



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

16 MAR 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 26-19, Recognition of
General Property, Plant and Equipment in the Security Assistance Accounts
Financial Statements [SAMM E-Change 812]

Reference: Defense Security Cooperation Agency FY 2022 Financial Statement Audit Notice of
Finding and Recommendations SAA-2022-N0009, July 2022

This memorandum updates the Security Assistance Management Manual (SAMM) to ensure the Security Cooperation (SC) community properly recognizes General Property, Plant, and Equipment (PP&E) in the Security Assistance Accounts (SAA) Financial Statements. This policy, in direct response to the reference above, outlines the processes for receipt, acceptance, and asset management of PP&E. This memorandum is effective immediately. The policy in the attachment is incorporated into the DSCA SAMM at <https://samm.dsca.mil>.

If you have questions on this memorandum, please contact 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.

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

Attachment:

SAMM E-Change 812 - Recognition of General Property, Plant and Equipment in the Security Assistance Accounts Financial Statements

Security Assistance Management Manual E-Change 812

RECOGNIZE GENERAL PROPERTY, PLANT AND EQUIPMENT IN THE SECURITY ASSISTANCE ACCOUNTS FINANCIAL STATEMENTS

1. Add C14.8.5. "Accounting for General Property, Plant, and Equipment" and subsections to Chapter 14.

C14.8.5. Accounting for General Property, Plant, and Equipment. General Property, Plant, and Equipment (PP&E) are tangible assets that have an estimated useful life of two years or more, are not intended for sale in the ordinary course of operations, and are acquired or constructed to be used or available for use by the entity. Real property, general equipment, and Internal Use Software (IUS) are subsets of general PP&E. General PP&E procured with SA funds must be accounted for and reported on financial statements in accordance with applicable Department guidance, as outlined below. For more detailed accounting guidance for PP&E, please see [Statement of Federal Accounting Standards \(SFFAS\) 6](#).

C14.8.5.1. The IA will establish and document procedures for SAA property accountability and financial reporting in accordance with [DoDI 5000.64](#) and the FMR citations in Section C14.8.5.1.1. through Section C14.8.5.1.3.

C14.8.5.1.1. Accounting for Real Property. For more detailed accounting guidance for Real Property, please see [FMR Volume 4, Chapter 24](#).

C14.8.5.1.2. Accounting for General Equipment. Embedded or integrated software is included in the acquisition cost of general equipment. For more detailed accounting guidance for General Equipment, please see [FMR Volume 4, Chapter 25](#).

C14.8.5.1.3. Accounting for Internal Use Software. For more detailed accounting guidance for Internal Use Software (IUS) see [SFFAS 10](#), [Technical Release \(TR\) 16](#), and [FMR Volume 4, Chapter 27](#).