



DEFENSE SECURITY COOPERATION AGENCY

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April 08, 2024

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: DSCA Policy Memorandum 24-12, Updates to Special Defense Acquisition Fund
Contract Administrative Services Surcharge [SAMM E-Change 650]

References: (a) Department of Defense Inspector General, Report Number 2020-114, Audit of
Department of Defense Use of Security Assistance Funds and Asset
Accountability, August 17, 2020

This memorandum updates policy in the SAMM to clarify Special Defense Acquisition
Fund (SDAF) Contract Administrative Services (CAS) surcharge guidance in response to
reference (a). The policy in the attachment is incorporated into the DSCA Security Assistance
Management Manual (SAMM) at <https://samm.dsca.mil>.

If you have questions please contact Mario Franklin, Financial Policy Division
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J. Aaron Harding
Chief Operating Officer and Chief Financial Officer
Defense Security Cooperation Agency

Attachment:
SAMM E-Change 650

Security Assistance Management Manual E-Change 650

UPDATES TO THE SPECIAL DEFENSE ACQUISITION FUND (SDAF) CONTRACT ADMINISTRATIVE SERVICES SURCHARGE (CAS)

1. Update SAMM section C11.9.6.5.1.4.:

From:

C11.9.6.5.1.4. Contract Administrative Services Surcharge. If contracts were used to acquire any portion of SDAF articles or services provided on a case line, a proportionate calculated Contract Administration Services (CAS) surcharge should be applied based on the units being sold and should reconcile with the SDAF FAW.

To:

C11.9.6.5.1.4. Contract Administrative Services Surcharge.

C11.9.6.5.1.4.1. Defense Contract Management Agency. Defense Contract Management Agency (DCMA) does not charge a Contract Administrative Services (CAS) surcharge for U.S. purchases (i.e., procurements conducted by and for the benefit of U.S. forces). SDAF procurements are considered U.S. purchases and therefore, CAS should not be applied to case lines that include SDAF-procured defense articles or defense services.

C11.9.6.5.1.4.2. Military Departments / Implementing Agencies. MILDEPs / IAs performing CAS functions will show costs on the SDAF Financial Analysis Worksheet (FAW). Such costs will be incorporated into the SDAF unit price to fund CAS support.

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For revision to new AP8.SDAF (currently unpublished)

Update SAMM section AP8.SDAF.6.6.7.7.:

From:

AP8.SDAF.6.6.7.7 Contract Administrative Services Surcharge. If contracts were used to acquire any portion of SDAF articles or services provided on a case line, a proportionate calculated Contract Administration Services (CAS) surcharge should be applied based on the units being sold and should reconcile with the SDAF FAW.

To:

AP8.SDAF.6.6.7.7. Contract Administrative Services Surcharge.

AP8.SDAF.6.6.7.7.1. Defense Contract Management Agency. Defense Contract Management Agency (DCMA) does not charge a Contract Administrative Services (CAS) surcharge for U.S. purchases (i.e., procurements conducted by and for the benefit of U.S. forces). SDAF procurements are considered U.S. purchases and therefore, CAS should not be applied to case lines that include SDAF-procured defense articles or defense services.

AP8.SDAF.6.6.7.7.2. Military Departments / Implementing Agencies. MILDEPs / IAs performing CAS functions will show costs on the SDAF Financial Analysis Worksheet (FAW). Such costs will be incorporated into the SDAF unit price to fund CAS support.