a funding authority and then determine if funds are available.



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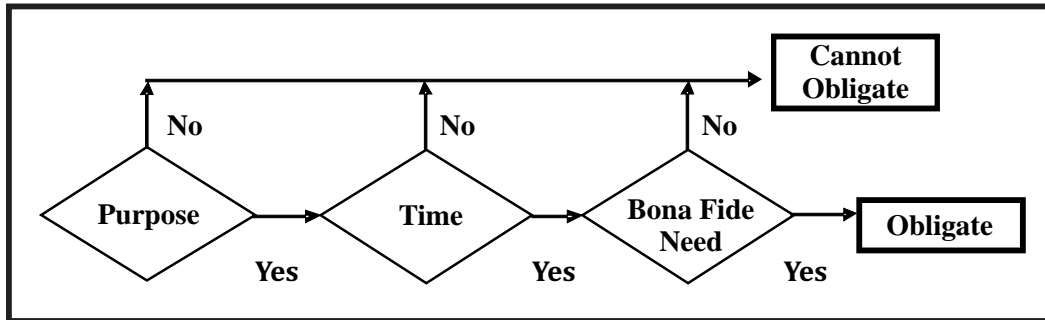
- Abide by fiscal laws, money as a weapons system standing operating procedures and/or other resource management (G8) publications, contract laws, legal opinions, and fragmentary orders.
- Seek cost reduction measures, keeping in mind that major cost drivers are often “hidden” in the Logistics Civil Augmentation Program (LOGCAP) and Stock Fund.
- Be judicious in the use of financial resources; ensure money is used for a bona fide need.
- Ensure the requirement meets the time, purpose, and amount criteria applicable to fiscal law.
- Maintain a hard copy of records and keep current year and previous year hard copies on hand.
- Ensure accurate, timely reporting and maintain files and records as audits and inspections increase in frequency and scope.
- Institute a robust Management Internal Control Program, make sure it is working, and make timely corrections a necessary.
- Seek expert advice from the members of the professional community such as fiscal law attorneys, comptrollers, contracting officers, finance officers, and engineers as needed.

### Key terms:

- Commitment is an administrative reservation of funds for a specific procurement of goods or services subject to funds availability.
- Obligation is a legal reservation of funds for a specific procurement of goods or services based on, for example, a contract for goods or services. Funds are formally obligated when the government has a legal requirement to pay, such as when the vendor and the authorized government official sign an agreement.
- Disbursement of funds from an authorized USG disbursing agency is made once the agency receives the invoice and the contract and the requestor verifies receipt of the requested goods or services. Verification is accomplished by signing a Department of Defense (DD) Form 250 (Material Inspection and Receiving Report), a Standard Form 44 (Purchase Order-Invoice-Receipt), or other recognized receiving report (such as a DD Form 1155 [Order for Supplies or Services]).
- An unfinanced requirement (UFR) is a valid requirement with no available funding source. A UFR may occur when funds are inadequate to support requirements or during budget execution as new requirements surface. UFRs rely on additional funds from higher headquarters or from savings generated during the execution of the budget.

**Obligation Rules: Time, Purpose, and Bona Fide Need**

Once the requestor meets the three tests of purpose, time, and bona fide need, fund managers provide the funds, if available, via the certification process for the goods or services.



**Figure 1-1**

**Purpose rule**

Each category of funds has a unique purpose. Spend funds only for the intended purpose. Determine whether the proposed expenditure is reasonably necessary in carrying out authorized functions of the unit. Ask the following critical questions:

- Is the requirement approved and validated for funding in the current fiscal year’s budget?
- What appropriation does the requirement fall into?
- Does the proposed dollar amount for the requirement exceed authorizations for that category?
- Does the proposed requirement need additional approval authority from another source (such as the commanding general, deputy commanding general, or Department of the Army)?

**Time rule**

The time rule refers to the type of money requested to spend. For example, Operations and Maintenance, Army (OMA) funds must be obligated in the fiscal year the funds are authorized and appropriated. OMA funds are a single-year appropriation for obligation but not disbursement. Funds are obligated when the government incurs a duty to make a payment (for instance, the award of a contract). An appropriation is only available for obligation for a set period of time. Authority to obligate expires at the end of the appropriation time period.

### **Bona fide need rule**

The bona fide needs rule applies to all purchases, even by warfighters in a COIN environment. Bona fide need is one of the fundamental principles of appropriations law: “A fiscal year appropriation may be obligated only to meet a legitimate, or bona fide, need arising in, or in some cases arising prior to but continuing to exist in, the fiscal year for which the appropriation was made.”

Ask the following critical questions:

- Does a bona fide need exist in the year of execution authorized by the appropriation?
- Is there a valid requirement for the goods or services as well as the quantity and duration of the services or supplies provided?

The resource manager is responsible for providing guidance to ensure the bona fide needs rule is not violated and to provide the training and understanding of these rules of engagement.

The resource management office supporting operations, G8, C8, or J8, and the staff judge advocate are available to assist commanders understand obligation rules. Contact one or more of these offices if you do not understand the obligation rules.

## **Chapter 2**

### **Fiscal Law and Contracting**

Fiscal law and contracting are two vital components of money as a weapons system. Three key players serve the commander when contemplating using money to accomplish his mission: the contracting officer, the field ordering officer, and/or the project purchasing officer; the resource manager and/or the paying agent; and the staff judge advocate. Each provides knowledge of fiscal, contracting, and procurement laws required to prevent fraud, waste, and abuse of funds (U.S. government and other funds available).

Working with these three individuals enables commanders to maintain awareness of changes to laws. For example, Congress waived a portion of the Federal Acquisition Regulation (FAR) that applies to the Commander's Emergency Response Program which allows commanders to give preference to Iraqi and Afghan contractors and does not require commanders to undertake the traditional bidding process to identify the lowest cost to the government. General fiscal prudence and local guidance balance this waiver by stating that commanders will not deliberately overpay for products and will pay reasonable prices for supplies and services that yield a modest, functional standard.

Fiscal law spans the whole field of financial management and requires familiarity with the following:

- Constitutional authority for the obligation and expenditure of funds.
- Specificity of purpose, time, and amount of appropriations.
- Anti-Deficiency Act and its penalties.
- Use of funds under a continuing resolution authority.
- Responsibilities of an accountable officer.
- Applicable comptroller general decisions.
- Allotment or project executions.

Fiscal law establishes limitations on expending and obligating funds. An officer or employee of the U.S. government may not:

- Make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.
- Involve the government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law (for example, the Feed and Forage Act).

The basic axiom of fiscal law is that the expenditure of public funds is proper only when authorized by Congress, and not that the expenditure of public funds is proper unless prohibited by Congress.

## **CENTER FOR ARMY LESSONS LEARNED**

Contract and procurement laws are contained in the FAR and deal with creating, interpreting, and enforcing written agreements. The basic guidance, stated in the Feed and Forage Act, is as follows:

No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment, except in the Department of Defense and in the Department of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year.

## **Chapter 3**

### **Management Internal Control Program**

To ensure compliance with funds management laws and regulations, the Department of Defense directs brigade commanders to implement and maintain a Management Internal Control Program (MICP). The resource manager (J8/C8/G8) supporting operations manages the MICP.

Management controls are the rules, methods, procedures, or devices designed to ensure programs operate as intended, identify and report areas needing improvement, and take timely corrective actions. Brigade commanders implement the MICP by scheduling, conducting, and documenting evaluations of management controls. Based on the results of these evaluations, brigade commanders must identify and correct any material weaknesses and submit an Annual Statement of Assurance (ASA) through their chain of command.

MICPs provide reasonable assurances that:

- Obligations and costs comply with applicable laws.
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation.
- Revenues and expenditures are properly accounted for and recorded.
- Programs are efficiently and effectively carried out according to applicable laws and management policies.

### **Personnel Responsibilities**

The brigade commander is an assessable unit (AU) manager and will:

- Appoint a management control administrator (MCA) and send the appointment letter to the senior headquarters' MCA.
- Ensure the brigade MCA receives MICP training.
- Develop and submit a management control plan (MCP) to the senior headquarters' MCA.
- Conduct appropriate management control evaluations, document findings, and forward the documentation to the senior headquarters' MCA.
- Submit an ASA for the AU.
- Prepare and submit a Statement of Material Weakness for the AU, and, if necessary, to the senior headquarters' MCA.
- Ensure management control is listed as an explicit responsibility under major performance objectives on his or her annual personnel evaluation support form.

An AU MCA will:

- Administer the manager's internal control process and lead all unit management control activities.
- Complete senior headquarters' priority assessments and forward compiled assessments to the senior headquarters' MCA no later than the published dates.

### **Management Control Plan and Annual Statement of Assurance**

#### **MCP**

The MCP is a schedule of management control evaluations for each fiscal year. The schedule must clearly communicate areas for evaluation along with when and who will conduct the evaluation. During a period of turnover in which a transfer of authority will occur, the redeploying unit must conduct the evaluations.

The Army has an inventory of management control evaluations that must be conducted at least once every five years listed on its Website (<<http://www.asafm.army.mil/fo/fod/mc/amcec/amcec.asp>>). MCAs should determine which of these evaluations are applicable to the AU.

Command oversight processes such as staff assistance visits, internal and external audits, command inspections, and internal reviews are internal control evaluations.

MCAs should ask senior leaders which functions require evaluation. Managers should focus on unique processes critical to operations that are not already covered by the Army's inventory of evaluations. All leaders and managers perform management controls. These controls range from simple to complex and from locking a door at the end of the day to formal audits of financial records. When management controls are significant and recurring, managers should document them and place them on the MCP.

#### **ASA**

The ASA provides a broad assessment of management controls within the command or agency and identifies any material weaknesses in these management controls. The ASA consists of the following:

- A cover memorandum signed by the brigade commander that includes the actual ASA and an unqualified statement ("I have reasonable assurance . . .") or a qualified statement ("I have reasonable assurance except for . . ."). The brigade commander may use a cover memorandum to address significant issues or concerns that relate to the effectiveness of management controls.
- A Department of the Army Form 11-2-R (Management Control Evaluation Certification Statement) provides a description of the management control process and the basis for determining reasonable assurance. The brigade commander should use this form to describe how he reached his determination of reasonable assurance.

When writing the ASA, the brigade commander must determine if there is:

- Reasonable assurance, which is a satisfactory level of confidence that management controls are adequate and are operating as intended. Inherently, a management judgment and reasonable assurance recognize there are acceptable levels of risk that cannot be avoided because the cost of absolute control would exceed the derived benefits.
- Management control weakness, which is the ineffectiveness or absence of management controls (for instance, management controls are not in place, are in place but not used, or are in place and used but are ineffective).
- Material weakness, which is a management control weakness that warrants reporting to the next level of command for either its action or its awareness. A weakness considered material must meet two conditions. It must involve a deficiency in management controls (for example, management controls are not in place, not used, or are inadequate), and it must warrant the attention of the next level of command, either because it must take action or because it must be aware of the problem.

Potential material weakness factors include the following:

- Actual or potential loss of resources.
- Sensitivity of the resource involved.
- Magnitude of funds, property, or other resources involved.
- Frequency of actual and/or potential loss.
- Current or probable media interest (adverse publicity).
- Current or probable Congressional interest (adverse publicity).
- Unreliable information causing unsound management decisions.
- Diminished credibility or reputation of Army management.
- Impaired fulfillment of the essential mission.
- Violation of statutory or regulatory requirements.
- Impact on information security.
- Deprived the public of needed government services.

The senior headquarters' MCA will keep in contact with the AU's MCA to ensure he or she understands what is required throughout the fiscal year.



**Management Control Core Actions and Milestones**

Table 3-1 is a sample of MICP core actions and milestones. The brigade commander's higher headquarters will provide the actual management control core actions and milestones.

<b>Target Month</b>	<b>Core Action</b>	<b>Responsible Activity</b>
<b>September</b>	<b>Ramp-up for new fiscal year; review procedures, plan execution, and define milestones</b>	<b>Brigade MCA</b>
<b>October</b>	<b>Provide draft MCP five-year plan for staff; obtain command input; conduct MCP training for all points of contact</b>	<b>Brigade MCA</b>
<b>November</b>	<b>Consolidate staff input into MCP five-year plan and publish final version; publish tasking memo for current year evaluations and time line</b>	<b>Brigade MCA</b>
<b>December–March</b>	<b>Conduct evaluations according to the MCP and submit documentation reports to the MCA for compilation and forwarding to the senior headquarters' MCA; review audits, inspection reports, and program evaluations to identify program, policy, or procedural weaknesses</b>	<b>Brigade MCA</b>
<b>April</b>	<b>Prepare draft ASA; update material weakness action plans</b>	<b>Brigade MCA</b>
<b>May</b>	<b>Complete and submit ASA to higher headquarters' MCA</b>	<b>Brigade MCA</b>

**Table 3-1**

## **Chapter 4**

### **Commander's Emergency Response Program**

The Commander's Emergency Response Program (CERP) enables local commanders in Afghanistan and Iraq to respond with a nonlethal weapon to urgent, small-scale, humanitarian relief, and reconstruction projects and services that immediately assist the indigenous population and that the local population or government can sustain. The Department of Defense (DOD) defines urgent as any chronic or acute inadequacy of an essential good or service that in the judgment of the local commander calls for immediate action. Prior coordination with community leaders increases goodwill.

With most small-scale projects (less than \$500 thousand [K]), CERP is a quick and effective method that provides an immediate, positive impact on the local population while other larger reconstruction projects are still getting off the ground. The keys to project selection are:

- Execute quickly.
- Employ many people from the local population.
- Benefit the local population.
- Be highly visible.

CERP rules and guidance:

- Ensure local, donor nation, nongovernmental organization, or other aid or reconstruction resources are not reasonably available before using CERP funds.
- Commanders:
  - Should consider complementary programs provided by the U.S. Agency for International Development and other nongovernmental agencies operating in their areas of responsibility.
  - Will coordinate and determine project needs with local government agencies, civil affairs elements, engineers, provincial reconstruction and development committees (PRDCs), provincial reconstruction teams (PRTs), and/or agricultural development teams (ADTs) to gain the greatest effect, ensure synchronization, and provide for project acceptance with follow-on project maintenance and sustainment as required by the documented government of Afghanistan or Iraq .
  - Must ensure reasonable prices are paid for services and supplies received and projects are constructed to a modest, functional standard.

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- Will not deliberately over-pay for projects or commingle funds.
- Can quickly execute projects that do not exceed \$500K without a warranted contracting officer but with a U.S. government (USG) employee (not a contractor) trained as a project purchasing officer (PPO).
- U.S. appropriated and Afghan or Iraqi funded CERP projects exceeding the \$500K threshold require contracts by a warranted contracting officer.
- Use a warranted contracting officer for projects under \$500K when the technical complexity or the scope of the project exceeds the abilities of the PPO.
- A CERP review board will consider the project requests.
- Insert the following clauses into all major subordinate command (MSC) memorandums of agreement entered into with a government of Iraq (GOI) or government of Afghanistan official to ensure the follow-on sustainment of projects:
  - “Nothing in this memorandum of agreement authorizes the commitment or obligation of appropriated funds of the United States of America prior to their availability, or in violation of any applicable statute, regulation, or policy of the government of the United States of America.”
  - “This document expresses the participants’ intent to achieve the goals of this project. The participants intend for this project to benefit the neighborhood and its people for years to come. It is not, however, a legal instrument that binds the participants under international law. Rather, it embodies the aspirations toward which the participants strive.”
- The authorized methods of payment in the order of payment preference are:
  - Electronic funds transfer.
  - Check drawn against a limited depository account.
  - Local currency (Afghan Afghani or Iraqi Dinar).
  - U.S. currency.
- See your supporting resource management office for funding amount limits and approval authority.
- DOD requires incorporating CERP guidance into contracts, as appropriate, to cover the execution, management, recording, and reporting of expenditures of U.S. appropriations and other funds made available for the CERP.

### Specific uses for the CERP:

- Water and sanitation. Projects to repair or reconstruct water or sewer infrastructure, including water wells.
- Food production and distribution. Projects to increase food production or distribution processes.
- Agriculture. Projects to increase agricultural production or cooperative agricultural programs.
- Electricity. Projects to repair or reconstruct electrical power or distribution infrastructure, including generators.
- Healthcare. Projects to repair or reconstruct hospitals or clinics or to provide urgent healthcare services, immunizations, medicine, medical supplies, or equipment.
- Education. Projects to repair or reconstruct schools, purchase school supplies, or equipment.
- Telecommunications. Projects to repair or reconstruct telecommunications systems or infrastructure.
- Economic, financial, and management improvements. Projects to improve economic or financial security.
- Transportation. Projects to repair or reconstruct transportation systems, roads, bridges, or transportation infrastructure.
- Rule of law and governance. Projects to repair or reconstruct government buildings such as administration offices, courthouses, or prisons.
- Irrigation. Projects to repair or reconstruct irrigation systems, including canal cleanup.
- Civic cleanup activities. Projects that remove trash, clean up the community, or perform beautification.
- Civic support vehicles. Projects to purchase or lease vehicles to support civic and community activities.
- Repair of civic and cultural facilities. Projects to repair or restore civic or cultural buildings or facilities.
- Repair damage that results from U.S., coalition, or supporting military operations that is not compensable under the Foreign Claims Act.
- Condolence payments to individual civilians for death, injury, or property damage resulting from U.S., coalition, or supporting military operations.

## **CENTER FOR ARMY LESSONS LEARNED**

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- Payments made to surviving spouses or next of kin of Afghan or Iraqi defense or police personnel who were killed as a result of U.S., coalition, or supporting military operations (hero payments [formerly referred to as martyr payments in Iraq]).
- Payments to individuals upon release from detention (only applies to MSC non-theater internment facility holding areas).
- Protective measures, such as fencing, lights, barrier materials, berms over pipelines, or guard towers.
- Temporary contract guards for critical infrastructure (for example, oil pipelines or electric power lines).
- Other urgent humanitarian or reconstruction projects. Projects to repair collateral battle damage not otherwise payable because of combat exclusions or condolence payments.

Commanders will ensure CERP projects focus primarily on:

- Projects that can be sustained by the local population or government and cost less than \$500K.
- Reconstructing structures damaged after military operations to rapidly improve conditions such as repairing homes, roads, and mosques.
- Making emergency repairs on critical facilities such as hospitals, water treatment facilities, and electrical plants.
- Economic development.
- Resolving critical infrastructure shortfalls that can be rapidly repaired such as bridges, sewage, and telephone systems.
- Reducing the risk of injury to the local populace by means such as constructing security fences and barriers; providing trash and sewage removal; providing blankets, space heaters, and propane where unavailable; and installing traffic control and other warning signs.
- Procuring critical equipment to replace lost, stolen, and nonrepairable items or to establish critical, community-essential services such as buying new parts for a water pump, backup generators for a hospital, or firefighting equipment for a community fire department.
- Employing as many Iraqi people as possible.

Commanders will not use the CERP for the following:

- Projects with a direct or indirect benefit to U.S., coalition, or other supporting personnel.
- Providing goods, services, or funds to national armies; national guard forces; border security forces; civil defense forces; infrastructure protection forces; highway patrol units; police; special police or intelligence; or other security forces (except contract guards such as Sons/Daughters of Iraq and/or corresponding initiatives in Afghanistan).
- Weapons buyback programs or other purchases of firearms or ammunition (except as authorized by law and with separate implementing guidance).
- Entertainment (except light refreshment costs purely incidental to either an approved CERP project opening ceremony or a conference in support of a CERP project).
- Reward programs.
- Removal of unexploded ordnance (unless incidental to construction or an agricultural development project).
- Duplication of services available through municipal governments.
- Salaries, bonuses, or pensions of Afghan and Iraqi military or civilian government personnel.
- Training, equipping, or operating costs of Afghan and Iraqi security forces.
- Support to individuals or private businesses (except condolence, former detainee, or hero payments; battle damage payments; or micro-grants).
- Conducting psychological operations; information operations; or other U.S., coalition, Afghan, or Iraqi security operations.
- Loans or capitalization of lending institutes.
- Purchasing goods or services from any U.S. trade-sanctioned nation.
- Stipends for trainees of CERP-funded education or training programs.

Send requests for clarification and exceptions to CERP policies through the resource manager (G8) to the senior resource management program coordinator (C8/G8) or to the respective functional program manager for action.

### **Approving Authorities (DOD Financial Guidance, 18 December 2008)**

#### **Afghanistan**

The commander of U.S. Central Command (CENTCOM) must approve projects greater than \$2 million (M) of appropriated CERP funds. The CENTCOM commander may delegate this approval authority to his deputy commander or to the U.S. Forces–Afghanistan (USFOR–A) commander, provided the USFOR–A commander is not also serving as the combined joint task force commander who already has responsibility to approve projects up to \$2M.

#### **Iraq**

Projects using appropriated CERP funds are capped at \$2M. The Secretary of Defense may waive this funding limit if he: (1) determines the project is required to meet urgent humanitarian relief and reconstruction requirements and that it will immediately assist the Iraqi people, and (2) submits notification of his waiver in writing to the defense committees within 15 days of his waiver. The waiver is required to discuss the unmet and urgent needs addressed by the project and any arrangements between the USG and the GOI regarding the provision of Iraqi funds to carry out and sustain the project.

The Secretary of Defense or Deputy Secretary of Defense (if authority is delegated) must certify that any project funded with appropriated CERP funds over \$1M addresses urgent humanitarian relief and reconstruction requirements that will immediately assist the Iraqi people.

Projects costing more than \$750K are expected to be funded on a cost-share basis with the GOI. All projects over \$750K require either an explanation of the cost-share arrangement with the GOI or a justification that the project directly benefits U.S. security objectives in Iraq and should be pursued even in the absence of cost sharing.

Commanders will continue to identify and pursue opportunities to transition responsibility for larger economic revitalization efforts to the GOI and will include a description of these efforts in the “commander’s narrative” section of the quarterly report.

#### **Personnel Responsibilities**

CERP is a commander’s program and commanders have significant responsibility in ensuring its success.

All commanders:

- Identify CERP projects in coordination with local government officials and agencies and key staff elements.
- Consult with the appropriate PRDCs (including PRTs; embedded PRTs; ADTs; and provincial support teams, where established) prior to initiating any CERP project of \$50K or more.
- Approve CERP projects consistent with their approval authorities and funding availabilities.

- Ensure proper management, reporting, and fiscal controls to account for funding.
- Review project results and issue a clearance memorandum for record stating: "I have reviewed and approved these projects, and they are complete and adhere to the guidelines set forth in the CERP guidance and applicable fragmentary orders."

### Specific command responsibilities:

- Unit commander:
  - Identifies the scope of the proposed project.
  - Develops a statement of work or project proposal.
  - Prepares a Standard Form 44 (Purchase Order-Invoice-Voucher), Department of the Army Form 3953 (Purchase Request and Commitment Form), or a Department of Defense Form 1149 (Requisition and Invoice/Shipping Document) as required.
  - Provides the information to the battalion-level CERP project manager.
  - Ensures construction meets engineering standards and performance is updated against the relevant metrics.
  - Ensures final inspections are completed, project is documented as required, and project is transferred to the appropriate Afghan/Iraqi government officials for sustainment.
- Brigade/Battalion commander:
  - Is the CERP project manager.
  - Appoints PPOs and paying agents (PAs) in writing. (The appointment order specifies the maximum amount the PPO may manage or that the PA may draw from the finance office. The PPO will receive appointment orders upon successful completion of PPO training by a warranted contracting officer, and the PA on completion of training by the finance office.)
  - Ensures no one serves as both PPO and PA.
- PPO:
  - Is the direct representative of the contracting officer.
  - Must be a USG employee and not a contractor or coalition member.
  - Receives authority to procure services and supplies from the commander in accordance with policies and procedures outlined in training received from the appropriate contracting office.



## **CENTER FOR ARMY LESSONS LEARNED**

- Contracts to obtain services and supplies subject to specific rules applicable to the project cost.
- Manages individual CERP projects to completion.
- Directs the PA to make installment (in-progress) and final payments according to command guidance and finance regulations.
- Maintains project files in accordance with command guidance.
- May be held financially liable.
- May be subject to administrative actions or criminal prosecution for making prohibited purchases.
- PA:
  - Is the direct representative of the servicing finance office's disbursing officer (DO)
  - Receives and disburses cash for CERP project expenditures according to command guidance and finance regulations.
  - Is trained by the servicing finance office.
  - May be a coalition member subject to continued Secretary of Defense approval and if internal controls are met to ensure the restitution of USG funds if they are lost.
  - May be held financially liable for any loss of funds.
  - May be held financially liable for any cash, negotiable instrument, and/or paid vouchers entrusted to him.
  - May not delegate responsibility for funds to anyone else, including financial institutions.
  - Ensures funds are delivered, transported, and safeguarded consistent with DOD Financial Management Regulation 7000.14-R, Volume 5, Chapter 3, and applicable finance command policies and procedures.
  - Signs a financial liability statement in the presence of the DO or deputy DO.
  - May be subject to administrative actions or criminal prosecution.
  - Coordinates with finance prior to and after receipt of money on the potential for production of any classified documents during the CERP funds disbursement.

- U.S. warranted contracting office:
  - Conducts formal training classes for PPOs.
  - Provides written certificates of training.
  - Awards contracts for all CERP projects over \$500K.
- U.S. military finance office:
  - Is the location of the DO, DDO, and disbursing agent (DA):
    - \* DO, DDO, or DA trains and briefs PAs on their duties and responsibilities.
    - \* DO or DDO witnesses PA signing a financial liability statement.
  - Funds, manages, and clears PA accounts
- The resource manager supporting operations is the “go to” individual for CERP guidance.

### **Performance Metrics**

CERP procedures for evaluating proposed projects to ensure spending CERP funds for the most beneficial projects will consider:

- Immediate benefit to the local population.
- Sustainability of the project.
- Name and authority of the local partner.
- Number of the local population engaged in the project.
- Number of locals benefitting.
- Executability of the project (in terms of completion, operations, and sustainment of the project).
- Relationship to other, similar efforts such as replicating other successful projects funded with CERP.
- Quantifiable measures of productivity or service improvements.

### **Special Commander’s Emergency Response Program Situations**

Special CERP situations range from different types of CERP-affiliated funding (such as the Iraqi–Commander’s Emergency Response Program [I–CERP] and Iraqi interim government [IIG]), to special uses of CERP (such as condolence and former detainee payments), or to special execution of CERP.

### **CERP-affiliated funding**

I-CERP funding focuses on schools, water purification plants, health clinics, city planning facilities, roads, sewers, and irrigation.

IIG funds, also known as Development Funds for Iraq. These funds assist the Iraqi people in the following areas:

- Security and law enforcement.
- Justice, public safety infrastructure, and civil society.
- Electric sector.
- Oil infrastructure.
- Water resources and sanitation.
- Transportation and telecommunications.
- Roads, bridges, and construction.
- Health care.
- Private sector development.
- Education, refugees, human rights, and governance.

Special uses for CERP:

- Condolence and battle damage payments
- Iraqi hero payments
- Former detainee payments
- Commander's small-scale projects
- Micro-grants
- CERP project ribbon cutting ceremony

Special execution of CERP includes the following:

- Advance, bulk funding for commander's small-scale projects, condolences, battle damages, and detainee and Iraqi hero payments, but not for micro-grants.
- Execution by coalition major subordinate commands.
- Funding for non-operational environment owners.

See also Appendix B, MNC-I CJ8, Money as a Weapons System Standing Operating Procedures, and Appendices B and C of this handbook.

## **Chapter 5**

### **Iraqi Commander's Emergency Response Program**

Iraqi Commander's Emergency Response Program (I-CERP) funds are government of Iraq (GOI) funds for urgent reconstruction projects to benefit the citizens of Iraq while simultaneously growing and achieving Iraqi military and civil self-sufficiency. I-CERP uses U.S. procurement and financial systems. GOI allocates I-CERP funds by province based on population density.

I-CERP rules and guidance:

- Consider every use of I-CERP funds a training opportunity for participating Iraqi personnel.
- I-CERP rules and processes mirror current CERP guidance unless otherwise stated to include the following personnel: project purchasing officer (PPO); paying agent; and personnel from information operations (G7), resource manager (G8), and civil-military operations (G9).
- Do not commingle CERP and I-CERP funds:
  - To avoid potential confusion of rules, major support commands (MSCs) must also institute the internal management controls necessary to prevent confusion and to ensure timely data entry of I-CERP commitments, obligations, and disbursements in the automated finance and accounting systems.
  - All I-CERP financial documentation will include the statement: "These funds are the property of the government of Iraq."
- I-CERP payments should be made in Iraqi dinar.
- Priority of payment method is electronic funds transfer (EFT), check drawn on an Iraqi bank, and then Iraqi cash. The final decision is a local, condition-based determination between the requirement owner, contracting officer or PPO, and finance.
- As much as possible, use the existing processes at the province level (for example, provincial reconstruction development committee reviews) to obtain local provincial government participation in planning, coordinating, prioritizing and transitioning the project without placing additional requirements on commanders that defeat the I-CERP rapid reconstruction model.
- Upon completion of each project, MSCs will secure documentation recording the time and date of each receipt as well as the value of the project from either the provincial governor or relevant Iraqi minister. This letter in form and content mirrors the commander's project closure letter.
- Fiduciary responsibility remains in effect. Everyone involved in managing, accounting for, and executing I-CERP funds remains accountable for his or her actions.

## **CENTER FOR ARMY LESSONS LEARNED**

- Prominently feature the new Iraqi flag and use other techniques to associate I-CERP projects with an Iraqi government that is working to live up to its promise of essential services.
- I-CERP expenditures are set up on a province basis. In the isolated instances where a province boundary and an MSC boundary do not match and the multinational division commanders cannot reach a consensus, the Multi-National Corps-Iraq (MNC-I) commander will determine the resource allocation. Fund expenditures will always remain associated with their original province.
- Use of a warranted contracting officer is required for projects over \$500 thousand (K) or when the technical complexity exceeds the abilities of the individual PPO.
- Contact the supporting resource manager for funding amounts and authorities.

Specific uses for I-CERP include the following:

- Schools; repair or reconstruction.
- Water purification plants.
- Health clinics; repair or reconstruction.
- City planning facilities.
- Protective measures necessary to secure permissible I-CERP projects.
- Other eligible categories by exception that require MSC commanding general approval include:
  - Roads
  - Sewers
  - Irrigation projects
  - Non-reconstruction projects that promote small business development

I-CERP cannot be used for the following:

- Projects prohibited under Department of Defense Financial Management Regulations.
- Projects with a direct or indirect benefit to U.S., coalition, or supporting military personnel.

- Providing goods, services, or funds to national armies; national guard forces; border security forces; civil defense forces; infrastructure protection forces; highway patrol units; police; special police or intelligence; or other security forces (except contract guards such as the Sons/Daughters of Iraq).
- Weapons buyback programs or other purchases of firearms and ammunition (unless authorized by law and separate guidance).
- Entertainment (except light refreshment costs purely incidental to either an approved I-CERP project opening ceremony or a conference in support of an I-CERP project).
- Rewards programs.
- Removal of unexploded ordnance (unless incidental to construction or an agricultural development project).
- Duplication of services available through municipal governments.
- Salaries, bonuses, or pensions of Iraqi military or civilian government personnel.
- Training, equipping, or operating costs of Iraqi security forces.
- Support to individuals or private business (except for condolence, former detainee or hero payments, battle damage payments, or micro-grants).
- Conducting psychological operations; information operations; or other U.S., coalition, or Iraqi security force operations.

In addition to restrictions already imposed by I-CERP standing operating procedures (SOPs) any other categories not expressly permitted are prohibited

See Appendix C, MNC-I CJ8, Money as a Weapons System SOP.



## **Chapter 6**

### **Department of Defense Rewards Program**

The Department of Defense (DOD) Rewards Program offers incentives for information and can be a remarkably effective tool in preempting enemy operations and denying sanctuary and weapons. It provides monetary, goods, or services rewards for information and other nonlethal assistance beneficial to force protection or operations against international terrorism.

#### **Rules and Guidance**

The DOD Rewards Program can pay for information:

- That leads to the arrest of wanted persons.
- That leads to weapons cache locations.
- That is beneficial to military operations or armed force activities against international terrorism.
- That aids in force protection.

The DOD Rewards Program is not an intelligence program and does not replace existing intelligence programs. The program's scope is limited to specific pre-nominations and pre-approved categories in which reward payments are restricted to instances where information leads to the capture of wanted individuals or weapons.

Units may take steps to expedite the reward nomination, approval, and payment processes, but they must follow these guidelines regardless of the procedures used:

- All rewards must be approved at the appropriate level.
- Units must maintain specific information for each payment.
- Units must meet reporting requirements through their major support commands.
- All reasonable efforts must be made to protect the reward recipient's confidentiality.
- Company/Battery/Troop commanders must ensure they do not develop an ongoing working relationship with local nationals through any level of the DOD Rewards Program.
- The DOD Rewards Program is the primary rewards program authorized for use. Do not confuse it with rewards programs offered by other government agencies, such as the Department of State Rewards for Justice Program which is coordinated through higher headquarters and U.S. Central Command.



## **CENTER FOR ARMY LESSONS LEARNED**

- The DOD Rewards Program is not a weapons buyback program, but it does allow payment for information leading to the capture of wanted weapons as outlined by DOD.
- Funds from the DOD Rewards Program may be used to advertise the program and is referenced in information operations products funded by the Operational and Maintenance Account. Local products may include national tip lines, but units must closely coordinate with the tip line personnel in order to accurately disseminate and act on information. Ultimately, units are responsible for developing their own mechanisms, such as a locally generated tip line, to facilitate local nationals contacting the coalition. There is no requirement for advertisements to have an official U.S. Government/DOD symbol. Advertisements can, but are not required to, refer to coalition or allied headquarters as the agencies offering the rewards.
- Rewards are paid in cash or in the form of like-kind benefits such as food, local amenities, necessities, vehicles, or communal rewards whose value is equal to or less than the authorized/approved reward amount.
- Rewards cannot be paid to U.S. military members, employees, contractors, citizens of the United States, or coalition or allied forces (the Iraqi security forces [ISF] are exempted).
- Units cannot pay rewards to detainees for information that assists the coalition with operations or force protection. There is no statutory or regulatory prohibition against providing rewards to detainees.
- All ISF are eligible for rewards per the Office of the Secretary of Defense waiver. Prior to making rewards payments, ensure a current waiver is in effect.
- Units cannot pay rewards for information that leads to a person who is found deceased, unless the person is killed during operations based upon information provided, or the request is specifically approved by the Secretary of Defense.
- Units can pay rewards for information gathered by methods contrary to DOD policy, such as extortion.
- Units must advise those eligible for rewards above \$10K that due to administrative requirements, the payment process may take several weeks.
- Units with the authority to operate human intelligence (HUMINT) collection teams (HCTs) or HUMINT exploitation teams can use rewards to pay sources for information leading to the capture of wanted persons and seizure of equipment. However, they may not use rewards to pay salaries or provide equipment to task the source to collect information.

- There are three types of monetary reward levels within the Multi-National Corps–I DOD Rewards Program:
  - Micro-rewards. Less than or equal to \$500 for information per incident; \$1K a month available per company; commanders can pay rewards for information received on the spot.
  - Small rewards. Greater than \$500 but equal to or less than \$10K; payouts are for high-value individuals (HVI) (terror cell leaders, terrorist financiers, and smugglers) or weapons caches, as the theater, division, or brigade combat team commander deems appropriate.
  - Large rewards. Greater than \$10K; payouts of over \$10K are for the capture of HVIs, large weapon caches that significantly reduce the effectiveness of a terror cell, and other pre-approved rewards of similar significance (capture of foreign fighters or the abductor of a U.S. Servicemember).

See Appendix D, MNC-I CJ8, Money as a Weapons System Standing Operating Procedure.



## **Chapter 7**

### **Intelligence Contingency Funds**

Intelligence contingency funds (ICF), part of the Operations and Maintenance, Army (OMA) appropriation, are a portion of the Secretary of the Army's (SA's) emergency and extraordinary expense funds (designated as limitation .0017). Annual appropriation acts grant authorization of ICF "for emergency and extraordinary expenses" with the approval or authority of the SA. The SA may certify payments are necessary for worldwide intelligence activities.

Army Regulation 381-141, *Intelligence Contingency Funds*, 16 January 2004, outlines ICF policy, responsibilities, usage and expenditures, control, auditing, and accounting procedures. Because of the nature of ICF funds, see the supporting resource manager for guidance.



## **Chapter 8**

### **Logistics Civil Augmentation Program**

Logistics Civil Augmentation Program (LOGCAP) funding provides life support services and other combat logistics support to Soldiers, Sailors, Airmen, Marines, civilians, and contractors in Operation Enduring Freedom and Operation Iraqi Freedom.

#### **Rules and Guidance**

The LOGCAP assists the Army with logistics, engineering, and construction projects during contingency operations. To increase efficiency and the combat to support force ratio, U.S. forces shifted from completely organic combat support and combat service support to a logistics plan predicated upon contracted, civilian support for life support services.

The LOGCAP contract is the largest Army contract. The contract provides basic services to bases in an area of operations. The level of services depends on the number of personnel assigned to a location. Since the number of assigned personnel varies by base, not all LOGCAP contracted services are available at every base/location.

Typical services provided by the contractor include:

- Dining facilities
- Family and Morale, Welfare and Recreation (FMWR) operations
- Billeting
- Laundry
- Water works
- Fire fighting
- Class III (fuel), retail and bulk
- Transportation
- Shuttle bus service
- Base camp operations and maintenance
- Vector control
- Repair services
- Direct support equipment maintenance
- Corps logistics services support
- Hazardous waste management

## **CENTER FOR ARMY LESSONS LEARNED**

- Power generation/distribution
- Electrical inspection and repair

Locations with 1,800 or more personnel may receive the following LOGCAP services:

- Dining facility (4 meals per day)
- FMWR services such as a gym and Internet café
- Billeting and on-site laundry
- Major work orders and repairs
- Water works
- Latrine/Ablution units and waste management
- Vector control
- Power generation/distribution

Locations that have less than 1,800 personnel may receive the following LOGCAP services:

- Mermite/Mobile kitchen trailer
- FMWR kits containing items such as sports equipment and games
- Satellite/Direct contract laundry
- Electrical
- Chemical toilets
- Potable water delivered to site
- Tents/Pre-existing hard facilities

Locations with 150 or less personnel do not receive LOGCAP services. Exceptions are made on a case-by-case basis.

### **Funding**

Operations and Maintenance, Army (OMA) predominantly funds the LOGCAP contract, but it may receive other funds as necessary. OMA funds the LOGCAP contract incrementally; therefore, funding LOGCAP requirements are always subject to availability and appropriate color of money issues.

Although the LOGCAP is a service contract that uses OMA funds, the LOGCAP contractor may purchase certain equipment and perform minor construction when the total cost falls beneath expense and investment thresholds. However, equipment

acquisition or construction that exceeds these thresholds will be funded by the appropriate authority and funding source.

While the LOGCAP is an ideal funding source and can accomplish many tasks to a high standard, it is not the best choice for every requirement. Units must know when to use the LOGCAP and when to use direct contracting to satisfy a requirement. The supporting resource manager can make this determination.

### **LOGCAP Basics**

Prior to starting work, the command validates the proposed LOGCAP contract as legitimate and requests funding. Because of funding constraints, not all validated needs are funded. It is the supporting resource manager's responsibility to ensure there is a process to fund the most important validated requirements first.

The LOGCAP contract is a services-only contract. Under this contract, the contractor cannot provide materials to a unit or be used to circumvent the Army supply system. The contractor can provide vehicle maintenance services but may not provide repair parts to an Army unit. However, while providing the vehicle maintenance services, the contractor can order repair parts that support these services.

The contractor furnishes supplies, services, or performs work at a certain price or rate based on the terms of the contract. In a military operation, a contractor may provide life support, construction and engineering support; weapon systems support; and other technical services.

### **Contractor basics**

When considered from a customer perspective, the type and quality of contractor-provided support is similar to that provided by a military support unit. However, there are some fundamental differences between contractors and military personnel:

- Contractors can only perform the tasks specified in the contract. "Other duties as assigned" does not apply in a contract environment.
- The Geneva Conventions and other international agreements clearly define contractors as civilians accompanying the force in a combat environment. Contractors accompany an armed force and are responsible for the welfare of the armed force. The ways in which they provide contracted support must not jeopardize this status in any way. For this reason, the U.S. government has an obligation to provide contractors with force protection:
  - Contractors are at risk of injury or death incidental to enemy attacks on military objectives.
  - Depending on their duties, contractors may be the object of intentional attack.
  - If captured, contractors are entitled to prisoner-of-war status.



- The LOGCAP contractor may not provide ongoing support to a location that has exclusively foreign national soldiers.
- Contractor employees are subject to military law under the Uniform Code of Military Justice when accompanying U.S. forces or federal law under the Military Extraterritorial Jurisdiction Act.
- In some cases, the LOGCAP contractor may perform low-dollar, temporary construction. The LOGCAP contractor may not perform large-scale construction projects.
- The LOGCAP contractor can only perform tasks specifically described in the contract or statement of work, or as directed by the administrative contracting officer (ACO).
- The LOGCAP contractor may provide emergency assistance to almost anyone or any organization in situations where life or serious bodily injury is at risk.

### **Major subordinate command responsibilities**

The major subordinate command (MSC) manages the local LOGCAP. MSCs manage provided funding targets subject to validation thresholds. Funding targets represent funds necessary to operate LOGCAP-supported bases supported by projected requirements and historical costs. Units route all new requests through their respective MSCs for the determination and establishment of funding priorities. The Multi-National Corps–Iraq (MNC–I) resource manager (C8) will provide monthly execution data to MSCs to review and assess execution rates.

LOGCAP funding is finite. Each approved administrative change letter represents new work not part of the original contract. In order to fund new work and remain within funding levels, units should reduce current costs.

### **Frequently asked LOGCAP questions and answers**

Q: Who pays for the equipment and material the contractor purchases to perform the service?

A: The contractor purchases the material and equipment needed to provide the service, and the government reimburses the contractor. The cost for the equipment and material is included in the contractor's cost estimate. The unit requesting the service pays; it is included in the overall cost.

Q: If the unit/government provides services, transportation, or goods to the LOGCAP contractor, may the contractor "double bill?" In other words, will the LOGCAP contractor charge the government for government-furnished equipment (GFE)?

A: No. The LOGCAP contract is cost plus. If the unit/government directly provides the LOGCAP contractor with goods or services, the unit/government is actually saving money since it does not have to pay overhead and direct costs. The value of the GFE is not included when determining the contractor's profit or award fee.

Q: What happens to the material and equipment the contractor bought with government funds?

A: That property becomes GFE for the life of the contract or until the contractor declares the GFE as excess. If the service continues, then the contractor retains the GFE and continues to use it. Additionally, the contractor must cross-level or transfer unused and/or excess material and GFE for use on another work order to reduce costs.

Q: Can the unit/government retain the equipment and material?

A: Not unless the contractor has declared the GFE as excess, and the property administrator has determined it is no longer required for use in theater operations.

Q: Who gives the contractor instructions or tasks to accomplish?

A: The task order performance work statement (PWS) tells the contractor what is required; the contractor knows how to provide the service. Internal management supervises and directs contractor employees. Military personnel cannot supervise or direct contractor employees, with one exception: by law, only the ACO has the authority to direct the contractor. The combatant commander has limited authority for security/safety issues in a hostile environment.

Q: Can the LOGCAP provide support to a foreign military?

A: Generally, no; however, within the Iraqi theater, the LOGCAP may support the coalition as long as there is a U.S. presence on the site. The LOGCAP may support Iraqi security forces, if the Joint Forces Acquisition Review Board approves and if reimbursement is from the proper funding source. The LOGCAP contract is a U.S. Army contract, and the LOGCAP contractor may not provide recurring services specifically for foreign military personnel.

For new work requirements, the only way the ACO can direct the LOGCAP contractor to provide support to foreign governments is after the foreign government has executed an Acquisition Cross Servicing Agreement or a North Atlantic Treaty Organization Standardization Agreement (STANAG) and submitted the STANAG through the multinational cell to the ACO via the LOGCAP budget officer. Most of the coalition has executed one of these agreements to use LOGCAP services.

Q: Can units use the LOGCAP to purchase anything needed to support the mission?

A: No, the contractor purchases what is required to provide the service. Units may not use the LOGCAP to subvert the Army supply system or regulations.

The PWS may have the contractor provide supply support services (laundry; food; Class III [fuel], retail and bulk; transportation; fire fighting; shuttle bus; base camp operations and maintenance; direct support equipment maintenance; corps logistics; and hazardous waste management). The contractor must provide these services in accordance with Army regulations.

See Appendix F, MNC-I CJ8, Money as a Weapons System Standing Operating Procedure.



## **Chapter 9**

### **Field Ordering Officer Funds**

Field ordering officer (FOO) funds are primarily used by units to purchase mission critical requirements that cannot be obtained through the higher headquarters' logistical air- or ground-delivery resupply plan or through the regional contracting center's (RCC's) existing, local contracts. FOO funds augment the existing supply plan and can fund items less than \$25 thousand (K) on an as needed basis.

Information technology requirements must have Joint Communications Utilization Review Board approval prior to execution. To mitigate unauthorized or improper purchases, FOOs must present a list of planned purchases for approval by the resource manager (RM) supporting operations prior to purchasing these items.

General business rules:

- FOO funds can only support U.S. forces.
- The paying agent (PA) may be held financially liable for all funds entrusted to him/her and may be held liable for fraudulent, illegal, or unauthorized payments. Failure to properly document purchases may result in holding both the FOO and the PA liable.
- Requisition, supply, property accountability, and budget execution are command responsibilities. Commanders must ensure adequate controls are in place to account for all expenditures and acquisitions. FOO-purchased items remain in theater when the unit re-deploys.
- FOO funds are issued in whole dollar amounts no greater than \$10K for units not collocated with a finance unit. Units collocated with a finance unit can draw no more than \$3K. Exception to policy requests made by units collocated with a finance unit to draw more than \$3K and up to \$10K must be in writing with detailed justification and signed by the first O-5 or above in the chain of command.
- Any funding request for FOO funds greater than \$10K must go through the appropriate board process and be placed on the quarterly spending plan to be briefed at the Program Budget Advisory Committee. Units must forward requests that exceed the \$10K FOO fund limit on a recurring basis in writing with a detailed justification through the Office of the Resource Manager (CJ8) to the Chief of Staff.
- Split purchases are prohibited. The single purchase limit is \$25K. Units must procure requirements costing more than \$25K through the supporting RCC via a purchase request and commitment (PR&C).
- Goods or services must be received at the time payment is made.
- Units may not use FOO funds for intelligence or information gathering and/or reoccurring service or construction requirements.
- Units must clear the current FOO fund prior to issuing an additional FOO fund.

### **Requesting a Field Ordering Officer Fund**

The unit will appoint the PA and FOO and both personnel will attend the FOO/PA training session to learn the roles and responsibilities of each position. Upon completion of the training, the unit will keep the ordering officer appointment letter signed by the contracting officer and a copy of special instructions, if applicable, in the FOO file kept at the contracting and RM offices.

Units develop a requirement and submit the requirement through the appropriate approval authority to the RM on a PR&C:

- The unit will identify the PA and FOO on the PR&C in block 15. If the requirement is a request for replenishment of FOO funds, block 15 will also contain the statement “funds will only be issued upon clearing of FOO fund issued on DD/MM/YY.”
- The requesting FOO and PA must be together when opening a new account.
- The requesting FOO and PA will provide the following documentation:
  - Request for Appointment of Ordering Officer signed by an O-5 or above commander.
  - PA appointment orders.
  - PR&C with accounting classification approved and signed by the RM.
  - A list of items to be purchased signed by requesting official.

### **Clearing a Field Ordering Officer Fund**

Coordinating with the RM and contracting and finance offices in advance will allow for more efficient clearing of FOO funds. PAs/FOOs will ensure Standard Form (SF) 44 (U.S. Government Purchase Order–Invoice–Voucher) is completed to standard and that all funds are accounted for. Ensure the form is complete and accurate. The vendor must sign the appropriate block in the seller portion of the SF 44 or attach an invoice signed by the vendor to the SF 44. The invoice and description on the SF 44 must be in English or translated into English.

The FOO and PA must clear contracting prior to clearing the RM and finance offices. Contracting will provide a memorandum certifying the SF 44s are valid and within the scope of the FOO’s authority.

The FOO or PA will bring the clearing memorandum from contracting to the RM. The RM will review the SF 44 for completeness and appropriate use of funds and will provide a memorandum/stamp for the PA or FOO to bring to finance. Finance will not clear PAs or FOOs without a memorandum/stamp from the RM.

Once the FOO and PA have the appropriate documentation, they will proceed to finance to clear the current FOO fund and draw a new FOO fund.

The FOO and/or PA may be financially liable for repayment of any unauthorized or improper purchases.



## **Chapter 10**

### ***Shura*: Operation Enduring Freedom Local Leader Engagements**

*Shura* (Arabic for consultation) is not representational in nature as defined in Army Regulation 37-47, *Representation Funds of the Secretary of the Army*, paragraph 201. The purpose of *shura* is not to extend courtesies to local leaders, but rather to meet with local civic leaders to discuss recent events, diffuse potential unrest, and foster relations and stability with the local Afghan people. Provincial reconstruction teams (PRT) and agribusiness development teams (ADT) may meet with local leaders to conduct village reconstruction assessments, identify reconstruction projects, and coordinate the reconstruction process. These events should not promote entertainment, mark a holiday, or dedicate a facility.

#### **Guidelines**

Commanders should hold events with civic leaders (authorized guests). Authorized guests include but are not limited to local Afghan citizens whose rank, position, function, or stature justifies official courtesies, such as provincial governors and leaders, village elders, and *mullahs*. Authorized guests may also be distinguished citizens; military personnel; or government officials, national or regional dignitaries, officials of citizens committees, and prominent citizens of local communities who have contributed to or who are needed to achieve U.S. objectives in Afghanistan.

#### **Attendees**

For events with less than 30 attendees, approximately 6 attendees (20 percent) should be authorized guests: a ratio of one authorized guest to four Department of Defense (DOD) personnel.

For events attended by 30 people or more, 15 attendees must be local nationals: a ratio of one authorized guest to one DOD personnel.

#### **Funding thresholds and restrictions**

Gifts and alcohol are strictly prohibited using operations and maintenance funding.

Funding thresholds:

- Each PRT and battalion-size maneuver unit will be limited to \$25 thousand (K) annually.
- No single event will exceed a total cost of \$2K for food or refreshments.
- Units will not spend more than \$20 per attendee for food and refreshments.
- Commingling of battalion and PRT funds is prohibited. For control and execution in accordance with this policy, brigade task force (TF) commanders must ensure units do not commingle funds and properly allocate *shura* funds.



### **Duties and responsibilities**

TF commanders (O-6 or above) will review the conference agenda to ensure compliance with the commanding general's guidance, approve requests for funding, and sign all Department of the Army (DA) Forms 3953 (Purchase Request and Commitment [PR&C]). The commander may not delegate this authority.

Battalion and PRT commanders will:

- Develop and publish a conference agenda.
- Complete a DA Form 3953 requesting the necessary funds.
- Publish a list of invited conference attendees.
- Forward a completed funding request packet that includes a conference agenda, list of attendees, recommended menu, and completed DA Form 3953 to the brigade staff judge advocate (SJA) for legal review.

The brigade SJA will review funding requests for legal sufficiency. If legally sufficient, the SJA will forward the package to the appropriate TF commander for approval. If insufficient, the SJA will return the request to the battalion or PRT commander with an attached legal opinion.

The supporting resource manager will ensure each submitted funding packet includes the following prior to certifying funds:

- A properly completed DA Form 3953 approved and signed by the TF (O-6) commander.
- A list of menu items to be purchased.
- A list of all invited attendees.
- A legal review from the unit SJA certifying that the request is legally sufficient.

Submit requests for exceptions to policy through the CJTF-101 SJA, Office of the Resource Manager (CJ8), and Civil-Military Operations (CJ9) to the Chief of Staff for approval.

## **Chapter 11**

### **Other U.S. Central Command Department of the Army Funding Sources**

U.S. Central Command (CENTCOM) has other sources, such as Operations and Maintenance, Army (OMA) and Military Personnel, Army (MPA), to fund various aspects of operations in its area of responsibility. These funding sources are not readily available, require actions at a much higher level than theater, and have much higher funding thresholds. This chapter addresses the four common Department of the Army (DA) funding sources.

#### **Military Personnel, Army**

For active duty Soldiers, MPA funds Army personnel and subsistence expenses: pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses for organizational movements), and expenses for temporary duty travel between permanent duty stations.

MPA:

- Supports bottled water and raw food acquisition in theater. (**Note:** The Multi-National–Iraq (MNC–I) resource manager [C8] only receives MPA in support of bottled water contract requirements.)
- Generally requires more planning lead-time than OMA.
- Covers subsistence expenses that exceed OMA limitations.

#### **Operations and Maintenance, Army**

OMA provides resources required to conduct and sustain combat operations and are the primary funding source used by U.S. Army Forces, Central Command (USARCENT) for day-to-day missions. OMA is the cornerstone appropriation for funding everything from contractual support, to repair parts, to vehicle leases in support of U.S. military forces. OMA, either directly or indirectly, influences or supports everything U.S. forces do on the battlefield.

OMA:

- Typically, a one-year appropriation for a specific fiscal year (FY) and funds must be obligated in that FY (1 October-30 September).
- May not be used to purchase capital investment or centrally-managed items that cost over \$250 thousand (K); includes purchase of equipment and installation costs that create a system.
- Supports minor construction with a cost less than \$750K (possible to fund minor construction supporting life, health, and safety with a cost less than \$1.5 million [M] with proper approval).

## CENTER FOR ARMY LESSONS LEARNED

- Supports U.S. Army requirements; sister services and coalition partners have similar funding.
- Funded requirements become accountable U.S. government property unless the requirement is a service contract.
- Funds requirements costing \$250K or more; all special interest items must be approved by the Joint Forces Acquisition Review Board unless required to be reviewed by a different board:
  - Board validation does not equal funding; request funding separately.
  - Major support commands provide a monthly spending plan submission to the resource manager (C8) by the 21st of each month.

Units may not use OMA funds to:

- Purchase personal property or systems of personal property equal to or in excess of \$250K.
- Fund projects with funded construction costs (as defined in DA Pamphlet 420-11[*Project Definition & Work Classification*]) of \$750K or more; certain exceptions exist that allow construction related to life, health, and safety where funded construction costs are less than \$1.5M.
- Repair items when the repair to replacement ratio is less than 50 percent and the funded project cost is less than \$5M.
- Fund subsistence of military personnel (for example, food, bottled water, and ice).
- Purchase “in lieu of” substitutions for modification table of organization and equipment.
- Purchase centrally-managed items.
- Purchase gifts or individual awards, except for specifically authorized awards programs (such as safety awards) coordinated through the appropriate departments.
- Purchase non-tactical vehicles, trucks, etc.
- Fund Iraqi security force (ISF) requirements (for example, dining facilities, lodging, training, and force protection), unless it is a qualified ISF Fund (ISFF) expenditure, and the OMA accounts are properly reimbursed by the ISFF.

(**Note:** This list is not exhaustive. The absence of a prohibition does not convey authorization. When in doubt, seek guidance from your supporting resource manager’s office and/or the staff judge advocate.)

### **Additional funding guidance**

See Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) resource manager (C8) standing operating procedures for detailed guidelines for the following:

- Temporary duty travel.
- Purchase request and commitment for local purchases.
- Bulk funds (field ordering officer and paying agent).
- Military Interdepartmental Purchase Request.
- Unit monthly spend plan.
- Government Purchase Card.
- Commander's Coin policy.
- Special interest items (furniture and appliances).
- Year-end closeout.

See Appendix A, Multi-National Corps–Iraq (MNC–I) CJ8 Money as a Weapons System Standing Operating Procedure (SOP).

### **Other Procurement, Army**

Other Procurement, Army (OPA) funds the purchase of single pieces of equipment that cost in excess of \$250K or multiple pieces that form a system. OPA funds major, end-item investments, such as centrally-managed items; large pieces of equipment, such as tactical and support vehicles; and systems that exceed established thresholds. A Department of the Army Deputy Chief of Staff (G3/5/7) approved operational needs statements (ONS) must accompany requests for OPA funding.

Due to the nature of this appropriation, OPA generally requires more planning lead-time than OMA. As necessary, coordinate through USARCENT with the Army Budget Office to fund OPA requirements. Sometimes, an equipment lease using OMA can augment in the short-term.

OPA requires an approved ONS from Department of the Army. If in doubt, consult a staff judge advocate familiar with appropriations law. Regardless of whether the item purchased is through a direct contract or through the LOGCAP (an OMA vehicle), the OPA threshold of \$250K applies.

See Appendix G, MNC-I CJ8 Money as a Weapons System SOP.

## **Military Construction**

Military construction (MILCON) funds major construction projects and infrastructure improvements supporting OEF and OIF.

The term “military construction” includes any construction, development, conversion, or extension of any kind carried out with respect to a military installation. The term “construction” refers to the construction, alteration, or repair of buildings, structures, or other real property and includes dredging, excavating, and painting but does not include work performed on vessels, aircraft, or other items of personal property.

Fiscal law requires OMA funding to repair MILCON. OMA funds projects costing less than \$750K. Unspecified minor military construction funds projects costing between \$750K and \$2M. MILCON funds projects costing more than \$2M.

The MILCON funding thresholds increase if a project corrects life, health, or safety issues. Cost estimates must consider all costs including troop labor and leftover materials from previous projects to determine the total project cost. Do not use capacity cost estimates (incremental costs) when determining project cost.

See Appendix G, MNC-I CJ8 Money as a Weapons System SOP.

## **Chapter 12**

### **Official Representation Funds**

Commanders use official representation funds (ORF) to uphold the standing and prestige of the U.S. by extending official courtesies to certain officials and dignitaries of the U.S. and foreign countries. ORF are used for military functions, receptions, lunches, dinners, modest entertainment, and community relations activities. Although ORF are an extremely small line of funding, the highest levels in the Department of Defense (DOD) scrutinize its use. Used correctly, it is very helpful in building relationships. A legal opinion must accompany requests to use ORF.

The senior general officer of a major command in the area of operations retains management and authority of ORF. He may not delegate authority to staff elements or subordinates units of these commands and only he has the authority to issue invitations to foreign authorized guests.

ORF must be approved prior to the event, and all ORF requirements must receive a legal review, regardless of the cost.

The Secretary of the Combined Joint Staff or Secretary of the General Staff will receive and validate all requests for ORF.

ORF may be used to extend official courtesy, on a modest basis, to authorized guests. Army Regulation (AR) 37-47, *Representation Funds of the Secretary of the Army*, paragraph 2-2, authorizes ORF for the following:

- Hosting authorized guests to maintain the standing and prestige of the U.S. at home and abroad.
- Luncheons, dinners, receptions, and participation at DOD-sponsored events held in honor of authorized guests.
- Entertaining local authorized guests to maintain civic and community relations.
- Receptions for local authorized guests to meet with newly assigned commander(s).
- Official functions, floral wreaths, decorations, and awards in observance of foreign national holidays and similar occasions taking place in foreign countries.
- Purchasing gifts and mementos for presentation to authorized guests in connection with official courtesies.

ORF cannot be used solely for the entertainment of or in honor of DOD personnel, except as specifically authorized by AR 37-47.

See Appendix I, Multi-National Corps–Iraq CJ8 Money as a Weapons System Standing Operating Procedure.



## **Chapter 13**

### **Iraqi Security Forces Funding**

The Iraqi Security Forces Fund (ISFF) is a U.S. appropriated fund that provides support to all Iraqi security forces (ISF), including the Iraqi Army, Iraqi police forces, special task forces, and border security. It funds construction, force protection, training, equipping, life support, and sustainment of ISF. Subcategories of ISFF are:

- Quick response funds.
- Combat service support (CSS) to ISF.
- Foreseeable or recurring (non-quick response funds) requirements.

ISFF limitations include the following:

- All life support requirements should be contracted.
- May not be used for weapons buyback or salaries.
- All funded items must remain in theater.

#### **Quick Response Funds**

By law, units may only use ISFF quick response funds to meet short-notice and emergent ISF requirements that do not exceed the \$1 million (M) simplified acquisition threshold. Quick response funds have two distinct categories: requirements between \$2 thousand (K) and \$50K and requirements greater than \$50K.

Since ISF life support and logistic supply are government of Iraq and Iraqi Ministry of Defense and Ministry of the Interior responsibilities, units should use quick response funds as a last resort when the mission will fail without direct intervention.

Quick response funds may fund the following types of short notice and emergent projects:

- Reconstruction/repair of buildings used exclusively by ISF.
- Emergency or mission critical equipment used by the ISF, to include modes of transportation.
- Training equipment used exclusively by ISF.
- Force protection and barrier material.
- Emergency life support for ISF.



## **CENTER FOR ARMY LESSONS LEARNED**

As a general rule, units may not use quick response funds for:

- Humanitarian relief and non-Iraq security reconstruction efforts.
- Direct/indirect benefit to U.S. or the coalition.
- Entertainment.
- Cash handouts.
- In conjunction with or commingled with Operational and Maintenance, Army or any other appropriated or non-appropriated funds.
- Any expense that does not directly benefit the ISF.
- Payment of wages, salaries, bonuses, or awards to members of ISF.
- Benefits to the Sons of Iraq or similar organization.
- Recurring requirements.

### **Combat Service Support to Iraqi Security Forces**

CSS to ISF is in support of last resort requirements and requires a strong justification. If upon review the provision of supplies to ISF does not meet the criteria identified in this section, the individual authorizing the distribution of supplies may be held financially liable for payment.

Through the CSS to ISF program, Multi-National Corps–Iraq (MNC–I) and subordinate units may provide ISF with on-hand supplies and equipment necessary to remedy life, health, and safety deficiencies directly related to and with the potential to significantly impact near-term lethal operations.

Units may not provide equipment or supplies to the ISF through the CSS to ISF program if the Iraqi security element identifies a need for the items more than two weeks in advance of a lethal operation.

Units may use the CSS to ISF process to transfer supplies with an individual acquisition cost of up to \$30K. Units shall not provide equipment or supplies requiring an export license under U.S. law to ISF under the CSS to ISF program. This prohibition includes any type of firearm.

Major support commands will continue to submit monthly CSS to ISF reports to the MNC–I command, control, communications, and computers ISF cell no later than the 10th of every month.

See Appendix E, MNC-I CJ8 Money as a Weapons System Standing Operating Procedure.

## **Chapter 14**

### **Afghanistan Security Forces Fund**

Congress has limited the Afghanistan Security Forces Fund (ASFF) to Title 10 funds (sometimes erroneously called Title 22) provided to Task Force (TF) Phoenix through the Combined Security Transition Command–Afghanistan for building, equipping, training, and sustaining the Afghanistan National Security Forces (ANSF), which includes the Afghan National Army (ANA), the Afghan National Police (ANP), special task forces, and border security. Proper uses of the ASFF include:

- Expenses associated with training, manning, equipping, and construction for the ANSF.
- Permanent physical and material support and contractual services to build and permanently equip the ANA garrisons.
- Travel expenses of U.S. personnel traveling for the sole purpose of training the ANSF.
- Travel by ANSF personnel.

Unauthorized use of the ANSF includes:

- Purchasing goods, equipment, and services used by non-Afghan forces.
- Purchasing items or services used to support U.S. forces, even if their mission is to train the ANSF.

Units should maximize the use of embedded training teams and police mentor teams to use ASFF funding to the greatest extent possible. TF Phoenix will be included during planning and coordinating to secure funding.

The unit on the forward operating base (FOB) should track monthly expenditures for ANSF support on a spreadsheet that identifies the requirement, dollar amount, document number, and reimbursement contract number. Shared FOBs will track all life support costs paid for by the U.S. but utilized by ANSF.

### **Operations and Maintenance, Army or Afghanistan Security Forces Fund**

Units may use the following checklist for determining appropriate funding (Operations and Maintenance, Army [OMA] or ASFF):

- Purpose:
  - What is the purpose of the purchase?
  - Will U.S. forces use the equipment, supplies, and/or material (and retain them)?
  - Is the use “necessary and incident” to the U.S. mission? If so, use OMA funds.

- Place:
  - Where will the equipment and materials be used?
    - \* If the products purchased will be used at a location currently being built, and U.S. forces will possess the products and occupy the base, use OMA funds.
    - \* If the products purchased will be used at a location that the ANA currently possesses or will possess, use the ASFF.
    - \* Camps or bases occupied by both Afghan and U.S. forces may result in base operations expenditures funded by both ASFF and OMA depending upon the composition of the camp or base.
- Which force retains possession?
  - If the U.S. will keep the equipment, material, or supplies, use OMA funds.
  - If the purchased goods or constructed facility will remain with the ANA or ANP, use the ASFF.
- Equipment:
  - Radios (for communications), cellular telephones, and computers are operational items and are purchased with OMA funds if the items are staying with U.S. forces.
  - If these operational items are provided to/for the ANA or ANP, use the ASFF.

## **Chapter 15**

### **Other People's Money**

Other funding sources are available to support the U.S. and the coalition's efforts to secure its objectives in Operation Enduring Freedom and Operation Iraqi Freedom. For example, both the U.S. Department of State (DOS) and U.S. Agency for International Development (USAID) are funded to resource select requirements. USAID provides diverse assistance as a service provider versus a bill payer. USAID uses economic support funds for programs and support for key U.S. mission programs. These funds target security, economic, and political issues. Funding for the DOS and USAID is generally dependant on annual appropriated funds, and those amounts fluctuate from year to year.

#### **Sources of Non-U.S. Military Funds**

##### **U.S. DOS:**

- Migration and refugee assistance funds provide support to refugees and internally displaced persons.
- International narcotics customs and law enforcement funds support rule of law and prisons.
- DOS rewards pay for information leading to the acquisition of man-portable air defense systems.

##### **USAID:**

- The Community Stabilization Program focuses on short-term employment, job skills training, and business development.
- Provincial economic growth funds provide business development services and expand commercial lending through microfinance institutions and banks.
- The Iraq Rapid Assistance Program allows provincial reconstruction teams/embedded provincial reconstruction teams to provide grants to support economic, social development, and civil society efforts to mitigate conflict.
- The *Inma* (Arabic for growth) Agribusiness Program is an initiative to improve farmer livelihood and to advance provincial economic growth through market-based development.
- The National Capacity Development Program develops the capacity of the key government of Iraq ministries to deliver core services to the Iraqi population.
- The Elections Support Program provides technical and material support to the Independent Higher Electoral Commission as it prepares for Iraq's provincial elections.

## CENTER FOR ARMY LESSONS LEARNED

- The Community Action Program assists community action groups and local government counterparts to identify critical priorities and implement programs to address those needs.
- The Local Governance Program promotes diverse and representative citizen participation in provincial, municipal, and local councils.
- Economic governance funds assist in establishing and implementing a legal, regulatory, and institutional framework within which reform and policy can be formulated to foster a transparent, investment-friendly, and market-based economy.
- The Marla Ruzicka Iraq War Victims Fund aids civilian victims of armed conflict. Assistance includes small loans, business training, medical care, children and orphan assistance, and the restoration of battle-damaged homes. Contracts provide funds to local vendors versus cash payments.

USAID manages a micro-loan program started in 2004 by the Office of Private Sector Development. This program has grown to expand access to capital for Iraqi businesses and entrepreneurs across all 18 of Iraq's governorates. Loans average \$1,300 with interest rates between 12 and 18 percent. The governorates repay the loans at a rate of over 98 percent. There are presently three international microfinance institutions serving Iraqis: *Al Thiqa* (operated by Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance), Cooperative Housing Foundation International, and Relief International.

USAID currently supports six indigenous microfinance institutions: *Al-Aman* in Kirkuk; *Al Bashair* in Baghdad; *Al Takadum* with offices in Al Qa'im, Fallujah, and Ramadi; *Al-Intilaq* in Tikrit; Nenawah Economic Development Center in Mosul; and Tal'Afar Economic Development Center in Tal'Afar.

Government of Iraq (GOI) funding initiatives:

- The employment stimulus program improves access to capital in order to encourage job creation.
- Iraq 2020 is a large-scale, 12-year plan for funding infrastructure and employment.
- The National Housing Compensation Fund pays families whose homes were damaged or destroyed because of war.
- The Iraqi-Commander's Emergency Response Program (I-CERP) is similar to DOD CERP and is executed by Multi-National Corps-Iraq.
- The Sons of Iraq (SOI) Security Contract is funding set aside to assume resourcing responsibility for SOI security contracts.
- The Business Startup and Small Business Loans Program is an initiative based on successful Ministry of Labor and Social Affairs (MOLSA) and Ministry of Industry and Minerals (MOIM) business finance programs.

- Business finance loans are currently available through two GOI programs (MOLSA and MOIM) and two U.S. government programs (USAID and Overseas Private Investment Corporation ([OPIC]):
  - MOLSA Program:
    - \* Average loan size: \$2,100
    - \* Recipients: Mostly college or technical school graduates but also displaced families, the disabled, and businesses impacted by violence
  - MOIM Program:
    - \* Average loan size: Approximately \$17,244
    - \* Recipients: Small- to medium-size enterprises
- The Iraq Mid-Market Development Loan Program, started by the Office of Private Sector Development and OPIC, provides credit to middle-market Iraqi companies and offers loans ranging from \$500 thousand (K) to \$5 million (M) for up to 5 years with an average interest rate of 12 percent. The program expanded to \$10 M in 2007 to fund small credits in a variety of business sectors with an emphasis on agribusiness. The loans range between \$250K and \$500K.



## **Chapter 16**

### **Funding Warfighters' Relief in Place/Transfer of Authority Key Tasks**

The outgoing unit must provide guidance and procedures to ensure a complete financial handover takes place with the incoming unit. The incoming unit must ensure it does not ignore or violate management controls and continues to fund warfighters.

Relief in place/transfer of authority (RIP/TOA) outgoing unit key tasks:

- The outgoing unit must ensure 100 percent clearance of outgoing paying agents (PAs) and field ordering officers (FOOs) prior to their departure from theater.
- The outgoing commander should provide a listing of all unit projects in the initiation stage or projects currently in the approval process to ensure a proper handoff of all projects in the queue.
- The outgoing commander should provide a comprehensive list of all outstanding special programs-funded projects and reward payments in the queue.
- The outgoing commander should provide a list of all outstanding issues, corresponding actions to resolve the issues, and the expected completion dates.
- FOOs and project purchasing officers (PPOs) will clear all contracting records and actions with the contracting officer.

RIP/TOA incoming unit key tasks:

- Incoming unit PAs must complete training provided by the servicing finance unit before receiving U.S. appropriated funds or any other authorized funds.
- Incoming unit FOOs and PPOs must complete training provided by the appropriate contracting office.

RIP/TOA incoming and outgoing unit shared key tasks:

- Commanders of outgoing and incoming units will conduct a joint review of all recurring contracts, pending contracts, completed contracts, and periodic vendor payments to include funding sources and payment status to ensure contracts are not breached and disbursements are timely made. Incoming commanders will retain all documentation.
- Outgoing and incoming supporting resource management personnel (G8/S8) will complete a joint Resource Management Assessment Review Checklist as contained in U.S. Army Forces, Central Command Publication 1-06, *Financial Management Operations in the CENTCOM AOR* [U.S. Central Command area of responsibility].





## **Chapter 17**

### **U.S. Army Corps of Engineers Gulf Region Division**

U.S. Army Corps of Engineers (USACE) Gulf Region Division (GRD), a Multi-National Force–Iraq major subordinate command, provides quality, sustainable, responsive, and full-spectrum engineering in support of civil/military construction in Iraq and is committed to assisting the Iraqi government assume full responsibility for national infrastructure. The GRD consolidated the Iraq Provisional Command, Task Force (TF) Restore Iraqi Electricity, TF Restore Iraqi Oil, and various forward engineer support teams. Today, GRD headquarters and its three geographically dispersed district offices (Gulf Region District–North [GRN], Gulf Region District–South [GRS], Gulf Region District–Central [GRC]) along with its various field offices continue to provide full-spectrum engineering support across the Iraqi theater of operations.

### **U.S. Army Corps of Engineers Business Process**

#### **Funding**

In the USACE, customers fund project costs. While the headquarters and division offices receive congressional appropriations (like other Army commands), USACE district and field offices are self-supporting. Districts and field offices must recover their costs, both direct and indirect (to include training, human resources, and resource management), by charging their customers for projects they perform on a reimbursable, full-cost recovery basis. As government entities, districts do not make a profit. Instead, they use fully-burdened labor accounting, similar to working capital fund organizations.

Global War on Terrorism, Operations and Maintenance, Army (OMA) funds GRD headquarters' elements; however, the customers they support fund GRN, GRS, and GRC.

Engineering Regulation (ER) 5-1-11, *Management: U.S. Army Corps of Engineers Business Process*, establishes philosophy, policy, and guidelines to accomplish all work performed by the USACE. ER 415-1-16, *Fiscal Management of Construction*, establishes the policies and procedures used in the financial management of the construction functions within the project management business process.

#### **Construction supervision and administration**

Construction supervision and administration (S&A) represents activities performed and costs incurred that are considered government construction, contract management responsibilities.

USACE provides construction management services for a wide variety of projects. These services are charged to and financed by the individual project by applying a construction S&A charge.

For Department of Defense construction support, the USACE charges a flat rate S&A charge that conforms to the general type (operations and maintenance or military construction [MILCON]) and project location (continental U.S. [CONUS] or outside CONUS). USACE charges non-military customers and some special military projects on a cost-reimbursable basis determined by a mutually agreed

upon level of effort. Table 17-1 is a list of rates applicable to GRD in the Iraqi theater of operations.

<b>Program</b>	<b>S&amp;A Rates</b>
<b>OMA</b>	<b>9.2%</b>
<b>Commander's Emergency Response Program</b>	<b>9.2%</b>
<b>Iraq Security Forces Fund</b>	<b>6.5%</b>
<b>MILCON</b>	<b>7.7%</b>
<b>Contingency Construction Authority</b>	<b>7.7%</b>
<b>Iraq Relief and Reconstruction Funds</b>	<b>6.5%</b>
<b>Department of State</b>	<b>At Cost</b>
<b>Iraqi Commander's Emergency Response Program</b>	<b>At Cost</b>

**Table 17-1**

### **Construction Project Phases**

There are three phases to a construction project:

- Planning and design (P&D).
- Construction.
- Operations and maintenance.

See ER 415-1-16 for a list of activities that are a part of each phase. Fund each phase of the project separately as described below:

#### **Planning and design**

P&D activities are performed prior to the award of a construction contract and are considered a function of the construction technical/functional element. USACE planners should identify P&D in the project management plan and calculate its cost separately from the S&A rate applied to the construction project. The receipt and use of P&D funds may not be specific to any particular project, funding stream, or appropriation; however, the USACE normally funds P&D separately for this phase of the project or potential project. USACE personnel perform P&D work at actual cost; however, they can use a percentage or other factor as an initial budgeting and planning tool with upward or downward adjustments as the services progress.

### **Construction**

Construction costs include all construction activities performed to produce a complete and usable facility or a complete and usable improvement to an existing facility. The construction cost must include the S&A rate. Design activities required during construction are not chargeable to S&A. USACE planners should request appropriate P&D funds to include design review. The S&A is included in the construction cost when determining the project threshold.

### **Operations and maintenance**

This phase covers the post-construction work if there is a requirement for continued project maintenance. The funding for operations and maintenance is separate from the two phases described above and is for expenses necessary for the preservation, operation, maintenance, and care of existing qualifying projects and related work.

### **Funding for Customer Requests for Services**

Funding to support customer projects comes to GRD by way of funding authorization documents, military interdepartmental purchase requests, regular memorandums of agreement with other federal agencies, 632(a) and 632(b) agreements (with the Department of State), and advance wire transfers of funds.

USACE and GRD must receive funding to perform activities in advance of a fully-defined scope of work or to perform activities for projects including those that may be subsequently cancelled or not funded. By law, GRD is not permitted to perform work in advance of the receipt of funds. To do so could result in Anti-deficiency Act violations. GRD works very closely with customers to reduce reaction time to begin providing responsive support to customers.



## **Appendix A**

### **Training**

The National Guard and Reserve must establish their fiscal architectures prior to mobilizing. Active Army brigades and battalions must establish their fiscal architecture at home station prior to deploying. Units must appoint and adequately train paying agents (PAs), project purchasing officers (PPO), field ordering officers (FOOs), and unit claims officers; and these personnel must clearly understand their missions. Units can accomplish this training through a vigorous home station training program that includes education from the finance detachment supporting the brigade and the brigade's legal section. For the operation to work effectively, commanders must put some thought into whom they select for these positions. For example, the battalion PPO who conducts operations during the day should not also serve as the night battle captain.

Training developers, trainers, and observer/controllers should incorporate money as a weapons system scenarios into mission rehearsal exercises with resource management subject matter experts/mentors who coach PAs, FOOs, and PPOs on likely situations they will encounter while deployed.

See the Center for Army Lessons Learned (CALL) restricted Website and/or Army Knowledge Online for additional information regarding:

- PA Class (Operations and Maintenance, Army, Transition Team Integration Funds, and operational funds)—24th Financial Management Company.
- FOO Training—618th Contingency Contracting Team.
- FOO Program—Joint Contracting Command—Afghanistan.

You may also submit a Request for Information via the CALL Website at <<http://call.army.mil>>.



## **Appendix B**

### **Department of Defense Commander's Emergency Response Program Category Definitions and Potential Projects**

Agriculture/Irrigation projects to increase agricultural production or cooperative agricultural programs, including irrigation systems:

- Reforestation (fruit and nut) producing trees, timber production, and general reforestation
- Wind breaks for fields
- Pesticide control for crops
- Animal husbandry practices
- Veterinary clinics, supplies, and care for animals
- Seeds for planting
- Purchase of initial, parent livestock for herds
- Animal health
- Animal production
- Aquaculture
- Fish farms
- Conservation programs
- Biotechnology
- Purchase of farm equipment or implements
- Irrigation wells
- Irrigation ditches
- Canal cleanup
- Water pumps
- Siphon tubes
- Terracing development and construction
- Sprinkler irrigation
- Dust suppression
- Central pivot irrigation



## **CENTER FOR ARMY LESSONS LEARNED**

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- Sub-irrigation
- Aquifer development
- Agricultural training facilities and demonstration farms

Battle damage repair projects to repair or pay for the repair of property damage resulting from U.S., coalition, or supporting military operations and is not compensable under the Foreign Claims Act.

Civic cleanup activities projects to clean up and beautify public areas:

- Streets and roads
- Parks
- Old buildings/structures demolition
- Trash removal

Civic support vehicle projects to purchase or lease vehicles for public/government officials in support of civic and community activities:

- Construction vehicles for public works
- Water and trash trucks
- Governmental vehicles for official duties

Condolence payments are made to individual civilians for the death or physical injury of relatives resulting from U.S., coalition, or supporting military operations and are not compensable under the Foreign Claims Act.

Economic, financial, and management improvement projects to improve economic or financial security:

- Marketing assistance programs
- Refurbishing bazaars
- Micro-grants to individuals or small businesses
- Refurbishing district centers

Education projects to repair or reconstruct schools or purchase school supplies or equipment:

- Build, repair, and refurbish schools (primary, middle, and high schools; colleges; trade schools; and Centers of Educational Excellence)
- Tents for use as schools/classrooms
- School supplies and textbooks

- Furniture, desks, and mats
- Sports equipment (for example, soccer balls and goals)

Electricity projects to repair, restore, or improve electrical production, distribution, and secondary distribution infrastructure. The unit providing funds must conduct a cost analysis so the village or district may collect revenues to ensure operation and maintenance of the system for long-term use.

- Electrical production (solar, hydro, wind, and fossil fuel) for villages and districts (not specific to individual government buildings or homes)
- Distribution of high and low voltage electricity to villages and districts (not specific to individual government buildings or homes)
- Secondary distribution to individual buildings and homes
- Generators (regardless of where used)
- Studies

Food production and distribution projects to increase food production or distribution processes to further economic development:

- Food handling technology, including refrigeration, storage, and warehousing
- Adequate production and supply logistics based on demand and need
- Food labeling and packaging
- Food production safety
- Capacity building for production and regulation of food
- Storage capability for pre-distribution holding

Former detainee payments are made to individuals upon release from coalition, non-theater internment detention facilities.

Healthcare projects to repair or improve infrastructure, equipment, and medical supplies and provide immunizations and training for healthcare personnel to maintain or restore health, especially by trained and licensed professionals:

- Construction/Repair of clinics
- Ambulances/Transportation for doctors in rural areas
- Construction/Repair of hospitals
- Cooperative medical assistance visits and supplies
- Healthcare specific furnishings (such as beds and mattresses)

## **CENTER FOR ARMY LESSONS LEARNED**

- Refrigeration for medication
- Expendable supplies
- Durable and non-expendable equipment for medical facilities

Hero payments are made to the surviving spouses or next of kin of Iraqi or Afghan defense or police personnel killed because of U.S., coalition, or supporting military operations in Iraq or Afghanistan (previously referred to as martyr payments in Iraq).

Other urgent humanitarian or reconstruction projects to repair collateral damage not otherwise payable because of combat exclusions or condolence payments. These other urgent humanitarian projects are not captured under any other expenditure category. For urgent humanitarian projects, use this category only when no other category is applicable:

- Tents
- Tarps and plastic sheeting
- Blankets
- Clothes, shoes/boots, and winter coats/gloves
- Hygiene kits
- Food (rice, beans, salt, sugar, tea, and cooking oil)
- Stoves
- Wood for stoves
- Coal/Charcoal

Protective measures projects to repair or improve protective measures to enhance the durability and survivability of a critical infrastructure site (for example, oil pipelines or electric power lines):

- Fencing
- Lights
- Barrier materials
- Berms over pipelines
- Guard towers

Repair civic and cultural facility projects to restore civic or cultural buildings or facilities:

- Religious buildings such as mosques or shrines
- Civic/Community centers
- Women's centers
- Athletic venues
- Libraries
- Museums

Rule of law and governance projects to repair or reconstruct government buildings such as administrative offices, courthouses, or prisons:

- Governmental buildings
- Support for the judicial system
- Jails or temporary holding facilities
- Public service facility improvements
- Support to divergent political party development

Temporary contract guards for critical infrastructure projects (including Sons/Daughters of Iraq and similar initiatives in Afghanistan) to guard critical infrastructure, including neighborhoods and other public areas.

Telecommunications projects to repair or extend communications over a distance. The term telecommunication covers all forms of distance and/or conversion of the original communications, including radio, telegraphy, television, telephony, data communication, and computer networking. Telecommunications projects include projects to repair or reconstruct telecommunications systems or infrastructure:

- Television stations (including equipment purchase, repair, and maintenance)
- Radio stations (including equipment purchase, repair, and maintenance)
- Governmental communications systems (telephones, two-way radios, repeaters, and antennas)
- Loudspeaker systems
- Landline point-to-point connections to connect systems

Transportation projects to repair or restore transportation to include infrastructure and operations. Infrastructure includes transportation networks (including roads, railways, airways, canals, and pipelines) that are used as well as the nodes or terminals (such as airports, railway stations, bus stations, and seaports).

## **CENTER FOR ARMY LESSONS LEARNED**

Transportation operations deal with the control of the system, such as traffic signals and ramp meters, railroad switches, and air traffic control:

- Transportation infrastructure, including roads, railway tracks, airports, and ports
- Roads (including gravel and cobblestone)
- Culverts
- Bridging
- Traffic control measures

Water and sanitation projects to repair or improve drinking water availability to include purification and distribution. Building wells in adequate places is a way to produce more water, assuming the aquifers can supply an adequate flow. Other water sources such as rainwater and river or lake water must be purified for human consumption. Purification processes include filtering, boiling, and distillation as well as more advanced techniques such as reverse osmosis. The distribution of drinking water is accomplished via municipal water systems or as bottled water. Sanitation, essential for the prevention of disease, is the hygienic disposal or recycling of waste materials, particularly human excrement:

- Wells (regardless of the end user, unless the end user is the security forces)
- Water pumps
- Water treatment facilities
- Production or distribution of potable water and sanitation of that production capability
- Trash collection points
- Waste disposal sites
- Sewage treatment solutions
- Retaining walls for flood prevention
- Dumpsters
- Public latrines
- Water studies, including watershed studies
- Water testing

Restrictions: See the supporting resource manager for restrictions on projects over \$750K and over \$1M.

## **Appendix C**

### **Commander's Emergency Response Program's Quarterly Report—Commander's Narrative**

At the beginning of each fiscal year, a commander's narrative section, submitted in accordance with the supporting resource manager's guidance, establishes the following:

- The commander's overall goals for the Commander's Emergency Response Program (CERP) funding.
- At least three supporting areas of emphasis for using the funding.
- How progress against the identified goals will be judged.

The commander's narrative for each quarter reviews the goals as required and reports the progress achieved against identified goals:

- Significant events/issues that have occurred since the previous quarterly report
- Adequacy of projected funding
- Areas anticipated to be of interest to U.S. Central Command; Headquarters, Department of the Army; Office of the Secretary of Defense; and Congress
- Any problems arising in the transfer of completed projects to the host nation governments
- Impact of the security situation on monitoring CERP-funded projects
- Newly approved projects greater than \$500 thousand (K) and the category of each project
- Projects less than \$500K that were completed during the quarter and category of each project
- Contributions made to each project greater than \$500K and made to humanitarian relief and reconstruction efforts for the benefit of the Iraqi and Afghan people
- Efforts made to obtain donor funding for projects and results obtained
- Identification of any projects or categories of projects that are cost-shared and with whom
- Date that projects were turned over to the appropriate government
- Impacts of CERP-funded projects individually and collectively in assisting the U.S. carry out its strategy.

## **CENTER FOR ARMY LESSONS LEARNED**

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- For Iraq, progress made in identifying and pursuing opportunities to transition responsibility for larger economic revitalization efforts to the government of Iraq (GOI) including:
  - The level of funding from the GOI into Iraqi CERP.
  - The level of funding provided by GOI through other programs to meet urgent humanitarian relief and reconstruction requirements that immediately assist the Iraqi people.
  - The status of efforts to transition Sons/Daughters of Iraq to the GOI.

## **Appendix D**

### **Department of Army Form 3953 (Purchase, Request, and Commitment)**

A purchase is an acquisition of materials, supplies, services, or construction that is made using a contract between the U.S. and a private contractor. The purchase, request, and commitment (PR&C) is one of the instruments that initiates the acquisition process. Purchases may be made for materials, supplies, services, and construction which:

- Are unavailable through U.S. government (USG) supply sources.
- Have an availability date through USG sources that will adversely affect mission accomplishment.
- Are authorized for purchase.

Requiring activities submitting requests for purchases using the Department of Army (DA) Form 3953 must also provide a memorandum of justification signed by the primary staff officer/unit commander stating the item is unavailable or not available in a timely manner through normal supply channels. The memorandum must explain the impact on the mission if the requested item or services is not purchased. Each PR&C and justification memorandum must have a legal review prior to processing by the resource manager supporting operations.

The purpose of the DA Form 3953 is three-fold:

- To initiate the procurement process and provide a documented, bona fide need that can be scrutinized by the proponent (for instance, automation [G6/C6]) prior to purchase.
- Provide a medium for fund certification/availability of funds.
- Document signature approval of the requirement.

A DA Form 3953 is required for the local purchase of goods and/or services if utilizing a hardcopy request. U.S. Army Forces, U.S. Central Command (ARCENT) forward directorates of contracting may utilize the on-line Standard Procurement System (SPS).

Records keeping:

- If a hardcopy PR&C is prepared by the initiating activity, the original copy is required to go to the budget analyst with all supporting documents. The requestor will maintain a copy in the staff section's/unit's files.
- When preparing a PR&C using SPS, a hardcopy will be printed and given to the requestor. It will be maintained in the requestor's staff section/unit files.



## **CENTER FOR ARMY LESSONS LEARNED**

Instructions for completing and processing the DA Form 3953:

Initiator completes the following DA Form 3953 blocks:

- Block 3: Date of requisition
- Block 4: Contracting office
- Block 6: Initiating unit/officer
- Block 7: Requesting activity
- Block 8: Property book office and address
- Block 9: Date required (do not use “as soon as possible” [ASAP])
- Block 10: Name of person to contact for more information
- Block 11: Telephone number of person to call for more information
- Blocks 12 and 13: Authorization documents
- Blocks 14–18b: Description of the material, service, or item required. Include pertinent data such as specifications; model size; drawings or pictures; delivery schedules; quantity; unit of issue; estimated unit and total cost; and suggested sources of supply, if known. If the estimated cost exceeds \$2,500, provide three suggested sources of supply or attached a memorandum of justification stating why only one source is appropriate. Provide additional data/ statement of work to describe the supply and/or service as required.
- Block 25: Summarize the purpose of the purchase. Provide a complete statement explaining why the item is unavailable or unavailable through the normal supply channels in a timely manner. State the impact on the mission if the requested time or service is not provided using local purchase procedures.

The initiator hand carries (high priority requests) DA Form 3953 to the approving authority who approves and completes blocks 34–36 or disapproves the request.

The initiator forwards or hand carries (high priority requests) the PR&C to the property book officer who approves and completes Blocks 31–33.

The initiator forwards the PR&C to the appropriate budget analyst for processing and funding. If a fund site is required, the budget analyst will complete blocks 19–22. In the area of responsibility, requirements above \$200 thousand must go the Coalition Acquisition Review Board .

The budget analyst forwards the PR&C to the contracting cell.

<b>PURCHASE REQUEST AND COMMITMENT</b> <small>For use of this form, see AR 37-1; the procuring agency is DA(SA/FM)</small>		1. PURCHASE INSTRUMENT NO.	2. REQUISITION NO.	3. DATE	PAGE OF PAGES
4. TO:	5. THRU:	6. FROM:			
It is requested that the supplies and services enumerated below or on attached list be					
7. PURCHASED FOR		8. DELIVERED TO		9. NOT LATER THAN (Date)	
The supplies and services listed below cannot be secured through normal supply channels or other Army supply sources in the immediate vicinity, and their procurement will not violate existing regulations pertaining to local purchases for stock, therefore, local procurement is necessary for the following reason: <i>(Check appropriate box and complete item.)</i>					
12. LOCAL PURCHASES AUTHORIZED AS THE NORMAL MEANS OF SUPPLY FOR THE FOREGOING BY		13. REQUISITIONING DISCLOSES NONAVAILABILITY OF ITEMS AND LOCAL PURCHASE IS AUTHORIZED BY			
EMERGENCY SITUATION PRECLUDES USE OF REQUISITION CHANNELS FOR SECURING ITEM					
14. ITEM	15. DESCRIPTION OF SUPPLY OR SERVICES	16. QUANTITY	17. UNIT	18. ESTIMATED UNIT PRICE <sup>a</sup>	TOTAL COST <sup>b</sup>
19. ACCOUNTING CLASSIFICATION AND AMOUNT					
20. TYPED NAME AND TITLE OF CERTIFYING OFFICER		21. SIGNATURE		22. DATE	
23. DISCOUNT TERMS					
24. PURCHASE ORDER NUMBER					
25. THE FOREGOING ITEMS ARE REQUIRED NOT LATER THAN AS INDICATED ABOVE FOR THE FOLLOWING PURPOSE					
26. DELIVERY REQUIREMENTS					
ARE MORE THAN 7 DAYS REQUIRED TO INSPECT AND ACCEPT THE REQUESTED GOODS OR SERVICES YES <input type="checkbox"/> NO <input type="checkbox"/>					
IF YES, NUMBER OF DAYS REQUIRED					
27. TYPED NAME AND GRADE OF INITIATING OFFICER		28. SIGNATURE		29. DATE	
30. TELEPHONE NUMBER		31. TYPED NAME AND GRADE OF SUPPLY OFFICER		32. SIGNATURE	
33. DATE		34. TYPED NAME AND GRADE OF APPROVING OFFICER OR DESIGNEE		35. SIGNATURE	
36. DATE		37. NUMBER OF DAYS REQUIRED		38. YES <input type="checkbox"/> NO <input type="checkbox"/>	
DA FORM 3953, MAR 91					
EDITION OF AUG 78 IS OBSOLETE					
USMPC V2.00					

Figure D-1. DA Form 3953 (Purchase, Request, and Commitment)



## **Appendix E**

### **Standard Form 44 (Purchase Order–Invoice–Voucher)**

Standard Form (SF) 44 (Purchase Order–Invoice–Voucher) is a pocket size multi-purpose purchase order form designed primarily for on the spot, over-the-counter purchases of supplies and non-personal services. It is a purchase order, receiving report, invoice, and public voucher.

Conditions for SF 44 use:

- Unit commander deems the purchase as an emergency or mission critical item.
- The supplies and/or services are immediately available.
- The amount of the purchase is at or below the commander's contracting limit. The requirement must not be split to avoid this dollar limitation. Purchase requirements exceeding this limitation will be forwarded to the contracting office for procurement.
- Sufficient funds are available.
- Attempts have been made to obtain three bids for purchases over \$10 thousand (K) to promote competition and area-wide economic growth.
- Purchases are rotated among sources of supply when possible.
- One delivery and one payment is to be made.

Instructions for completing and processing the SF 44:

- Purchaser completes the following:
  - Order identification number. Use the numbers provided by the contracting office and only resort to local numbering if the contracting office does not provide a number. In any event, the contracting officer must receive a record of purchases.
  - Date of order. The date the order is placed.
  - Order number. The SF 44 booklet number the contracting officer assigns and writes on the front cover, and either "A" through "Y," which the project purchasing officer (PPO) or field ordering officer (FOO) assigns to the order
- Payee or seller. Business or trade name and address of the vendor must be correct in order to facilitate payment
- Furnish supplies or services. Print unit's activity address
- Supplies or services, quantity, and unit price. PPO or FOO completes and ensures the description is adequate so that anyone can identify what was purchased.

## **CENTER FOR ARMY LESSONS LEARNED**

- Amount, total, and discount terms. When authorized, all transactions should be in the local currency and must be completed before the PPO/FOO signs the form; enter the word “net” in the “Discount Terms” block.
- Date invoice received. The date of receipt on the seller’s invoice (Copy 1) properly signed by the PPO/FOO.
- Agency name and billing address. Address of the finance and accounting office supporting the unit’s command.
- Ordered by. Place title (PPO or FOO) and signature of the PPO/FOO on all copies of the form.
- Purpose and accounting data. Print data legibly from Block 19 of Department of Army (DA) Form 3953 in full in this block.
- Received by. When the delivery or pickup is made, the receiving officer (never the PPO, FOO, or paying agent [PA]) will complete this information.
- Seller. The seller/vendor signs and dates all copies of the form on the date payment was received by the seller. Seller checks the “Payment Received” block. If the vendor refuses to sign, write “Vendor Refuses to Sign” in the seller’s signature block.
- All other spaces are reserved for finance and accounting office use.

### Distribution of the SF 44:

- Copy 1 (White) (Seller’s Invoice) is signed by the PPO/FOO, seller, PA, and receiver. It is then detached and given to the PA for finance reconciliation.
- Copy 2 (Blue) (Seller’s Copy of Invoice) will be given to the vendor at the time of purchase.
- Copy 3 (Pink) (Receiving Report–Accounting Copy) is detached and given directly to the PA for finance reconciliation after the receiver signs for the items on Copy 1.
- Copy 4 (Green) (Memorandum Copy) will be retained by the PPO/FOO and submitted to the contracting officer for SF 44 reconciliation.

### SF 44 tips:

- Tape small receipts to a regular size sheet of paper and make sure they are translated into English.
- Do not use whiteout; strike one line through the mistake and initial.
- Total amount of SF 44s cannot exceed the total amount of the PR&C (DA Form 3953).

**MONEY AS A WEAPONS SYSTEM HANDBOOK**

See Appendix B, Multi-National Corps–Iraq CJ8 Money as a Weapons System Standing Operating Procedure.

U.S. GOVERNMENT PURCHASE ORDER-INVOICE-VOUCHER			
DATE OF ORDER <b>1 APRIL 2008</b>	ORDER NO. <b>CERPMNDC012345</b>		
PRINT NAME AND ADDRESS OF SELLER (Number, Street, and State)*			
P A Y E R  <b>ABU AMMOSH</b>			
Furnish Supplies or Services to (Name and address)			
<b>CPT SMITH (PPO) FOB HAMMER, IRAQ APO AE 09308</b>			
SUPPLIES OR SERVICES	QTY	UNIT PRICE	AMOUNT
<b>PROJECT NAME</b>	<b>1</b>	<b>\$10,000.00</b>	<b>\$10,000.00</b>
AGENCY NAME AND BILLING ADDRESS*		TOTAL <b>\$10,000.00</b>	
P A Y O R  <b>24<sup>th</sup> Finance Battalion Camp Liberty, Iraq APO AE 09344</b>		DISCOUNT TERMS ..... % .....DAYS	
		DATE INVOICE RECEIVED <b>1 APRIL 2008</b>	
ORDERED BY (Signature and title)			
CPT SMITH, JOHN (PPO)			
PURPOSE AND ACCOUNTING DATA			
<b>21 8 2020.0000 8A-2084 P136198.0000 26EB 83 G4CC CERPMNDC012345 G4CC 83 S09076</b>			
PURCHASER – To sign below for over-the-counter delivery of items			
RECEIVED BY			
1LT DOE, JOHN			
TITLE <b>PAY AGENT</b>		DATE <b>1 APRIL 2008</b>	
SELLER – Please read instructions on Copy 2			
<input checked="" type="checkbox"/> PAYMENT RECEIVED		<input type="checkbox"/> PAYMENT REQUESTED	
<b>\$10,000.00</b>		\$	
NO FURTHER INVOICE NEED BE SUBMITTED			
SELLER		DATE	
 Signature		<b>1 APRIL 2008</b>	
I certify that this account is correct and proper for payment in the amount of		DIFFERENCES	
\$ <b>10,000.00</b> .....			
 Authorized certifying officer		ACCOUNT VERIFIED CORRECT FOR	
PAID BY YCASH		BY	
OR ..... (Check No.)		DATE PAID	
		<b>1 APRIL 2008</b>	
VOUCHER NO.			
*PLEASE INCLUDE ZIP CODE		1. SELLER'S INVOICE (See instructions on Copy 2)	
		STANDARD FORM 44A (Rev. 10-83) PRESCRIBED BY GSA FAR (48 CFR) 53.213(c)	

**Figure E-1. Sample of a completed SF 44.**



## **Appendix F**

### **Glossary, Publications, and Web Resources**

#### **Glossary**

Anti-deficiency violation. Incurring obligations or making expenditures (outlays) in excess of amounts available in appropriated funds. Although the lowest level a formal anti-deficiency violation can occur at is the major command level, the subordinate unit/element contributing to the violation can be held liable. Do not spend above your funding level.

Appropriation(s). Funding enacted into law by Congress each year. Various appropriations are listed in the *Defense Finance and Accounting Indianapolis Service Center Manual, 37-100-FY* and stipulate the purpose of appropriation. When dealing with various funds, consult the supporting resource manager to ensure funds are expended for their intended purpose. Spending one appropriation to cover another appropriation's purpose is not permitted.

Assistance in kind. Goods and services provided by a foreign government to the U.S. at no cost, such as facilities, utilities, fuel, food, water, ice, labor, transportation, and medical services.

Authorization. A law passed or enacted by Congress that allows or authorizes something (for example, a construction project or a number of weapon systems for the military). However, without an appropriation, the goods, services, or project cannot be acquired. Both an authorization and appropriation act must be passed in order to expend funds.

Burden sharing. A term used to describe a distribution of the funding burden between two or more entities. In the area of responsibility (AOR), this implies some cost for security, maintenance, base operations, exercises, supplies, and equipment is borne by a foreign government.

Central Command (CENTCOM) Construction Integrated Priorities List. List of CENTCOM prioritized construction projects in the AOR. The Combined Forces Land Component Command C7 is the Army's proponent.

Coalition Construction Authority. Congressional authority to utilize Operation and Maintenance, Army (OMA) funding in lieu of military construction funding in excess of the fiscal-law constrained \$750 thousand (K) and \$1.5 million (M) caps on the use of OMA in construction projects.

Military interdepartmental purchase request (MIPR) (Department of Defense Form 448). A document used to transfer or receive funds to/from other agencies within the Department of Defense (DOD). A MIPR can be received as either direct fund, reimbursable, or a combination of both.

Non-appropriated funds. Cash and other assets received by non-appropriated fund instrumentalities from sources other than Congressional appropriations; primarily from the sale of goods and services to DOD military, their dependents, and authorized civilians. These funds are used to support or provide essential morale, recreational, and certain religious and educational programs.



## **CENTER FOR ARMY LESSONS LEARNED**

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Program budget advisory committee process. A meeting, generally chaired by the chief of staff and consisting of staff principals and unit commanders, to review budget status, address issues (unfunded requirements), and provide the command budgetary guidance.

### **Publications**

#### DOD:

- Defense Finance and Accounting (DFAS)-Indianapolis Regulation 37-1, *Finance and Accounting Policy Implementation*
- DFAS 37-100-FY, *The Army Management Structure*
- DOD 7000.14-R, *Financial Management Regulation*
- DOD Comptroller Memorandum; Subject: Commanders' Emergency Response Program (CERP) Guidance, 18 December 2008

Joint: Joint Publication 1-06, *Financial Management Support in Joint Operations*

#### Department of the Army:

- Army Regulation (AR) 37-47, *Representation Funds of the Secretary of the Army*
- AR 350-28, *Army Exercises*
- AR 381-141, *Intelligence Contingency Funds*
- Field Manual (FM) 1-06, *Financial Management Operations*
- FM 100-23, *Peace Operations*

#### U.S. Army Central Command (USARCENT):

- Headquarters, USARCENT Memo 10-1, *Organization and Functions Manual*
- USARCENT Publication 1-06, *Army Financial Management Operations in the CENTCOM AOR*, 16 May 2007
- USARCENT FY 09 Budget Execution Memorandum of Execution
- USARCENT CFLCC, C8, Chapter 8, "Financial Management Operations"
- U.S. Army Training and Doctrine Command Senior Leader Development Assignment with USARCENT G8, 13 August–2 October 2007

Multi-National Corps–Iraq (MNC–I): MNC–I CJ8 Money as a Weapons System Standing Operating Procedures. Access Army Knowledge Online for additional information about this topic. You may also submit a Request for Information (RFI) via the Center for Army Lessons Learned (CALL) Website at <<http://call.army.mil>>.

CALL handbooks:

- See the CALL restricted Website and/or Army Knowledge Online for additional information regarding:
  - 08-12, *Commander's Emergency Response Program*, April 2008
  - 08-47, *Deployed Contracting Officer Representative*
  - 09-06, *The Battlefield Field Ordering Officer and Paying Agent*
- You may also submit an RFI via the CALL Website at <<http://call.army.mil>>.

Websites:

- CALL at <<http://call.army.mil>>
- Federal Acquisition Regulations at <<http://www.arnet.gov/far/>>
- Financial Management Regulations at <<http://www.dtic.mil/comptroller/fmr/>>
- Financial Operations (Jumpsites) at <<http://www.asafm.army.mil>>
- U.S. Army Publications at <<http://www.army.mil/usapa/doctrine/index.html>>

Joint Publications: <<http://www.dtic.mil/doctrine>>

Joint Travel Regulations: <<http://perdiem.hqda.pentagon.mil/perdiem/>>

United States Central Command (CENTCOM): <<http://www.centcom.mil/>>

U.S. Army Financial Management School: <<http://www.finance.army.mil/>>

Army Training Support Center Smartcards:

- Graphic Training Aid (GTA) 70-01-001, Contracting Basics for Leaders
- GTA 90-0-016, Deployed Contracting Officer's Representative
- GTA 90-01-017, CERP for Leaders



**PROVIDE US YOUR INPUT**

To help you access information quickly and efficiently, Center for Army Lessons Learned (CALL) posts all publications, along with numerous other useful products, on the CALL Web site. The CALL Web site is restricted to U.S. government and allied personnel.

**PROVIDE FEEDBACK OR REQUEST INFORMATION**

**<<http://call.army.mil>>**

If you have any comments, suggestions, or requests for information (RFIs), use the following links on the CALL home page: “Request for Information or a CALL Product” or “Give Us Your Feedback.”

**PROVIDE TACTICS, TECHNIQUES, AND PROCEDURES (TTP) OR  
SUBMIT AN AFTER-ACTION REVIEW (AAR)**

If your unit has identified lessons learned or TTP or would like to submit an AAR, please contact CALL using the following information:

**Telephone: DSN 552-9569/9533; Commercial 913-684-9569/9533**

**Fax: DSN 552-4387; Commercial 913-684-4387**

**NIPR Email address: [call.rfimanager@conus.army.mil](mailto:call.rfimanager@conus.army.mil)**

**Mailing Address: Center for Army Lessons Learned, ATTN: OCC, 10 Meade Ave.,  
Bldg 50, Fort Leavenworth, KS 66027-1350.**

**TO REQUEST COPIES OF THIS PUBLICATION**

If you would like copies of this publication, please submit your request at: <http://call.army.mil>. Use the “Request for Information or a CALL Product” link. Please fill in all the information, including your unit name and official military address. Please include building number and street for military posts.

## CENTER FOR ARMY LESSONS LEARNED

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### PRODUCTS AVAILABLE "ONLINE"

#### CENTER FOR ARMY LESSONS LEARNED (CALL)

Access and download information from CALL's Web site. CALL also offers Web-based access to the CALL Archives. The CALL home page address is:

<<http://call.army.mil>>

CALL produces the following publications on a variety of subjects:

- **Combat Training Center Bulletins, Newsletters, and Trends**
- **Special Editions**
- *News From the Front*
- **Training Techniques**
- **Handbooks**
- **Initial Impressions Reports**

You may request these publications by using the "Request for Information or a CALL Product" link on the CALL home page.

#### COMBINED ARMS CENTER (CAC) Additional Publications and Resources

The CAC home page address is:

<<http://www.leavenworth.army.mil>>

#### **Battle Command Knowledge System (BCKS)**

BCKS supports the online generation, application, management, and exploitation of Army knowledge to foster collaboration among Soldiers and units in order to share expertise and experience, facilitate leader development and intuitive decision making, and support the development of organizations and teams. Find BCKS at <<http://usacac.army.mil/CAC/bcks/index.asp>>.

#### **Center for Army Leadership (CAL)**

CAL plans and programs leadership instruction, doctrine, and research. CAL integrates and synchronizes the Professional Military Education Systems and Civilian Education System. Find CAL products at <<http://usacac.army.mil/CAC/CAL/index.asp>>.

#### **Combat Studies Institute (CSI)**

CSI is a military history "think tank" that produces timely and relevant military history and contemporary operational history. Find CSI products at <<http://usacac.army.mil/CAC/csi/RandP/CSIPubs.asp>>.

### **Combined Arms Center-Training: The Road to Deployment**

This site provides brigade combat teams, divisions, and support brigades the latest road to deployment information. This site also includes U.S. Forces Command's latest training guidance and most current Battle Command Training Program Counterinsurgency Seminars.

### **Combined Arms Doctrine Directorate (CADD)**

CADD develops, writes, and updates Army doctrine at the corps and division level. Find the doctrinal publications at either the Army Publishing Directorate (APD) <<http://www.usapa.army.mil>> or the Reimer Digital Library <<http://www.adtdl.army.mil>>.

### **Foreign Military Studies Office (FMSO)**

FMSO is a research and analysis center on Fort Leavenworth under the TRADOC G-2. FMSO manages and conducts analytical programs focused on emerging and asymmetric threats, regional military and security developments, and other issues that define evolving operational environments around the world. Find FMSO products at <<http://fmso.leavenworth.army.mil/recent.htm>> or <<http://fmso.leavenworth.army.mil/products.htm>>.

### **Military Review (MR)**

MR is a refereed journal that provides a forum for original thought and debate on the art and science of land warfare and other issues of current interest to the U.S. Army and the Department of Defense. Find MR at <<http://usacac.leavenworth.army.mil/CAC/milreview>>.

### **TRADOC Intelligence Support Activity (TRISA)**

TRISA is a field agency of the TRADOC G2 and a tenant organization on Fort Leavenworth. TRISA is responsible for the development of intelligence products to support the policy-making, training, combat development, models, and simulations arenas. Find TRISA Threats at <<https://dcsint-threats.leavenworth.army.mil/default.aspx>> (requires AKO password and ID).

### **United States Army Information Operations Proponent (USAIOP)**

USAIOP is responsible for developing and documenting all IO requirements for doctrine, organization, training, materiel, leadership and education, personnel, and facilities; managing the eight personnel lifecycles for officers in the IO functional area; and coordinating and teaching the qualification course for information operations officers. Find USAIOP at <<http://usacac.army.mil/CAC/usaiop.asp>>.

### **U.S. Army and Marine Corps Counterinsurgency (COIN) Center**

The U.S. Army and Marine Corps COIN Center acts as an advocate and integrator for COIN programs throughout the combined, joint, and interagency arena. Find the U.S. Army/U.S. Marine Corps COIN Center at: <<http://usacac.army.mil/cac2/coin/index.asp>>.

*Support CAC in the exchange of information by telling us about your successes so they may be shared and become Army successes.*

