



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

MAY 17 2006

In reply refer to:
I/06/000938-DBO

MEMORANDUM FOR SEE DISTRIBUTION LIST

SUBJECT: Foreign Military Sales (FMS) Case-Related Manpower Functions and Funding Source (DSCA 06-25) (SAMM E-Change 48)

REFERENCE: DSCA Memorandum I-06/000933, "Changes to Foreign Military Sales (FMS) Administrative Surcharge Structure and Rate (DSCA 06-14)," 15 Mar 06

Table C5.T6. in the Security Assistance Management Manual (SAMM) provides information on what Foreign Military Sales (FMS) case-related activities are covered by the Administrative Surcharge. This is a very important table as activities included in the "FMS Admin" column of this table represent the "Standard Level of Service" to be provided on each FMS case being executed. As part of our recent roll-out of surcharge-related initiatives (referenced memorandum), DSCA announced we would be updating this table. We have completed that revision – the updated table and other related SAMM changes are attached for your use and information. Minor changes to the FMS Case Reconciliation and Closure Manual (RCM) are also needed to ensure consistent guidance for case-related manpower. Those changes are provided as Attachment 3.

These SAMM and RCM changes apply to all FMS and FMS-like cases (e.g., pseudo, security cooperation program, etc.) and are effective immediately unless otherwise noted. The following key points are highlighted:

- a. The purpose of the update is not to change the "Standard Level of Service" – the revised table does not move activities previously covered by the FMS Administrative Surcharge onto case-funded categories or vice versa. Instead, the purpose of the re-write is to clarify these activities to ensure more consistent implementation across our community.
- b. As with the previous version of Table C5.T6., the table only covers those activities specifically related to FMS (and FMS-like) cases and case management. In addition to these case-related costs, the FMS Administrative Surcharge is also used to fund infrastructure and community-wide costs needed to manage and oversee all FMS programs (e.g., Information Technology investments). These activities are not included on the table.
- c. Case managers, case writers, and others involved in the case development and review processes must use Table C5.T6. when developing/reviewing LOA documents to ensure functions are funded by the correct funding source. Lack of a particular type of funds will not be used as justification for charging activities to any other type of funding.

d. The revised table eliminates the use of Program Management Lines (PMLs) for any cases “accepted” on or after 1 Aug 06. New cases “accepted” after 1 Aug 06 may still include valid US Government program management services, but these requirements will be included as separate, well-defined line items on the FMS case with accompanying detailed notes tailored to the specific program and case. Activities previously in the PML column of this table have been moved to the FMS Case column and further defined. Existing PMLs already on cases “accepted” prior to 1 Aug 06 will continue to be executed under the previous guidance within their current scope.

e. The revised table identifies thresholds for when specific work must be case-funded. This will help ensure that purchasers who desire multiple iterations of data requiring specified levels of USG support pay for those additional services separately rather than using the community FMS Administrative Surcharge resources.

f. The revised table identifies activities that cannot be funded using FMS Administrative Surcharge monies. This does not represent a change in policy – but by documenting these restrictions on the table we hope to increase knowledge and thereby improve compliance.

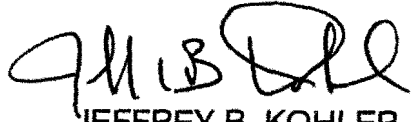
g. The revised table requires “incremental” costing for certain activities that exceed the “Standard Level of Service.” This will help ensure purchasers pay only for additional requirements – and not for services already covered by the FMS Administrative Surcharge. These additional requirements may be included on the case at the request of the purchaser or by the US Government based on analysis of what will be required to successfully implement and execute the requested program.

h. An update to the Manpower and Travel Data Sheet (MTDS) is also included in this SAMM change. The revised form now requires an entry to identify the specific activity listed on Table C5.T6. being supported. This data sheet continues to be mandatory for any manpower included on the case – regardless of whether that manpower is provided under a separate line item or included as part of a materiel line.

The revised Table C5.T6. represents a significant improvement over the previous version of this table. It is a difficult task to identify standards that can be applied consistently across all Implementing Agencies and cases while still allowing the flexibility to accommodate different case types and complexity. This new version strives to do all of those things. This has been an iterative process and we will continue to use your feedback and input to further refine and improve this table – publishing additional revisions as needed.

We recognize that our responsibility does not end with publication of this guidance. Implementing these standards and ensuring compliance are equally important and DSCA will work with the entire community to make sure these new policies are consistently and fairly

applied. If you have any questions about these policies, please contact Beth Baker, DSCA/DBO/FPS, 601-3839, e-mail: beth.baker@dca.mil or Steve Harris, DSCA/STR/POL, 604-6611, e-mail: steve.harris@dca.mil.



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Attachments

1. SAMM Change
2. Revised Table C5.T6.
3. RCM Change

DoD 5105.38-M, Security Assistance Management Manual (SAMM) Changes Related to Case-Related Manpower Functions and Funding Sources

1. Delete paragraph C5.4.9. and its sub-paragraphs in their entirety and replace with the following revised paragraphs:

C5.4.9. Manpower on LOAs. Manpower in support of specific FMS programs is provided on FMS cases – either on applicable services lines or included directly in the price of materiel and/or services lines. See Chapter 9, paragraph C9.4.2. for information on pricing and tracking manpower requirements.

C5.4.9.1. Case-Related Manpower Functions and Funding Sources. Table C5.T6. describes case manpower functions and indicates which activities are covered under the FMS Administrative Surcharge and which should be included as line items on the case. Items listed under the “FMS Admin” column should not be included and/or priced on the LOA as these services represent the “Standard Level of Service” covered by the FMS Administrative Surcharge. Requests to deviate from the funding sources shown on this table must be coordinated with DSCA (Business Operations and Strategy Directorates).

C5.4.9.2. Program Management Services. The Implementing Agency may determine that additional USG program management services, beyond those covered in the “Standard Level of Service,” are necessary for successful program implementation and execution.

C5.4.9.2.1. Cases “Accepted” After 1 Aug 06. For LOAs or case line items “accepted” after 1 Aug 06, any justified program management services will be included on well-defined, services line items. The tailored line item description note for each of these line items must include details describing exactly what services will be provided and the length of time they will be performed.

C5.4.9.2.2. Cases “Accepted” Prior to 1 Aug 06. For cases “accepted” prior to 1 Aug 06, program management services were included on Program Management Lines (PMLs). Table C5.T7. identifies the types of sales where PMLs may have been used. PMLs were identified on LOA documents using Generic Code R6B. Generic Code L8A was used on older cases to identify Case Management Lines. While R6B and L8A may no longer be added to cases, PMLs and Case Management Lines that were “accepted” prior to 1 Aug 06 may be used until closure of those cases. Adjustments may be made to these existing PMLs via LOA Modifications or LOA Amendments as long as these adjustments are within the current scope of the PML – no adjustments will be made to increase the scope of these line items. Any additional scope required may be added as new line items in accordance with paragraph C5.4.9.2.1. The FMS Administrative Surcharge is not applied to PMLs. The following must be included on all LOAs, Amendments, or Modifications that include PMLs: “Subtotal Cost of Ordered Articles and Services and PML total value.” The total of these two values is the block (8) value of the document.

2. **Delete Table C5.T6. in its entirety and replace it with the revised table at Attachment 2.**

3. **Delete Table C5.T7. in its entirety and replace it with the following revised table:**

Table C5.T7. Historical Rules for Use of Program Management Lines (PMLs)

NOTE: FMS cases “accepted” prior to 1 Aug 06 may have included PMLs. This table provides historical information for the rules that governed the use of PMLs on those cases. No new PMLs may be included on cases (or new case lines) “accepted” on or after 1 Aug 06.	
What Types of Sales MAY Include Program Management Lines?	What Types of Sales MAY NOT Include Program Management Lines?
System sales of aircraft, ships, shipboard equipment, missiles, combat vehicles, radars, or communications electronics which include the major end item and necessary logistical and training support	Sales from stock other than weapon systems
	Follow-on support, including publications, maps, and charts
Modifications that improve the operational capability of systems already in purchaser inventories	Entirely for services
	Individual major end item sales
Non-standard equipment, systems, or services	Modifications other than those that improve the operational capability of systems
Sales that include program acceleration	Routine non-MDE sales
Coproduction programs	

4. **Add the following sentence to the end of existing paragraph C5.4.11.2.2.:**

Costs incurred to write and execute classified cases will be charged to the program in accordance with Table C5.T6.

5. Delete Figure C9.T2. in its entirety and replace it with the following revised figure:

Figure C9.F1. LOA Manpower and Travel Data Sheet (MTDS)

A. Personnel

Position/ Function	Grade/Rank/ Contractor	Location	Line Item on LOA	Work Years of Effort	Duration (From/To)	Total Salary	Corresponding Table C5.T6. Row #

Total:

B. Travel

Purpose of Trip	CONUS or In- Country	Line Item on LOA	Number of Trips	Duration of Each Trip	Number of People Each Trip	Total Cost	Corresponding Table C5.T6. Row #

Total:

C. Personnel Support Costs (i.e., office space, equipment, furniture, communications, supplies, etc.)

Type of Support	Total Cost	Corresponding Table C5.T6. Row #

Total:

D. Narrative Description: (Use this section to describe the life of any services lines and any Program Management Lines (PMLs) in relation to the delivery schedule of the item(s). Provide the number of months of program management support beyond final delivery (not to exceed 6 months) and supporting information. [NOTE: Cases “accepted” on or after 1 Aug 06 will not include new PML requirements. Existing PMLs may continue until fully executed and will continue to be reported using this data sheet.] Clearly define for each of these line items exactly what support beyond the “Standard Level of Service is required. This information must also be included in the LOA line item description notes and must be unique/tailored for each individual case.)

E. Additional Comments:

F. Point of Contact for Further Information Regarding Manpower on this Case: (Name, organization, phone number, e-mail address).

6. Delete paragraphs C9.4.2.2 and C9.4.2.3. in their entirety and replace with the following revised paragraphs:

C9.4.2.2. Manpower Funding Sources. Manpower for FMS case-related programs is funded from one of two sources: the FMS Administrative Surcharge or FMS case line items. See Chapter 5, Table C5.T6. for a description of case manpower functions and how each function should be funded. Requests to deviate from these funding sources must be coordinated with DSCA (Business Operations and Strategy Directorates).

C9.4.2.3. Program Management Services - Tracking Costs. An auditable methodology must be used to document work each individual performs on a program management services line or a Program Management Line (PML). Personnel charges must be identifiable by position number, employee identification number, or other traceable means.

7. Delete paragraph 5 in Figure C11.F2. and replace with the following revised paragraph:

5. Administrative Surcharge: DSCA will assess an administrative surcharge of 3.8 percent on all items and services provided pursuant to this request.

8. Delete paragraph VII.B. in Figure C11.F8. and replace with the following revised paragraph:

- B. Administrative Surcharge: DSCA will assess an administrative surcharge of 3.8 percent on all items and services provided pursuant to this request.

Table C5.T6. Case-Related Manpower Functions and Funding Source

Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
1	Pre-Letter of Request (LOR)	1, 4	<p>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 with an FMS component 	X	<p>If the Pre-LOR work in Row #1 exceeds ¼ work-year or \$25,000 (whichever is greater) and an FMS case results from this activity, then the FMS case refunds the FMS Admin budget from a services line on that case.</p> <p>If no FMS case results from this activity, the FMS Admin budget will not receive a refund.</p>
2	Pre-LOR	1, 4	<p>Site surveys, logistics support conferences, case planning meetings, etc., necessary to delineate/definitize purchaser requirements prior to a request for an Letter of Offer and Acceptance (LOA).</p>	<p>If the Pre-LOR work in Row #2 is not expected to exceed ¼ work-year or \$25,000 (whichever is greater), the costs of these activities may initially be funded with FMS Admin funds. If an FMS case results from this activity, then the FMS case refunds the FMS Admin budget from a services line on that case.</p> <p>If no FMS case results from this activity, the FMS Admin budget will not receive a refund.</p>	<p>If the Pre-LOR work in Row #2 is expected to exceed ¼ work-year or \$25,000 (whichever is greater), an FMS case MUST be written or an existing case amended to cover costs of these activities PRIOR to performing the services (rather than funding initially from FMS Admin).</p>
3	Case Development	10	<p>Responses to requests for information from foreign countries prior to an LOA.</p>	X	<p>If the responses require preparation of reports or other documentation; travel to</p>

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					meetings; etc. that are expected to exceed ¼ work-year or \$25,000 (whichever is greater), this work must be charged to the customer as a services line on an FMS case.
4	Case Development	10	Preparation of Price and Availability (P&A) Data.	X	<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 #5.</p> <p>If the purchaser requests multiple iterations of a specific request for P&A (ROM) data and work to prepare these additional responses is expected to exceed ¼ work-year or \$25,000 (whichever is greater), this work must 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>

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Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
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5	Case Development	10	<p>Development and preparation of LOA documents to include LOAs, Amendments, Modifications, Letters of Intent (LOIs). This includes, but is not limited to:</p> <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"> ▪ Manpower and Travel Data Sheet ▪ Financial Analysis Worksheet (SDAF only) ▪ MTCR review results ▪ Review of waiver information ▪ Checklists; (7) Working with the purchaser to ensure document meets requirements – to include providing DSAMS reports, Manpower Travel and Data Sheet (MTDS) as needed. 	<p>FMS Admin-funded for a single preparation of the LOA document.</p> <p>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.</p>	<p>If the purchaser requests multiple LOA, Amendment, or Modification versions, and work to prepare these additional responses is expected to exceed ¼ work-year or \$25,000 (whichever is greater), 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 FMS case if the proposed new FMS case is not accepted. Request assistance from DSCA 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.</p>
6	Case Development	10	Development of Not-to-Exceed (NTE) LOAs.		<p>Services line on the NTE FMS case to 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</p>

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				FMS Admin (Standard Level of Service)	FMS Case
					costs to cover any work beyond preparation of a case written using current policies and pricing guidelines. [Reference: DSCA memo I-00/006952 dated June 15, 2000.]
7	Case Development	10	Development of an LOA that is “classified” at the request of the purchaser.	See paragraphs C4.5.16. and C5.4.11. for restrictions on classifying LOAs. Development of “classified” LOAs may be Admin-funded if the additional work required does not exceed ¼ work-year or \$25,000 (whichever is greater).	If work to prepare this “classified” LOA is expected to exceed ¼ work-year or \$25,000 (whichever is greater), a services line on the “classified” case must be used to cover additional costs incurred or expected to be incurred with preparation and handling outside the DSAMS document preparation capabilities.
8	Case Development	10	Processing case-related waivers to USG policies and procedures (e.g., nonrecurring cost waivers) [Note: This activity covers the “processing” of these waivers – “developing” nonrecurring cost estimates is not an FMS Admin-funded activity.]	X	
9	Case Development	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 Implementing Agency Operations and Maintenance (O&M) funds.
10	Case Development	12	Missile Technology Control Regime (MTCR) review of FMS case for compliance.		MTCR activities are not funded by FMS Admin or the FMS case. These activities are funded using Implementing Agency O&M funds.
11	Case Development	10	Case implementation.	X	

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Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
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12	Case Execution and Case Closure	13, 14, 15, 16, 19	<p>Efforts/services required to execute the case to include, but not limited to:</p> <p>(1) Establish cost, schedule, and performance goals and objectives for execution of the case;</p> <p>(2) Monitor and manage case performance from cradle-to-grave including: scope, schedule of work, cost, payment schedules, problem resolution, financial services, etc.;</p> <p>(3) Conduct USG-internal meetings needed to perform execution activities;</p> <p>(4) Inform purchaser regarding case execution status. See other entries in this matrix for more information on proper source of funding for case review-related meetings;</p> <p>(5) Pull and/or prepare reports needed to monitor case execution status and keep purchaser informed [NOTE: See Row #15 for additional information on reports from the Security Cooperation Information Portal (SCIP)];</p> <p>(6) Initiate, oversee and manage the acquisition process to include processing of Military Interdepartmental Purchase Requests (MIPRs) between agencies;</p> <p>(7) Prepare and process requisitions to include providing appropriate status and tracking/coordination/ problem-solving efforts normally performed by DoD Supply and Inventory Control Points, and International Logistics Control Office to</p>	X	

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Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
			ensure on-time deliveries; (8) Report deliveries, to include both the physical (constructive) delivery of the article/service and the associated financial/billing transactions; (9) Maintain case files; (10) Conduct annual case reviews (in accordance with this manual and the Reconciliation and Closure Manual (RCM)) [NOTE: See Rows #18 - #22 for additional information on case reviews.] (11) Perform reconciliation of financial and logistical management systems until the case is supply/services complete; (12) Process Supply Discrepancy Reports (SDRs). This includes “processing” only and does not include payment of any approved refund or restitution. See SAMM Table C6.T5. for information regarding proper source of funds for payments associated with approved SDRs; (13) Perform case closure activities (to include reconciliation efforts for supply/service complete cases) to include all types of closure.		
13	Case Execution and Case Closure	13, 14, 15, 16	Execution support beyond that provided as part of Row #12. This support may cover additional acquisition support, dedicated requisition processing, program acceleration (excluding incentive clauses in contracts), expedited closure, etc. This support may be required either:		Incremental costs above the Standard Level of Service provided in Row #12. LOA notes must clearly define for each of these line items exactly what support beyond the Standard Level of Service is required.

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Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
			<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.) ▪ By the purchaser 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.) 		
14	Case Execution	13, 14, 15, 16	Efforts/services required to execute a case that is “classified” at the request of the purchaser (i.e., would not be otherwise classified by the USG).	See paragraphs C4.5.16. and C5.4.11. for restrictions on classifying LOAs.	Services line on the “classified” case to cover all additional costs incurred or expected to be incurred with execution outside normal domestic systems and processes (often manual).
15	Case Execution	13, 14, 15, 16	Retrieval of reports and data available from the SCIP.		Retrieving data from SCIP is not part of the Standard Level of Service provided under the FMS Admin surcharge since the FMS purchaser can pull this data. If the FMS purchaser requests that USG personnel provide data readily available

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Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
					in SCIP, this should be considered a service and included on an FMS case.
16	Case Execution	13, 14, 15, 16	Preparation of reports as requested by the purchaser that are either: (1) more detailed reporting than covered under Row #12; and/or (2) more frequent reporting than covered under Row #12.		Incremental costs above the Standard Level of Service provided in Row #12. LOA notes must clearly define for each of these line items exactly what support beyond the Standard Level of Service is required.
17	Case Execution	13, 14, 15, 16	Security Assistance accounting and budgeting (to include Defense Accounting and Financial Services (DFAS)).	X	Incremental costs above the Standard Level of Service provided in Row #12. LOA notes must clearly define for each of these line items exactly what support beyond the Standard Level of Service is required.
18	Case Execution	13, 14, 15, 16	Review [Case-Level] Review the individual FMS case (monitoring acquisition and training, tracking requisitions, reviewing financial status, etc.) continuously throughout the life of the case. 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. The case manager will decide if the case warrants face-to-face meetings to conduct this review or if other means of	X	

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Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
			<p>communication will suffice. Most aspects of case reviews are automated and do not require formal 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). Face-to-face or formal meetings to review a specific case should be rare and considered only when significant issues impact cost, schedule, or performance of the case. 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	Case Execution	13, 14, 15, 16	<p>Review [Case-Level (Beyond Row #18)]</p> <p>Case-Level Review support beyond that provided as part of Row #18. This support may cover additional reviews needed to keep the individual FMS case on-track and keep the purchaser informed regarding cost, schedule, and performance and may be required either:</p> <ul style="list-style-type: none"> ▪ By the USG based on analysis of the requirements (For example: USG may determine that the case needs to be reviewed more frequently than 		<p>Incremental costs above the Standard Level of Service provided in Row #18. LOA notes must clearly define for each of these line items exactly what support beyond the Standard Level of Service is required.</p> <p>[NOTE: This also includes travel and personnel costs when a customer requires specific USG organizational attendance at any meetings</p>

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Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
			<p>Row #18, based on unique aspects of the program that depend on frequent updates)</p> <ul style="list-style-type: none"> ▪ 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 #18) 		above that required by the case manager.]
20	Case Execution	13, 14, 15, 16	<p>Review [Program-Level]</p> <p>Review specific FMS program (e.g., major weapon system 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</p>		<p>This review may overlap some aspects of the Case-Level Review provided in Row #18. If so, incremental costs above the Standard Level of Service provided in Row #18 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 Standard Level of Service is required.</p> <p>These services may be included on the major acquisition case or spread throughout the individual cases that support the program.</p>

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Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
			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 based on analysis of the requirements.		
21	Case Execution	13, 14, 15, 16	<p>Review [Implementing Agency-Level]</p> <p>Review all purchaser cases managed by an individual Implementing Agency. 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 Implementing Agency (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 Implementing Agency determines if the standard Case-Level Review requirements provided in Row #18 are more efficiently met by conducting an overall review that includes all the purchaser’s cases with that Implementing Agency.</p>	FMS Admin-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 #18.	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 #18. This review may overlap some aspects of the Case-Level Review provided in Row #18. If so, incremental costs above the Standard Level of Service provided in Row #18 to perform the Implementing Agency-Level Review must be case-funded. If there is no overlap between these 2 types of review, all costs for the Implementing Agency-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.

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Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
					Purchaser-requested reviews of this nature should be conducted under an LOA line item expressly for this purpose.
22	Case Execution	13, 14, 15, 16	<p>Review [Country-Level]</p> <p>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 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 Admin-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 #18.	<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 #18. This review may overlap some aspects of the Case-Level Review provided in Row #18. If so, incremental costs above the Standard Level of Service provided in Row #18 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>

Table C5.T6. Case-Related Manpower Functions and Funding Source

Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
23	Case Execution	13, 14, 15	<p>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. 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
24	Case Execution	13, 14, 15	<p>Services provided as a membership in a USG sponsored 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	Case Execution	13, 14, 15	<p>Services required to produce materiel requested by the purchaser (i.e., engineering services, testing).</p>		The organic costs incurred are included in the materiel line.
26	Case Execution	13, 14, 15	<p>Services such as: Configuration management, Weapon systems management, Systems integration, and</p>		X

Table C5.T6. Case-Related Manpower Functions and Funding Source

Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
			Integrated logistics/training management. Required either: <ul style="list-style-type: none"> ▪ By the USG based on analysis of the requirements, or ▪ By the purchaser request for specific additional support 		
27	Case Execution		Transportation, lodging, per diem, 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.	These services will not be included on FMS cases nor be paid for using Administrative Surcharge funds. Foreign purchasers are responsible for making and paying for these arrangements outside the FMS process.	
28	Business Sustainment	22	Space rental and/or refurbishment charges specifically incurred to support the FMS “community” mission.	X	
29	Case Execution	13, 14, 15	Space rental and/or refurbishment charges specifically incurred to support the purchaser/case (e.g., warehousing).		Incremental costs above the standard level of service provided in Row #28. LOA notes must clearly define for each of these line items exactly what support beyond the Standard Level of Service is required.
30	Business Sustainment	26	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.	X	
31	Case Execution	13, 14, 15	IT services/equipment specifically incurred to support the purchaser/case.		X

Table C5.T6. Case-Related Manpower Functions and Funding Source

Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
32	Business Sustainment	22	Supplies and equipment specifically incurred to support the FMS “community” mission. For dedicated FMS organizations (e.g., AFSAC, USASAC, NAVICP-OF), this includes all supply and equipment costs. For non-dedicated organizations, this includes only those supplies and equipment that are attributable to FMS work-years.	X	
33	Case Execution	13, 14, 15	Supplies and equipment specifically incurred to support the purchaser/case.		X
34	Business Sustainment	20	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.	X	
35	Case Execution	13, 14, 15	Job-related skills training specifically related to an FMS case (does not include certification requirements --- see Row #37). For example: Defensive Driving Course for team members being deployed to a high terrorist threat country		X
36	Business Sustainment	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 Admin or the case. These training activities are funded by the same source that pays the employee’s salary.	
37	Business Sustainment	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 Admin or the FMS case. 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 Admin-funded should be directed to DSCA (Business Operations Directorate).	
38	Business Sustainment	22	Training for TAFTs or MTTs and other personnel for their direct support to a case (does not include certification requirements --- see Row #37).		X

Table C5.T6. Case-Related Manpower Functions and Funding Source

Row #	Core Function(s)	Program Element(s)	Activities	Funding Source (Total value for services, includes per diem, salary, travel)	
				FMS Admin (Standard Level of Service)	FMS Case
39	Case Execution	13, 14, 15	DoD MILDEP training exercises in support of an FMS case exercise.		X
40	Business Sustainment	22	Language Training	Language training is not funded by either FMS Admin 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.	

1. The Core Functions and Program Elements listed above are used by the USG security cooperation community for tracking and recording costs. They are included here for information purposes only.
2. Salaries of US 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 US 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.
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. ¼ work-year equates to 520 hours of a 2080 hour work-year. This and the \$25,000 threshold are not per person – these limits apply to all cumulative work of anyone working on that particular project/program. When adding costs to determine if the \$25,000 threshold has been met, use DoD 7000.14-R, (reference (o)), Volume 15, Chapter 7.
7. FMS case funds are not the source of funding for any activity after the case closes.

**DoD 5105.65-M, Foreign Military Sales (FMS) Case Reconciliation and
Closure Manual (RCM) Changes
Related to Case-Related Manpower Functions and Funding Sources**

1. Delete Table C2.T12. in its entirety and replaced with the following revised table:

Table C2.T12. Active Case Execution Phase Reconciliation Manpower Funding

<u>RECONCILIATION FUNCTION</u>	<u>FUNDING SOURCE</u>
Financial and logistical reconciliation until the case becomes SSC	FMS Administrative Surcharge
Expedited reconciliation efforts requested by the purchaser beyond normal financial management standards	Purchaser requests to expedite reconciliation and/or closure may be funded on a services line on a case. See SAMM Table C5.T6. for more information on appropriate funding source.

2. Delete Table C3.T9. in its entirety and replaced with the following revised table:

Table C3.T9. SSC Phase Reconciliation Manpower Funding

<u>RECONCILIATION FUNCTION</u>	<u>FUNDING SOURCE</u>
Reconciliation and closure efforts for SSC cases, including non-ACCP, ACCP, EACC, and DSCA-directed force closures	FMS Administrative Surcharge
Expedited SSC reconciliation and case closure efforts requested by the purchaser beyond normal financial management standards.	Purchaser requests to expedite reconciliation and/or closure may be funded on a services line on a case. See SAMM Table C5.T6. for more information on appropriate funding source.

3. Delete Table C4.T10. in its entirety and replace with the following revised table:

Table C4.T10. Closure Manpower Funding

<u>CLOSURE FUNCTION</u>	<u>FUNDING SOURCE</u>
Closure efforts for SSC cases, including non-ACCP, ACCP, EACC, and DSCA-directed force closures.	FMS Administrative Surcharge
Hasten case closure efforts requested by the purchaser beyond normal financial management standards.	Purchaser requests to expedite closure may be funded on a services line on a case. See SAMM Table C5.T6. for more information on appropriate funding source.

4. Delete paragraph C5.6. in its entirety and replace with the following revised paragraph:

C5.6. REPORTING MANPOWER FUNDING

FMS Administrative Surcharge is the funding source for all reporting efforts addressed in this chapter. See SAMM, Table C5.T6. for policy on funding sources for case-related activities.