



DEFENSE SECURITY COOPERATION AGENCY

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09 September 2025

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, SECURITY COOPERATION ACCOUNTING
DIRECTORATE, 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 25-48, Title 10
Building Partner Capacity Case Force Closure

References: (a) Defense Security Cooperation Agency, [Policy 22-33 "Building Partner Capacity Funds Return Guidance"](#), 17 June 2022
(b) Defense Security Cooperation Agency, DoDD 5105.38-M Security Assistance Management Manual [C15 -Legacy.1.5. "Appropriation Life Cycle"](#)

This memorandum establishes policy on how to conduct verified force closure activities in Defense Integrated Finance System (DIFS) for Building Partner Capacity (BPC) Chapter 15-Legacy Letters of Offer and Acceptance (LOAs) (also known as BPC cases) funded with appropriations that have cancelled or are cancelling and are no longer available for obligation or liquidation of incurred liabilities. For detailed procedures on closing BPC cases in the cancelling year see reference (a) which also includes additional guidance and information for alternate funds return processes.

BPC cases are funded with U.S. appropriations that are available for a specific period of availability. Once funds have expired, Implementing Agencies (IAs) must ensure that all financial transactions necessary to execute the relevant BPC case are complete and closed before the appropriation cancels. The requirement exists because once funds cancel, they are no longer

available for any purpose. See reference (b) for further information on expired and cancelling year funds.

In order to properly close a case, IAs must reconcile the case execution system to the appropriate accounting system. However, there may be instances where an IA is unable to close a case due to irreconcilable discrepancies. In these instances, and after all other options have been exhausted, the IAs will coordinate with the BPC DSCA (Office of Business Operations, Financial Policy and Regional Execution (OBO/FPRE)) Country Finance Director (CFD) to discuss the situation in advance of submitting a force closure request. Please note this guidance only applies to [Chapter 15-Legacy](#) cases and not [Chapter 15](#).

Subsequently, once the IA has identified no further actions can be taken to correct out-of-balances, they must submit to the appropriate DSCA CFD assigned to the program and DSCA Financial Analysis and Compliance (OBO/FPRE/FAC) at dsca.ncr.dbo.mbx.case-closure-requests@mail.mil a memorandum for record (MFR) outlining the steps taken to perform reconciliation and the issues preventing completion of case closure. The MFR will act as the Case Closure Certificate and must provide the total amount of out-of-balance or discrepancies, the adjustments required to balance the case (i.e. line level delivery adjustments, surcharge adjustments, expenditures, etc.) along with supporting documentation for the transactions. Upon DSCA approval, the DSCA CFD will forward the verified Force Closure Package to DFAS to process in DIFS. DFAS-Indianapolis (DFAS-IN) will close the case at the disbursed value and retain the MFR, as well as a Final Statement of Account, as documentation to support the closure of the transactions for auditing purposes.

The force closure process is not a substitute for IAs performing required funds reconciliation and exercising thorough financial management as outlined in [Chapter 15-Legacy](#). This policy is intended to address current system constraints but may be reevaluated, updated with a subsequent policy memorandum, or rescinded at a later date as necessary.

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 dsca.ncr.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 dsca.ncr.spp.mbx.epa@mail.mil.

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Officer