



**DEFENSE SECURITY COOPERATION AGENCY**  
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05 MAR 2013

MEMORANDUM FOR THE DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR  
INTERNATIONAL AFFAIRS  
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
DEFENSE EXPORTS AND COOPERATION  
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR  
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DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE  
DIRECTOR, MISSILE DEFENSE AGENCY  
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DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, NATIONAL GEOSPATIAL INTELLIGENCE  
AGENCY  
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,  
NATIONAL SECURITY AGENCY

**SUBJECT:** Clarification of Funding for End Use Monitoring, DSCA Policy 13-09, [SAMM E-Change 213]

**References:** a) DSCA Policy 02-43, End Use Monitoring (EUM) Responsibilities in Support of the Department of Defense Golden Sentry EUM Program, 4 December 2002

Reference a) has been superseded with the introduction of the E-SAMM and this revision of Chapter 8 in the Security Assistance Management Manual to clarify the appropriate source of funding for personnel and related support costs associated with the end use monitoring (EUM) of United States Government (USG) defense articles and services transferred to foreign partners. The monitoring of U.S. origin defense articles and services as specified in Section 40A of the Arms Export Control Act (AECA) of 1961, as amended, is a USG responsibility and is not a specific function covered by the Foreign Military Sales (FMS) Administrative Surcharge Account. As such, Foreign Military Financing (FMF) Administrative funds must be used to perform EUM functions rather than Foreign Military Sales (FMS) Administrative Surcharge funds. The attached revisions to Chapter 8 will be included in the on-line version of the SAMM found on the DSCA Web Page as SAMM E-Change 213.

These changes are effective immediately. Should you require further information on financial policy, please contact Glenn Anderson, DSCA/DBO-FPA, glenn.anderson@dca.mil, (703) 602-2006. For questions on EUM functions, please contact Chuck Handal, Golden Sentry Program Manager, DSCA/PGM/WPN, Shucri.handal@dca.mil, (703) 601-3653. For general questions on the E-SAMM, please contact Mike Slack, DSCA/STR/POL, [michael.slack@dca.mil](mailto:michael.slack@dca.mil), (703) 601-3842.

*Scott Schless*

3/5/2013

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**DSCA Policy 13-09, [SAMM E-Change 213]**  
**Chapter 8 Revisions to Clarify Funding for End Use Monitoring**

1. In Table C8.T2., in DSCA (Program Directorate) responsibilities, revise the sixth bullet to read:

- Oversee the fiscal budget planning, programming, and execution of the FMF Administrative funding of EUM activities.

2. In Table C8.T2., in MILDEPs and Implementing Agencies (IAs) responsibilities, revise the third bullet to read:

- Ensure that all EUM activities are captured during the budget planning, programming, and execution cycles; and that FMF Administrative funds are requested to perform EUM functions.

3. In Table C8.T2., in Combatant Commands (COCOMs) responsibilities, revise points 2. and 3. under the third bullet to read:

2. Ensure that all EUM activities are captured during the fiscal Budget Planning, Programming, and Execution cycles and that FMF Administrative funds are requested to perform EUM functions;
3. Provide adequate FMF Administrative funds to SCOs to perform EUM; and

4. In Table C8.T2., in Security Cooperation Organizations (SCOs)) responsibilities, under “Functions that may be performed by direct hire Locally Employed Staff authorized to perform inherently governmental duties, or a U.S. contractor when directly supervised by a USG employee” revise the fifth and eighth bullets, respectively, to read:

- Ensure that all costs for conducting EEUM activities are captured during the fiscal budget programming and execution cycles. Submit projected FMF Administrative funding requirements to the CCMDs and DSCA via the Security Assistance Automated Resource Management System (SAARMS).

and

- When directed by the Chief of Mission, on a case-by-case basis, conduct Blue Lantern end-use checks for commercially exported defense articles and include the cost of performing these checks during the annual FMF Administrative budget submission via the SAARMS.

5. In Table C8.T3., revise line 6 to read:

Procedures for capturing and submitting to the CCMD and DSCA actual costs and projected FMF Administrative funding required to perform EEUM functions.

6. Revise paragraphs C8.4.3.1. and C8.4.3.2. to read:

C8.4.3.1. At the end of each fiscal year, the CCMDs and SCOs are required to submit the actual annual costs and future two-year FMF Administrative budget projections associated with conducting EEUM, including travel to perform physical security and accountability inventories of in-country equipment and future deliveries and to attend Regional EUM Forums. To maintain accurate cost data and reporting, EUM managers should ensure that upon completion of each EEUM visit the cost is documented and entered into the Security Assistance Automated Resource Management System (SAARMS) under the appropriate expense code for EEUM (Code 210EM). Each entry should include a brief description of the EEUM function performed, e.g., number of personnel, equipment inventoried, locations visited.

C8.4.3.2. On a case-by-case basis, SCOs may request, through the CCMD, FMF Administrative funding to meet unexpected requirements to perform EEUM checks due to disposal verifications or other unforeseen EUM-related activities for which funding was not requested in the regular budget cycle. Unfunded requirements must be submitted to the appropriate CCMD for approval. When CCMD FMF Administrative funds are not sufficient or available, CCMDs may request FMF Administrative funding from DSCA (Business Operations Directorate) to meet unforeseen SCO requirements.