



DEFENSE SECURITY COOPERATION AGENCY

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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: Defense Security Cooperation Agency Policy Memorandum 23-53, Updates to
Security Assistance Management Manual Glossary [SAMM E-Change 649]

Effective immediately, this memorandum updates a 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 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 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.

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 649 – Glossary Updates

Attachment: Security Assistance Management Manual E-Change 649

SAMM Glossary Updates

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

TERM	DEFINITION	LINK
Co-development	FROM: A joint development project between the U.S. government and foreign government to satisfy a common requirement.	FROM: N/A
	TO: Systems or subsystems cooperatively designed and developed in two or more countries. Shared responsibilities include design and engineering, and may be expanded to include applied research.	TO: Defense Acquisition University Glossary
Cooperative Research and Development Project	FROM: A method by which governments cooperate to make better use of their collective Research and Development resources, to include technical data exchanges and co-development of new weapons systems.	FROM: N/A
	TO: A project involving joint participation by the United States and one or more countries and organizations under a memorandum of understanding (or other formal agreement) to carry out a research and development program for new conventional defense equipment and munitions, or to modify existing military equipment to meet U.S. military requirements.	TO: Defense Acquisition University Glossary
Direct Cost	FROM: Any cost that is specifically identified with a particular final cost objective. Such costs are not necessarily limited to items that are incorporated into the end product as labor or material	FROM: N/A
	TO: The costs of resources directly consumed by an activity. Direct costs are assigned to activities by direct tracing of units of resources consumed by individual activities. They are a cost that is identified specifically with a single cost object.	TO: DoD Financial Management Regulation
Executive Order (EO)	FROM: A rule or regulation, issued by the President, a governor, or some other administrative authority, that has the effect of law. Executive orders are used to implement and give administrative effect to provisions of the Constitution, to treaties, and to statutes. They may be used to create or modify the organization or procedures of administrative agencies or may have general applicability as law. Under the Administrative Procedure Act (APA) of 1946, all executive orders must be published in the Federal Register.	FROM: N/A
	TO: Official documents, numbered consecutively, through which the President of the United States manages the operations of the Federal Government.	TO: National Archives

TERM	DEFINITION	LINK
Expenditure	FROM: The actual spending of money as distinguished from the appropriation of funds. Expenditures are made by the Executive Branch; appropriations are made only by Congress. The two rarely are identical in any fiscal year. In addition to some current budget authority, expenditures may represent prior budget authority made available one, two, or more years earlier. See also disbursements.	FROM: N/A
	TO: An actual disbursement of funds in return for goods or services. Frequently used interchangeably with the term “outlay.”	TO: DoD Financial Management Regulation Glossary
Fiscal Year (FY)	FROM: Accounting period beginning 1 October and ending 30 September of the following year. The fiscal year is designated by the calendar year in which it ends. Fiscal Year 1995 begins on 1 October 1994 and ends 30 September 1995.	FROM: N/A
	TO: The USG’s accounting period. It begins on October 1 and ends on September 30 and is designated by the calendar year in which it ends.	TO: 49 CFR 1511.3
Foreign Military Sales (FMS) Forecast Report	FROM: A companion document to the Javits Report, this report provides a two-year projection by fiscal year (vice one calendar year for Javits) but only addresses potential Foreign Military Sales (FMS) sales.	FROM: N/A
	TO: An annual Controlled Unclassified Information report, prepared by DSCA, used to anticipate Foreign Military Sales (FMS) cases to be offered to FMS purchasers within the upcoming two fiscal years.	TO: N/A
Full and Open Competition	FROM: A term associated with procurement contracting whereby all responsible sources are eligible to compete for a contract. This is a standard procedure for competition in contracting, and it is required in DoD procurements under the provisions of the Competition in Contracting Act (1984).	FROM: N/A
	TO: When used with respect to a contract action, means that all responsible sources are permitted to compete.	TO: 48 CFR 2.101
Future Years Defense Program (FYDP)	FROM: The official program summarizing the Secretary of Defense approved plans and programs for DoD.	FROM: N/A
	TO: The Secretary of Defense shall submit to Congress each year, not later than five days after the date on which the President’s budget is submitted to Congress that year under section 1105(a) of title 31 , a future-years defense program (including associated annexes) reflecting the estimated expenditures and proposed appropriations included in that budget. Any such future-years defense program shall cover the fiscal year with respect to which the budget is submitted and at least the four succeeding fiscal years.	TO: 10 USC 221

TERM	DEFINITION	LINK
Implementation Date [Foreign Military Sales (FMS)]	FROM: An FMS case that has been signed by an authorized representative of the foreign partner, and for which (1) any required initial deposit has been received by DFAS and deposited; and (2) applicable data system implementing transactions have occurred.	FROM: N/A
	TO: The date when an Foreign Military Sales (FMS) case becomes the official agreed upon instrument between the USG and the foreign purchaser authorizing the Implementing Agency to start taking actions to execute the case. See "Implemented Case [Foreign Military Sales (FMS)]."	TO: N/A
FROM: Implemented Case TO: Implemented Case [Foreign Military Sales (FMS)]	An FMS case that has been signed by an authorized representative of the purchaser, and for which (1) any required initial deposit has been received by Defense Finance Accounting Service (DFAS) and deposited; and (2) applicable data system implementing transactions have occurred.	N/A
Interoperability	FROM: The ability of systems, units, or forces to provide services to and accept services from other systems, units or forces, and to use the services so exchanged to enable them to operate effectively together. Also, the condition achieved among communications-electronic systems or items of communications-electronics equipment when information or services can be exchanged directly and satisfactorily between them and/or their users.	FROM: N/A
	TO: 1) The ability to act together coherently, effectively, and efficiently to achieve tactical, operational, and strategic objectives. (Source: Joint Publication (JP) 3-0 (not publicly releasable)) 2) The condition achieved among communications-electronics systems or items of communications-electronics equipment when information or services can be exchanged directly and satisfactorily between them and/or their users. (Source: JP 6-0 (not publicly releasable))	TO: DoD Dictionary (not publicly releasable)
Investment Cost	FROM: The cost of equipment, supplies and services that improve the capability of a force, including initial unit equipment, war reserves of equipment and ammunition, concurrent spare parts, and initial spare parts stockage levels. Also includes replacement costs for obsolescent and attrited equipment, rebuild and modernization costs for newly provided equipment, projects programmed as dollar value lines to facilitate administration, and training costs associated with the introduction of new equipment or an improved capability.	FROM: N/A
	TO: Investments are costs that result in the acquisition of or addition to end items. Such costs benefit future periods and	TO: Defense Acquisition

TERM	DEFINITION	LINK
	generally are of a long-term character. Costs budgeted in the procurement and military construction appropriations are considered investment costs. Costs budgeted in the research, development, test, and evaluation (RDT&E) appropriation can be considered investment costs or expenses, depending on the circumstances.	University Glossary
FROM: Major Line Item TO: Major Item	FROM: A program line for which the requirement is expressed quantitatively as well as in dollars. These lines are identified in the military articles and services list(s) (MASL) by a unit of issue (XX) other than dollars. TO: Defense articles identified in the Military Articles and Services List (MASL) with a unit of issue other than "XX" (dollar lines)." Control over the programming of these items is required.	FROM: N/A TO: N/A
Military Standard Billing System	FROM: This system provides data elements, codes, standard mechanized procedures, and formats for use by DoD components for billing, collecting and related accounting for sales from system stocks, including direct deliveries. TO: A broad base of logistics transactions and procedures designed to meet DoD requirements to establish standard codes, forms, formats (both Defense Logistics Management System and legacy 80 record position), and procedures for billing, and related adjustments and collections for sales of materiel and related services for logistics support. It prescribes uniform procedures and time standards for the interchange of logistics information relating to logistics bills. The procedures govern the interchange of information for all logistics related financial management of the DoD and participating external organizations unless specifically exempted by the Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD (L&MR)).	FROM: N/A TO: Defense Logistics Manual 4000.25, Volume 1
Military Standard Requisitioning And Issue Procedures (MILSTRIP)	FROM: A uniform procedure established by DoD to govern the requisition and issue of materiel within standardized priorities. TO: A broad base of logistics transactions and procedures designed to meet DoD requirements to establish standard data elements, codes, forms, transaction formats (both legacy 80 record position and Defense Logistics Management System) and procedures to requisition, release/issue, and dispose of materiel and prepare related documents. It prescribes uniform procedures and time standards for the interchange of logistics information relating to requisitioning, supply advice, supply status, cancellation, materiel release/issue, lateral redistribution, materiel return processes, materiel obligation validation, contractor access to government sources of supply, and selected security assistance processes. The provisions apply to the Office of the Secretary of Defense, the Military Departments, the Joint Staff, the Combatant Commands, and Defense	FROM: N/A TO: Defense Logistics Manual 4000.25, Volume 1

TERM	DEFINITION	LINK
	<p>Agencies. It also applies, by agreement, to external organizations conducting logistics business operations with DoD including:</p> <ul style="list-style-type: none"> a) non-Government organizations, both commercial and nonprofit; b) Agencies of the U.S. Government other than DoD; c) foreign national governments; and d) international government organizations. 	
National Stock Number (NSN)	FROM: A thirteen-digit stock number consisting of a four-digit federal supply classification and a nine-digit national item identification number.	FROM: N/A
	TO: The 13-digit unique code is assigned to an item of supply that is repeatedly stocked, stored and issued throughout the federal supply system. It's assigned at the request of the military services, certain federal or civilian agencies and foreign friendly countries.	TO: Defense Logistics Agency
Notice of Availability (NOA)	FROM: A written notification that material requiring special handling is ready to be shipped. The NOA is sent by the shipper to the purchaser or freight forwarder for oversized, hazardous, explosive, classified or perishable material, and requires a response from the recipient with delivery instructions.	FROM: N/A
	TO: The method by which the U.S. shipping installation will provide advance notification to the designated Foreign Military Sales (FMS) country representative or freight forwarder that the materiel is ready for shipment and, where appropriate, that the shipment requires an export release.	TO: Defense Logistics Manual 4000.25, Volume 1
Obligation	FROM: A duty to make a future payment of money. The duty is incurred as soon as an order is placed, or a contract is awarded for the delivery of goods and the performance of services. It is not necessary that goods actually be delivered, or services actually performed, before the obligation is created; neither is it necessary that a bill, or invoice be received first. The placement of an order is sufficient. An obligation legally encumbers a specified sum of money which will require an outlay or expenditure in the future.	FROM: N/A
	TO: Amount representing orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same, or a future, period. Includes payments for which obligations previously have not been recorded and adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The amount of obligations incurred is segregated into undelivered orders and accrued expenditures - paid or unpaid. For purposes of matching a disbursement to its proper obligation, the term obligation refers	TO: DoD Financial Management Regulation Glossary

TERM	DEFINITION	LINK
	to each separate obligation amount identified by a separate line of accounting.	
FROM: Obligational Authority (OA, as used in FMS)	FROM: A document or authority passed from DFAS-IN to an implementing DoD component which allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority.	FROM: N/A
TO: Obligational Authority (OA)	TO: The sum of (1) budget authority provided for a given fiscal year, (2) balances of amounts brought forward from prior years that remain available for obligation, and (3) amounts authorized to be credited to a specific fund or account during that year, including transfers between funds or accounts.	TO: DoD Financial Management Regulation Glossary
FROM: Planning, Programming, Budgeting And Execution System (PPBES)	FROM: An integrated system for the establishment, maintenance, and revision of the Future Years Defense Plan (FYDP) and the DoD budget.	FROM: N/A
TO: Planning, Programming, Budgeting and Execution (PPBE) Process	TO: A cyclic process containing four distinct, but interrelated phases: planning, programming, budgeting, and execution. In addition to establishing the framework and process for decision making on future programs, the process permits prior decisions to be examined and analyzed from the viewpoint of the current environment (threat, political, economic, technological, and resources) and for the time period being addressed. The ultimate objective of PPBE is to provide operational commanders the best mix of forces, equipment, and support attainable within fiscal constraints.	TO: DoD Financial Management Regulation Glossary
FROM: Combating Terrorism Fellowship Program (CTFP)	FROM: Formerly known as the Counterterrorism Fellowship Program, and also currently known as the Regional Defense Combating Terrorism Fellowship Program. It is a DoD security cooperation tool that provides education and training to international security personnel as part of the U.S. global effort to combat terrorism. CTFP is authorized by 10 USC 2249c, which allows DOD to use up to \$20 million per year to pay any costs associated with the attendance of foreign government personnel, including civilians, at selected DoD schools, conferences, centers, and other training programs.	FROM: 10 USC 2249c
TO: Regional Defense Fellowship Program (RDFP)	TO: The Regional Defense Combating Terrorism and Irregular Warfare Fellowship Program (CTIWFP) (now referred to as the Regional Defense Fellowship Program (RDFP)) is a DoD security cooperation program conducted under 10 USC 345. The purpose of RDFP is to educate and train mid- and senior level partner defense and security officials; build and strengthen a global network of combating terrorism (CbT) and irregular warfare (IW) experts and practitioners at the operational and strategic levels; build and reinforce the CbT and IW capabilities of partner nations through operational and strategic level education; contribute to efforts to counter ideological support to terrorism; provide a flexible and proactive program to respond to emerging CbT and IW requirements.	TO: 10 USC 345

TERM	DEFINITION	LINK
FROM: Repairable Item TO: Repairable Item	FROM: An item that can be reconditioned or economically repaired for reuse when it becomes unserviceable.	FROM: N/A
	TO: An item of a durable nature that has been determined by the application of engineering, economic, and other factors to be the type of item feasible for restoration to a serviceable condition through regular repair procedures.	TO: Defense Acquisition University Glossary
Revolving Fund	FROM: A fund established to finance a cycle of operations to which reimbursements and collections are returned for reuse in a manner that will maintain the principal of the fund; e.g., working capital funds and industrial funds.	FROM: N/A
	TO: Funds authorized by specific provisions of law to finance a continuing cycle of business-type operations. Receipts are credited directly to the revolving fund as offsetting collections and are available for expenditure without further action by Congress.	TO: House.gov Glossary
Security Assistance (SA)	FROM: A group of programs authorized by the Foreign Assistance Act (FAA) of 1961, as amended, and the Arms Export Control Act (AECA) of 1976, as amended, or other related statutes by which the United States provides defense articles, military training, and other defense related services, by grant, loan, cash sale, or lease, in furtherance of national policies and objectives [Joint Pub 1-02, as amended through 14 April 2006].	FROM: N/A
	TO: A group of programs authorized by federal statutes by which the United States provides defense articles, military training, and other defense-related services by grant, lease, loan, credit, or cash sales in furtherance of national policies and objectives, and those that are funded and authorized through the Department of State to be administered by Department of Defense/Defense Security Cooperation Agency, which are considered part of security cooperation.	TO: Joint Publication 3-20 (not publicly releasable)
Trust Fund	FROM: A fund credited with receipts which are earmarked by law and held in trust, or in a fiduciary capacity, by the government for use in carrying out specific purposes and programs in accordance with an agreement.	FROM: N/A
	TO: A type of account, designated by law as a “trust fund,” regardless of any other meaning of the term “trust fund.” A trust fund account is usually either a receipt, an expenditure, or a revolving fund account (trust revolving fund account).	TO: DoD Financial Management Regulation Glossary

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

TERM	DEFINITION	LINK
Accounts Payable	Amounts owed by the DoD to other entities for goods and services received (i.e., actual or constructive receipt), progress in contract performance, and rents due to other entities.	DoD Financial Management Regulation Glossary
Accounts Receivable	Assets that arise from specifically identifiable, legally enforceable claims to cash or other assets through an entity's established assessment processes or when goods or services are provided.	Government Accountability Office
Collections	Amounts received during the fiscal year. Collections are classified into two major categories: budget receipts and offsetting collections. Budget receipts are amounts received by the Federal Government from the public, e.g. tax revenues, premiums of compulsory social insurance programs, court fines, and license fees. Offsetting collections are classified into two major categories: offsetting receipts and collections credited to appropriation or fund accounts.	DoD Financial Management Regulation Glossary
Cost Clearing Account	An account used when standard rates are employed. The actual expenses are debited to the cost clearing account and the amounts billed to customers are credited to the account. At the end of the fiscal year, the account is closed with analysis performed to determine if rates require adjustment.	DoD Financial Management Regulation Glossary
Defense Contractor	Any individual, firm, corporation, partnership, association, or other legal non-Federal entity that enters into a contract directly with the DoD to furnish services, supplies, or construction. Foreign governments, representatives of foreign governments, or foreign corporations wholly owned by foreign governments that have entered into contracts with the DoD are not defense contractors.	32 CFR 158.3
Emergency Implementation	The act of implementing a case after the Foreign Military Sales (FMS) purchaser has signed the case but has not yet paid the required initial deposit. This is performed on exceptional cases with the approval of DSCA (Office of Business Operations (OBO)) due to extenuating circumstances that require urgent implementation.	N/A
National Funds	Source of funding is provided directly from the purchaser, i.e., not through a credit or grant agreement with the USG.	N/A
Negative Unliquidated Obligation	A disbursement transaction that has been matched to the cited detail obligation, but the total disbursement(s) exceeds the amount of that obligation.	DoD Financial Management Regulation Glossary

TERM	DEFINITION	LINK
Requisition	An order for materiel initiated by an established, authorized organization (i.e., a DoD or non-DoD organization that has been assigned a DoD Activity Address Code) that is transmitted either electronically, by mail, or telephoned to a supply source within the DoD or external to the DoD (the General Services Administration, the Federal Aviation Administration, or other organizations assigned management responsibility for categories of materiel), according to procedures specified in Volume 2, Supply.	Defense Logistics Manual 4000.25, Volume 1
SF 1080 - Transfers Between Appropriations and/or Funds	A form used as support for bills to other DoD Components and non-DoD federal agencies for non-interfund, intragovernmental transactions and an authorized voucher that may be used to entitle, execute, and support non-interfund intragovernmental payment.	DoD Financial Management Regulation
SF 1081 - Voucher and Schedule of Withdrawals and Credits	This form is used to move disbursement transactions from one case/line item to another as well as correct erroneous disbursement information.	N/A

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

TERM	DEFINITION	LINK
Industrial Modernization Incentive Programs	Money transferred to the credit of the Treasurer of the United States or other authorized officer at the time of acceptance of an Letter of Offer and Acceptance (LOA) as full or partial payment for defense articles, services, or training contracted for by an eligible foreign country.	N/A
Performance-Based Logistics	The DoD strategy of purchasing support in terms of systems readiness and performance outcome, rather than simply acquiring and stocking material on demand. DOD contracts with a manufacturer who is responsible for ensuring optimum system performance by providing complete logistics support to the customer.	N/A
Reapportionment	A revision of an annual apportionment of funds either upwards or downwards, accomplished within the fiscal year for which the original apportionment applied.	N/A
Reappropriation	The congressional carrying over of funds unused in one year to the following year. For example, ESF or IMET funds which at the end of the fiscal year are not reserved or obligated, are customarily made available by the Congress for use in the subsequent fiscal year.	N/A
Security Force Assistance (SFA)	DoD activities that contribute to the unified action by the USG to support the development of the capacity and capability of foreign security forces (FSF) and their supporting institutions. (DODI 5000.68, Oct 2010)	N/A
Total Obligational Authority (TOA)	TOA is the total amount of funds available for programming in a given year, regardless of the year the funds are appropriated, obligated, or expended. TOA includes new obligational authority, unprogrammed, or	N/A

TERM	DEFINITION	LINK
	reprogrammed obligational authority from prior years, reimbursements not used for replacements of inventory in kind, advanced funding for programs to be financed in the future, and unobligated balances transferred from other appropriations.	

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
Collection	Receipt in U.S. dollar currencies, checks, or other negotiable instruments from a purchaser country to pay for defense articles or services, based on accepted LOAs and USG official billing statements.
Negative Unliquidated Obligation	A disbursement transaction that has been matched to the cited detail obligation, but the total disbursement(s) exceeds the amount of that obligation.
Obligation(s)	A binding reservation of funds, to include amounts or orders placed, contracts awarded and services received. The amount of obligations incurred is segregated into undelivered orders and accrued expenditures – paid or unpaid. Represents the second stage of the FMS funding process.
Obligation Authority	The authorized amount (funding) received by the IA on a DD Form 2060 (FMS Obligational Authority) (or automated equivalent) in advance of commitments and obligations to be incurred against a given FMS case in an amount not to exceed the value specified (line 20 of the DD Form 2060). The IA records reimbursable orders against an appropriation or directly cites the FMS Trust Fund while executing the FMS case. Line 10 of the DD Form 2060 displays the amount programmed as reimbursable authority and line 11 displays the direct cite authority.
Performing Activity	An activity which is responsible for performing work or service, including the production of material and/or the procurement of goods and services from other contractors and activities.