



DEFENSE SECURITY COOPERATION AGENCY

**2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800**

12 DEC 2020

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
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE,
SECURITY COOPERATION ACCOUNTING
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY
JOINT STRIKE FIGHTER PROGRAM

SUBJECT: Security Assistance Management Manual (SAMM), Appendix 6 Administrative
Changes, Defense Security Cooperation Agency (DSCA) Policy 20-77, [SAMM E-
Change 463]

This memorandum updates the SAMM with administrative changes to several case notes,
as per the attachment, which are based on pending contextual policy revisions to SAMM
chapters 11 and 15, for which DSCA will issue under a separate policy memo/SAMM E-change.

These administrative changes will be included in the online version of the SAMM at
<https://samm.dsca.mil> and are effective immediately. For questions, please contact Mr. Daniel
Rea, DBO/FPA, (703) 614-9955, daniel.rea2.civ@mail.mil.

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HARDING.JOSEPH.AARON.

Date: 2020.12.10 16:21:53 -05'00'

J. Aaron Harding
Chief Financial Officer

Attachment: As stated

cc:

STATE/PM-RSAT

AFRICOM

CENTCOM

EUCOM

INDOPACOM

NORTHCOM

SOCOM

SOUTHCOM

TRANSCOM

USASAC

TRADOC

NAVSUP WSS

NAVICP

NETSAFA

AFSAC

AFSAT

DSCU

MARCOR IP

SCETC

USCG International Affairs (G-CI)

Security Assistance Management Manual (SAMM), E-Change 463 Administrative Changes

1. Change Appendix 6, “Fund Source and Availability” Case Note to read:

Current Title:	Fund Source and Availability
Change Title to:	Fund Source and Availability - DoD Funding - [Name of Program] FY[##]

Current Note Usage:	Mandatory for all BPC LOAs implemented on or after January 10, 2013.
Change Note Usage to:	Mandatory for all BPC LOAs with a DoD Fund Source implemented on or after January 10, 2013.

2. Add the following Appendix 6 Case Note (consolidates and replaces the terminating Case Notes “Funds Source and Availability - [Name of Program] (5 yr)” and “Funds Source and Availability - [Name of Program] (9 yr)”):

Fund Source and Availability - Non-DoD Funding - [Name of Program] FY[##]	
FMS	No
BPC	Yes
Note Input Responsibility	CWD
Note Usage:	<p>Mandatory for all non-DoD FAA Section 632(b) Interagency Agreement (IAA)/Memorandum of Agreement (MOA) BPC LOAs implemented on or after December 15, 2020.</p> <p>Mandatory for Amendments and Modifications associated with Basic BPC LOAs implemented on or after January 10, 2013, only where the IAA or MOA has changed. BPC LOAs, Amendments, and Modifications implemented prior to January 10, 2013 will retain their original note structure.</p>
References:	Use with data from Table C15.T2.

Note Text:	Funds are provided in support of authority to [insert purpose as listed in Chapter 15, Table 2].
	1. The funds are subject to all the requirements and restrictions specified under Program Authority P.L. [XXX-XXX (CWD will create a hard coded citation)] and Appropriation Authority P.L. [XXX-XXX, FYXX (CWD will create a hard coded citation)].
	2. The funds carry the same time, purpose, and availability restrictions associated with [Interagency Agreement (IAA) -or- Memorandum of Agreement (MOA)] number [insert obligation number], [Basic or Amend #].
	3. The period of performance runs through September 30, [XXXX], as identified in the IAA or MOA].
	4. Funds are available for expenditure until funds cancel at midnight on September 30, [XXXX] (CWD will create a hard coded year based upon either the cancellation date identified on the IAA/MOA or a 5- or 9-year cancelation date for the appropriation)].
	5. This is the only source of funding for costs associated with this LOA and funds are limited to the total estimated cost of this LOA. Neither DSCA nor the IA have other funds legally available to them for this requirement for any costs that exceed the value of this LOA.

3. Terminate Appendix 6, “Funds Source and Availability - [Name of Program] (5 yr)” Case Note effective December 15, 2020. Case Notes must be retained for historical purposes.

Current Note Usage:	Mandatory for all BPC LOAs implemented on or after January 10, 2013.
Change Note Usage to:	Mandatory for all BPC LOAs implemented on or after January 10, 2013, but before December 15, 2020.

4. Terminate Appendix 6, “Funds Source and Availability - [Name of Program] (9 yr)” Case Note effective December 15, 2020. Case Notes must be retained for historical purposes.

Current Note Usage:	Mandatory for all BPC LOAs implemented on or after January 10, 2013.
Change Note Usage to:	Mandatory for all BPC LOAs implemented on or after January 10, 2013, but before December 15, 2020.

5. Change Appendix 6, “Availability of Funds Across Fiscal Years” Case Note to read:

Availability of Funds to Cross Fiscal Years	
FMS	No
BPC	Yes
Note Input Responsibility	CWD
Note Usage:	Mandatory for LOAs that utilize the Section 333 authority. Mandatory for any Modifications and Amendments if not included on the basic case.
References:	N/A
Note Text:	<p>10 USC 333(g)(2)(A) provides Cross Fiscal Year (CFY) authority.</p> <ol style="list-style-type: none"> 1. CFY allows the period(s) of performance for Section 333 programs that begin in the fiscal year in which funds are available to continue until the end of the second fiscal year thereafter. 2. In order for a program* to qualify for the use of CFY, the program’s planned period(s) of performance may not exceed the time period authorized by CFY. The period of performance begins when the program incurs its first financial obligation. If the period of performance of any line on any case (or any Direct Funds equivalent) associated with the program exceeds that which is authorized by CFY, then all case lines in all cases (and direct funds equivalent) associated with the program must revert back to standard laws and policies governing federal appropriations. 3. Only funds legally obligated on contract, project order, travel order, or by the Defense Working Capital Fund (DWCF) before the appropriation expires are eligible for CFY authority under 10 USC 333(g)(2)(A)**. <p>10 USC 333(g)(2)(B) provides Full Operational Capability (FOC) authority.</p> <ol style="list-style-type: none"> 1. For a program to qualify for FOC, the program must first meet the requirements of CFY authority. Then, the U.S. Government must receive all equipment requiring follow-on support and/or services to ensure the foreign partner achieves full operational capability for such equipment before the end of the fiscal year after the fiscal year in which the program incurs the first financial obligation. If all such equipment is delivered to the U.S. Government during this time, the U.S. Government may provide the foreign partner with defense articles, training (including Human Rights training), defense services (i.e. field service representatives contractor logistical support), supplies, and small-scale military construction (subject to \$1,500,000 limit) associated with the previously-delivered equipment. These FOC activities may begin in the fiscal year when the equipment is delivered to the partner nation, and may continue until the end of the second fiscal

	<p>year thereafter.</p> <ol style="list-style-type: none"> If the U.S. Government does not receive all equipment requiring follow-on support and/or services before the end of the next fiscal year after the first obligation, the program does not qualify for FOC and must revert to the period of performance authorized under CFY authority. The U.S. Government will make every effort to deliver the equipment to the partner nation within 120 days after acceptance of the items by the U.S. Government. Note that FOC authority is not available to extend the period of performance for training-only programs, and that the Economy Act limitations outlined in footnote 2 below also apply to the use of FOC authority. <p>*A Section 333 program is defined as the provision of a particular capability to a specific country (or countries) within a tranche of a Congressional Notification. Defense Security Cooperation Agency (DSCA), Building Partner Capacity (BPC), Capability Development Division (CDD) oversees the development and execution of Section 333 programs. The scope of a Section 333 program is dictated by the notification to Congress. A Section 333 program may be executed by multiple Implementing Agencies and recipients of Direct Funds, with multiple LOAs and direct funds transfers, all of which will share a common program start date based on when the program incurs its first financial obligation.</p> <p>**DSCA transfers funds to Implementing Agencies and Direct Funds Recipients to execute Section 333 programs under the authority of the Economy Act (31 USC 1535). The Economy Act requires the supporting organization to deobligate and return to the ordering agency any funds for services (to include training services) not provided or requirements not legally obligated on contract, project order, travel order, or by the Defense Working Capital Fund (DWCF) before the appropriation expires.</p> <ol style="list-style-type: none"> Support services provided by U.S. Government personnel, except when operating under a project order or DWCF, are considered obligated only when the support service is actually provided, not when funds are provided. Travel orders for a foreign partner or U.S. Government personnel not operating under a project order or DWCF cannot be issued after the appropriation expires. <p>Implementing Agencies and Direct Funds Recipients must return deobligated and unused funds to DSCA no later than the end of the first quarter following the expiration of the funds' period of availability (POA).</p>
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6. Add the following Case Note:

Estimated Delivery to the Partner Nation for Full Operational Capability Determination	
FMS	No
BPC	Yes

Note Input Responsibility	IA						
Note Usage:	<p>The estimated delivery to the Partner Nation is a key milestone used to determine the permissible periods of performance under the Full Operational Capability (FOC) provision in accordance with 10 USC Section 333(g)(2)(B).</p> <p>This note is mandatory for Section 333 LOAs that provide equipment associated with desired follow-on defense articles, training, defense services, supplies or small scale construction. Only list relevant case lines which require FOC follow-on support.</p> <p>Mandatory for any Modifications and Amendments if not included on the basic case, or a previous Estimated Delivery case note was used prior to December 15, 2020.</p>						
References:	N/A						
Note Text:	<p>Equipment within this LOA that is being delivered under a program authorized to utilize the Full Operational Capability (FOC) authority under 10 USC Section 333(g)(2)(B) must be delivered to the U.S. Government no later than the end of the subsequent fiscal year after the program’s first obligation of funds.</p> <p>Below is the estimated delivery schedule to the Partner Nation for the equipment being provided under a program utilizing FOC authority:</p> <table><tr><td>Line</td><td>Delivery to Partner</td><td>Qty</td></tr><tr><td>###</td><td>CY____ QTR____</td><td>_____</td></tr></table>	Line	Delivery to Partner	Qty	###	CY____ QTR____	_____
Line	Delivery to Partner	Qty					
###	CY____ QTR____	_____					

7. Change Appendix 6, "Estimated Delivery to the Partner Nation" Case Note to read:

Current Note Usage:	Mandatory for LOAs that provide the equipment associated with desired follow-on defense articles, training, defense services, supplies or small scale construction. The estimated delivery to the PN is a key milestone used to determine the permissible periods of performance under the Full Operational Capability provision in accordance with 10 USC 2282 (c)(4)(b) or 10 USC Section 333(g)(2)(b). Mandatory for any Modifications and Amendments if not included on the basic case.
Change Note Usage to:	Optional for non-Section 333 LOAs, or Section 333 LOAs with no Full Operational Capability (FOC) requirements, to show estimated delivery to the Partner Nation. Section 333 LOAs with FOC requirements must use the "Estimated Delivery to the Partner Nation for Full Operational Capability Determination" case note.

Current Note Text:	Varies -"Equipment within this LOA (as denoted by the Congressional Notification) determines the applicability of the Full Operational Capability provision in accordance with [10 USC 2282 (c)(4)(b) or 10 USC Section 333(g)(2)(b)]. The equipment will be delivered to the U.S. Government no later than the end of the subsequent fiscal year after the first obligation of funds.
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	Below is the estimated delivery schedule to the Partner Nation for these articles:		
	Line	Delivery to Partner	Qty
	###	CY____ QTR____	_____
Change Note Text to:	Below is the estimated delivery schedule to the Partner Nation for the equipment being provided under this LOA's program:		
	Line	Delivery to Partner	Qty
	###	CY____ QTR____	_____