



DEFENSE SECURITY COOPERATION AGENCY

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

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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 22-60, Standard Financial Information Structure Use of Object Classification for Reimbursable Agreements, [SAMM E-Change 594]

- References:
- (a) Kearney and Company, Remediation Plan and Management Letter for the Audit Readiness Examination of the Defense Security Cooperation Agency's Security Assistance Accounts Current-Year Activity Reported in the Statement of Budgetary Resources, Balance Sheet, Statement of Changes in Net Position, and Statement of Net Cost for the Period Ended September 30, 2021, November 18, 2021
 - (b) OMB Circular A-11, Preparation, Submission, and Execution of the Budget, Section 83, "Object Classification", August 2021
 - (c) DoD 7000.14-R, Financial Management Regulation (FMR), Volume 1, Appendix A, "Object Classification", April 2020

This memorandum updates Security Assistance Management Manual (SAMM) policy to ensure the Security Cooperation community is using object classifications to properly record reimbursable work order transactions. This policy is in direct response to the Notice of Findings Recommendation 2021-12, Reimbursable Activities, of reference (a) which recommends DSCA, in coordination with the Implementing Agencies (IAs), identify Reimbursable Work Order

(RWO) activity by object class, including those related to personnel compensation. This memorandum is effective immediately.

To ensure compliance with the Office of Management and Budget (OMB) Circular reference (b) and Department of Defense Financial Management Regulation reference (c) regarding the use of object classification, DSCA requires the IAs to use Standard Financial Information Structure Element B6 – Object Class in the Line of Accounting for all RWO transactions, and monitor these activities by type of item(s) and services purchased. Additionally, the IA's methods, computations, and supporting documentation for these RWO transactions will include sufficient details to support billings, facilitate DSCA monitoring efforts, and support financial reporting, including amounts reported to OMB.

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

If you have questions on this memorandum, please contact Ms. Wendy Pouliot, DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Policy Division (OBO/FPRE/FP)), at 703-692-1316 or email: wendy.pouliot.civ@mail.mil.

HARDING.JOSEPH
.AARON.



Digitally signed by
HARDING.JOSEPH.AARON.
Date: 2022.08.17 08:36:27 -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 594

Standard Financial Information Structure use of Objective Classification for Reimbursable Agreements

1. Add SAMM Section C14.3.2.

C14.3.2. Reimbursable Agreements. Implementing Agencies are required to include Standard Financial Information Structure (SFIS) elements to provide sufficient supporting documentation to support billed amounts for all Reimbursable Work Order (RWO) transactions, including payroll transactions. Costs billed on a reimbursable basis are required to include adequate supporting documentation to support the billed amounts, and include sufficient details to support billings, facilitate DSCA monitoring efforts, and support financial reporting. All RWO transactions should include SFIS element B6 – Object Class in the Line of Accounting.