Chapter 8
Resource Management

"Resource management is the direction, guidance, and control of financial and other resources."

Resource management (RM) is the process of efficiently acquiring, allocating, and using resources (manpower, money, materiel, and services) in order to effectively accomplish assigned missions. The broader definition of Army RM includes cyclic planning, programming, distribution, usage, accounting, reprogramming, and redistribution. The LSE does not carry out most of these functions. HQ USAMC implements the broader functions as a major Army command RM office.

Army resource managers are those staff officers responsible for the stewardship of monetary and manpower resources, Further, they assist the commander with effective and efficient use of scarce resources for the mission.

RESOURCE MANAGEMENT FOR LSE OPERATIONS

During peacetime, HQ USAMC provides the majority of RM services and provides funding for the LSE. The key areas of support are for the LSE TDA, consolidated cost estimates for travel and exercises, tracking costs, facilitating reimbursement, and cross leveling to distribute non-reimbursed costs for LSE operations. Upon notification for deployment of the LSE, HQ USAMC provides updated RM instructions to LSE commanders, MSC commanders, and LSE-Rear. HQ USAMC can also recommend staffing to carry out resource management during an LSE deployment. For example, USAMC may help assess the LSE workload based on the ASCC or TSC resource policies and procedures for the operation. In conjunction with the LSE-Rear, HQ USAMC coordinates with the resource management office of the headquarters controlling the operation on topics such as: degree of centralized funding for the operation, DOD policy on reimbursement for common provider services, use of project codes, management decision evaluation package (MDEP) codes, and functional cost account (FCA) codes.

Major Subordinate Commands and Separate Reporting Activities

The MSCs and SRAs initially fund their participation in LSE missions. They continue to pay for salaries, benefits, and travel for their members until notified by USAMC that the supported CINC has assumed this responsibility. The LSE tracks expenses and submits periodic reports to HQ USAMC. The MSCs also initially fund materiel specific missions in the deployment area (for example, sending contractor field service teams or a depot-level repair facility). Prior to deployment, the MSC RM is the primary point of contact for LSE members concerning questions about LSE funding.

LSE Commanders

As senior representative of USAMC in the operational area, the LSE commander exercises stewardship of all deployed USAMC resources. Special areas of attention include: tracking costs and expenditures of funds for LSE support missions; assuring contracting is used efficiently and effectively; overseeing ordering officers, paying agents, and imprest

fund cashiers (when employed to support LSE logistical operations); ensuring quality finance support is provided to the members of the LSE; and reporting resource status to LSE-Rear and HQ USAMC via the SITREP.

Foundation LSE

USAMC does not assign day-to-day RM functions to Foundation LSEs. However, Foundation LSEs may participate in estimating costs for LSE missions in the theater and CONUS. Through interaction with the senior Army logistical headquarters, they provide the LSE-Rear with valuable input on the potential scope and intensity of USAMC support to various OPLANs. LSE-Rear uses this information and input from USAMC MSCs to estimate LSE fund requirements.

LSE-Rear

LSE-Rear is the focal point for peacetime RM operations in the LSE. Specifically, the LSE-Rear:

- Plans funding for LSE missions. Coordinates all funding plans and estimates with the Foundation LSEs and HQ USAMC. Submits consolidated funds requests based on estimated costs for LSE operations. For example, LSE-Rear coordinates use of funding documents like military interdepartmental purchase requests (MIPR).

- Supports the deployed LSE by responding to resource management questions (in coordination with HQ USAMC).

- Tracks project codes assigned for use across the full range of military operations and wartime support operations.

- Records actual costs expended versus cost estimates for LSE operations.

- Coordinates funding to acquire LSE equipment.

- Coordinates, prior to deployments involving AWR operations, funding for specialized maintenance services for hand-off and reconstitution of AWR equipment issued in the operational area.

- Coordinates through Foundation LSE commanders concerning MOAs, MOUs, and interservice support agreements (ISSAs) that may be required to ratify overall USAMC support in the theater. HQ USAMC is the approving authority for agreements, understandings, and ISSAs. However, LSE-Rear will retain record copies of these documents.

- Serves as the program manager for the LSE TDA and PDR. This involves processing requests from MSCs, SRAs, and Foundation LSEs for changes in structure, equipment, and personnel.

- Assists with LSE resource management expertise for the LOGCAP contract.

FUNDING SCENARIOS FOR THE LSE

There is no separate budget or funding from HQ USAMC for the LSE to participate in US Army portions of joint contingency missions. Therefore, USAMC MSCs initially fund LSE deployments.

USAMC conducts RM during all operations including war and across the full range of military operations. For wartime, the LSE is under the overall funding umbrella of the theater commander. As discussed below, the ASCC resource manager provides funding for all Army operations in the theater. The gaining theater may request estimates of funding or operational cost factors from the LSE, RM guidance, policy, and funding for LSE logistical operations (less USAMC specific areas such as AWR and USAMC commodity command funded contracts) process through the TSC.

Wartime

In a fully developed wartime theater, funding for Army operations is through the CINC to the ASCC. DOD provides these funds to the theater. Initially, the Army will finance emergency requirements for its force with available funds until additional guidance and funds are allocated. This includes Army forces outside of the theater.

Guidance from HQDA will give information on resource management for the particular contingency (force projection for combat versus a deployment for peace enforcement invokes different funding authorities). USAMC can seek reimbursement for the costs it incurs for LSE support via either a supplemental budget request or from the supported commander.

Under HQDA guidance, the theater will strive to keep funding and resource management at the highest level possible. It may, however, assign cost account codes and reporting procedures for all command RM offices. Since the LSE will have a resource management section, the LSE may acquire, distribute, and control funds. The LSE will also track host nation support costs and the value of supplies and services provided to and from allies.

For certain deployments, the LSE may act as a common provider (also called the executive agent) for supplies and services. If the ASCC RM designates, this support will be costed for reimbursement. This will require reports on costs incurred for this common provider support. Operating activities of the LSE may identify this type support on separate customer accounts to capture the costs. The theater RM will establish a policy and reimbursement mechanism.

Domestic Support Operations

LSE CONUS normally provides USAMC support to the Army task force, but can extend Army strategic logistics to federal agencies, military services, and governments. Depending on the nature of the emergency, there may be a reimbursement of LSE and overall USAMC expenses. For that reason, USAMC must integrate resource management into all phases of these operations. Use of project and other supply codes can facilitate this.

Military expenses qualifying for reimbursement include expenses and pay of civilian personnel and travel and per diem for all Army personnel. Reimbursement also extends to replacement costs, repair and replacement cost of supplies, transportation costs, repair parts, cost of petroleum products, and aircraft flying hours.

HQ USAMC will confirm reimbursement policies and procedures and update LSE CONUS. HQDA may also provide the project code for use on supply requisitions, in extraordinary cases in CONUS, USAMC contracting authority may extend to the LSE. LSE CONUS would track materiel, manpower, and direct dollar expenditures and would update the LSE-Rear via the SITREP or a special resource management report.

The Federal Emergency Management Agency (FEMA) tasking message triggers Army participation in domestic support operations. This message also contains funding reimbursement instructions. If not tasked by FEMA, the Army may not receive reimbursement for costs. HQ USAMC will provide amplifying guidance to the LSE on use of fund codes and reimbursement of costs. LSE CONUS fully informs the on-scene LSE commander concerning resource management aspects of domestic support missions.

LSE Support Across the Full Range of Military Operations

Participation across the full range of military operations may require a short notice deployment or may be a sequel to other operations. In either case, support across the full range of military operations can involve large commitments of resources for travel, contracting, supply stocks, support to allies and other military services, and use of contracted labor. Nation assistance, security assistance, peacekeeping, peace enforcement, and humanitarian relief operations are typical military operations.

It is important to track and document costs incurred for these operations. The Army may receive reimbursement from either supplemental budget requests or from agencies like the UN. The OPLAN specifies applicable cost reports. Deployed LSEs provide copies of cost reports to LSE-Rear. FM 100-23 discusses resource management during UN operations.

Resource Management for Other USAMC LSE Operations

AWR supplies and equipment may require immediate maintenance just prior to issue from a USAMC storage facility. In these cases, HQ USAMC and the IOC coordinate for additional funding chargeable to AWR and inform the LSE if it must track the costs for this special surge effort. Likewise, when quick fixes and upgrades are required for Army equipment, USAMC and its MSCs will coordinate on funding for contractor field teams, travel by USAMC maintenance teams, repair parts, and facilities.

The LSE may have a requirement from USAMC to act as the contracting officer's technical representative (COTR) for on-site verification of contract services performed through an MSC in CONUS. Although not a direct resource management function, the LSE RM and MSCs will coordinate administration and verification procedures required by contracting officers at the MSCs.

The LSE is responsible for LOGCAP contracting for base support, life support, and other logistical support in the theater. LOGCAP is a cost plus award fee contract. There are no pre-established prices and services. Instead, LOGCAP uses estimates and target costs. Federal regulations obligate the government to pay the contractor for all incurred costs which are reasonable, allowable, and allocable to the contract. Because the government assumes the majority of the risks, the LSE through the COR must intensively monitor contract costs and performance. Refer to AR 700-137, Appendix E, and separate USAMC policy for specific technical guidance on operation and resource management of LOGCAP.

As discussed in Chapter 6, operational reconstitution is an ASCC operation. The TSC RM will provide financial resources needed to execute the ASCC reconstitution plan. When assigned or attached to the TSC, the LSE will inform the TSC RM and HQ USAMC of additional resources needed to support the LSE portion of the ASCC reconstitution plan. Examples of resources include funding for deployment of additional USAMC depot-level teams to support maintenance and retrograde of Army materiel, in-country contracting for labor and commercial services, and costs to reconstitute the AWR.

If ASCC assigns the LSE a common provider role in the reconstitution phase, such as establishing and operating a theater redistribution and retrograde facility, then an MOU may be required to outline reimbursement to USAMC. An MOU is particularly essential if extraordinary USAMC resources are necessary to perform this type of mission.

FUNCTIONS OF THE LSE RESOURCE MANAGEMENT SECTION

This section may deploy one of its members early as part of the Jump TOC. The RM section should deploy an LSE RM capability as early as possible. The RM section performs an assessment of resource needs and establishes contact with the senior US Army RM in-theater. The RM section co-locates with the LSE in the operational area. Other factors to consider are the duration of the mission and the RM procedures established by the ASCC RM. Doctrine allows for some RM functions to occur outside the theater. The section functions under the LSE commander.

When fully operational at its TDA authorized strength, the functions of the LSE RM are similar to those of an RM in a division or separate brigade (see FM 14-6). The TDA of the LSE provides for military and civilian staffing for budget analysis and accounting. The emphasis of the RM section is on assuring funding for LSE logistical operations. Listed below are typical functions of the LSE RM section. These functions change based on the operation, the concept for theater resource management, deployment staffing of the LSE RM section, and the LSE commander's guidance. Listed below are typical functions of this section:

- Identifies and requests levels and types of funding from the ASCC or JTF to support LSE operations, when directed.

- Certifies funds when procurement of supplies, services, and equipment is authorized.

- Distributes obligation authority to LSE ordering officers.

- Funds LSE contracting officers (when and if they exist separately such as for support to the AWR).

- Funds internal LSE personnel related actions (emergency leaves, TDY).

- Prepares and submits cost reports to the ASCC on obligations incurred.

- Coordinates with the supporting ASCC finance element on support to the LSE focusing on paying contractors by cash or check, providing cash to paying agents and imprest fund cashiers, and providing financial advice. Finance elements also support military and (possibly) civilian pay, travel, claims, and pay for local labor. Check cashing and currency exchange support extends to civilian employees, contractors, and contractor employees.

- Provides resource advice to LSE field ordering officers and the imprest fund cashier, when these are established.

- Tracks costs for HNS and support to allies, if directed by the theater commander.

FM 14-7 provides additional information on paying agents, imprest funds, field ordering officers, and finance support in the theater.

Figure 8-1 shows resource management and area finance support in relation to the LSE in a developed theater. The ASCC provides a US Army resource manager and area finance support. This finance support unit tailors its services based on the nature, location, and duration of the mission. Figure 8-1 also depicts typical finance services.
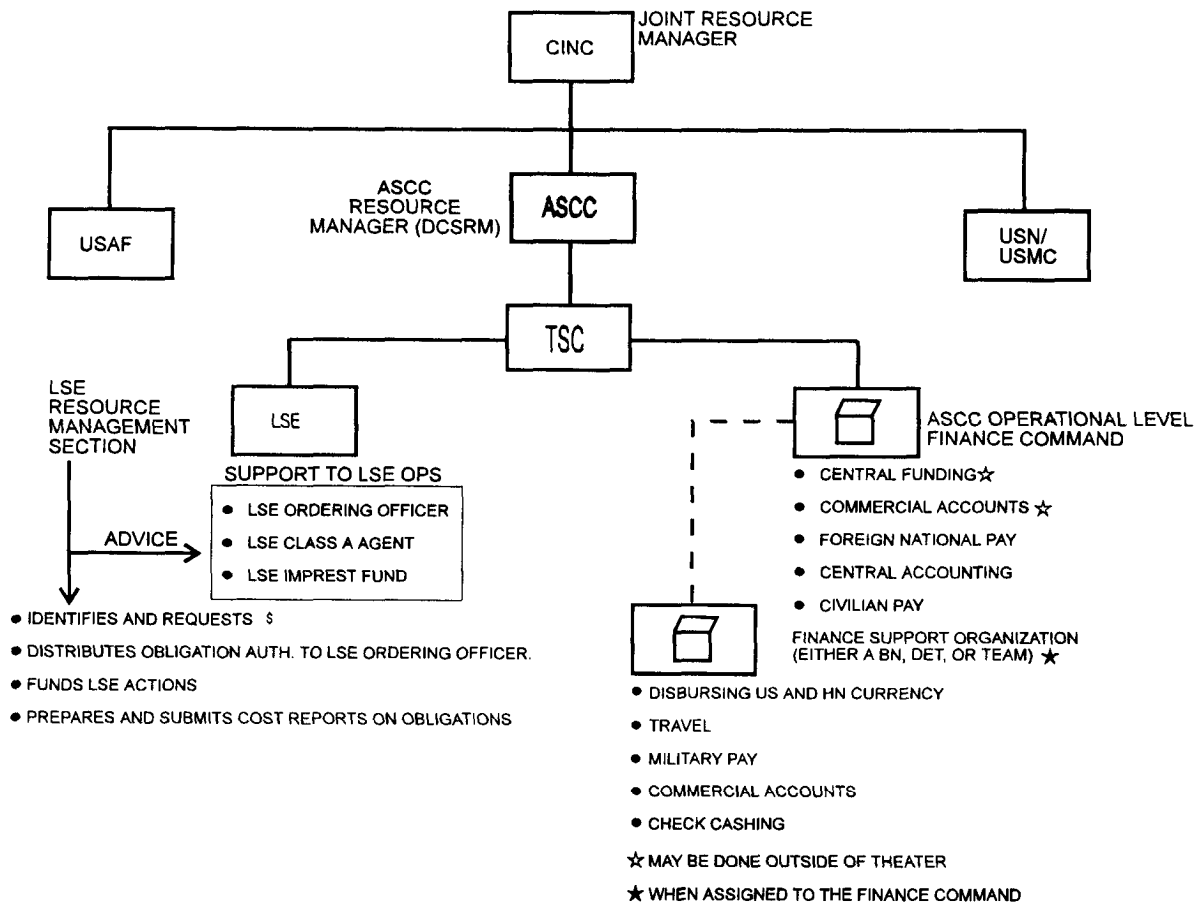
Figure 8-1
Resource Management and Financial Support

FORCE MANAGEMENT

The LSE is a contingency organization under a Department of the Army TDA authorization document. The TDA provides the structure to deploy either the entire LSE or tailored LSE modules to fulfill the Army doctrine for USAMC.

The Contingency TDA designates all civilian positions as emergency essential. Deployable civilian employees of USAMC sign an agreement and are rostered into these positions. There are also military positions on the TDA. When not deployed, members of the TDA. When not deployed, members of the LSE (less the cadre) remain on the TDAs of their parent USAMC activities.

Foundation LSEs and USAMC MSCs submit requests for changes in personnel, equipment, and organization concerning the LSE TDA to the TDA manager at LSE-Rear. HQ USAMC reviews the changes and requests approval from HQDA.

USAMC assigns one unit identification code (UIC) for the LSE. This UIC also identifies any portion of the LSE that deploys to a contingency mission. If necessary, USAMC obtains from HQDA a derivative UIC

when there are simultaneous deployments to different missions.

A DODAAC identifies a unit or an activity (like the AWR or a contractor) on requisitions, freight documents, and billings. There are three addresses associated with a DODAAC and all three may be different. These are: the type activity code 1 (TAC 1) for mail and parcel post and small packages; a freight address (TAC 2) when the unit, activity, or organization is to receive freight at an address different than the TAC 1; and a "bill to" (TAC 3) address that shows the fiscal station number from the disbursing and fiscal station number directory. DODAACs allow the supply, transportation, and finance systems to operate efficiently. HQ USAMC provides predeployment guidance on use of multiple DODAACs for LSE operations. LSE-Rear is the central POC for LSE DODAAC assignment.