



DEFENSE SECURITY COOPERATION AGENCY

2800 DEFENSE PENTAGON

WASHINGTON, D.C. 20301-2800

01 FEB 2021

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

SUBJECT: Updates to Special Defense Acquisition Fund (SDAF) Inventory Reporting, DSCA Policy
20-85 [E-Change 513]

REFERENCES:

- a) [DODIG 2019-085](#), “Audit of the Defense Security Cooperation Agency—Security Assistance Accounts”

Effective immediately, C11.9.5 Inventory Control and Reporting of Special Defense Acquisition Fund (SDAF) Assets of the Security Assistance Management Manual (SAMM) is revised to update the annual physical inventory inspections of DoD and contractor facilities requirements. This change is a direct result of a Department of Defense Inspector General audit completed in May 2019 (reference a).

If you have any questions concerning this guidance, please contact Ms. Caroline Chin, DSCA-SPP/SPI, caroline.s.chin.civ@mail.mil, (703) 697-9073.

**GOROWITZ.ALA
N.G.**

Digitally signed by
GOROWITZ.ALAN.G.
Date: 2021.02.01 12:53:51 -05'00'

Alan Gorowitz
Principal Director
Strategy, Plans and Programs

Attachment:
As stated

cc:
STATE/PM-RSAT
SOCOM
TRANSCOM
USASAC
SATFA TRADOC
NAVICP
NETSAFA
AFSAC
AFSAT
MDA
DSCU

**Security Assistance Management Manual (SAMM), E-Change 513
Updates to Special Defense Acquisition Fund (SDAF) Inventory Reporting**

Revise C11.9.5 Inventory Control and Reporting of SDAF Assets as follows:

C11.9.5. Inventory Control and Reporting of SDAF Assets.

C11.9.5.1. Custodial Responsibility. The Military Departments/Implementing Agencies, in coordination with DSCA, are responsible for storing and maintaining accountability of defense articles purchased by the SDAF until the items are transferred to a foreign government, international organization, or building partner capacity program. In addition, the Military Departments/Implementing Agencies must establish controls to ensure SDAF assets are not transferred to a foreign partner or used by the Military Department unless explicitly approved by DSCA. Military Departments/Implementing Agencies must ensure that DoD and contractor facilities are physically inventoried annually to determine the location, identification numbers ((e.g. National Stock Number (NSN), Part Number (PN), Managed Control Number (MCN), Manual Part Number (MPN)), and quantities of the SDAF-procured material on hand. All physical inventories must be completed before the end of the fiscal year, and documented and reported to DSCA no later than 30 days after the end of the fiscal year.