



DEFENSE SECURITY COOPERATION AGENCY

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15 JUN 2018

MEMORANDUM FOR 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, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

SUBJECT: Force Closure of Building Partner Capacity (BPC) Funded Cases, DSCA Policy 18-33

References: (a) Department of Defense 7000.14-R, Financial Management Regulation, Volume 3, Chapter 10

(b) DSCA Manual 5105.38, Security Assistance Management Manual

(c) DSCA Policy Memo 11-06, Execution and Closure Guidance for Pseudo Letters of Offer and Acceptance (Pseudo Cases) Financed with U.S. Appropriated Funds that have a Limited Period of Availability, January 11, 2011

(d) DSCA Policy Memo 13-30, Clarification of Use of Prior Year Funds Procedures for DoD-funded Building Partner Capacity (BPC) Cases, July 17, 2013

This memorandum provides guidance on force closing BPC cases that are funded with appropriations that have cancelled and thus, are no longer available for obligation or liquidation of previously-incurred liabilities.

BPC cases are funded with U.S. appropriations that are available for a specific period of time. When funds expire for new obligations, U.S. Implementing Agencies (IAs) must ensure that all financial transactions necessary to execute the relevant BPC case are complete and the cases are closed before funds cancel. This requirement exists because once funds cancel, they are no longer available for any purpose.

Therefore, all BPC cases remaining in implemented status after the funds on the cases cancel must be force closed. DSCA will request force closure for cases still in implemented status after the funds cancellation date based on the following criteria:

- BPC cases where the funds cancelled on September 30, 2017 or earlier and DFAS has not received the closure certificate by July 15, 2018 will be force closed.
- Prospectively, BPC cases where the funds cancel on September 30, 2018 and DFAS has not received the closure certificate by April 1, 2019 will be force closed beginning on that date.

The IAs must complete the following actions in advance of force closure:

- Review each case's expenditure transactions and reverse any disbursements that were paid after the funds cancellation date unless the bill was received by midnight on 30 September of the cancelling fiscal year (FY). Any bill received after the funds cancel must be paid using current year funds.
 - If necessary, the IA must contact the DSCA Country Financial Director (CFD) to request a new case with current year funds immediately.
- The IAs must submit a request for current year funds to pay bills that would have been properly charged to a cancelled appropriation (ref d).
 - A Congressional Notification may be required to authorize the use of current year funds.
 - Cases funded with appropriations that no longer exist (i.e. Iraq Security Forces Fund) will require a new funding source. The IAs must provide the amount of funds required for payment of unpaid bills and documentation to the CFD and work with DSCA to request funds from the Office of the Under Secretary of Defense Comptroller (OUSD(C)).
- The IAs must contact DSCA Financial Policy and Analysis (FPA) to discuss any situation that may inhibit case closure (deliveries not yet made, billing issues, negative unliquidated obligations, etc.) in advance of the force closure to request an exception or policy decision.

Exceptions:

- If an IA has completed the necessary transactions to close a case, but is waiting on a batch file update to allow the certificate to be transmitted to DFAS, then the IA will be allowed a brief extension to close the case using the standard process.
 - In order to obtain an extension, the IA must provide FPA the list of cases awaiting batch updates by the 21st of the month.
 - If the certificate is not submitted to DFAS by the 1st of the following month, the cases will be force closed.
- If a case is awaiting item delivery after funds cancellation, please contact DSCA/FPA for guidance.

- Cases that have not been closed due to contract litigation will also be force closed if the IA has not closed the case by the cancellation date, and has not notified FPA. The IA must provide the CFD with a list of these cases for situational awareness, as well.

DSCA/FPA will send a memorandum to DFAS requesting force closure at the disbursed value. The memorandum will list the individual cases to be force closed, the disbursed value of each case, and the year of funds cancellation. In addition, FPA will enter a Case Remark into DSAMS to document the force closure and the closure amount. FPA should be contacted immediately if the case needs to be reopened to process post-closure credits. Debit transactions (vouchers/bills) will not be processed against these cases.


DFAS will close the case at the disbursed value and provide the memorandum for record (MFR) to the IA for inclusion in the case file (Attachment).

The DFAS MFR will state:

- The closed value
- The adjustment(s) (delivery, expenditure, etc.) at the line level
- Any write-off within the FMS authorities
- Any notations that will help document for audit purposes.

Please note that the force closure process is not a substitute for the IAs performing required funds reconciliation and exercising thorough financial management, as this process leaves the IA systems out of balance with DFAS and other DoD systems. To ensure both DFAS and IA financial systems remain in balance and avoid force closures, BPC cases must be closed before the appropriated funds cancel.

Should you require further information, please contact Candace Sampere, DBO/FPA, candace.j.sampere.civ@mail.mil, 703-697-8871 or Jeneen Caldwell, DBO/FPA, jeneen.k.caldwell.civ@mail.mil, 703-697-8923.



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