



DEFENSE SECURITY COOPERATION AGENCY

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

17 JULY 2026

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 26-03, Title 10 and
Title 22 Building Partner Capacity Closure Adjustment [SAMM E-Change 801]

References: (a) Defense Security Cooperation Agency, DoDD 5105.38-M Security Assistance
Management Manual [C15 -Legacy.1.4. "Appropriation Life Cycle"](#)

(b) Defense Security Cooperation Agency [Policy Memorandum 25-48](#), Title 10
Building Partner Capacity Case Force Closure

Effective immediately this memorandum establishes policy on how to conduct verified closure adjustment activities (also referred to as "force closure") for Title 10 and Title 22 Building Partner Capacity (BPC) Letters of Offer and Acceptance (LOAs) 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. This memorandum supersedes reference (b) by incorporating the guidance into the Security Assistance Management Manual (SAMM). The policy in the attachment is incorporated into the SAMM at <https://samm.dsca.mil>.

The closure adjustment process is not a substitute for IAs performing required funds reconciliation and exercising thorough financial management as outlined in SAMM [Chapters 15](#) and [Chapter 15-Legacy](#). This policy is instead intended to address constraints that may prevent timely case closure on cases that are supply service complete and do not have any pending obligations. It 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 memorandum 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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Brian Watford
Acting Chief Operating Officer and Chief Financial
Officer

Attachment: SAMM E-Change 801 - Title 10 and Title 22 Building Partner Capacity Closure Adjustment

Attachment: Security Assistance Management Manual E-Change 801

**TITLE 10 AND TITLE 22 BUILDING PARTNER CAPACITY CLOSURE
ADJUSTMENT**

1. Add Section C15.7.3.1.1.

C15.7.3.1.1. Closure Adjustment. There may be instances where, despite best efforts, an IA is unable to produce a closure certificate certifying amounts billed match values listed in Defense Security Assistance Management System (DSAMS) as appropriate. In these instances, and after all other available options have been exhausted, the IA must submit the case for closure adjustment by July 31 of the funds' cancelling year. IAs must coordinate with the appropriate DSCA (OBO/FPRE) BPC Country Finance Director to discuss the situation in advance of submitting a closure adjustment request via a memorandum for record (MFR) to the Case Closure mailbox at dsca.ncr.dbo.mbx.case-closure-requests@mail.mil. See [Figure C15.F8](#). Upon receipt, DSCA will route the MFR for validation by Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Analysis and Compliance (OBO/FPRE/FAC) to the appropriate offices within DSCA. The MFR will be validated and if approved, signed by DSCA (OBO/FPRE) BPC Regional Division and returned to the IA. Once approved, the MFR will act as the case closure certificate and be uploaded onto the closed version of the case. Further, the DSCA (OBO/FPRE) BPC Regional Division will send a letter to IAs to conduct a quarterly review of cases funded with cancelling year appropriations and request their action. No later than August 15 of that same cancelling year, DSCA will direct closure adjustment via a guidance letter on any remaining cases that have not been previously submitted for closure by an IA. See [Section C15.7.5.2](#) for guidance on reopening a BPC case or training grant to address financial activity after case closure, as well as [Section C15.6.1.1](#) for guidance on submitting Prior Year Adjustment requests to make adjustments to BPC cases or training grants funded with prior year appropriations.

2. Add Figure C15.F8.

Figure C15.F8. Building Partner Capacity Closure Adjustment Memorandum for Record

This Memorandum for Record (MFR) documents the submission of information required to submit a Building Partner Capacity (BPC) Letter of Offer and Acceptance (LOA) (also known as a BPC case) for closure adjustment.

From: Implementing Agency (IA)

To: DSCA Office of Business Operations (OBO)

Item #	Item	Information
1.	Date	[## MON YEAR]
2.	Security Cooperation Customer Code/IA/BPC Case Designator	[XX-X-XXX]
3.	Net Case Value	[current value required to liquidate all obligations/expenditures]
4.	Issue of Concern	[be as descriptive as possible]
5.	Total Out-of-Balance	[\$----]
6.	Adjustments required to close a BPC case	[provide description of adjustments]
7.	Transaction documents are attached	[Yes/No, with explanation if documents are not attached]
8.	Documentation of reconciliation attempt is attached	[Yes/No, with explanation if documents are not attached]
9.	IA Closure Certification point of contact (POC)	[Name, email, phone number]
From IA POC: [Typed name] Received by DSCA OBO POC: [Typed name] Certified by OBO POC: [Typed name] Signature Block Signature Block Signature Block		

3. Add Section C15-Legacy.7.3.1.1.

C15-Legacy.7.3.1.1. Closure Adjustment. There may be instances where an IA, despite best efforts, is unable to close a case using established procedures due to irreconcilable discrepancies. In these instances, and after all other available options have been exhausted, the IA must submit the case for closure adjustment by July 31 of the funds' cancelling year. IAs must coordinate with the appropriate DSCA (OBO/FPRE) BPC Country Finance Director to discuss the situation in advance of submitting a request via memorandum for record (MFR) to the Case Closure mailbox at dsca.ncr.dbo.mbx.case-closure-

requests@mail.mil. See [Figure C15-Legacy.F8](#). Upon receipt, DSCA will route the MFR for validation by Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Analysis and Compliance (OBO/FPRE/FAC) to the appropriate offices within DSCA. The MFR will be validated and if approved, signed by DSCA and returned to the IA. Upon DSCA approval, the DSCA CFD will forward the verified Closure Adjustment Package to DFAS-IN at dfas.indianapolis-in.jax.mbx.dfas-in-sca-ccci@mail.mil to process in DIFS. 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. Further, DSCA/OBO/FPRE will send a letter to IAs to conduct a quarterly review of cases funded with cancelling year appropriations and request their action. No later than August 15 of that same cancelling year, DSCA will direct initiation of closure adjustment via a guidance letter on any remaining cases that have not been proactively submitted for closure by an IA. For Title 22 Peacekeeping Operations (PKO) funds originally deposited into the FMS Trust Fund, IAs must take action to adjust and return funds (e.g. unprogrammed, undispersed) to DSCA by March 1 of the fourth fiscal year following the months (MOS) expiration date specified in the Interagency Agreement (IAA) so they can be returned to the Department of State (State) before they cancel. See [Section C15.Legacy.7.6.2](#) for guidance on reopening a BPC case or training grant to address financial activity after case closure, as well as [Section C15-Legacy.6.2.1](#) for guidance on submitting Prior Year Adjustment requests to make adjustments to BPC cases or training grants funded with prior year appropriations.

4. Add Figure C15-Legacy.F8.

Figure C15-Legacy.F8. Building Partner Capacity Closure Adjustment Memorandum for Record

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