DEFENSE SECURITY COOPERATION AGENCY
2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

10 March 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 26-09, Armed Forces Salaries Supporting State Partnership Program Activities

Reference: (a) Public Law 118-47 - *Further Consolidated Appropriations Act, 2024*, 138 Stat.796, March 24, 2024

(b) State, Foreign Operations, and Related Programs Appropriations Act

This memorandum updates the DoD 7000.14-R, Financial Management Regulation (FMR) to align with references (a) and (b). Effective immediately, and subject to fiscal year appropriations bill guidance, defense articles and services funded by Foreign Military Financing (FMF) may be priced to include Armed Forces salaries for activities that support State Partnership Program activities. The policy in the attachment is incorporated into the FMR at https://comptroller.war.gov/FMR/fmrvolumes.aspx.

If you have questions on this memorandum, please contact the 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 the Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA)) at dsca.ncr.spp.mbx.epa@mail.mil.

WATFORD.BRIAN.T.

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Brian T. Watford
Acting Chief Operating Officer and
Chief Financial Officer

Attachment:
FMR Update - Armed Forces Salaries Supporting State Partnership Program Activities

FMR Update:

ARMED FORCES SALARIES SUPPORTING STATE PARTNERSHIP PROGRAM ACTIVITIES

1. Update 13.5.1.1. to Financial Management Regulation Volume 15, Chapter 7:

From:

13.5 Exclusion of the Cost of Military Pay and Entitlements for Defense Services Funded by the Military Assistance Program (MAP) or Non-Repayable Foreign Military Financing (FMF).

13.5.1. Title 22 U.S.C. 2311(a)(3) permits the exclusion of salaries of members of the Armed Forces (other than Coast Guard) if the sales case for defense articles, services (including training), or for design and construction services is totally financed by MAP Merger or by non-repayable FMF.

To:

13.5 Exclusion of the Cost of Military Pay and Entitlements for Defense Services Funded by the Military Assistance Program (MAP) or Non-Repayable Foreign Military Financing (FMF).

13.5.1. Title 22 U.S.C. 2311(a)(3) permits the exclusion of salaries of members of the Armed Forces (other than Coast Guard) if the sales case for defense articles, services (including training), or for design and construction services is totally financed by MAP Merger or by non-repayable FMF.

13.5.1.1. However, in accordance with relevant annual State and Foreign Operations Appropriations Act guidance, notwithstanding section 503(a)(3) of Public Law 87– 195 (22 U.S.C. 2311(a)(3)), the procurement of defense articles and services funded on a non-repayable basis under section 23 of the Arms Export Control Act (22 U.S.C. 2763) may be priced to include the costs of salaries of members of the Armed Forces of the United States engaged in security assistance activities pursuant to 10 U.S.C. 341 (relating to the State Partnership Program).

13.5.1.2. Non-repayable FMF must be used to reimburse the Military Personnel appropriation for time spent supporting State Partnership Program activities. The methodology for pricing Armed Forces salaries is detailed in the Volume 15, chapter 7, paragraph 20.2. “Military Personnel.”