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# Pacific Region: International Financial Management Course

By

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During the week of May 30, 1994, at a conference facility in Singapore, DISAM conducted a first-of-its-kind, multinational, tailored course in the Mobile Education Team (MET) mode for 39 international students from six Pacific Region nations. These students attended a Foreign Purchaser Course with a special emphasis on *Foreign Military Sales (FMS) Financial Management*. In essence, the course incorporated most of DISAM's resident Security Assistance Management—Financial Management (SAM-CF) course—with the "Q43 Helicopter" exercise and much of the detailed workshop trimmings. By the time of graduation on June 3, the participants had demonstrated a conceptual understanding, as well as a workshop application, of *FMS pricing, funds management, billing, and case closure procedures* essentially equivalent to that experienced by DoD SAM-CF graduates.

## BACKGROUND

Why and how did this Pacific Region specialized course happen to occur? The quick answer is: it was a product of the imagination, determination, hard work, and cooperation of several activities—as the following step-by-step summation will demonstrate. Last year, during a Security Assistance/FMS Case Review held in Singapore, the Singapore representatives expressed an interest in receiving some specialized instruction in FMS Financial Management, similar to that presented in the DISAM SAM-CF class. The resident SAM-CF course itself is not appropriate for attendance by international students inasmuch as: (1) the resident course consistently has a DoD student backlog/waiting list; (2) the prerequisite for SAM-CF is earlier attendance at the CONUS (SAM-C) course or equivalent education/experience; and (3) the seminar/workshop format involves dividing students (predominantly from the Army, Navy, and Air Force) into service-unique work groups, thereby creating a potential dilemma for international members who generally work with and need to understand the procedures of all DoD implementing agencies (IAs). Thus, while the SAM-CF course meets DoD student needs, it has the aforementioned restrictions and limitations for the international community.

Fortunately, a more desirable option was available for Singapore and other interested nations. After some preliminary discussions, Mr. Ron Failor, Chief, Financial Management Division, Office of the DSAA Comptroller, asked DISAM to explore the feasibility of conducting a Foreign Purchaser (Financial Management emphasis) MET for Pacific Region nations to be held in Fiscal Year 1994. This option paralleled, in part, the approach used to educate students from Germany during a similar MET in Hamburg in 1990. For that course, the German Ministry of Defense limited student candidates to those who had earlier graduated from the DISAM Foreign Purchaser (SAM-F) class. In effect, this allowed the Financial Management MET in Hamburg to proceed at an advanced pace and, as a result, closely resemble the SAM-CF course outline.

In planning for the Pacific Region MET, DISAM suggested a May-June 1994 window to DSAA and Headquarters, Commander-in-Chief, Pacific (USCINCPAC), and

recommended that the MET site be Singapore in view of its central Pacific area location as well as that nation's interest in having its students attend such a course. Moreover, DISAM proposed that the Financial Management Course contain some introductory topics (e.g., Introduction to Security Assistance, FMS Process) since it was anticipated that, unlike the Hamburg class, many of the Pacific Region participants would not be SAM-F graduates.

In the process of announcing the proposal and to identify projected student demand for a Financial Management MET of this nature, HQ USCINCPAC J45 sent out a message to the SAOs in its Area of Responsibility (AOR) asking them to make inquiries with their host-country counterparts. After addressing some initial SAOs/host-countries' questions with regard to the course thrust, it was determined that 39 students from six nations were interested in attending the course, as shown in Figure 1.



**Graduates of the Financial Management MET**

**FIGURE 1**  
**Pacific Region Financial Management MET - Student Data**

<u>Nation</u>	<u>Students</u>
Australia	3
India*	2
Korea*	4
Malaysia*	11
Singapore	10
Thailand	<u>9</u>
Total	39

\*Note: 1 student from India, 4 students from Korea, and 1 student from Malaysia were Foreign Service Nationals employed in the U.S. embassies/SAOs in those countries.

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## MET IMPLEMENTATION

Once it was determined that there was sufficient student demand to make the MET both cost and time effective for all concerned parties, the process really started to move. HQ USCINCPAC and the Air Force Security Assistance Training Group (AFSAT) were in contact with the applicable countries, advising them to submit letters of request for the FMS cases which would ultimately fund the MET. Since Singapore was the MET location, HQ USCINCPAC assigned SAO Singapore the task of providing MET support, to include: identifying and contracting for the MET training location; compiling a list of students and providing administrative (e.g., lodging) information to the SAOs/students in the other countries; assisting DISAM with miscellaneous administrative matters, such as developing a student roster, typing names on diplomas, etc. The involvement by SAO Singapore was indispensable to the entire MET planning and execution effort, and there was no exaggeration in the post-MET effectiveness evaluation report which stated that “the administrative support provided by SAO Singapore was outstanding.”



**Students from Malaysia, Singapore, Thailand, and Korea  
gather in front of the Hotel Conference Room**

On May 30, three DISAM faculty members and 39 students assembled in a conference/training facility in the Carlton Hotel in Singapore. [For those who are familiar with Singapore history, it is interesting to note that the Carlton Hotel is adjacent to the Raffles Hotel—site of the famous *Long Bar* which served the world's first “Singapore Sling.” The original Long Bar has been demolished as part of a renovation project but there is a replica of the Long Bar in the modern-day Raffles Hotel.] Typical of DISAM METs, the students walked into the training facility on Monday morning to discover an almost intimidating pile of course materials, which signaled that the week was going to involve more hard work than relaxation. The course topical outline is contained in Figure 2.

**FIGURE 2**  
**Foreign Purchaser (Financial Management) Course**  
**Topical Outline - Tailored to Pacific Region MET**

**Day 1**

- Introduction to Security Assistance\*
- FMS Process\*

**Day 2**

- FMS Terms and Conditions\*
- FMS Pricing

**Day 3**

- FMS Pricing (Continued)
- FMS Funds Management

**Day 4**

- FMS Funds Management (Continued)
- FMS Billing and Case Closure

**Day 5**

- FMS Billing and Case Closure (Continued)
- Graduation

\*Note: These were introductory topics (not part of the standard Financial Management curriculum) which were included because several students had not attended the SAM-F course.

Judging from the written student critiques and well as the verbal student feedback as the week progressed, the course was successful in providing a Financial Management foundation. Not surprising, the pace of the course was more easily followed by the eight students who were previous SAM-F graduates, either in residence or by a SAM-F MET. Several students, especially those who had not attended SAM-F, felt the pace of the course was relatively fast and that more time would have been beneficial, considering the scope of subjects covered. Others wanted more information on FMS Logistics Management, the FMS Case Process, or other topics addressed in greater detail during the standard SAM-F course. There appeared to be universal consensus that FMS Financial Management involves an imposing array of details and references, starting with the *DoD Financial Management Regulation (DoD 7000.14-R), Volume 15 - Security Assistance Policy and Procedures*, the *Security Assistance Management Manual (DoD 5105.38-M)*, and the *SAAC/DISAM FMS Customer Financial Management Handbook (Billing)*.

Several weeks prior to the MET commencement, two SAOs had identified special topics which they wanted covered for students from their countries, if at all possible. These included selected areas of FMS Logistics Management and FMS/IMET Training Management. To accommodate these additional requirements, the faculty held special sessions, on a student volunteer basis, relating to these topical areas immediately prior to and at the end of the regular daily course schedule. This made for a long day for these participants, but they went away with more of their educational needs met.

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DISAM is pleased to have had the opportunity to conduct the Financial Management MET. As is typical during DISAM resident SAM-F courses, the Pacific Region students made new acquaintances and friends from other nations which will be remembered for several years to come. This—the personal factor—is every bit as important in the larger scheme of things as the classroom education and diplomas which were received.

#### **ABOUT THE AUTHOR**

Dr. Larry A. Mortsof is Deputy Commandant and Dean of Academic Affairs at DISAM. Prior to coming to DISAM, he served as an active duty Supply Corps Officer in the U.S. Navy and is currently retired as a Captain in the Naval Reserve. He holds a MS in Logistics Management from the Air Force Institute of Technology and a Ph.D. in Political Science from the University of Cincinnati, and he is a graduate of the Air War College's Associate Studies Program. Dr. Mortsof, along with Lt Col Ed Smith and LCDR Keith Marchbanks, conducted the Financial Management MET in Singapore.