



DEFENSE SECURITY COOPERATION AGENCY

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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 22-54, Program Support Charges for Commercial Repair and Return Program and Simplified Non-Standard Acquisition Program [SAMM E-Change 589]

References: (a) SAMM, Chapter 9, Table C9.T2., Case-Related Manpower Functions and Funding Source Manpower Matrix
(b) DoD 7000.14-R, "Department of Defense Financial Management Regulation", Volume 15, Chapter 7, Paragraph 071202, January 2021

This memorandum updates Security Assistance Management Manual (SAMM) Table C9.T2. in reference (a) to include the Program Support Charge (PSC) for the Army's Commercial Repair and Return (CR&R) Program and Simplified Non-Standard Acquisition Program (SNAP). This policy annotates the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) approval of PSCs pursuant to reference (b) for the Army's CR&R Program and SNAP as a non-standard expense. This memorandum is effective immediately.

The U.S. Army Organic Repair and Return (OR&R) program provides support to fulfill repair commitments to the foreign partner. A solution to meet customer requirements is the CR&R Program, which allows the Army to provide support to the customer via commercial entities where existing OR&R mechanisms cannot meet the workload. Partner nations who

choose to take advantage of the Army's CR&R program will incur a PSC. The case line will include Primary Category Code (PCC) 746 and the appropriate Individual Pricing Component (IPC) for the PSC of 4 percent.

SNAP provides logistics support to foreign partners who require obsolete or unique items not available through the normal Army supply channels using the Simplified Acquisition Procedures. SNAP is funded with the PSC for all procurement transactions under the program. The case line will include PCC 750 and the appropriate IPC for the PSC of 5 percent.

Every five years, the Army will, through DSCA's Office of Business Operations (OBO), Financial Policy and Regional Execution Directorate (FPRE), Financial Reporting and Compliance (FRC) Division, submit to the OUSD(C) an updated analysis on the CR&R and SNAP PSCs recommending whether the rate should remain the same or change. OUSD(C) is the approval authority for any changes to PSC rates. Additionally, for all PSCs, Army will provide OBO/FPRE/FRC, an annual report, due no later than November 15 of each year, with the previous fiscal year's year-end data and projections for the current fiscal year and the next three fiscal years. At a minimum, the annual report will include the following:

1. Total value of completed billed repairs;
2. Total number of completed billed repairs;
3. PSC recoupment (actuals multiplied by PSC %);
4. Total completed billed (repairs + recoupment);
5. Manning support costs;
6. Total number of full time equivalents;
7. Surplus/deficit (manning minus recoupment); and
8. PSC percentage.

The policy in the attachment is incorporated into the DSCA Security Assistance Management Manual at <https://samm.dsca.mil>.

If you have questions on this memorandum, please contact Ms. Wendy Pouliot, OBO/FPRE/FP, (571) 385-8131, wendy.pouliot.civ@mail.mil. Annual and 5-year reports should be submitted to Ms. Rita Chico, OBO/FPRE/FRC, (571) 201-2452, rita.chico.civ@mail.mil, and the FRC distribution list at dsca.ncr.obo.list.fpre-frc@mail.mil.

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

Attachment:
As stated

Security Assistance Management Manual E-Change 589

Program Support Charges for Commercial Repair and Return and Simplified Non-Standard Acquisition Program

1. Update SAMM Table C9.T2. to:

ROW	ACTIVITY	ADMIN*	CASE	NON-STANDARD	FREQUENCY
CASE EXECUTION					
72	Prepare and process requisitions for all FMS activities including repair and replace to include providing appropriate status and tracking/ coordination/problem-solving to ensure on-time deliveries.	X	Dedicated support requested by the international partner. Any additional efforts required to repair and return the exact same item.	In additional to general guidance on non-standard items/services in Row # 45; Program Support Charge for Army Commercial Repair and Return program is non-standard support.	
76	Logistics transactions that are processed in accordance with routine U.S. procurement and requisition requirements are considered part of the administrative funded support. Anything else is case funded. Questions on status answered on an as available basis are considered part of the administrative funded support. Dedicated resources requested by the partner are case funded.	X	Dedicated support requested by the international partner	In additional to general guidance on non-standard items/services in Row # 45; Program Support Charge for Army Simplified Non-Standard Acquisition Program is non-standard support.	If purchaser requires more than 1 case review per year, the additional costs will be funded from the LOA. The USG may also determine that additional reviews are necessary, this must be stated in the case note

2. Update SAMM Table C9.T4. to include:

CHARGE	DESCRIPTION	HOW PRICED	APPLIED BY - FOR BILLING	REFERENCES
Army Program Support Charge	To recover the cost of services to support the Army's Simplified Non-Standard Acquisition Program (SNAP) and Commercial Repair and Return (CR&R) Program.	<p>Included in the value of line items on the LOA.</p> <p>Included as a percentage of applicable Army line items when these programs are used.</p> <p>Implemented on or after 1 October 2016, apply a charge of:</p> <ul style="list-style-type: none"> 5% for Army Simplified Non-Standard Acquisition Program <p>Implemented on or after 1 October 2022, apply a charge of:</p> <ul style="list-style-type: none"> 4% for Army CR&R Program (NOTE: Does not apply to BPC cases.) 	Implementing Agency	DoD FMR, Volume 15, Chapter 7 (Jan 2021)

3. Add to Appendix 6, "Army Program Support Charge" LOA note.

Army Program Support Charge

Note Usage
<p>FMS: Yes</p> <p>BPC:</p> <ul style="list-style-type: none"> Yes – For Army Simplified Non-Standard Acquisition Program No – For Army Commercial Repair and Return Program <p>Mandatory for FMS and BPC LOAs offered on/after 1 October 2016 and a line includes Program Support Charges.</p> <p>Mandatory for Amendments and Modifications even if the Program Support Charges are not affected by the changes being made.</p>
Note Input Responsibility
CWD

References
See SAMM Section C9.5 .
Note Text
"A Program Support Charge has been applied to the applicable portions of line item number(s) [insert applicable line item numbers]." For example: "A Program Support Charge has been applied to the applicable portions of line item numbers 007 and 009."

4. Update Appendix 6, "Line Item [Insert Line Item Number] Description" LOA note.

Line Item [Insert Line Item Number] Description

Note Usage
FMS: Yes BPC : Yes Mandatory for each line on the FMS and BPC LOA Modifications and Amendments unless all line item description information can fit beneath the MASL description. If any one line item requires a Line Item Description note, a Line Item Description note must be included for each line item.
Note Input Responsibility
IA
References
See SAMM Figure C5.F6 .
Note Text
Varies - wording must be determined on a line-by-line basis. Wording must include a detailed description of items being sold or services performed. The IA is responsible for adding non-standard notes, as required. Line item description notes for training, service, or technical assistance lines will include an explanation of the category of service stated as severable or non-severable along with the expected period of performance for services. The IA is responsible to identify any program(s) requiring a Program Support Charge.