

Managing the Master Military Pay Account:  
Who is Responsible?  
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# Report Documentation Page

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Money is a major motivator to Marines and immeasurably contributes to productivity. Conversely, when a Marine's pay is "all jacked up," the emotional impact is equally, yet negatively, immeasurable. Institutionally, Marines are quick to blame the administrative process for their woes and take little time to evaluate their own actions. Proper management of the master military pay accounts (MMPA)<sup>1</sup> requires diligent attention from the three parties involved. Marines, leaders, and support agencies must act proactively and jointly to foster the process and minimize errors.

### **Background**

Military pay is composed of many different entitlements received through both direct and indirect compensation.<sup>2</sup> Direct compensation is the portion of pay most familiar to Marines and typically also the part that is most problematic. Basic pay, the basic allowance for subsistence, and the basic allowance for housing are examples of direct compensation that every Marine receives and with which will normally experience problems. Other less familiar entitlements, such as deployed per diem, hazardous duty pay, imminent danger pay, combat zone tax

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<sup>1</sup> Every Marine has a MMPA established in Marine Corps Total Force System (MCTFS), which is linked to their SSN. The Administration and Disbursing functions make entries in MCTFS to adjust account balances.

<sup>2</sup> Indirect compensation is pay that a Marine does not receive via a paycheck or see reflected on a Leave and Earnings Statement (LES). Rather, it is realized in the form of other benefits, such as retirement account contributions, medical and dental plan compensation, and tax exemptions for some direct compensation entitlements.

exclusion, and travel per diem are less familiar to Marines and often result in large debts to the government and lead to personal hardships. For the six-months ending November 9, 2007, Marine Corps hardships totaled \$7.3M--average debts of \$2,689 per Marine affected--as reflected in table 1.<sup>3</sup> While this figure represents an affected population of only 1.25%,<sup>4</sup> a tremendous amount of debt resides primarily with junior Marines.

To minimize this debt, the cause must be identified first. Just as three parties contribute to the MMPA management process, three potential problem areas exist. The road to a solution begins with an understanding of each actor's role and his/her current level of effectiveness.

### **The Marine's Responsibility**

The first participant in the pay management process is the individual Marine. Because each MMPA tracks an individual based on personal status changes, it stands to reason that the individual Marine possesses the best resources to identify errors when they occur. He must monitor his situation and

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<sup>3</sup> An Oracle database called Operational Data Support Enterprise (ODSE) enables data extraction from MCTFS and was used to generate the table data. The Manpower Information Systems Support Activity/Office (MISSA/MISSO) manages the system. The table cited was provided by MISSO-9 at MCB Quantico.

<sup>4</sup> The percent quoted is computed by dividing the overall debt of \$7,3313,936.64 by the total amount of Marines on Active Duty and in a Reserve status in FY07 (219,902), as reflects in the Marine Corps Concepts and Programs 2007 publication located at <http://hqinet001.hqmc.usmc.mil/p&r/concepts/2007/CHPT5.htm>.

anticipate changes to his account that will affect his financial well-being.

Unfortunately, young Marines typically choose to ignore this responsibility. In exchange, leaders--at all levels--choose to blame systematic problems for these failings. For example, Representative Tom Davis stated in a House of Representative report on military pay problems that "Almost without exception, the debts we are talking about are caused by a sluggish, misfiring pay system, not the soldier."<sup>5</sup>

While his statement reflects a legitimate system concern, it neglects to consider the compounding effect inherent in the service member's failure to act proactively. Most of the debts reflected in Table 1 are the result of a lack of individual initiative. The Marine Corps provides every Marine with an LES each month to allow them to monitor their pay status. Yet, a review of the waiver/remission requests processed by the Camp Lejeune Disbursing Office for 2007 shows that 26% of the Marines requesting debt forgiveness had not consulted their LES.<sup>6</sup> Most

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<sup>5</sup> House of Representatives One Hundred Ninth Congress Report Serial Number 109-145, *Financial Friendly Fire: A Review of Persistent Military pay Problems*, 2006, 4. Retrieved on December 5, 2007 from the WWW via: <http://a257.g.akamaitech.net/7/257/2422/12jul20061200/www.access.gpo.gov/congress/house/pdf/109hrg/27853.pdf>.

<sup>6</sup> Waiver/Remission of Debt requests are formal requests made to DFAS (via the Marines chain of command and local finance office) to have their debt forgiven. Details on the request and the process are located in the APSM, chapter 10 (<https://www.missa.manpower.usmc.mil/elibrary/apsm/>). The results of that review are reflected in Table 2.

of this debt could have been minimized had the Marines given this document its due attention.

The Marine has a shared culpability for preventing erroneous payments. Problems typically arise when a Marine redeploys and, through an administrative oversight, the proper stop entries are not posted in MCTFS. The Marine then perpetuates the problem by not identifying inaccuracies. In turn, he continues to receive deployed entitlements and accrues debt that will hopefully be discovered within a few months during an administrative review. By that time, the debt has grown to several thousand dollars and the subsequent correction has caused his pay to stop, which imposes a tremendous financial hardship on the Marine and his family.

Another problem young Marines experience is managing cash advances pursuant to temporary assigned duty (TAD) travel. Young Marines lack the experience to manage large sums of money and do not always grasp the intent of the advance. Typically, they either spend the funds quickly on unauthorized purchases or before departing for a trip that is subsequently cancelled. The former situation impairs the Marines ability to pay his hotel bill, while the latter creates an awkward legal problem for the Marine when he cannot repay the advance. Neither situation meets the intended purpose of the funds and instead places the Marine in an uncomfortable position with his command.

## **The Leader's Responsibility**

With such complex entitlements, young Marines face special challenges, so it is not fair to blame the individual solely. Leaders are responsible for educating their Marines on all aspects of military life, including pay. With training priorities normally focused on mission requirements, little consideration is given to the intangible benefits gained from problem prevention. Leaders at all levels must be cognizant of the need to train and advise their Marines on non-mission related matters, especially where money is concerned.

While the unit commander bears the overall responsibility for troop welfare, the senior enlisted leadership is also tasked with guiding Marines and resolving problems on a daily basis. The *Military Occupational Specialty (MOS) Manual* states that the sergeant major and first sergeant "assists in supervision of clerical and administrative matters; training functions and the employment of the command in garrison and in the field."<sup>7</sup> This definition imparts a responsibility for resolving personnel problems, both professional and personal. The Marine Corps take great pride in its troop-leading acumen and is sensitive to accusations of substandard performance. Unfortunately, while leaders are tactically very proficient, they also tend to be

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<sup>7</sup> United States Marine Corps, *Military Occupational Specialty Manual* part 3, 2005 (Washington, D.C.: HQMC, 2005), 3-507.

reactive, not proactive with regards to administrative matters; contributing indirectly to the debts that accrue.

### **Agency Responsibilities**

Just as individual Marines and their leaders participate in the process, two agencies also contribute to pay management. Personnel Administration (Admin) and Disbursing are both familiar to Marines and each serves a separate and distinct function.

#### Personnel Administration

Admin serves as the unit commander's administrative arm, providing the commander with situational awareness on his command personnel. The personnel staff also generates transactions in MCTFS to effect status changes in corresponding MMPA's.<sup>8</sup> Finally, they communicate payment support requirements beyond their authority to the supporting disbursing/finance officer for action.

Among their daily tasks, the Admin staff processes start and stop entries for newly joined and detaching Marines, deployment entitlements, confinements, and fines. They also generate unit travel requests and coordinate cash advances for members who do not possess a government travel charge card (GTCC).

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<sup>8</sup> Admin is restricted to diary entries that fall into the Type Transaction Code (TTC) range of 100 to 400 as outlined in the PRIUM (<https://www.missa.manpower.usmc.mil/elibrary/prium/>) to maintain separation of duties and powers.



As these are Admin's most problematic areas, we must assess the Admin staff's business practice and error management effectiveness. Graph 1 displays composite Admin reporting timeliness data for April 2007.<sup>9</sup> It reflects reporting deficiencies as high as 9.2% occur, one indication that Admin itself has room for improvement.

With that said, timeliness is only one test of Admin effectiveness. A better indicator, but more difficult to assess, is reporting accuracy. Accuracy is skewed in two ways: inaccurate coding and flawed rosters. Coding errors occur when Admin personnel run incorrect type transaction codes (TTC's), dates, or pay codes that cause the transaction to fail. Roster errors, on the other hand, originate at the unit level. When units deploy and redeploy, they provide rosters to Admin that drive all start and stop entries; inaccurate data leads to inaccurate entries. Ideally, Admin's goal is to complete all transactions timely and accurately to ensure Marines are paid correctly.

### Disbursing

Disbursing personnel are agents of the United States Treasury, entrusted to execute financial transactions on the

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<sup>9</sup> Timeliness ratings are based on a formula detailed in paragraph 126060 of the PRIUM (<https://www.missa.manpower.usmc.mil/elibrary/prium/default.aspx>). The data reflected in the graph is based on 0-30 day timeliness reporting from the date the action is entered in the diary to the date it is certified.

United States Government's behalf. As such, they assume personal liability for all funds and financial instruments entrusted to them and are compelled to protect the interest of the government first, then the service member. In this capacity, they provide a higher level of support to commanders than Admin, but they do not delve into the daily operations of individual units. They process requests submitted by Admin to correct errors in an MMPA<sup>10</sup> and provide payroll and travel support as required. Just as with Admin, Disbursing monitors its timeliness, efficiency, and accuracy. Timeliness standards are reflected in Table 2.

The Marine Corps Administrative Analyst Team (MCAAT) conducts annual visits to each office and assesses its performance. Their FY07 findings, displayed in Tables 3,<sup>11</sup> reflect average office efficiencies of 94.71% and total erroneous payments of \$99,828.01. While these results reflect acceptable performance as dictated by community standards, they also suggest that the audited offices have room for improvement in four of the five focus areas. It is also safe to assume that these results reflect the average performance of the remaining

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<sup>10</sup> Disbursing is restricted to diary entries that fall into the Type Transaction Code (TTC) range of 500 to 800 as outlined in the APSM (<https://www.missa.manpower.usmc.mil/elibrary/apsm/>) as a means of ensuring separation of duties and powers.

<sup>11</sup> Tables 3 is a consolidated extract from the complete MCAAT reports documented in MCAAT\_E\_COMBINED\_FY07\_1ST\_HALF[1].dot and ERRORS\_AND\_FINDING\_2ND\_HALF\_FY07[1].pdf.

offices in the Marine Corps not capture in the audits.

Accordingly, the community at large has room for improvement.

To assist in identifying trends across the financial management community and to develop solutions, the Marine Corps Disbursing Operations and Systems Section (MCDOSS)<sup>12</sup> reviews the MCAAT findings, as well as monthly productivity reports generated by each office and MCTFS reports. The combined efforts of MCAAT and MCDOSS are designed to identify and prevent errors from occurring.

### **Counterargument**

The most common opposing views offered by Marines is that they have neither the time to learn the intricacies of pay, nor the resources to access the regulations. While time and resources do present challenges, Benjamin Franklin once said, "An ounce of prevention is worth a pound of cure."<sup>13</sup> These words speak volumes, as each Marine will have to devote time to pay matters, either in prevention or cure. For research, the base library offers free internet use and Admin and Disbursing are always available for guidance. Excuses do not solve problems, actions do.

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<sup>12</sup> MCDOSS is a sub-department of Resources Finance Fiscal (RFF) department, Programs and Resources, Headquarters Marine Corps (P&R, DC). MCDOSS is located in Kansas City, MO.

<sup>13</sup> Independence Hall Association, The Electric Ben Franklin, 1999-2000, <<http://www.ushistory.org/franklin/quotable/quote67.htm>> (February 16, 2008).

Leaders typically argue that their Marines are adults and capable of taking care of themselves. They offer their assistance when asked, but do not force it. This is one of the hardest paradigms to change. While we as leaders must respect personal boundaries and not intrude, we must also make training opportunities available to our Marines, anticipate problems, and act proactively to minimize the damage.

Administrators commonly refer to the prescribed standards as their benchmark for success. Unfortunately, the prescribed standards establish the minimum acceptable requirements, which we, as Marines, should always strive to surpass. Perfection, however unachievable it may appear, should be the goal for administrators. By challenging ourselves everyday to exceed expectations, we can make a difference.

### **Proactive Solutions**

The following steps are instrumental in preventing erroneous payments and will ensure Marines receive timely and accurate deposits: first, Marines must take the initiative to learn about their entitlements. With an understanding of the pay system and their LES, they will be able to anticipate changes and their impact. By quickly identifying problems and reporting them to Admin, the Marine improves Admin's chance to prevent needless debt accumulation. Individual initiative is the most important aspect of any prevention effort.

Next, while the individual bears the bulk of the responsibility, leaders must also make financial training a priority to build the foundation of knowledge that will compel Marines to act proactively. Extending invitations to Admin and Disbursing to provide routine unit training is just one method leaders can employ to foster senior and subordinate financial development. Additionally, leaders must establish a strong pre- and post-deployment training program that emphasizes the need for Marines to monitor their accounts closely upon return. As well, leaders must discuss the purpose for travel advances with their Marines, to ensure proper fund management.

Finally, the agencies charged with pay management must strive to achieve higher levels of support and accuracy. Even though established standards allow for some processing errors, Admin and Disbursing must take a personal interest in each transaction, treating it as their own. Because laziness and disorganization breed substandard performance, neither can be tolerated. Attention to detail and a positive attitude can make a world of difference to the Marine and his family. Administrators need to give every pay action its due consideration and attention.

### **Conclusion**

Money has a direct impact on the morale and productivity of every Marine. Many causes initiate and perpetuate problems that

lead to excessive debt. With more proactive efforts from individual Marines, leaders, and supporting agencies, debts and hardships can be eliminated.

Word Count: 1994

Tables

<u>Table 1</u>					
Current Liquidations Posted in MCTFS as of Nov 9, 2007					
Pay Code	Entitlement	Total Monthly Payment	Avg Monthly Payment	Total LIQ's	Avg LIQ's
56129	LIQ OR	\$241.00	\$34.43	\$13,211.54	\$1,887.36
56229	LIQ ER	\$2,581.10	\$17.92	\$191,738.38	\$1,331.52
99006	LIQ O	\$74,984.42	\$468.65	\$723,562.84	\$4,522.27
99106	LIQ E	\$513,318.80	\$216.32	\$6,298,304.30	\$2,654.15
99206	LIQ OR	\$398.00	\$398.00	\$1,194.00	\$1,194.00
99306	LIQ ER	\$9,308.53	\$265.96	\$85,925.58	\$2,455.02
		\$600,831.85		\$7,313,936.64	
Source: MCB Quantico MISSO-9 Office ODSE Liquidations Report					

<u>Table 2</u>
<b>Disbursing Timeliness Standards</b>
• Two working days for adjustments
• One working day for payments
• Five working days for temporary additional duty claims (TAD)
• Ten working days for Permanent Change of Station claims (PCS).

Table 3

## Summary of Finance/Disbursing Offices

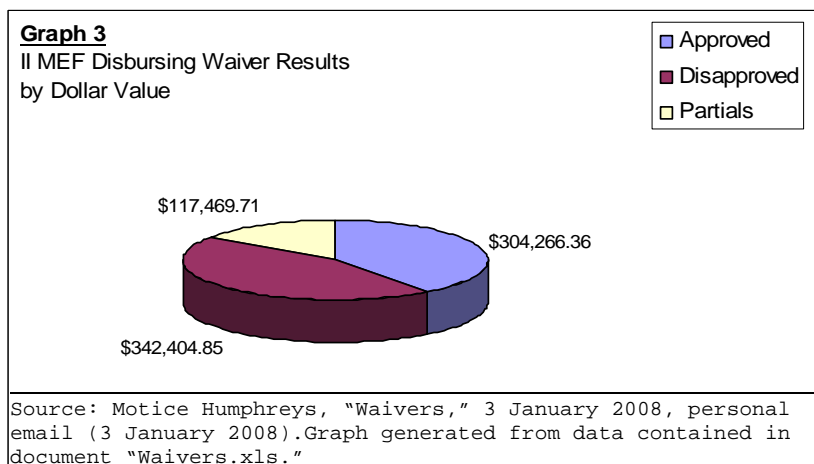
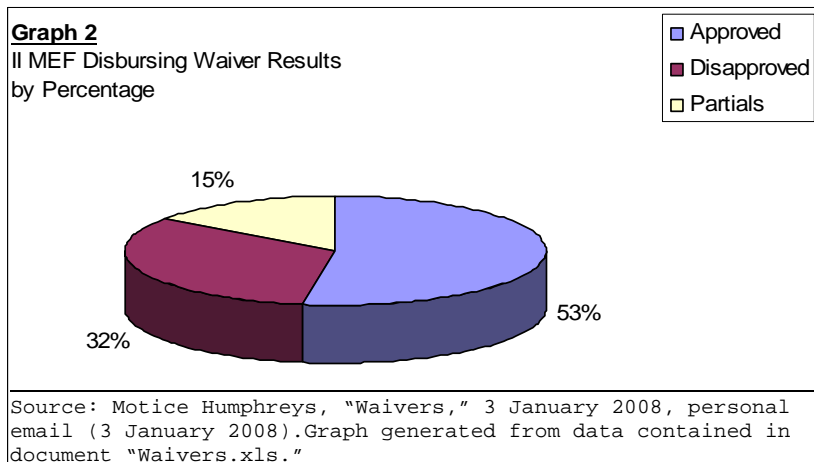
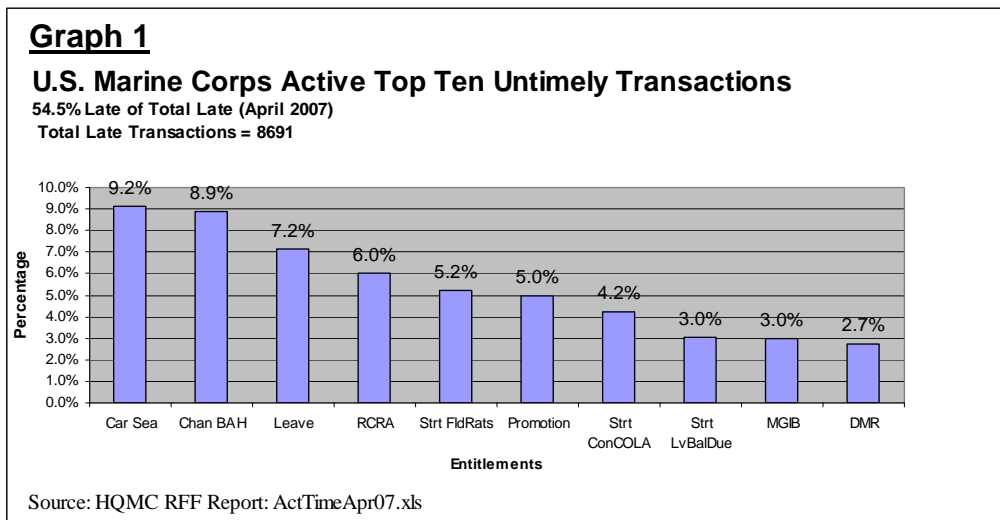
<b>Semi-Annual Roll-Up</b>					
	Weight	Questions	Errors	Correct	Points
<b>Internal Controls/Security Processes</b> 15%					
Internal Controls Procedures	70%	21	5.5	15.5	51.67%
Office Security	10%	9	0	9	10.00%
Funds Containers	10%	21	0	21	10.00%
SOP and Desktop Procedures	10%	15	0	15	10.00%
	100%	66	6	61	81.67%
					<b>12.25%</b>
<b>Travel Processes</b> 25%					
Travel Management	20%	39	5	34	17.44%
Advances	5%	6	0.5	5.5	4.58%
Separations Travel	10%	6	0	6	10.00%
Claims Review	65%	5401	191	5210	62.70%
	100%	5452.0	196.5	5255.5	95%
					<b>23.68%</b>
<b>Pay Processes</b> 25%					
Pay Adjustment/Reserve Pay/NOE	10%	21	2	19	9.05%
DTMS/DTL Processing	5%	12	0	12	5.00%
On Line Unit Diary	5%	18	0	18	5.00%
System Generated Reports	15%	33	0	33	15.00%
Joinee Process	5%	6	0.5	5.5	4.58%
Waivers	10%	15	0	15	10.00%
Claims Review	50%	2022	57	1965	48.59%
	100%	2127	60	2068	97.22%
					<b>24.31%</b>
<b>Separations Processes</b> 15%					
Processing the Separation Package	25%	12	0	12	25.00%
Separations Management	25%	24	1	23	23.96%
Claims Review	50%	600	11	589	49.08%
	100%	636	12	624	98.04%
					<b>14.71%</b>
<b>Public Funds/Fiscal Processes</b> 20%					
Public Fund Authorization/Cash Verification	20%	27	0	27	20.00%
U.S. Treasury Check Control	10%	6	0	6	10.00%
U.S. Treasury Check Issue Reporting/canc ck	15%	27	0	27	15.00%
U.S. Treasury Check Handling	10%	12	1	11	9.17%
Deposit/Debit Activity/Cash Link	10%	18	0	18	10.00%
Dishonored Check Processing	5%	15	0	15	5.00%
Foreign Currency Requirements	5%	15	0	15	5.00%
Claims Review	25%	157	2	155	24.68%



100%							277	3	274	99%	19.77%
<b>Average Office Effectiveness Rating</b>										94.71%	
<b>Number of Offices Analyzed</b>			3	<b>Average Office Proficiency Level</b>						2	
<b>DN Summary</b>											
	Recs	DN# Over	DN\$ Over	DN# Under	DN\$ Under	DN Count Total	Total Mispayment				
1. Mbr PCS per diem	386	9	\$853.40	3	\$104.50	12	\$957.90				
2. Mbr MALT	386	14	\$135.10	0	\$0.00	14	\$135.10				
3. Depn PCS per diem	386	3	\$354.75	3	\$150.49	6	\$505.24				
4. Depn MALT	386	4	\$10.66	0	\$0.00	4	\$10.66				
5. DLA	386	5	\$4,474.87	2	\$204.28	7	\$4,679.15				
6. TLE	386	8	\$1,459.95	2	\$401.00	10	\$1,860.95				
7. PCS reimbursables	386	7	\$2,278.74	3	\$190.33	10	\$2,469.07				
8. TAD per deim	900	69	\$44,076.12	10	\$1,116.49	79	\$45,192.61				
9. TAD transportation/reimbursables	900	25	\$12,701.69	17	\$775.35	42	\$13,477.04				
10. TAD leave	900	7	\$2,563.02	0	\$0.00	7	\$2,563.02				
11. Pay comps/reporting	450	8	\$12,262.18	3	\$77.35	11	\$12,339.53				
12. Joinee process	386	13	\$3,372.87	10	\$1,407.06	23	\$4,779.93				
13. Elapse time	386	6	\$2,675.46	0	\$0.00	6	\$2,675.46				
14. Reports	800	12	\$2,743.47	5	\$1,306.38	17	\$4,049.85				
15. Separation entitlements	300	0	\$0.00	3	\$128.27	3	\$128.27				
16. Separation deductions	300	8	\$2,155.64	0	\$0.00	8	\$2,155.64				
17. Public funds/Fiscal	157	1	\$1,848.59	1	\$0.00	2	\$1,848.59				
	<b>8181</b>	<b>199</b>	<b>\$93,966.51</b>	<b>62</b>	<b>\$5,861.50</b>	<b>261</b>	<b>\$99,828.01</b>				

Source: Marine Corps Administrative Analyst Team-East, MCAAT\_E\_COMBINED\_FY07\_1ST\_HALF[1].dot, 2007 (Camp Lejeune, NC: MCAAT, 2007), 8 and ERRORS\_AND\_FINDING\_2ND\_HALF\_FY07[1].PDF, 2007 (Camp Lejeune, NC: MCAAT, 2007), 8.

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