



DEFENSE SECURITY COOPERATION AGENCY
2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

14 JUN 2015

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR, SECURITY ASSISTANCE, DEFENSE FINANCE AND
ACCOUNTING SERVICE
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE
DIRECTOR, DEFENSE LOGISTICS AGENCY DISPOSITION
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

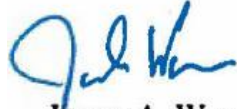
SUBJECT: Funding for Excess Defense Article (EDA) Grant Transfer, DSCA Policy 15-51,
SAMM E-Change 287

Reference: Security Assistance Management Manual (SAMM) Chapter 9, Table C9.T2

This policy updates the Security Assistance Management Manual (SAMM) by revising Chapter 9, Table C9.T2 to include proper funding sources for the EDA Grant Transfer program. EDA grant transfers are not funded by the FMS Administrative Surcharge. Associated activities such as Joint Visual Inspections (JVIs) should be funded from an FMS case, FMF administrative funds or other IA funds, e.g., O&M. These transfers use a Letter of Offer and Acceptance (LOA) document for ease of tracking/reporting only and are not part of the FMS program.

However, EDA grant transfers of an item may be part of an FMS LOA that includes refurbishment, spare parts, training, etc. In these situations, the FMS portion of the LOA is properly supported via FMS administrative funding as with any other FMS LOA. The funding source for the FMS portion of the LOA (FMF, national funds, etc.) does not alter that it is supported with FMS administrative funding. A revised table is attached to this memo with EDA information included in row 11.

If you have any questions concerning this guidance, please contact Mr. Glenn Anderson, DSCA DBO/FPA, glenn.e.anderson22.civ@mail.mil, (703) 697-8863.



James A. Worm
Principal Director
Business Operations

Attachment:
As stated

cc:

AFRICOM
CENTCOM
EUCOM
NORTHCOM
SOUTHCOM
PACOM
TRANSCOM
SOCOM
STATE/PM-RSAT
USASAC
SATFA
TRADOC
NAVSUP WSS
NETSAFA
AFSAC
AFSAT
DISAM
MARCOR IP

ATTACHMENT

Security Assistance Management Manual (SAMM), E-Change 287

Revise C9.T2. as follows:

		Funding Source (Total value for services, includes per diem, salary, travel)	
Row #	Activities	FMS Admin (Standard Level of Service)	FMS Case
1	<p>Pre-Letter of Request (LOR) P.E.s: 1, 4 Pre-LOR work to support a specific potential FMS program. This includes, but is not limited to, efforts to:</p> <ul style="list-style-type: none"> • Identify defense requirements • Provide system and platform information • Equipment demonstrations • Partner with industry on potential FMS programs • Respond to requests [e.g. Requests for Proposal (RFPs)] regarding international competitions 	<p>No more than 8% of the total FMS Administrative Surcharge funds allocated to an IA in a fiscal year may be expended on pre-LOR activities. See <u>Section C9.3.4.1.</u> for additional detail.</p>	<p>If pre-LOR work for a case exceeds 1% of the IA annual pre-LOR budget approved by DSCA and an FMS case results from this activity, then the FMS case must refund the FMS Administrative Surcharge budget authority from a services line on that case.</p> <p>If no FMS case results from this activity, FMS Administrative Surcharge budget authority will not receive a refund.</p> <p>IAs must notify DSCA Business Operations and Strategy Directorates when unforecasted pre-LOR efforts will – or are expected to – exceed 1% of the IA annual pre-LOR budget for any effort toward a potential case. See <u>Section C9.3.4.2.</u> for additional information.</p>
2	<p>Pre-Letter of Request (LOR) P.E.s: 1, 4 Site surveys, logistics support conferences, case planning meetings, etc., necessary to delineate/definitize purchaser requirements prior to a request for a Letter of Offer and Acceptance (LOA)</p>	<p>No more than 8% of the total FMS Administrative Surcharge funds allocated to an Implementing Agency (IA) in a fiscal year may be expended on pre-LOR activities. See <u>Section C9.3.4.1.</u> for additional detail.</p>	<p>The cost of these activities may initially be funded with FMS Administrative Surcharge funds, however, whenever possible, an FMS case should be written or an existing case amended to cover the costs prior to performing the services (rather than funding from the FMS Administrative Surcharge).</p> <p>IAs must notify the DSCA Strategy and Business Operations Directorates when unforecasted pre-LOR costs will – or are expected to – exceed 1% of the IA annual Pre-LOR budget approved by DSCA for any effort toward a potential case (see <u>Section C9.3.4.2.</u> for additional information).</p> <p>If an FMS case results, then the FMS case must refund FMS Administrative Surcharge budget authority from a services line on that case.</p>

			If no FMS case results from this activity, FMS Administrative Surcharge budget authority will not receive a refund.
3	<p>Pre-Letter of Request (LOR) P.E.s: 1, 4 Expeditionary Requirements Generation Teams (ERGT). ERGT established to augment Geographic Combatant Command (GCC) Staff and Security Cooperation Organizations (SCO) to assist in the identification of the country's requirements prior to submission of an LOR ERGT members TDY costs will be funded by the applicable agency. See <u>DSCA Policy 11-18</u>.</p>	Each ERGT mission will be reviewed on a case-by case basis to determine what the appropriate source of funding is (i.e., Operations and Maintenance (O&M), FMS Administrative Surcharge Account, FMS case funds, other sources of funds) for members participating on the team.	
4	<p>Case Development P.E.: 10 Responses to requests for information from foreign countries subsequent to receipt of an LOR but prior to an LOA.</p>	X	If the responses require preparation of reports or other documentation; travel to meetings; etc. that are expected to exceed 1% of the IA annual Pre-LOR budget approved by DSCA for any effort toward a potential case. See Section C9.3.4.2. for additional information. This may be done as a new case/line or on an existing case with the scope to cover this requirement.
5	<p>Case Development P.E.: 10 Preparation of Price and Availability (P&A) Data.</p>	Funded from the FMS Administrative Surcharge for a single preparation of the P&A document.	<p>P&A data are Rough Order of Magnitude (ROM). If the response requires preparation of reports or other documentation; travel to meetings; etc. then it does not qualify as ROM data. If more than ROM data is required, an LOA should be prepared--see Row #4.</p> <p>If the purchaser requests multiple iterations of a specific request for P&A (ROM) data that requires significant workload 25% or more resources to complete than it took for the original response) to complete, work to prepare this data should be charged to the customer as a services line on an FMS case. This includes requests for multiple iterations based on different quantities, condition, inclusion/exclusion of specified costs, etc.</p>
6	<p>Case Development P.E.: 10 Development and preparation of LOA documents to include LOAs, Amendments, Modifications. This includes, but is not limited to:</p>	Funded from the FMS Administrative Surcharge for a single preparation of the LOA document	If the purchaser requests multiple versions of an LOA, Amendment, or Modification that require significant workload (25% or more resources than it took to prepare the original response) to complete, this work must be charged to the customer as a services line on an FMS case (either the proposed new FMS case if the LOA document is accepted, or an existing

	<ol style="list-style-type: none"> 1. Development of LOA pricing data and notes; 2. Entry of case information into the Defense Security Assistance Management System (DSAMS); 3. Coordination of documents; 4. Quality control to ensure legal, financial, and policy compliance; 5. Participation in case-writing related meetings; 6. Preparation of LOA document package information to include: <ul style="list-style-type: none"> o Manpower and Travel Data Sheet (MTDS) o Financial Analysis Worksheet (SDAF only) o Missile Technology Control Regime (MTCR) review results o Review/process case-related waiver information (e.g., nonrecurring cost) (NOTE: This covers only the reviewing and processing of these waivers. Developing nonrecurring cost estimates is funded by O&M or other U.S. appropriated funds.) o LOA Checklists 7. Working with the purchaser to ensure the document meets the customer’s requirements – to include providing DSAMS reports, and MTDS as needed. 		<p>FMS case if the proposed new FMS case is not accepted. Request assistance from DSCA (OPS, Country Program Director if unable to determine which FMS case should be charged.). This includes requests for multiple iterations based on different quantities, condition, inclusion/exclusion of specified costs, etc. IAs must notify DSCA Strategy and Business Operations Directorates when case development costs will, or are expected to, exceed \$1M for any effort towards a potential case. See Section C9.3.4.2. for additional information.</p>
7	<p>Case Development P.E.: 10 Development of Not-to-Exceed (NTE) LOAs.</p>		<p>A services line on the NTE case must cover “incremental costs” incurred or expected to be incurred based on the purchaser’s request to prepare the LOA using NTE pricing. “Incremental costs” are those costs to cover any work beyond preparation of a case written using current policies and pricing guidelines. [NTE LOAs are not normally provided. See guidance in DSCA memo I-00/006952 dated June 15, 2000.]</p>
8	<p>Case Development P.E.: 10 Development of an LOA as “classified” at the request of the purchaser (i.e., would not be otherwise classified by the USG).</p>	<p>See Sections C4.5.16. and C5.4.11. for restrictions on classifying LOAs. Development of “classified” LOAs may be Administrative Surcharge-funded if the additional work</p>	<p>If the customer requests a “classified” LOA and development of the “classified” LOA requires significant workload (25% or more resources to complete than it took for an unclassified response) to complete, work to prepare this data should be charged to the customer as a services line on the “classified”</p>

		involved with producing the “classified LOA does not require 25% or more resources to complete than it would take to produce an unclassified response.	case to cover the additional costs incurred or expected to be incurred in preparing and handling data outside the DSAMS document preparation capabilities. Charge these efforts to an existing FMS case if the proposed new FMS case is not accepted. This includes requests for multiple iterations based on different quantities, inclusion/ exclusion of specified costs, etc. If purchaser requests are made for multiple versions of the same document (e.g., “what if”-type drills), the response should be in the form of P&A data rather than a formal document. See row #5.
9	Case Development P.E.: 8 Determine releasability and disclosure decisions for requested articles and services.	Releasability and disclosure activities are not funded by FMS Admin or the FMS case. These activities are funded using other IA funds, e.g., O&M, RDT&E, etc.	
10	Case Development P.E.: 12 Missile Technology Control Regime review of FMS case for compliance.	MTCR compliance activities are not funded by FMS Admin or the FMS case. These activities are funded using other IA funds, e.g., O&M, RDT&E, etc.	
11	Case Development P.E.: N/A Excess Defense Article Grant Transfer	EDA grant transfers are not funded by the FMS Administrative Surcharge. Associated EDA activities such as Joint Visual Inspections (JVIs) should be funded from an FMS case, FMF administrative funds or other IA funds, e.g., O&M. EDA grant transfers use an LOA document for ease of tracking/reporting only and are not part of the FMS program. However, if an EDA grant transfer of an item is part of an FMS LOA whereby a foreign partner is purchasing refurbishment, training, spare parts, etc., the FMS portion of the LOA is properly supported via FMS administrative funding as with any other FMS LOA. The funding source for the FMS portion of the LOA (FMF, national funds, etc.) does not alter that it is supported with FMS administrative funding.	
12	Case Development P.E.: 10 Activities performed by DFAS and all organizations within an IA required to implement the case.	X	
13	Case Execution and Case Closure P.Es.: 13, 14, 15, 16, 19	X	

<p>Efforts/services required to execute the case to include, but not limited to:</p> <ol style="list-style-type: none"> 1. Establish cost, schedule, and performance goals and objectives for execution of the case; 2. Monitor and manage case performance including: scope, schedule of work, cost, payment schedules, problem resolution, financial management services, etc.; 3. Inform the purchaser and other USG entities regarding case execution status. See other rows in this matrix for additional information on case reviews; 4. Pull and/or prepare reports needed to monitor case execution status and keep purchaser informed; (Note: Does not include reports and data available from Security Cooperation Information Portal (SCIP) since the purchaser can pull this data.) 5. Initiate, oversee and manage the procurement process, e.g., preparing Statements of Work, solicitation of bids, negotiating contracts, developing/preparing contracts, processing sole source requests, preparing and processing Military Interdepartmental Purchase Requests (MIPRs), etc.; 6. Prepare and process requisitions to include providing appropriate status and tracking/ coordination/problem-solving to ensure on-time deliveries; 7. Report deliveries, to include both the physical delivery of the article/ service and the associated financial/billing transactions; 8. Maintain case files; 9. Perform reconciliation of financial and logistical management systems until the case is supply/services complete; 10. Process Supply Discrepancy Reports (SDRs). For appropriate funding of approved SDRs, see <u>Chapter 6</u>. 11. Perform case closure activities (to include reconciliation efforts for supply/service complete cases) to include all types of closure. 		
---	--	--

14	<p>Case Execution and Case Closure</p> <p>P.Es.: 13, 14, 15, 16, 19</p> <p>Execution support beyond that provided as part of the Standard Level of Service. For example:</p> <p>Incremental costs needed to provide the services beyond the SLS provided in Row #12.</p> <p>LOA notes must clearly define, for each of these line items, exactly what support beyond the SLS is required.</p> <ol style="list-style-type: none"> 1. Additional resources needed to expedite contract award and delivery; 2. Dedicated requisition processing (e.g., working with only one country, preparing requisitions that the purchaser normally submits (i.e., blanket order cases), etc.); 3. Additional resources needed to accelerate a program (excluding incentive clauses in contracts); 4. Additional resources needed to expedite case closure; 5. Preparing reports as requested by the purchaser that are either more detailed or required more frequently than covered under Row 12. Examples include researching and providing case status or status of requisitions reports readily available in SCIP that the purchaser could access itself; <p>This support may be required either:</p> <ul style="list-style-type: none"> • By the USG based on analysis of the requirements (For example: Some weapon systems may require more extensive management from a USG-perspective if they are complex, being newly introduced to a country's inventory, etc.), or • By the purchaser's request for additional support (For example: Some cases may require more extensive management or expedited closure from a purchaser-perspective if they have high visibility within the country or if there are internal country requirements for reporting, tracking, etc.) 		<p>Incremental costs needed to provide the services beyond the SLS provided in Row #12.</p> <p>LOA notes must clearly define, for each of these line items, exactly what support beyond the SLS is required.</p>
----	---	--	--

15	<p>Case Execution P.Es.: 13, 14, 15, 16 SA accounting and budgeting (to include DFAS) beyond those activities in row #11.</p>		<p>Incremental costs needed to provide the services beyond the SLS provided in Row #12. LOA notes must clearly define, for each of these line items, exactly what support beyond the SLS is required.</p>
16	<p>Case Execution P.Es.: 13, 14, 15, 16 Efforts/services required to execute a case as “classified” at the request of the purchaser (i.e., would not be otherwise classified by the USG). See Sections <u>C4.5.16</u> and <u>C5.4.11</u> for restrictions on classifying LOAs.</p>		<p>Services line on the “classified” case to cover any additional costs incurred or expected to be incurred with execution outside normal domestic systems and processes (often manual).</p>
17	<p>Case Execution P.Es.: 13, 14, 15, 16 Day-to-Day Case Analysis</p> <ol style="list-style-type: none"> 1. Review the individual FMS case execution (i.e. monitoring acquisition and training, tracking requisitions); 2. Reviewing financial status, etc. continuously throughout the life of the case; 3. Conduct meetings and/or prepare correspondence as determined by the USG to keep the case on track and keep the purchaser informed regarding cost, schedule, and performance of the individual case. <p>Most aspects of day-to-day case analysis are automated and do not require face-to-face reviews, particularly when the case’s cost, schedule, and performance are on track. If at any time the customer asks for support that isn’t covered, it needs to be added to the case.</p> <p>The purchaser should be encouraged to utilize the SCIP for day-to-day information on one or more specific case(s).</p>	X	
18	<p>Case Execution P.Es.: 13, 14, 15, 16 Review [Case-Level Formal Review]</p>	X	

	<p><u>Section C6.5.2</u>, mandates that every FMS case must be reviewed at least once annually. Most aspects of case-level formal review analysis are automated and do not require face-to-face reviews, particularly when the case’s cost, schedule, and performance are on track. The purchaser should be encouraged to utilize the SCIP for day-to-day information on one or more specific case(s).</p> <p>The case manager may decide if the case-level formal review warrants face-to-face meetings (internal USG and/or purchaser participation), or if other means of communication will suffice. More than one case-level formal review may be necessary, and funded by the FMS Administrative Surcharge Account. The FMS Administrative Surcharge funded case-level formal reviews may be held in either CONUS and/or OCONUS.</p> <p>Each FMS case must include a note that states the number and type of reviews provided as part of the Standard Level of Service for that case. This note must be updated during the life of the FMS case as required based on changes in the program.</p>		
19	<p>Case Execution P.Es.: 13, 14, 15, 16 Review [Case-Level Formal Review] (Beyond Row #17) Applies if a case requires additional Case-Level Formal Review to stay on track or keep the purchaser informed regarding cost, schedule, and performance. May be required either:</p> <p>By the USG based on analysis of the requirements, e.g. the program and its phase of production, etc. (For example: USG may determine that the case needs to be reviewed more frequently than Row #17, based on unique aspects of the program that depend on frequent updates)</p> <p>By the purchaser request for specific additional review. (For example: The purchaser may request that case-level, face-to-face reviews be conducted more frequently than provided in Row #16)</p>		<p>Incremental costs above the SLS provided in Row #17. LOA notes must clearly define for each of these line items exactly what support beyond the SLS is required.</p> <p>[NOTE: This also includes travel and personnel costs when a customer requires specific USG organizational attendance at any meetings other than those identified/above that are required by the case manager.]</p>

20	<p>Case Execution P.Es.: 13, 14, 15, 16 Review [Program-Level] Review specific FMS program (e.g., major acquisition that may consist of multiple cases) for a purchaser. Conduct meetings and/or prepare correspondence as needed to keep the program on-track and keep the purchaser informed regarding issues impacting the overall program (acquisition and training; deliveries; financial status; cost, schedule, and performance; etc.). Frequency should be consistent with the milestone plan established during case development. These reviews may be required either:</p> <ul style="list-style-type: none"> • By the USG based on analysis of the requirements, or • By the purchaser request for specific additional support <p>If this level review is USG-mandated, the case manager will decide (1) how frequently this review is required, and (2) if the program warrants face-to-face meetings to conduct this review or if other means of communication will suffice. If the program involves multiple cases with different case managers, these decisions will be made jointly by the case managers based on analysis of the requirements.</p>		<p>This review may overlap some aspects of the Case-Level Review provided in Row #17. If so, incremental costs above the SLS provided in Row #17 to perform the Program-Level Review must be case-funded. If there is no overlap between these 2 types of review, all costs for the Program-Level Review must be case-funded. LOA notes must clearly define for each of these line items exactly what support beyond the SLS is required. These services may be included on the major acquisition case or spread throughout the individual cases that support the program. Each case must clearly identify these requirements.</p>
21	<p>Case Execution P.Es.: 13, 14, 15, 16 Review [IA-Level] Review all purchaser cases managed by an individual IA. Conduct meetings and/or prepare correspondence as needed to keep the cases on-track and keep the purchaser informed regarding issues impacting their overall program with that IA (acquisition and training; deliveries; financial status; cost, schedule, and performance; etc.). Required either:</p> <ul style="list-style-type: none"> • By the USG based on analysis of the requirements, or • By the purchaser request for specific additional support <p>If this level review is USG-mandated, the IA determines if the standard Case-Level Review requirements provided in</p>	<p>FMS Administrative Surcharge-funded if not specifically requested by the purchaser and the USG determines this is the most efficient method of providing the services identified in Row #17.</p>	<p>FMS case-funded if specifically requested by the purchaser and not determined by the USG as the most efficient method of providing the services identified in Row #17. This review may overlap some aspects of the Case-Level Review provided in Row #17. If so, incremental costs above the Standard Level of Service provided in Row #17 to perform the IA-Level Review must be case-funded. If there is no overlap between these 2 types of review, all costs for the IA-Level Review must be case-funded. LOA notes must clearly define for each of these line items exactly what support beyond the Standard Level of Service is required. Purchaser-requested reviews of this nature should be conducted under an LOA line item expressly for this purpose.</p>

	Row #16 are more efficiently met by conducting an overall review that includes all the purchaser's cases with that IA.		
22	<p>Case Execution P.Es.: 13, 14, 15, 16 Review [Country-Level] Review country's entire FMS program. Conduct meetings and/or prepare correspondence as needed to keep the country's overall FMS program on-track and keep the purchaser informed regarding issues impacting the overall program (acquisition and training; deliveries; financial status; cost, schedule, and performance; etc.). Required either:</p> <ul style="list-style-type: none"> • By the USG based on analysis of the requirements, or • By the purchaser request for specific additional support <p>If this level of review is USG-mandated, DSCA will decide (1) how frequently this review is required, and (2) if the overall program warrants face-to-face meetings to conduct this review or if other means of communication will suffice. This includes Financial Management Reviews (FMRs).</p>	FMS Administrative Surcharge-funded if not specifically requested by the purchaser and the USG determines this is the most efficient method of providing the services identified in Row #17.	<p>FMS case-funded if specifically requested by the purchaser and not determined by the USG as the most efficient method of providing the services identified in Row #17. This review may overlap some aspects of the Case-Level Review provided in Row #17. If so, incremental costs above the Standard Level of Service provided in Row #17 to perform the Country-Level Review must be case-funded. If there is no overlap between these 2 types of review, all costs for the Country-Level Review must be case-funded. LOA notes must clearly define for each of these line items exactly what support beyond the Standard Level of Service is required.</p> <p>These services may be included on any case designated by the purchaser or may be spread throughout multiple cases.</p>
23	<p>Case Execution P.Es.: 13, 14, 15 Security Assistance Teams Services such as: studies and surveys; technical assistance; etc. to include, but not limited to advisory personnel or members of Mobile Training Teams (MTTs); Technical Assistance Field Teams (TAFTs); Contractor Engineering Technical Services (CETS); program task forces; Technical Assistance Teams (TATs); Quality Assurance Teams (QATs); Engineering Change Proposals (ECPs) etc. Includes training for MTTs or TAFTs and other personnel for their direct support to a case (does not include certification requirements). Required either:</p> <ul style="list-style-type: none"> • By the USG based on analysis of the requirements, or 		X

	<ul style="list-style-type: none"> By the purchaser request for specific additional support 		
24	<p>Case Execution P.Es.: 13, 14, 15 Foreign Participation in a USG-sponsored Group Foreign purchaser participation in a case/program related group such as Technical Coordination Groups (TCG), International Engine Management Program (IEMP), Electronic Combat International Security Assistance Program (ECISAP), Fair Share Sustainment Program (FSSP), Engineering Fair Share Program (ESSP), Apache Coordination Technical Services Improvement Program (ACTSIP), etc.</p>		X
25	<p>Case Execution P.Es.: 13, 14, 15 Services required to produce materiel requested by the purchaser (e.g., engineering services, testing).</p>		The pro-rata share costs incurred are included in the materiel line.
26	<p>Case Execution P.Es.: 13, 14, 15 Weapon System Changes Services such as: Configuration management, Weapon systems management, Systems integration, etc. Required either:</p> <ul style="list-style-type: none"> By the USG based on analysis of the requirements, or By the purchaser request for specific additional support 		X
27	<p>Case Execution P.E.: NA Transportation, lodging, per diem, leasing of commercial or GSA vehicles, or other administrative expenses of foreign government representatives, even though such expenses may relate to the materiel and/or services being provided on the case.</p>	These services will not be included on FMS cases nor be paid for using FMS Administrative Surcharge funds. Foreign purchasers are responsible for making and paying for these arrangements outside the FMS process. See <u>Section C4.5.1.</u>	
28	Case Execution - Business Sustainment	X	

	<p>P.E.: 22, 26</p> <p>Space rental and/or refurbishment charges specifically incurred to support the FMS “community” mission. For dedicated FMS organizations (e.g., AFSAC, AFSAT, USASAC, SATFA, NAVSUP-WSS, NETSAFA), this includes all space rental and/or refurbishment costs. For non-dedicated organizations, this includes only those incremental space rental and/or refurbishment costs that are attributable to FMS mission performance.</p> <p>Information Technology (IT) services/equipment specifically incurred to support the FMS “community” mission. For dedicated FMS organizations, this includes all IT costs. For non-dedicated organizations, this includes only those incremental IT costs that are attributable to FMS mission performance.</p> <p>Supplies and equipment specifically incurred to support the FMS “community” mission. For dedicated FMS organizations this includes all supply and equipment costs. Printing and reproduction cost incurred primarily for the benefit of FMS programs. For non-dedicated organizations, this includes only those supplies and equipment that are attributable to FMS work-years.</p>		
29	<p>Case Execution</p> <p>P.E.: 13, 14, 15</p> <p>Space rental and/or refurbishment charges specifically incurred to support the purchaser/case (e.g., warehousing)</p>		Incremental costs above the Standard Level of Service provided in row #27. LOA notes must clearly define for each of these line items exactly what support beyond the Standard Level of Service is required.
30	<p>Case Execution - Business Sustainment</p> <p>P.E.: 20</p> <p>Job-Related Training</p> <p>Job-related skills training (not specifically related to an FMS case) for individuals who spend 50% or more of their time performing FMS-related work.</p>	X	
31	<p>Case Execution</p> <p>P.Es.: 13, 14, 15</p>		X

	Job-related skills training specifically related to an FMS case (does not include certification requirements --- see Row #30). For example: Defensive Driving Course for team members being deployed to a high terrorist threat country		
32	Business Sustainment P.Es.: 20, 22 Job-related skills training for individuals who spend less than 50% of their time performing FMS-related work	These training activities are not funded by FMS Administrative Surcharge or the case. These training activities are funded by the same source that pays the employee's salary.	
33	Business Sustainment P.Es.: 20, 22 Training for certified personnel for their continued education required to maintain their certification.	These training activities are normally funded using funds other than FMS Administrative Surcharge fund or the FMS case (e.g., Defense Acquisition Workforce Improvement (DAWIA) certifications funded by DoD). If a certification is required for a position to support an FMS case, a qualified (i.e., certified) person should be selected. Any questions about whether or not training should be FMS Administrative Surcharge-funded should be directed to DSCA (DBO).	
34	Case Execution P.Es.: 13, 14, 15 DoD MILDEP training exercises in support of an FMS case exercise.		X
35	Business Sustainment P.Es.: 20, 22 Language Training	Language training is not funded by either FMS Administrative Surcharge or the FMS case. If a language skill is required on the case, a qualified person (e.g., someone already proficient in the language to the extent required) should be selected.	

Notes:

1. The Core Functions and Program Elements listed above are used by the USG security cooperation community for tracking and recording
2. Salaries of U.S. Military personnel (not including Coast Guard) are paid for by MILPERS funds when these personnel are performing activities included in the "FMS Admin" column. When activities in the "FMS Case" column are performed by U.S. military personnel, the salaries of these personnel should be reimbursed by the FMS case unless the case is fully funded with FMF Non-Repayable, Military Assistance Program (MAP) funds, or other USG appropriations. Salaried and travel of FMS case funded personnel will continue to be charged to FMS case funds even when attending events that would otherwise be FMS Admin funded.
3. When activities in the "FMS Case" column are performed by US civilian personnel, unfunded civilian retirement costs should be included in the pricing except when the case is funded using other USG appropriations. Note: This exception does not include FMF and MAP.
4. Overtime, awards, or similar personnel actions are funded by the same source that pays the employee's salary if the employee is full-time, dedicated to that source.
5. Definitions of "incremental": Efforts/costs expended beyond the Standard Level of Service. Only the difference in costs between these efforts and the Standard Level of Service would be charged to the case.
6. FMS case funds are not the source of funding for any activity after the case closes.

7. Definition of “indirect costs”: Indirect costs related to FMS and FMS-like cases are those costs needed for administration of sales made under the Arms Export Control Act. This includes costs required to provide the SLS for routine execution of these cases. Costs included in the column “FMS Admin” are considered indirect costs even if they can be identified to an individual case.
8. Definition of “direct costs”: Direct costs related to FMS and FMS-like cases are those costs needed to pay for articles and services either (1) specifically requested and provided to the purchaser as part of their program; or (2) specifically identified by the Implementing Agency as direct charges necessary to support the purchaser’s program. This includes costs for technical services and other support that may be required to support a specific sale. Costs included in the column “FMS Case” are considered direct costs. Costs of employing additional workers and overtime work for compressed schedules and acceleration of procurement and delivery are other examples of services that would be covered as direct costs.
9. “Implementing Agency” as used in this matrix includes all personnel at the Headquarters, commands, field activities, Inventory Control Points, etc. within the applicable Service or defense agency. Implementing Agency is not limited to Headquarters only.