



DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

July 29, 2022

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 INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE
AND ACCOUNTING SERVICE – INDIANAPOLIS
OPERATIONS
DIRECTOR OF CYBERSECURITY DIRECTORATE AND DEPUTY
NATIONAL MANAGER FOR NATIONAL SECURITY
SYSTEMS, NATIONAL SECURITY AGENCY

SUBJECT: Security Assistance Management Manual Policy Memorandum 22-39, Amendment to 10 United States Code § 2571 Authority for Section 333 and Section 345 Cross Fiscal Year Authority and Full Operational Capability, [SAMM E-Change 579]

References: (a) 10 United States Code § 2571, as amended,
(b) Defense Security Cooperation Agency, Clarification to 10 United States Code § 333, Policy Memorandum 22-20, July 21, 2022

The purpose of this policy memorandum is to provide guidance on using the authority provided under 10 United States Code (U.S.C.) § 2571, as amended (Section 2571) (reference (a)), to execute Building Partner Capacity (BPC) assistance under 10 U.S.C. § 333 (Section 333) and 10 U.S.C. § 345 (Section 345). Section 2571 authorizes Department of Defense (DoD) organizations to provide services or supplies to another DoD organization on either a reimbursable or non-reimbursable basis. Further, it stipulates that funds provided via an order placed under this authority shall be considered to be obligated upon acceptance of the order by the performing organization. Examples of valid orders include, but are not limited to: contracts, travel orders, project orders, and Military Interdepartmental Purchase Requests.

Section 1202 of the National Defense Authorization Act for Fiscal Year (FY) 2022

(Public Law 117-81) amended Section 2571 to include Section 333 and Section 345 in the list of authorities where DoD may utilize Section 2571 when providing assistance to a foreign partner. This legislative change is significant in that it provides DSCA with an authority other than the Economy Act (31 U.S.C § 1535 and 31 U.S.C § 1536) to facilitate BPC execution by DoD organizations. Cross Fiscal Year (CFY) authority that exists within Section 333 and Section 345 does not negate the Economy Act's requirement to de-obligate and return unused funds at the end of the appropriation's period of availability. Therefore, relying exclusively on the Economy Act as a funds transfer mechanism to execute Section 333 and Section 345 programs significantly limited DSCA's ability to utilize CFY authority in the past. Since Section 2571 does not include a de-obligation requirement like the Economy Act, DoD's ability to utilize this funds transfer authority for Section 333 and Section 345 program execution will allow DoD to make full use of the extended period of performance afforded by CFY authority and Full Operational Capability under Section 333 and Section 345. All funds, however, must be placed on a Section 2571 order within the funds' period of availability.

10 U.S.C. § 2571 is only applicable to intra-DoD transfers and cannot be used for transfers to non-DoD organizations. Transfers to non-DoD organizations (i.e. Department of State or Department of Justice) should continue to use the Economy Act (31 U.S.C § 1535 and 31 U.S.C § 1536) or other authorities granted to them by U.S. laws and regulations.

Beginning 1 October 2022 (FY23), DSCA will begin citing 10 U.S.C. § 2571 for DoD transfers. Implementing Agencies (IAs) will review current system and procedural processes and identify any changes required to fully implement this authority. IAs should begin citing authority 10 U.S.C. § 2571 in their accounting system for Section 333 and 345 programs when DSCA has transferred funds to support Section 333 or 345 programs.

Effective immediately, E-Change 579, in the attachment is incorporated into the DSCA Security Assistance Management Manual (SAMM) at <https://samm.dsca.mil/> in Section C15.3.4.7.

If you have questions on this memorandum, please contact Lucas J. Rose, Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Policy Division (OBO/FPRE/FP), (202) 853-5693, lucas.j.rose1.civ@mail.mil.

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Date: 2022.07.29 15:11:40 -04'00'

J. Aaron Harding
Chief Operating Officer and Chief Financial Officer
Defense Security Cooperation Agency

Attachment:
As stated

Security Assistance Management Manual E-Change #579

- 1) Add the following to SAMM Chapter 15 as Section C15.3.4.7.:

C15.3.4.7. 10 U.S.C. § 2571 - Authority for Certain Reimbursable Interchange of Supplies and Services. In FY 2022, [10 United States Code \(U.S.C.\) 2571](#) was modified to grant authority to the Department of Defense (DoD) to transfer funds to other DoD organizations in order to execute Security Cooperation activities on a reimbursable or non-reimbursable basis without utilizing the Economy Act authority in [31 U.S.C. 1535](#) and [31 U.S.C. 1536](#). [10 U.S.C. 2571](#) modification applies only to Section 333 and Section 345 programs.

C15.3.4.7.1. This authority does not change the appropriation's period of availability. All funds still must be obligated during the appropriations period of availability.

C15.3.4.7.2. The authority granted in [10 U.S.C. 2571](#) is solely granted to the DoD to transfer funds within the department. Funds transferred to other departments, such as the Department of State or Department of Justice, must continue to use the Economy Act.

C15.3.4.7.3. Defense Security Cooperation Agency will cite [10 U.S.C. 2571](#) on commitment documents for Section 333 and Section 345 funding when appropriate. Implementing Agencies must also cite [10 U.S.C. 2571](#) on any funding documents received under this authority.

- 2) Renumber remaining sections in C15.3.4. as needed.: