



# RESEARCH SUMMARY

## Modernizing the Financial Management Regulation

The Financial Management Regulation is a comprehensive document that guides War Department personnel on financial management, acquisition and more. But with more than 7,000 pages of detailed technical guidance, it can be difficult for users to navigate, understand and revise. This summary details IDA's actionable recommendations for modernizing the document and boosting efficiency.

After a 2024 [report](#) by the Planning, Programming, Budgeting and Execution Reform Commission called for a systematic revision of the Department of War's (DOW) Financial Management Regulation (FMR), the DOW asked IDA to identify ways to reduce the FMR's size, increase its user-friendliness and enable timely updates.

A research team led by Paul Thompson reviewed the FMR and conducted interviews and workshops with experts and stakeholders across and outside of the DOW. They also benchmarked the FMR against other federal policy documents and assessed the potential uses of current technology for improving search queries, summarizing policy updates, identifying acquisition requirements and more. Through this process, the researchers identified FMR

friction points, which they organized into the following categories.

- **Usability:** Navigating and searching for information in the FMR is difficult due to its size, scope and technical complexity. On top of this, adequate and thorough training and support for FMR users are lacking.
- **Efficiency of the updating process:** Under the current policy, chapter revisions to the FMR only take place every two years. Users expressed frustration with the length of time required to see a change published, and with the cumbersome approval process.
- **Content:** The FMR's structure varies across

**IDA**

April 2026 | Product 3006544

volumes and chapters, and it does not always distinguish between policy and procedure guidance. This can add confusion for users and impede swift revisions.

IDA identified seven actionable recommendations for modernization.

- **Create standardized structures:** IDA recommends a standardized template for FMR chapters and volumes along with a four-tiered structure for substantive sections consisting of links to higher-level guidance; financial management policy; procedures, guidance and instruction; and to related policy and procedural manuals of subordinate organizations within the joint force. This structure would make the FMR easier to use and revise.
- **Update how information is presented:** Improve readability, use creative presentation tools to identify key details, and let users subscribe to automatic updates on new revisions.
- **Update the information in the FMR:** Include new chapters or sections on additional topics of interest to stakeholders, such as government invoicing and robotic processing automation.
- **Improve education, training and support:** Build courses on content, navigation and use of potential AI tools. A reach-back process to FMR experts and authors would help, as would links to videos that address particular areas of concern.
- **Focus updates on prioritized content:** In addition to the current process of periodic chapter revisions, the DOW could fast-track updates for high-priority sections. These could be determined through data on searches, page views, and a potential feedback mechanism on the FMR website.

- **Streamline the coordination and collaboration process for FMR updating:** Implement a tool that allows for horizontal coordination and communication, enabling the entire stakeholder community to share information and feedback. Access to diverse feedback early on would help smooth the often-complicated revision process.
- **Leverage modern technology to improve usability:** Modern semantic search technology and generative AI tools would greatly improve users' ability to search and query the FMR. Technology could anticipate users' needs and questions, provide tips and background notes, and summarize policy updates. The DOW should take [certain steps](#), however, to mitigate the inherent risks associated with leveraging this modern technology.

IDA's recommendations constitute a comprehensive modernization framework that could better position the DOW to deliver world-class, responsive financial management. Although implementation may present challenges, the benefits of a modernized FMR would be substantial.

This summary is based on [IDA Product 3004870](#).



[Paul Thompson](#) is an Adjunct Research Staff Member in the Cost Analysis and Research Division of the Systems and Analyses Center, a federally funded research and development center operated by IDA. His areas of expertise include operations research, cost analysis and data visualization. Paul holds a doctorate in operations research from the Massachusetts Institute of Technology.