



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
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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: Defense Security Cooperation Agency Policy Memorandum 23-31, Updates to
Security Assistance Management Manual Glossary [SAMM E-Change 633]

Effective immediately, this memorandum updates an initial tranche of terms and definitions in the DSCA Security Assistance Management Manual (SAMM) glossary for effective understanding of security cooperation language throughout the community. The policy in the attachment is incorporated into the SAMM at <https://samm.dsca.mil>.

If you have questions concerning this guidance, please contact Ms. Janeifer Smith, DSCA Office of Business Operations, Information Management and Technology (OBO/IMT) at (703) 868-3775, janeifer.c.smith.ctr@mail.mil. If you have general questions on the SAMM, please contact Ms. Diane Vidal, DSCA Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA) at (703) 697-9345, diane.k.vidal.civ@mail.mil.

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Attachment:
SAMM E-Change 633

Attachment: Security Assistance Management Manual E-Change 633

SAMM Glossary Updates

1. Update the following terms and definitions in the SAMM glossary:

Term	Definition	Link
Above-the-line-Costs	FROM: Charges included within the materiel and/or services line may be referred to as "above-the-line" charges. This term is a holdover from the rescinded Letter of Offer and Acceptance form (DD Form 1513) where a line divided the direct charges from the accessorial (surcharge) charges.	FROM: See the archived 1999 DoD FMR Volume 15, Chapter 2, Table 2-2 (Page 2-7) for an example of DD Form 1513.
	TO: Costs identified as line (8) Net Estimated Cost under the Estimated Cost Summary section in the Letter of Offer and Acceptance (LOA). This is inclusive of materiel and/or services, and other charges, when applicable, such as the Contract Administrative Surcharge, Unfunded Civilian Retirement, Civilian Fringe Benefits, Non-Recurring Costs, Commercial Repair and Return Program Support Charges, and more. The FMS Administrative Surcharge is calculated based on line (8) Net Estimated Cost.	TO: N/A
Accepted Case	FROM: An FMS case that has been signed by an authorized representative of the foreign partner.	FROM: N/A
	TO: A Letter of Offer and Acceptance signed by an authorized representative (e.g., Foreign Military Sale case signed by the foreign purchaser's government or Building Partner Capacity case signed by the DoD Implementing Agency).	TO: N/A
Apportionment	FROM: A part of an Appropriation Act providing a specified amount of funds to be used for designated purposes. Each appropriation has a finite period of time for incurring obligations.	FROM: N/A
	TO: A distribution made by the Office of Management and Budget of amounts available for obligation and expenditures in an appropriation or fund account into amounts available for specified time periods (usually fiscal quarters), programs, activities, projects, objects, or any combination of these. The apportioned amount limits the obligations that may be incurred. An apportionment may be further subdivided by an agency into allotments, sub-allotments, and allocations.	TO: DoD Financial Management Regulation Glossary
Appropriation	FROM: A part of an Appropriation Act providing a specified amount of funds to be used for designated purposes. Each appropriation has a finite period of time for incurring obligations.	FROM: N/A

Term	Definition	Link
	<p>TO: A provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a specified purpose. Usually, but not always, an appropriation provides budget authority, which is authority provided by law to incur financial obligations that will result in outlays. For purposes of the Antideficiency Act, the term "appropriations" may have a broader meaning. As defined by the Act, it means all new budget authority and balances of budget authority as described in Office of Management and Budget Circular No. A-11, Section 20.4.</p>	<p>TO: DoD Financial Management Regulation Glossary</p>
<p>Below-the-line-Costs</p>	<p>FROM: Accessorials and/or surcharges that are not included within a line item value may be referred to as "below-the-line" charges (e.g., transportation surcharge and Packing, Crating, and Handling). This term is a holdover from the rescinded Letter of Offer and Acceptance form (DD Form 1513) where a line divided the direct charges from the accessorial (surcharge) charges.</p>	<p>FROM: N/A</p>
	<p>TO: Costs identified in the Letter of Offer and Acceptance (LOA) in lines (9) Packing, Crating, and Handling, (10) Administrative Charge, (11) Transportation, and (12) Other under the Estimated Cost Summary section in the LOA. These costs are added to line (8) Net Estimated Cost to arrive to line (13) Total Estimated Cost. Normally, the DFAS Security Cooperation Accounting (SCA) retains the obligational authority necessary to execute these costs. These costs include all applicable surcharges other than the Contract Administrative Surcharge, Unfunded Civilian Retirement, Civilian Fringe Benefits, Non-Recurring Costs, Commercial Repair and Return Program Support Charges, among others.</p>	<p>TO: N/A</p>
<p>Budget Year</p>	<p>FROM: The fiscal year following the current fiscal year, and for which the new budget estimate is prepared.</p>	<p>FROM: N/A</p>
	<p>TO: Refers to the fiscal year for which the budget is being considered, that is, with respect to a session of Congress, the fiscal year of the Government that starts on October 1 of the calendar year in which that session of Congress begins.</p>	<p>TO: Office of Management and Budget</p>
<p>Commitment [financial]</p>	<p>FROM: A firm administrative reservation of funds based upon firm procurement directives, orders, requisitions, authorizations to issue travel orders, or requests which authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The act of entering into a commitment is usually the first step in the process of spending available funds. The effect of entering into a commitment and the recording of that commitment on the records of the allotment is to reserve funds for future obligations. A commitment is subject to cancellation by the approving authority if it is not already obligated. Commitments are not required under O&M appropriations.</p>	<p>FROM: N/A</p>

Term	Definition	Link
	TO: An administrative reservation of funds based on firm procurement requests, unaccepted customer orders, Directives, and equivalent instruments.	TO: DoD Financial Management Regulation Glossary
Continuing Resolution (CR)	FROM: Appropriations legislation enacted by Congress to provide temporary budget authority for Federal agencies to keep them in operation when their regular appropriations bill has not been enacted by the start of the fiscal year.	FROM: N/A
	TO: Continuing resolutions (CRs) are joint resolutions that provide continuing appropriations for part of a fiscal year or for a full fiscal year. A CR that covers only a part of a fiscal year is referred to as a "short-term" CR, and a CR that covers a full fiscal year is referred to as a "full-year" CR. A CR is often enacted when the Congress has not yet passed new appropriations bills by October 1 or when the President has vetoed congressionally passed appropriations bills. Because of the nature of a short-term CR, you should operate at a minimal level until after your regular fiscal year appropriations is enacted.	TO: Office of Management and Budget (OMB A-11 123.1)
Defense Contract Management Agency (DCMA)	FROM: An agency under the direction of the Under Secretary of Defense for Acquisition and Sustainment [USD(A&S)], which provides unified contract administration services to DoD components and NASA, for all contracts except those specifically exempted.	FROM: N/A
	TO: An agency under the direction of the Under Secretary of Defense for Acquisition and Sustainment, which provides contract administration services for the Department of Defense, other federal organizations and international partners, and is an essential part of the acquisition process from pre-award to sustainment and contract closeout.	TO: Defense Contract Management Agency
Federal Logistics Data (FED LOG)	FROM: Federal Logistics Data on compact disc - read only memory (CD-ROM). Provides important logistics catalog data on items used by the USG.	FROM: Federal Logistics Data
	TO: FED LOG provides users the ability to access Federal Logistics Information System (FLIS) data during instances when internet connectivity is not available. FED LOG provides essential information about items within the federal supply system to include the National Stock Number, Item Name, Manufacturers and Distributors information (to include Part Numbers), Freight Data, Hazardous Materiel Indicators, Interchangeable and Substitutable data, Acquisition Advice Code and Unit Price, Physical and Performance Characteristics along with service specific management data.	TO: Defense Logistics Agency

Term	Definition	Link
Foreign Military Sales (FMS)	FROM: That portion of U.S. security assistance authorized by the AECA, and conducted on the basis of formal contracts or agreements between the United States Government and an authorized recipient government or international organization. FMS includes government-to-government sales of defense articles or defense services, from DoD stocks or through new procurements under DoD-managed contracts, regardless of the source of financing.	FROM: N/A
	TO: A process, authorized by the Arms Export Control Act, through which eligible foreign governments and international organizations may purchase defense articles, services, and training from the United States Government.	TO: Joint Publication 3-20
Initial Operational Capability (IOC)	FROM: The first attainment of the capability to employ effectively a weapon, item of equipment, or system of approved specific characteristics, and which is manned or operated by an adequately trained, equipped, and supported military unit or force. Usually a target year or period of a year established early on which drives the development and production schedule. Normally, the IOC objective is based on the threat.	FROM: N/A
	TO: In general, attained when some units and/or organizations in the force structure scheduled to receive a system have received it and have the ability to employ and maintain it. The specifics for any particular system IOC are defined in that system's Capability Development Document (CDD) and updated CDD.	TO: Defense Acquisition University Glossary

2. Add the following terms and definitions to the SAMM glossary:

TERM	DEFINITION	LINK
Accounting Classification Reference Number (ACRN)	A two position alphanumeric field which identifies a specific line of accounting within a contract or funding document.	N/A
Allocation	A further subdivision of allotments. Within DoD, the term has been used to refer to departmental-level accounting entity distributions of apportionments, or funds that do not require apportionment, to an operating Agency or other intermediate level accounting entity.	DoD Financial Management Regulation Glossary
Allotment	Subdivisions of apportionments that are made by the heads of agencies, or their designee, to incur obligations within a prescribed amount. Subdivision and distribution of an allotment (e.g., sub-allotments and allocations to operating agencies or installation-level accounting activities) must contain at least the same legal and other limitations applicable to the original allotment. Such subdivisions and distributions may establish additional legal and other limitations applicable to execution of budgetary resources.	DoD Financial Management Regulation Glossary

TERM	DEFINITION	LINK
Antideficiency Act	Federal law that prohibits the making of expenditures or the incurring of obligations in advance of an appropriation; prohibits the incurring of obligations or the making of expenditures in excess of amounts available in appropriation or fund accounts unless specifically authorized by law (31 U.S.C. 1341(a)); prohibits the acceptance of voluntary or personal services unless authorized by law (31 U.S.C. 1342); requires the Office of Management and Budget, via delegation from the President, to apportion appropriated funds and other budgetary resources for all executive branch agencies (31 U.S.C. 1512); requires a system of administrative controls within each agency (see 31 U.S.C. 1514 for the administrative divisions established); prohibits incurring any obligation or making any expenditure in excess of an apportionment or reapportionment or in excess of other subdivisions established pursuant to sections 1513 and 1514 of title 31 of the United States Code (31 U.S.C. 1517); and specifies penalties for deficiencies (see Anti-deficiency Act Violation).	Government Accountability Office Glossary
Budget Authority	Authority provided by law to incur financial obligations that will result in outlays. Specific forms of authority include appropriations, borrowing authority, contract authority, and spending authority from offsetting collections.	DoD Financial Management Regulation Glossary
Case Closure Suspense Account (CCSA)	Country level account maintained by Defense Finance Accounting Service Indianapolis that summarizes disbursement activity and unliquidated obligation balance for each interim closed case.	N/A
Commitment Document	A commitment document shall be signed by a person authorized to reserve funds; that is, the official responsible for administrative control of funds for the affected subdivision of the appropriation. This helps ensure that the subsequent entry of an undelivered order or accrued expenditure will not exceed available funds.	DoD Financial Management Regulation
Contract Closeout	A Contract Closeout occurs when a contractor has met all the terms of a contract and all administrative actions have been completed, all disputes settled, and final payment has been made. This also indicates all Contract Line Item Numbers have been closed.	Federal Acquisition Regulation 4.804
Contract Line Item Number (CLIN)	Part of defense contracts that break the contract down by the commodities being procured (labor hours of services, funding for travel, quantity product A, etc.). They help identify the supplies or services to be acquired as separately identified line items on a contract that provides for accounting traceability.	Federal Acquisition Regulation 2.101

3. Remove the following terms and definitions from the SAMM glossary as they are not utilized in the SAMM:

TERM	DEFINITION	LINK
Appropriations Act	Legislation initiated by the House and Senate Appropriations Committees, that provides authority for Federal agencies to	N/A

TERM	DEFINITION	LINK
	incur obligations and to make payments out of the Treasury for specified purposes. An appropriation act is the most common means of providing budget authority. There are thirteen regular appropriation acts for each fiscal year.	
Back Order (BO)	The quantity of an item requisitioned by ordering activities that is not immediately available for issue but is recorded as a stock commitment for future issue.	N/A
Base Year (BY)	A reference period that determines a fixed price level for comparison in economic escalation calculations and cost estimates. The price level index for the base year is 1.000.	N/A
Constant Year Dollars	A method of relating dollar values for various years by removing the annual effects of inflation and showing all dollars at the value they would have had in a selected base year. See also current year dollars.	N/A
Continuing Resolution Authority (CRA)	The authority to obligate funds against the FMFP, IMET, ESF, or other related security assistance appropriation for the new fiscal year under a CR granted by Congress in a Joint Resolution making temporary appropriations prior to passage of the regular appropriations act, or in lieu of such an act. Normally, however, the CRA is for a designated period less than a fiscal year, and such a CRA does not usually allow funding for the start of any new programs.	N/A
Contract Authority	Budget authority contained in an authorization bill that permits an agency of the federal government to enter into contracts or other obligations for future payments from funds not yet appropriated by Congress. The assumption is that the necessary funds will be made available for payment in a subsequent appropriations act.	N/A
Expendable Supplies And Material	Supplies which are consumed in use, such as ammunition, paint, fuel, cleaning and preserving materials, surgical dressings, drugs, medicines, etc., or which lose their identity, such as spare parts, etc. Sometimes referred to as consumable supplies and material.	N/A

4. Remove the following terms and definitions from the [Reconciliation and Closure Guide definitions](#) with the intent to utilize the SAMM glossary as the source for terms and definitions:

TERM	DEFINITION
Above-the-Line Costs	Specific line item costs for articles or services (including Contract Administrative Services (CAS), Logistics Support Charge (LSC) and royalty fees, as appropriate), as part of a specific line on a Letter of Offer and Acceptance (LOA).
Accounting Classification Reference Number	A two position alphanumeric field which identifies a specific line of accounting within a contract or funding document.
Allotment	Authority issued to a Department of Defense (DoD) Component to incur commitments and obligations within a specified amount.

TERM	DEFINITION
Below-the-line Costs	Packing, Crating, and Handling (PC&H), administrative charge, transportation, and other costs that are displayed on lines 9-12 of the LOA.
Budget Authority	Authority provided by law to incur financial obligations (in support of cases) that will result in outlays. Specific forms of budget authority applicable to the FMS program are contract authority (direct cite) and spending authority from offsetting collections (reimbursable).
Case Closure Suspend Account (CCSA)	County level account maintained by DFAS Indianapolis that summarizes disbursement activity and ULO balance for each closed case.
Commitment	An administrative reservation of funds based upon procurement directives, orders, requisitions, authorizations to issue travel orders, or requests that authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The act of entering into a commitment is usually the first step in the process of spending available funds. Commitments are intended to reserve funds obligations. A commitment is subject to cancellation by the approving authority if it is not already obligated.
Contract Line Item Number (CLIN)	A four position alphanumeric field associated with a specific delivery line of a contract.
Defense Contract Management Agency	DCMA is the DoD component that works directly with Defense suppliers to help ensure that DoD Federal, and allied government supplies and services are delivered on time, at projected cost, and meet all performance requirements.
Foreign Military Sales	That portion of US security assistance authorized by the AECA, as amended, and conducted on the basis of formal contracts or agreements between the USG and an authorized recipient government of international organization. FMS includes government to government sale of defense articles or defense services, from DOD stocks or through purchase under DoD managed contracts, regardless of the source of financing.