



DEFENSE SECURITY COOPERATION AGENCY
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September 29, 2020

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
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT
AGENCY
DIRECTOR OF INDIANAPOLIS, DEFENSE FINANCE AND
ACCOUNTING SERVICE
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE
DIRECTOR, DEFENSE REUTILIZATION AND MARKETING
SERVICE
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, NATIONAL GEOSPATIAL INTELLIGENCE
AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY

SUBJECT: Department of Defense Appropriated Building Partner Capacity (BPC) Accounting
Interim Solution, Defense Security Cooperation Agency (DSCA) Policy Memo 20-
47, ESAMM Change 495

References: (a) DoD Financial Management Regulation (FMR), Volume 11A, Chapter 3

(b) Office of the Under Secretary of Defense (Comptroller) memorandum, July 13,
2018, "Budget Policy on the use of DoD Component Operating Funds in Support
of Foreign Security Forces"

Title 10 (T10) BPC authorities leverage the existing Foreign Military Sales (FMS) process and infrastructure to procure authorized defense articles and defense services, as well as track and report BPC case execution to support Department of Defense security objectives. To utilize the FMS process, T10 BPC funds are transferred to the FMS Trust Fund under the authority of the Economy Act (31 U.S.C. § 1535). T10 funds transferred via Economy Act orders are subject to the same fiscal limitations contained within the respective appropriation(s) (reference Volume 11A, Chapter 3 of the DoD FMR (DoD 7000.14-R)), which states that agencies may not use Economy Act orders to circumvent conditions and limitations imposed on the use of funds, including extending the period of availability of the cited funds. The Cross Fiscal Year Authority (CFYA) nature of certain DSCA O&M programs does not override the Economy Act's legal requirement to de-obligate and return funds for services not provided at the

end of the fund's period of availability. As a result, Economy Act requests for defense services support from DoD personnel (civilian salaries, training, temporary duty travel (TDY), etc.) cannot legally be extended beyond an appropriation's period of availability. In no circumstance shall severable services exceed the period of availability of a respective appropriation.

Based upon recent guidance from the Office of the Under Secretary of Defense, Comptroller (OUSD-C) and DoD Office of General Counsel (DoD OGC) Fiscal, DSCA determined that BPC case funds transferred to the FMS Trust Fund for indirect charges (i.e. FMS Administrative surcharges, Contract Administration Services (CAS) surcharges, transportation, and Packing Crating and Handling (PC&H) costs) do not conform to U.S. Government (USG) accounting and appropriation fiscal requirements. The current process allows appropriated T10 BPC funds to be treated as "no-year" funds (i.e. funds that are available for obligation indefinitely). To remedy this audit and fiscal concern, DSCA developed an interim and long-term solution. The interim solution is a stop-gap measure to satisfy accounting compliance concerns while not jeopardizing the ability of the Department to execute BPC programs in the near-term. The long-term solution will decouple T10 BPC accounting from the FMS process in order to ensure that T10 BPC funds retain the fiscal year identity of the appropriation during the course of execution. T10 BPC programs will no longer be assessed an administrative charge for deposits in the FMS Trust Fund and thus, DSCA will not provide FMS Administrative funds to cover costs associated with execution of T10 BPC programs. Both the interim and long-term solutions were endorsed by DoD OGC Fiscal on June 19, 2020 and OUSD-C on September 25, 2020.

The interim solution will be implemented on October 1, 2020 (Fiscal Year 2021). This interim solution does not require U.S. Implementing Agencies (IAs) to change any existing financial accounting system(s). DSCA will issue a Funding Authorization Document (FAD) for administrative support costs associated with the execution of DSCA's T10 BPC programs. IAs should work with Army Budget Office (ABO) to determine the funds distribution mechanism (e.g., Military Interdepartmental Purchase Requests (MIPRs)) for the Afghanistan Security Forces Fund (ASFF) and Counter-ISIS Train and Equip (CTEF) programs. DSCA's O&M will not be used to support ASFF and CTEF programs. Transportation and PC&H costs will be a direct charge on T10 BPC program-wide support cases. The CAS surcharge will not be assessed in FY 2021.

The optimal long-term solution will eliminate the transfer of T10 BPC funds to the FMS Trust Fund. This solution will completely decouple T10 BPC financial transactions from the FMS process, thereby allowing BPC funds to retain their fiscal year identity versus "no-year" designation, while retaining all the existing tracking and reporting requirement capabilities. This solution requires more time to identify and implement necessary IT systems (i.e. financial/accounting systems, case management systems, etc.) and interface changes that will enable DSCA to continue to track and report T10 BPC cases to the same degree as FMS cases. Thus, the projected implementation date for the long-term solution is planned to take place in FY 2022.

Interim Solution Implementation

In FY 2021, all new T10 BPC cases must not include any indirect (i.e. below-the-line) charges. IAs will manually override all administrative, CAS, transportation and PC&H costs automatically calculated in the Defense Security Assistance Management System (DSAMS) to a

percentage of zero on T10 BPC cases providing defense articles and defense services. Instead these costs will be included on a separate program-wide support case or funded via a FAD/MIPR. This guidance applies, but is not limited, to the following T10 BPC authorities and programs:

- Title 10 U.S.C. Section 333
- Afghanistan Security Forces Fund (ASFF)
- Coalition Readiness Support Program (CRSP)
- Counter-ISIL Train and Equip Fund (CTEF)
- Indo-Pacific Maritime Security Initiative (MSI)
- Ukraine Security Assistance Initiative (USAI)

Military Articles and Services Lists (MASLs)

To implement the process outlined for the interim solution, applicable IAs will create a separate program-wide support case(s) for each authority/program to track the BPC transportation and PC&H costs by Fiscal Year using the specific MASLs listed below:

Direct Cost	MASL
Transportation	2021BPC10TRAN
PC&H	2021BPCT10PCH

*These MASLs will be used until the long-term solution is implemented.

Use of these MASLs is restricted to T10 BPC cases only. When these MASLs are used on a T10 BPC program-wide support case, the IA must select stock “S” as the source of supply code for each cost and identify the period of performance for each line within DSAMS. The period of performance cannot exceed the appropriation’s period of availability for new obligations.

Existing Approved T10 BPC-Funded Cases

In consultation with OUSD-C and DoD OGC Fiscal, DSCA determined that all existing T10 BPC cases that were financially implemented prior to August 14, 2020 may continue to include appropriate below-the-line indirect charges. Future amendments and modifications to these cases, may also include any associated CAS and below-the-line indirect charges, but must exclude the FMS administrative surcharge. All future bills for transportation and CAS on these existing cases will be paid from the funds already deposited in the FMS program-specific transportation and CAS accounts until depleted or the last appropriation cancels.

Amendments funded with FY 2020/2021 appropriations, require a new, separate line for quantity increases. These new lines will have a percent of zero for the FMS administrative surcharge rate. Amendments/modifications funded with FY 2020/2021 appropriations that are for a valid increase to unit cost can be assessed a rate for transportation and CAS. The cost for the administrative rate for these lines must not increase.

Administrative Program Support Costs

For all direct funds, IAs will be required to track and report monthly all administrative program support costs associated with T10 BPC programs and periodically respond to requests for information (RFIs) to DSCA and OUSD-C in support of annual programming and budgeting processes. ASFF and CTEF manpower requirements and execution should be reported to the Army Budget Office (ABO). Administrative program support costs for DSCA T10 BPC programs should include all previously funded below-the-line and above-the-line administrative program support costs. IAs submissions will be reviewed and approved by the DSCA program managers and the Directorate of Business Operations (DBO). Specific guidance on DSCA T10 programming and budgeting timelines and processes will be provided under separate guidance.

OUSD-C Budget Policy on use of Foreign Security Forces Appropriations

Implementing Agencies must continue to adhere to the budget policy provided under the memorandum included as reference (b) to this policy. Any activity that is permissible under paragraph (a) of the memorandum remains permissible under the interim solution. In other words, T10 BPC administrative program support costs (i.e. personnel and support costs once funded as indirect charges on ASFF/CTEF cases) remain permissible and may be funded by the appropriation. IAs must adhere to the OUSD-C's budget policy guidance to determine allowable costs for ASFF and CTEF requirements.

Should you have any questions concerning this policy, please contact my action officers in DBO/FPA: Ms. Jeneen Caldwell, jeneen.k.caldwell.civ@mail.mil, (703) 697-8923; Ms. Wendy Pouliot, wendy.pouliot.civ@mail.mil, (703) 692-1316; and Ms. Karen Marks, karen.marks.civ@mail.mil, (703) 697-8845.



J. Aaron Harding
Chief Financial Officer

Attachments:

- 1 – Title 10 BPC Accounting Interim Solution Authority/Program Guidance
- 2 – ESAMM Chapter 9 and Appendix 6 Notes
- 3 – LOA Implementation Guidance

cc:

USASAC
SATFA
TRADOC
USACE
NAVSUP WSS
NETSAFA
AFSAC
AFSAT
AFCEE

JFCOM
SOCOM
EUCOM
CENTCOM
NORTHCOM
INDOPACOM
AFRICOM
SOUTHCOM
TRANSCOM

Attachment 1
Title 10 BPC Accounting Interim Solution Authority/Program Guidance
ESAMM Change 495, Chapter 15 Update

C15.3.1.1. Title 10 (T10) BPC Accounting Interim Solution. The interim solution, based on the OSD request to track indirect charges by the period of availability (POA) of the appropriation funding such charges will be implemented in Fiscal Year (FY) 2021. This solution directs the removal of indirect (below-the-line) charges for T10 BPC funds to pay for Administrative, Contract Administrative Services (CAS), Transportation, and PC&H expenses associated with BPC cases providing the primary assistance (i.e. defense articles, defense services, or training). T10 BPC funding will still be deposited in the FMS Trust Fund for the provided defense articles/services in FY 2021. All transportation and PC&H will be changed to direct costs on separate program-wide support cases. The CAS surcharge will not be assessed on BPC cases implemented in FY 2021.

C15.3.1.1.1. FMS Administrative funds will not be provided to support the execution of T10 BPC programs. DSCA will issue a Funding Authorization Document (FAD) for administrative program support costs associated with the execution of DSCA's T10 BPC programs. IAs should work with Army Budget Office (ABO) to determine the funds distribution mechanism (e.g., Military Interdepartmental Purchase Requests (MIPRs)) for the Afghanistan Security Forces Fund (ASFF) and Counter-ISIS Train and Equip (CTEF) programs. DSCA's O&M will not be used to support ASFF and CTEF programs.

C15.3.1.1.2. IAs will use DSCA-approved costs required for each category to include on the program-wide support case, using the established MASLs. While direct funding will be provided for all administrative program support costs, a Manpower Travel Data Sheet (MTDS) will be required for all non-severable costs (e.g., engineering support costs) included on BPC program cases. In no circumstance shall severable services exceed the period of availability of a respective appropriation.

C15.3.1.1.2.1. SAMM Table C9.T2 (Case-Related Manpower Functions and Funding Source Manpower Matrix) is not applicable to T10 BPC programs.

C15.3.1.1.2.2. IAs will be required to report monthly all administrative program support costs and periodically respond to requests for information (RFIs) to DSCA and OUSD Comptroller in support of annual programming and budgeting processes. Administrative program support costs for DSCA programs should include all previously funded below-the-line and above-the-line administrative program support costs. IAs submissions will be reviewed and approved by the DSCA program managers and the DBO. IAs must adhere to the OUSD-C July 13, 2018 budget policy guidance to determine allowable costs for ASFF and CTEF requirements. ASFF and CTEF manpower requirements and execution should be reported to the Army Budget Office (ABO).

C15.3.1.1.3. For all new Title 10 BPC cases and lines, IAs will override all administrative, CAS, transportation and PC&H costs to a percentage of zero on the T10 BPC cases.

C15.3.1.1.4. The new transportation and PC&H program-wide support case(s) must have a correlating line note describing the costs included for each line. BPC cases for defense articles/services providing the primary BPC assistance that will have a transportation related charge must include the “Transportation Charges Not Included” case note.

C15.3.1.2. Title 10 BPC Accounting Interim Solution Authority/Program Guidance

C15.3.1.2.1. Section 333.

C15.3.1.2.1.1. Transportation and PC&H. Starting October 1, 2020, all defense articles cases funded with Section 333 authority funds and with an appropriate Delivery Term Code (DTC) (DTC 2, 5, 7 or 9) will use a current year transportation case. Until the process for establishing a transportation/PC&H case is finalized, requestors will send Transportation Account Code (TAC) requests to the following email address: usarmy.belvoir.usasac.list.gte-trans-appvl-fund-req@mail.mil

1. Upon Capability Development Division’s (CDD’s) direction, the Army and the Navy will each establish a current year transportation case, to include a line for PC&H services. The Air Force will request a TAC from the Army managed case to ship Air Force sourced defense articles or material on Section 333 cases, with the applicable DTC. The Army case will fund costs associated with consolidating materials at the DSCA-recognized Joint Consolidation Point (JCP) in Mechanicsburg, PA. The case will also fund the Delivery Assistance Team services as required.
2. Once the estimated shipment information is available, IAs will create a Shipping Control Number (SCN) in the Transportation Forecast schedule in SCIP/SCMS. The SCN will provide details to authorize the use of the TAC. This guidance is established to ensure that there is accountability for Section 333 defense articles and to provide advance shipping notification to the partner nation.

C15.3.1.2.1.2. Administrative Program Support Costs. DSCA/CDD will validate the annual administrative program support costs and provide the approved levels to DSCA/DBO for funds transfer.

C15.3.1.2.2. Indo-Pacific Maritime Security Initiative (MSI)

C15.3.1.2.2.1. Transportation and PC&H. Due to the size and nature of the program, DSCA recommends MSI programs continue to use the prime vendor as the primary transportation mode. If determined that the defense articles need to be consolidated at the JCP with the DTC code 2/7, the Army or Navy-established current year transportation case will be used to fund the transportation.

C15.3.1.2.2.2. Administrative Program Support Costs. DSCA/CDD will validate the annual administrative program support costs and provide the approved levels to DSCA/DBO for funds transfer.

C15.3.1.2.3. Coalition Readiness Support Program (CRSP). DSCA/CDD in coordination with OUSD Comptroller will validate the annual administrative program support costs and provide the approved levels to DSCA/DBO for funds transfer.

C15.3.1.2.4. Afghanistan Security Forces Fund (ASFF). IAs should work with Army Budget Office (ABO) to determine the funds distribution mechanism for administrative program support costs (e.g., Military Interdepartmental Purchase Requests (MIPRs)) for the ASFF program. Combined Security Transition Command – Afghanistan (CSTC-A) will develop Memorandum of Request(s) (MORs) to support the transportation support case(s) with a line for transportation and PC&H costs and submit them to DSCA. DSCA will issue a case ID for the IA to develop the LOA(s).

C15.3.1.2.5. Counter-ISIL Train and Equip Fund (CTEF).

C15.3.1.2.5.1. IAs should work with Army Budget Office (ABO) to determine the funds distribution mechanism for administrative program support costs (e.g., Military Interdepartmental Purchase Requests (MIPRs)) for the CTEF program. Implementing Agencies (AFSAC, NIPO, and USASAC) will each develop one program-wide support case with a line for transportation and PC&H costs. Prior to submitting a draft memorandum of request (MoR) for the case, each IA will assess the required funding per line and submit to the program manager. The program manager will review and consolidate the overall draft MoR to USCENTCOM for concurrence. Upon concurrence, IAs will initiate drafting the LOA.

C15.3.1.2.6. Ukraine Security Assistance Initiative (USAI).

C15.3.1.2.6.1. Transportation and PC&H. Starting October 1, 2020, DSCA will task Army to develop and implement a single current year transportation case, including PC&H, for all defense articles on cases implemented after August 14, 2020 with DTC 2, 7, or 9. Estimated costs should be identified during the USAI proposal request phase and included in the Congressional Notification tranche worksheets. All IAs must work closely with Army and DSCA to ensure estimated deliveries and costs are captured accurately. DSCA may authorize other IAs to develop transportation cases in exceptional circumstances. Contact the DSCA Ukraine Country Portfolio Director (CPD) and/or Country Finance Director (CFD) for additional guidance on transportation, including obtaining TAC codes and requirements for SCNs, and/or to request authorization for an additional transportation case.

C15.3.1.2.6.2. Administrative Program Support Costs. DSCA will validate the annual administrative program support costs requested by the IAs and provide the approved levels to DSCA/DBO for funds transfer. Estimated costs should be identified during the USAI proposal request phase and included in the Congressional Notification tranche worksheets.

Attachment 2
ESAMM Change 495, Chapter 9 and Appendix 6

Chapter 9 revisions:

1. C9.T2. Change column title from “Admin” to “Admin*”
2. Add the following as footnote to table C9.T2.:
 “*This table is not applicable to T10 BPC programs.”

Appendix 6 note revisions:

Building Partner Capacity (BPC) Material Transfer

Note Usage
FMS: No BPC : Yes
Mandatory for BPC LOAs which include defense articles. Mandatory for Amendments and Modifications to BPC LOAs that include defense articles.
References
Section C15.5.4. Section C15.5.5.
Note Input Responsibility
CWD
Note Text
<p>“1. Shipment and Delivery:</p> <ol style="list-style-type: none"> a) All shipments will be marked and labeled in accordance with DoD Standard Practice for Military Marking (MIL-STD 129). b) The U.S. Government agrees to provide transportation services for the items identified in this LOA to the agreed point of delivery in the Benefitting Country. The SCO (or U.S. Government representative) will confirm receipt of all materiel deliveries within 30 days in accordance with SAMM Ch15.5.4.6. c) Any shipment discrepancies or damage will be reported by a U.S. Government representative through the existing DoD discrepancy reporting system (Transportation Discrepancy Report (TDR) or Supply Discrepancy Report (SDR)), according to procedures for processing U.S. Government-owned materiel transported through the Defense Transportation System (DTS)). The SDR (Standard Form 364) will be used by the SCO to promptly report any overage, shortage, damage, item deficiency, improper identification, improper documentation, or non-shipment of defense articles. The SCO may submit SDRs for documentation purposes regardless of the dollar value of the discrepancy, but only claims valued at \$200 or more (based on the value of the item plus any transportation and handling costs) will be reviewed for possible funding reimbursement. Discrepant articles will be returned to the U.S. Government's custody. Any claim, including a claim for shortage or nonperformance, received more than one year after delivery of the defense articles to the Benefitting

- Country (or after the end of the scheduled period of performance for services) will not be processed.
2. Title and Custody Transfer:
 - a. The U.S. Government will retain title to and custody of the offered defense articles throughout transportation and delivery to the Benefitting Country, unless otherwise stated in this LOA.
 - b. The U.S. Government representative will confirm delivery of materiel title and custody to an authorized Benefitting Country representative or agent by jointly signing a Transfer and Receipt document. The U.S. Government representative will keep documentation showing when, where, and to whom delivery was made and will provide a copy of this documentation to the DSCA Program Director and the IA.”

Appendix 6 note additions:

Indirect Charges - Title 10 BPC

Note Usage
FMS: No BPC : Yes
Mandatory for all DoD funded Title 10 BPC defense articles and services cases developed after August 13, 2020. Mandatory for Amendments and Modifications to these cases.
References
N/A
Note Input Responsibility
CWD
Note Text
"All indirect charges (Administrative, Contract Administration Services (CAS), Transportation and Packing, Crating & Handling (PC&H)) are excluded from this case and will be paid for from the program's current year program-wide support case or through other funds distribution processes (e.g., FADs, MIPRs), if applicable."

Packing, Crating & Handling (PC&H) - Title 10 BPC Note

Note Usage
FMS: No BPC : Yes
Mandatory for Title 10 BPC program-wide support cases that include PC&H line(s).
References
N/A
Note Input Responsibility
CWD
Note Text
"This case provides funds for all PC&H billed to the program for the fiscal year listed on this case."

Transportation - Title 10 BPC Note

Note Usage
FMS: No BPC : Yes
Mandatory for Title 10 BPC program-wide support cases that include Transportation line(s).
References
N/A
Note Input Responsibility
CWD
Note Text
"This case provides funds for all transportation billed to the program for the fiscal year listed on this case."

Transportation Charges Not Included - BPC

Note Usage
FMS: No BPC : Yes
Mandatory for BPC LOAs which rely on transportation funds from another case or source. Mandatory for Amendments and Modifications that rely on transportation funds from another case/source.
References
N/A
Note Input Responsibility
IA
Note Text
"Any CONUS and/or OCONUS transportation costs will be funded by the current year [insert the authority] transportation case. Contact [insert the Email address for the TAC POC] for the applicable Transportation Account Code (TAC)."

Attachment 3
Implementing Agency, Case Writing Division (CWD), and Defense Finance Accounting
Service – Security Cooperation Accounting (DFAS-SCA)
LOA Implementation Guidance
Title 10 BPC Accounting Interim Solution

Scope. All T10 BPC cases implemented after August 14, 2020 must not include any indirect (i.e. below-the-line) charges. IAs will manually override all administrative, CAS, transportation and PC&H costs automatically calculated in the Defense Security Assistance Management System (DSAMS) to a percentage of zero on T10 BPC cases providing for defense articles and defense services. The Contract Administrative Services (CAS) surcharge will not be assessed in FY 2021.

All existing T10 BPC cases, financially implemented prior to August 14, 2020 are allowed to follow the current LOA process, which includes all future amendments and modifications and any associated CAS and below-the-line indirect charges to these existing cases. All future bills for transportation and CAS on these existing cases will be paid from the funds already deposited in the FMS program specific transportation and CAS accounts until depleted or last appropriation cancels. Amendments funded with FY 2020/2021 appropriations, require a new, separate line for all quantity funding increases. These new lines will have a percent of zero for the FMS administrative surcharge rate. Amendments/modifications funded with FY 2020/2021 appropriations that are for a valid increase to unit cost can be assessed a rate for transportation and CAS. The cost for the administrative rate for these lines must not increase.

Implementing Agencies (IAs)

IAs will use the newly established MASLs to track each direct cost by program and Fiscal Year on the program-wide support cases for transportation and PC&H costs in accordance with guidance from DSCA program managers. IAs will use the program code as the benefitting country for each applicable line. A Manpower Travel Data Sheet (MTDS) is required for all non-severable costs included on T10 BPC cases. In no circumstance shall severable services exceed the period of availability of a respective appropriation. Those IAs receiving direct funds (e.g., FADs, MIPRs, etc.) for administrative program management support will not be required to use the established MASLs.

IAs must include the “Transportation Charges Not Included” note on any defense article/service case that requires transportation.

- 1. LOAs in “Implemented” Status prior to August 14, 2020.** All existing T10 BPC cases, financially implemented prior to August 14, 2020 are allowed to follow the current process, which includes all future amendments and modifications and any associated CAS and below-the-line indirect charges to these existing cases. All future bills for transportation and CAS on these existing cases will be paid from the funds already deposited in the FMS program specific transportation and CAS accounts until depleted or last appropriation cancels. Amendments funded with FY 2020/2021 appropriations, require a new, separate line for all quantity funding increases. These new lines will have a percent of zero for the FMS administrative surcharge rate. Amendments/modifications funded with FY 2020/2021

appropriations that are for a valid increase to unit cost can be assessed a rate for transportation and CAS. The cost for the administrative rate for these lines must not increase (IAs will use “OC” to override the administrative costs).

2. **LOAs in “Development”, “Write”, “Review”, “Proposed”, “Offered”, or “Accepted” Status, on August 14, 2020 through September 30, 2020.** In FY 2021, all new T10 BPC cases must not include any indirect (i.e. below-the-line) charges. IAs will manually override the percentage “OP” of all administrative, CAS, transportation and PC&H costs automatically calculated in the Defense Security Assistance Management System (DSAMS) to a percentage of zero on T10 BPC cases providing for defense articles and defense services cases.

3. **LOAs in “Development”, “Write”, “Review”, “Proposed”, “Offered”, or “Accepted” Status on or after October 1, 2020.** IAs will use the interim solution process for all new basic LOAs (and associated Amendments and Modifications). No indirect charges are permitted on the LOA. IAs will manually override the percentage “OP” of all administrative, CAS, transportation and PC&H costs automatically calculated in the Defense Security Assistance Management System (DSAMS) to a percentage of zero on T10 BPC cases providing for defense articles and defense services cases. Transportation and PC&H costs will be placed directly on the line using established MASLs on a separate program-wide support case. DSCA will issue a Funding Authorization Document (FAD) for administrative support costs associated with the execution of DSCA’s T10 BPC programs. IAs should work with Army Budget Office (ABO) to determine the funds distribution mechanism (e.g., Military Interdepartmental Purchase Requests (MIPRs)) for the Afghanistan Security Forces Fund (ASFF) and Counter-ISIS Train and Equip (CTEF) programs. DSCA’s O&M will not be used to support ASFF and CTEF programs.

CWD

The following individual case notes, stated in SAMM Appendix 6, will no longer be included on the T10 defense articles/services cases implemented during the interim solution process and beyond:

- Accessorial Charges Note
- Administrative Surcharge Note
- Contract Administration Services (CAS) Surcharge Note

The following case notes, stated in SAMM Appendix 6, will be applied to the new cases during the interim solution process:

T10 BPC program-wide support and defense articles/services cases.

- Case Closure – BPC Note
- Funds Source and Availability Note
- Nonrecurring Costs Do Not Apply– BPC Note
- Indirect Charges - Title 10 BPC – on defense articles/services cases only.

DFAS-SCA

For any Title 10 BPC cases implemented on/after October 1, 2020, ensure that all Administrative and CAS percentages are updated in DIFS to reflect a percentage of zero.