



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
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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 24-87, Title 10
Building Partner Capacity Long Term Solution Policy Implementation

References: (a) Department of Defense Inspector General Report, Audit of the Afghanistan
Security Forces Fund ([DoDIG-2023-082](#)), June 13, 2024

(b) Way Forward for Decoupling Building Partner Capacity Programs, Director
Memo, November 17, 2023

(c) [DoD Financial Management Regulation \(FMR\), Volume 11A, Chapter 3](#)

Since Fiscal Year (FY) 2020, DSCA and the Military Departments (MILDEPs) have been working toward a solution to fully decouple Title 10 (T10) BPC appropriations from the Foreign Military Sales (FMS) Trust Fund. Decoupling remediates significant legal and audit concerns about the Security Cooperation community's ability to track, monitor, and execute appropriated funds by the period of availability.

This non-eSAMM policy memorandum implements the long-term solution to fully decouple T10 BPC funds, effective October 1, 2024, and provides interim guidance to support implementation. The policy guidance in this memorandum reflects the BPC Long Term Solution e-SAMM changes DSCA adjudicated with the BPC community during a September 25, 2024,

phone conference. This policy will be rescinded and replaced after the revisions of Chapters 11, 15, and Appendix 8 are implemented and DSCA Policy memo 24-36 and associated e-change are comprehensively updated.

BPC funds appropriated in FY 2025 and later must be fully executed outside the FMS Trust Fund, within an organization's established T10 accounting systems and in accordance with standard T10 funds receipt, distribution, and execution processes. DSCA established new BPC processes within the Defense Security Assistance Management System (DSAMS) to facilitate execution of BPC funds in support of the provision of defense articles, services, and training to a benefitting partner. These new processes streamline the FMS case process to better meet BPC requirements, while also allowing BPC cases to retain elements of the FMS case that enable tracking, reporting, and export procedures.

DSAMS provides two methods for executing BPC funds - either through a BPC case or through a BPC training grant. A BPC case is generally to be used for the provision of materiel, and will list each defense articles, services, and small-scale construction. It may also contain training specifically related to the use of U.S. defense articles or services. A BPC training grant will only include training managed and executed by the appropriate training field activity.

Attachment 1 details the broader policy changes associated with the implementation of this Long Term Solution. This table was included in the coordination package for DSCA PM 24-36 (e-SAMM change 690) and all edits received and comments adjudicated during the coordination of the e-SAMM change have been incorporated. Attachment 2 provides guidance on updated long term solution procedures.

The current process for Administrative, Contract Administration Services, and Accessorial charges published in the SAMM Chapter 15 remain in effect.

If you have questions on this memorandum, please contact DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Policy Division (OBO/FPRE/FP)) at dscn.cr.obo.list.fpre-fp@mail.mil. Please reference the DSCA Policy Number and Memo Subject. For general questions about the SAMM, please contact DSCA (Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)) at dscn.cr.spp.mbx.epa@mail.mil.”



J. Aaron Harding
Acting Deputy Director

Attachments:

1. Building Partner Capacity Current and Future State Chart
2. Procedures

Attachment 1: Building Partner Capacity Current and Future State Chart

TITLE 10 BUILDING PARTNER CAPACITY LONG TERM SOLUTION

Process	T22 and T10 FY23/24 and Previous Appropriations (Current Process)	T10 FY24/25 and Future Appropriations (Long Term Solution)
DSAMS Case Development Management (CDM) module	All materiel, services, training, and small scale construction placed on a case using the DSAMS CDM module.	<p>Two approaches based on what is being provided. Both will be developed in the DSAMS BPC Module.</p> <ul style="list-style-type: none"> • BPC Materiel Case <ul style="list-style-type: none"> ○ Contains a line for each of the defense articles, services, and small scale construction. ○ May contain training specifically in support of the purchase of U.S. defense articles and services. • BPC Training Grant <ul style="list-style-type: none"> ○ Training managed and executed by the appropriate training field activities. ○ One benefitting country per training grant. ○ The IA will enter approved BPC training in the DSAMS Training Module, including training provided by Mobile Training Teams (MTTs). ○ A hard copy of the BPC Grant will not be generated. ○ Will follow the Regional Defense Forces Program process.
Types of Documents	Basic, Amendment, Modification	<p>Basic and Amendment.</p> <ul style="list-style-type: none"> • Removing the need for modifications. USG is the customer and does not need to “accept” amendments. • Once amendment is approved in DSAMS and the DoD component receives the funds as necessary, the amendment will implement.
Development of Customer Request	IA created customer request in DSAMS.	DSCA IOPS will create the customer request in the DSAMS BPC module and send to IA for review **except the Ukraine Security Assistance Initiative

Process	T22 and T10 FY23/24 and Previous Appropriations (Current Process)	T10 FY24/25 and Future Appropriations (Long Term Solution)
		(USAI) - all customer requests for USAI will still be created at the IA.
Funds Flow	<p>DSCA places appropriated funds into the FMS trust fund.</p> <p>IAs receive obligation authority after a BPC case is financially implemented in Defense Integrated Financial System (DIFS) by Defense Finance Accounting - Services Security Cooperation Accounting (DFAS-SCA).</p>	<p>DFAS SCA is no longer oversight of BPC case or training grant funds. Funds are no longer transferred into the FMS trust funds or accounted for in DIFS.</p> <p>DoD Appropriations:</p> <ul style="list-style-type: none"> • After a BPC case is approved, DSCA sends funds to the DoD Component via Funds Allocation Document (FAD). • The DoD Components receives funds into their financial system and distributes funds through their internal funds distribution processes. • New Sub-Allocation Holder Identifier's (SAHI) have been established for each MILDEP for BPC case and training execution.
Program Codes	Two-digit code assigned annually to identify the BPC authority and appropriation funding the case.	<p>Semi-permanent two-digit code to identify each BPC program authority.</p> <ul style="list-style-type: none"> • Line of accounting will identify the appropriation and period of availability. • New codes will be assigned to a BPC program authority after all case designator combinations are exhausted.
Development timelines	BPC material cases must be developed 85 percent of BPC cases within 60 days of receiving a completed MOR.	<ul style="list-style-type: none"> • BPC material cases must be developed 85 percent of BPC cases within 60 days of when the customer request is marked complete. • BPC Training Grants do not have a development timeline.
Contract Administration Services (CAS), Transportation, Administrative, Packing Crating and Handling (PC&H)	<ul style="list-style-type: none"> • Indirect Pricing Components' (IPCs) are overridden in the line pricing to reflect zero. • Funding for these indirect costs are sent from DSCA to the IA's via FAD or other funding document, included as direct costs on a case, or 	<ul style="list-style-type: none"> • IPC's for these indirect costs are not included in the line pricing. • Funding for these indirect costs will be sent from DSCA through DAI to the IA, included as a direct cost on a case, or provided under a separate case.

Process	T22 and T10 FY23/24 and Previous Appropriations (Current Process)	T10 FY24/25 and Future Appropriations (Long Term Solution)
	provided under a separate case.	
LOA Acceptance and Signature	IA accepts case in DSAMS and signs hard copy of the LOA.	IA no longer needs to accept the case in DSAMS. Once the IA receives funding from DSCA or State, the IA will enter the FUNDRCVD milestone and the case will move to implemented. No physical signature is required on the LOA.
Concurrent modifications	BPC case value may be transferred between two or more cases by concurrent Modifications.	<p>Modifications are not processed.</p> <ul style="list-style-type: none"> • Concurrent Amendments may be utilized in order move funds between the cases to reallocate funding to best meet requirements. • The amendment reducing value is implemented first followed by an amendment to receive the funds.
Milestones	<p>BPC LOA development:</p> <ul style="list-style-type: none"> • Case milestones up to Proposed are standard for each LOA (CASEINIT, DSTATUS, MILAP, WSTATUS, CWDASGN, CWDPREP, CWDDOVRTN, CWDRETD, BPCWAIT, MILSGN, RSTATUS, CWDAPPRV, PSTATUS, STLST, STAP, STDAP, STHOLD) <p>LOA Offer and Acceptance:</p> <ul style="list-style-type: none"> • OFFERED - Offered status (the case version document is offered to the customer). • DOCMSENT - Document Sent from IA (to the customer). <p>LOA Acceptance and Implementation:</p>	<p>BPC Material Case Development:</p> <ul style="list-style-type: none"> • Case milestones up to Proposed are standard for each LOA (CASEINIT, DSTATUS, MILAP, WSTATUS, CWDASGN, CWDPREP, CWDDOVRTN, CWDRETD, BPCWAIT, MILSGN, RSTATUS, CWDAPPRV, PSTATUS, STLST, STAP, STDAP, STHOLD) <p>BPC Material Case:</p> <ul style="list-style-type: none"> • FINAPPRV - DSCA Country Financial Director approves the case. • FINDAP - DSCA Country Financial Director rejects the case. The case is returned to “W” status. • FINHOLD --Financial review on hold • FINHOLDREM - Hold removed • FADRQST - After DSCA Country Financial Director approves case, a FAD request is sent to DAI. DSCA Country Financial Director/DoD confirms funds are available for the case and initiates the Funds Distribution process. • FADAPPRV - FAD request is approved in DAI. • FADDAP - FAD request is rejected in DAI.

Process	T22 and T10 FY23/24 and Previous Appropriations (Current Process)	T10 FY24/25 and Future Appropriations (Long Term Solution)
	<ul style="list-style-type: none"> • ASTATUS - Offer Accepted by Customer. • FINIMP - DFAS indicates that all financial requirements have been met. • OAAPPROV - (Army and Navy) IA indicate Obligation Authority approval in DSAMS. • ISTATUS - Case is implemented. 	<ul style="list-style-type: none"> • FUNDRCVD - MILDEP enters milestone once the funds have been loaded into the IA/Activity's accounting system and funds are available for execution. • ISTATUS - After the FUNDRCVD milestone is entered, case is implemented. <p>BPC Training Grants:</p> <ul style="list-style-type: none"> • Will include the CASEINIT and DSTATUS. • BPC Grants do not go to CWD, therefore do not receive the following milestones: MILAP, WSTATUS, CWDASGN, CWDPREP, CWDDOVRTN, CWDRETD, BPCWAIT, MILSGN, RSTATUS, CWDAPPRV, PSTATUS, STLST, STAP, STDAP, STHOLD • BPCOMP moves case to GRSTATUS (Grant Review Status) - Upon completed grant development, the IA will indicate when the BPC Grant is ready for DSCA Country Financial Director Approval. • FINAPPRV - DSCA Country Financial Director approves the Grant. • FINDAP - DSCA Country Financial Director rejects the case and the Grant is changed back to Development status • FINHOLD - Financial review on hold • FINHOLDREM - Hold removed • FADRQST - After DSCA Country Financial Director approves Grant, a FAD request is sent to DAI. DSCA Country Financial Director/DoD confirms funds are available for the case and initiates the Funds Distribution process. • FADAPPRV - FAD request is approved in DAI. • FADDAP - FAD request is rejected in DAI. • FUNDRCVD - MILDEP enters milestone once the FAD funds have been loaded into the IA/Activity's accounting system and funds are available for execution.

Process	T22 and T10 FY23/24 and Previous Appropriations (Current Process)	T10 FY24/25 and Future Appropriations (Long Term Solution)
		<ul style="list-style-type: none"> • ISTATUS - After the FUNDRCVD milestone is entered, grant is implemented.
Line of Accounting	Follows FMS structure/procedure. No way to identify period of availability of appropriated funds.	<ul style="list-style-type: none"> • Established BPC Standard Line of Accounting (SLOA). • Will identify program authority/appropriation, period of availability, IA, and case designator.
Reporting	<ul style="list-style-type: none"> • Multiple systems/tools and manual processes used to track and report BPC execution. • DSCA relied on the services to provide certain information 	<ul style="list-style-type: none"> • DSCA is leveraging Advana as its data analytics solution. • IAs will establish data feeds from their GL and logistics/case management systems to Advana to enable automated dashboarding and reporting. • Dashboards and reports will include financial, programmatic, and delivery data. • Reduces reliance on manual processes and requests to the services for data • Ties or maps financial execution to case data
Case closure	<ul style="list-style-type: none"> • IA and Defense Finance Accounting Services-Indianapolis (DFAS-IN) will ensure accounting balances have been reconciled, and all performance and disbursements have been properly reported. • DFAS-IN will review the closure certificate and perform actions to close the BPC LOA document in Defense Integrated Financial System (DIFS). 	<ul style="list-style-type: none"> • IA will ensure accounting and logistical systems are balanced. • IAs will process an amendment to reduce the case to highest financial requirement to return excess funding. • IAs will record the Closure milestone in DSAMS.

Attachment 2: Building Partner Capacity Long Term Solution Procedures

TITLE 10 BUILDING PARTNER CAPACITY LONG TERM SOLUTION

1. BPC Case and Training Grant Development and Implementation:

a. Implementing Agencies will develop materiel cases and training grants in the new Defense Security Assistance Management System (DSAMS)-BPC module. Case and grant development begins with the DSCA Program Manager (PM) or Implementing Agency (IA) (as applicable) initiates a Customer Request (CR) and tasks the workflow to the IA Preparing Activity. The case and training grant will pass through several milestones and statuses at DSCA and the IA receiving the CR.

b. For materiel cases, the Case Writing and Development (CWD) Division completes their review to progress the case to Proposed status. Training grants are not reviewed or approved by CWD. The State Department will review all BPC cases and grants prior to their implementation.

c. When the case or training grant development is complete, the DSCA Country Finance Director (CFD) will confirm funds are available and record the CFD Approval milestone in DSAMS-BPC.

d. The DSCA Comptroller (CMP T10) send a Funds Authorization Document (FAD) in the Electronic Funds Distribution System (EFD) to the appropriate military department to fund the case.

2. Funds Receipt and Execution:

a. The organization designated the authority to receive and distribute BPC funds within a respective military department load funds into their General Ledger (GL)/accounting system, records the FAD Received milestone in DSAMS-BPC to implement the case or grant, and distributes funds further, as required.

b. The organization executing funds will do so within the financial and logistical systems identified by their respective Military Department and in accordance with the procedures established to facilitate BPC decoupling.

3. Reporting:

a. To support DoD-wide audit goals and priorities and meet Congressionally mandated requirements, DSCA and the IAs will leverage Advana for financial and programmatic execution oversight and reporting.

b. DSCA and the IAs will establish data feeds from their financial and logistics systems to Advana to enable enhanced reporting and real-time monitoring in various automated dashboards.