



## DEFENSE SECURITY COOPERATION AGENCY

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

27 JUL 2023

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: Defense Security Cooperation Agency Policy Memorandum 23-49, Administrative  
Changes [SAMM E-Change 646]

This memorandum updates the Security Assistance Management Manual (SAMM) with clerical and administrative changes. This memorandum does not contain contextual policy changes. The policy in the attachment is incorporated into the DSCA SAMM at <https://samm.dsca.mil>.

If you have any questions concerning this guidance, please contact Mr. Jason Evans, DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)), [jason.l.evans8.civ@mail.mil](mailto:jason.l.evans8.civ@mail.mil), (703) 697-2661.

A handwritten signature in blue ink, appearing to read "DF", is located below the text.

David Ferrari  
Assistant Director  
Strategy, Plans, and Policy

Attachment:  
SAMM E-Change - 646 – SAMM Admin and Minor Process Changes

**Attachment: Security Assistance Management Manual E-Change 646  
Admin Minor Process Changes Memo**

1) Update Section C5.4.7.7.3. to clarify use per below:

- Current Wording

C5.4.7.7.3. For every LOA line that anticipates funding for travel of USG or U.S. contracted personnel to the recipient or Benefitting Country or to another overseas location, IAs are required to input in the LOA case line-item description “Outside Continental United States (OCONUS) travel of USG or U.S. contracted personnel anticipated.” If OCONUS travel is not to the LOA Purchaser, identify the country of the OCONUS travel in line-item description.

- Revised Wording:

C5.4.7.7.3. For every **FMS and BPC** LOA line that anticipates funding for travel of USG or U.S. contracted personnel to the recipient or Benefitting Country or to another overseas location, IAs are required to input in the LOA case line-item description “Outside Continental United States (OCONUS) travel of USG or U.S. contracted personnel anticipated.” If OCONUS travel is not to the LOA Purchaser, identify the country of the OCONUS travel in line-item description.

2) Update C.6.7.1.2. to correct section numbering:

- Current Wording:

**C6.7.1.2. \$50,000 Break Point.** The DSCA database records Amendments reflecting net increases of more than \$50,000 in the fiscal year the Amendment is accepted. Amendments that reflect net increases of \$50,000 or less are recorded in the year of the basic LOA.

**C6.7.1.2. Amendment Financial Requirements.** Payments are included on the Amendment, See Chapter 9, when the existing payment schedule does not include sufficient amounts to cover costs from the expiration date of the Amendment until the next billing cycle. For under-collected cases, the amount due with Amendment acceptance also includes payments to cover current financial requirements, including termination liability, if applicable.

- Revised Wording:

**C6.7.1.2. Financial Information for Amendments.**

**C6.7.1.2.1. \$50,000 Break Point.** The DSCA database records Amendments reflecting net increases of more than \$50,000 in the fiscal year the Amendment is accepted. Amendments that reflect net increases of \$50,000 or less are recorded in the year of the basic LOA.

**C6.7.1.2.2. Amendment Financial Requirements.** Payments are included on the Amendment, See Chapter 9, when the existing payment schedule does not include sufficient amounts to cover costs from the expiration date of the Amendment until the next billing cycle. For under-collected cases, the amount due with Amendment acceptance also includes payments to cover current financial requirements, including termination liability, if applicable.

3) Update C9.T.7. NATO Reciprocal CAS Agreements title and subtitle per below:

- Current Wording:

**Table C9.T7. NATO Reciprocal CAS Agreements**

OPR: DSCA (Directorate of Business Operations (DBO) Financial Policy & Analysis Division (FPA))

- Revised Wording:

**Table C9.T7. North Atlantic Treaty Organization Reciprocal Contract Administration Services Agreements**

To determine program eligibility for NATO programs contact DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Policy (OBO/FPRE/FP))

4) Update C9.T11. entry “Cash with Acceptance” and add entry “Cash with Acceptance/Balance as Billed” to conform with current practices per below:

- Current Wording:

Cash with Acceptance	<p>Used when the initial cash deposit equals the amount in the "Estimated Total Costs" line of the LOA.</p> <p>Used for FMSO I even though the initial deposit is less than "Estimated Total Costs" (it must equal the FMSO I Part A value).</p> <p>Used if the purchaser is not authorized Dependable Undertaking, unless specific DSCA approval is obtained.</p>
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- Revised Wording:

<p>Cash with Acceptance</p>	<p>Used when the initial cash deposit equals the amount in the "Estimated Total Costs" line of the LOA.</p> <p><del>Used for FMSO I even though the initial deposit is less than "Estimated Total Costs" (it must equal the FMSO I Part A value).</del></p> <p>Used if the purchaser is not authorized Dependable Undertaking, unless specific DSCA approval is obtained.</p>
<p>Cash with Acceptance/Balance as Billed</p>	<p>For Foreign Military Sales Order (FMSO) I and Worldwide Warehouse Redistribution Service (WWRS) stand-alone seller cases</p>

- 5) Update C10.7.8. per below since DSCA PM 23-16 now allows for minimal value lines for FMS and BPC cases to track training:

- Current Wording:

C10.7.8. The IA will ensure there is a separate training line included on every case that involves training, including materiel-only cases where the cost of the training is embedded in the materiel contract. Minimal-dollar value training lines for BPC cases are authorized for the purpose of student accounting in Defense Security Assistance Management System - Training Module for Congressional reporting purposes. The IA will create the necessary training track(s) associated with the training line on the case in DSAMS, to include regional programs and contractor-provided training that occurs at contractor facilities. For a regional BPC program, each country participating in the training requires its own training line on the case.

- Revised Wording:

C10.7.8. The IA will ensure there is a separate training line included on every case that involves training, including materiel-only cases where the cost of the training is embedded in the materiel contract. Minimal-dollar value training lines for BPC or FMS cases are authorized for the purpose of student accounting in Defense Security Assistance Management System - Training Module (DSAMS-TM) for Congressional reporting purposes. The IA will create the necessary training track(s) associated with the training line on the case in DSAMS, to include regional programs and contractor-provided training that occurs at contractor facilities. For a regional BPC program, each country participating in the training requires its own training line on the case.

6) Update C10.T7. “National Defense University” item per below:

- Current Wording:

National Defense University

- Eisenhower School (B171806)
- National War College (B171801)
- International Counterterrorism Fellows Program, College of International Security Affairs (B171798)

- Revised Wording:

National Defense University

- College of Information and Cyberspace (B171036)
- College of International Security Affairs
  - Regional Defense Fellowship Program (B171798)
  - Joint Special Operations Irregular Warfare Master of Arts Program (B171808)
- Eisenhower School (B171806)
  - Joint Forces Staff College
  - Joint Advanced Warfighting School (B171027)
- National War College (B171801)

7) Update C10.T9. to add Taiwan to the INDOPACOM entry per below:

INDOPACOM	Australia, Japan, <del>and</del> New Zealand, <b>and Taiwan</b>
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