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

9 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 Policy Memorandum 26-22, Establishment of Appendix 6 Note for Availability of Funds to Cross Fiscal Years - Ukraine Security Assistance Initiative and Building Partner Capacity Clarification Updates [SAMM E-Change 813]

The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2026 (P.L. 119-60) made two significant changes affecting the Department's use of Cross Fiscal Year (CFY) authority to execute Title 10 Building Partnership Capacity (BPC) programs. Section 1243 of the NDAA provides CFY authority for the Ukraine Security Assistance Initiative (USAI). Section 1202 of the Act amends 10 U.S.C. Section 333 to make CFY authority available for Section 333 programs funded with appropriations that are currently available to support Section 333 vice being available only during the fiscal year in which the funds were appropriated. Appendix 6 is updated to add the standard note "Availability of Funds to Cross Fiscal Years - Ukraine Security Assistance Initiative." Clarification changes are also made concerning Building Partner Capacity Security Assistance Management Manual (SAMM) entries. The policy in the attachment is incorporated into the DSCA SAMM at https://samm.dsca.mil.

If you have any questions concerning this guidance or 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.

Hussam H. Bader
Acting Assistant Director
Strategy, Plans, and Policy

Attachment:
SAMM E-Change 813 - Updates to Appendix 6 - Letter of Offer and Acceptance Notes

Attachment: SAMM E-Change 813

Updates to Appendix 6 - Letter of Offer and Acceptance Notes

1. Add the following note to Appendix 6:

Availability of Funds to Cross Fiscal Years - Ukraine Security Assistance Initiative

Foreign Military Sales	No
Building Partner Capacity	Yes
Note Input Responsibility	IA
Date Range of Use	Limited
References	N/A
Note Usage Instructions for Documents	
Mandatory for Ukraine Security Assistance Initiative (USAI) Building Partner Capacity (BPC) Letters of Offer and Acceptance (LOAs) and Amendments utilizing the BPC module (see Chapter 15) unless the latest version of the note is on the Implemented Version.	
Note Text	
Section 1243 of the National Defense Authorization Act (NDAA) for Fiscal Year 2026 (P.L. 119-60) provides Cross Fiscal Year (CFY) authority for the Ukraine Security Assistance Initiative (USAI). CFY [will/will not] be utilized on lines [xxx, xxx] of this Building Partner Capacity (BPC) Letter of Offer and Acceptance (LOA). 1. Beginning fiscal year 2026, CFY allows the months (MOS) for USAI programs that begin in the fiscal year in which funds are available to continue until the end of the second fiscal year thereafter. 2. In addition, as long as funds for non-severable services or for a procurement are obligated on contracts within the Period of Availability timeframe for an existing bona fide need, such long-lead procurement items may be delivered to the U.S. Government and non-severable services may be performed until funds cancel. Case reconciliation must occur after the final delivery to the U.S. Government to facilitate case closure not later than July 31 of the cancellation year. 3. Provision of Services Related to Equipment Delivery. Certain activities that are intrinsic to the provision of equipment being delivered under a USAI program may occur outside the MOS authorized by CFY authority. Such activities may include engineering and technical services, quality assurance, installation, transportation, and initial operator training (not tactical or deployment training) when performance is intrinsic to the provision of the equipment and a bona fide need exists for them at the outset of the USAI program. However, only services and training that meet these criteria and are included in the procurement contract for the equipment being delivered may be provided outside the CFY MOS (as long as funds have not yet cancelled). 4. Defense Security Cooperation Agency (DSCA) received funding for this activity under the authority of 10 U.S.C. 2571 (Section 2571). The use of CFY authority is legally available	

for programs executed via reimbursable funds transfers under this authority. Unlike under the Economy Act (31 U.S.C. 1535), funds transferred under Section 2571 constitute an obligation of funds and do not require that funds transferred under its authority be returned to the ordering organization if they are not further obligated during the funds period of availability. Therefore, such funds are available to pay for DoD-provided services during the MOS allowed under CFY authority even if the funds were not obligated via a project order, travel order, or by a working capital fund transaction.

*A USAI program is defined as the provision of a particular capability to Ukraine within a tranche of a Congressional Notification. DSCA (Office of International Operations, Regional Execution Directorate (IOPS/REX)) oversees the development and execution of USAI programs. The notification to Congress defines a USAI program's scope. A USAI program may require execution by multiple Implementing Agencies, with multiple BPC LOAs and training grants, all of which will share a common program start date based on the earlier of the following: (1) the program's first obligation of program funds for a procurement contract; or (2) the first date of delivery to Ukraine of a USG sourced defense article or USG sourced defense service provided by the program.

**For more information on the program start date, please pull Security Cooperation Information Portal (SCIP)/Security Cooperation Management Suite (SCMS) Dashboard report or contact DSCA (IOPS/REX) for assistance.

2. Rename and update the following LOA Notes:

Availability of Funds to Cross Fiscal Years - ~~Building Partner Capacity (BPC)~~ Section 333

Foreign Military Sales	No
Building Partner Capacity	Yes
Note Input Responsibility	IA
Date Range of Use	Limited
References	N/A
Note Usage Instructions for Documents	
Mandatory for Section 333 (10 U.S.C. 333) Building Partner Capacity (BPC) Letters of Offer and Acceptance (LOAs) and Amendments utilizing the BPC module (see Chapter 15) unless the latest version of the note is on the Implemented Version.	
Note Text	
10 U.S.C. 333(g)(2)~~(A)~~ provides Cross Fiscal Year (CFY) authority. CFY [will/will not] be utilized on lines [xxx, xxx] of this Building Partner Capacity (BPC) Letter of Offer and Acceptance (LOA). 1. ~~Beginning fiscal year 2025,~~ CFY allows the ~~period(s) of performance~~months (MOS) for (10 U.S.C. 333) (Section 333) programs that begin in ~~the~~a fiscal year in which funds are ~~made~~ available to continue until the end of the third fiscal year thereafter. 2. In addition, as long as funds for non-severable services or for a procurement are obligated on contracts within the Period of Availability timeframe for an existing bona fide need, such long-lead procurement items may be delivered to the U.S. Government	

and non-severable services may be performed until funds cancel. Case reconciliation must occur after the final delivery to the U.S. Government to facilitate case closure not later than July 31 of the cancellation year.

3. Provision of Services Related to Equipment Delivery. Certain activities that are intrinsic to the provision of equipment being delivered under a Section 333 program may occur outside the ~~period of performance~~MOS authorized by CFY authority. Such activities may include engineering and technical services, quality assurance, installation, transportation, and initial operator training (not tactical or deployment training) when performance is intrinsic to the provision of the equipment and a bona fide need exists for them at the outset of the Section 333 program. However, only services and training that meet these criteria and are included in the procurement contract for the equipment being delivered may be provided outside the CFY ~~performance period~~MOS allowed (as long as funds have not yet cancelled).

4. Defense Security Cooperation Agency (DSCA) received funding for this activity under the authority of 10 U.S.C. 2571 (Section 2571). The use of CFY authority is legally available for programs executed via reimbursable funds transfers under this authority. Unlike under the Economy Act (31 U.S.C. 1535), funds transferred under Section 2571 constitute an obligation of funds and do not require that funds transferred under its authority be returned to the ordering organization if they are not further obligated during the funds period of availability. Therefore, such funds are available to pay for DoD-provided services during the ~~period of performance~~MOS allowed under CFY authority even if the funds were not obligated via a project order, travel order, or by a working capital fund transaction.

*A Section 333 program is defined as the provision of a particular capability to a specific Benefitting Partner (or partners) within a tranche of a Congressional Notification. DSCA (Office of International Operations, Global Capability Development Directorate (IOPS/GCD)) oversees the development and execution of Section 333 programs. The notification to Congress defines a Section 333 program's scope. A Section 333 program may require execution by multiple Implementing Agencies and recipients of Direct Funds, with multiple BPC LOAs, training grants, and direct funds transfers, all of which will share a common program start date based on the earlier of the following: (1) the program's first obligation of program funds for a procurement contract; or (2) the first date of delivery to the Benefitting Partner of a USG sourced defense article or USG sourced defense service provided by the program.

**For more information on the program start date, please pull Security Cooperation Information Portal (SCIP)/Security Cooperation Management Suite (SCMS) Dashboard report or contact DSCA (IOPS/GCD) for assistance.

Availability of Funds to Cross Fiscal Years - Legacy ~~Building Partner Capacity (BPC)~~ Section 333

Foreign Military Sales	No
Building Partner Capacity	Yes
Note Input Responsibility	IA
Date Range of Use	~~All~~Limited
References	
N/A	
Note Usage Instructions for Documents	
For cases prior to fiscal year 2025 (see Chapter 15-Legacy). Mandatory for Building Partner Capacity (BPC) Letters of Offer and Acceptance (LOAs), Amendments, and Modifications that utilize the Section 333 (10 U.S.C. 333) authority developed in the Defense Security Assistance Management System (DSAMS) case module, unless the latest version of the note is on the Implemented Version.	
Note Text	
"10 U.S.C. 333(g)(2)(A) provides Cross Fiscal Year (CFY) authority. CFY [will/will not] be utilized on lines xxx of this Building Partner Capacity (BPC) Letter of Offer and Acceptance (LOA). 1. CFY allows the ~~period(s) of performance~~months (MOS) for (10 U.S.C. 333) (Section 333) programs that begin in a fiscal year in which funds are available to continue until the end of the second fiscal year thereafter. 2. In addition, as long as funds on a procurement contract are obligated within the Period of Availability timeframe for an existing bona fide need, long-lead procurement items may be delivered to the U.S. Government until funds cancel. Case reconciliation must occur after the final delivery to the U.S. Government to facilitate case closure not later than July 31 of the cancellation year. 3. Provision of Services Related to Equipment Delivery. Certain activities that are intrinsic to the provision of equipment being delivered under a Section 333 program may occur outside the ~~period of performance~~MOS authorized by CFY authority. Such activities may include engineering and technical services, quality assurance, installation, transportation, and initial operator training (not tactical or deployment training) when performance is intrinsic to the provision of the equipment and a bona fide need exists for them at the outset of the Section 333 program. However, only services, including training, that meet these criteria and are included in the procurement contract for the equipment being delivered may be provided outside the CFY MOS allowed (as long as funds have not yet cancelled). 4. Defense Security Cooperation Agency (DSCA) received funding for this activity under the authority of 10 U.S.C. 2571 (Section 2571). The use of CFY authority is legally available for programs executed via reimbursable funds transfers under this authority. Unlike funds transfers under the Economy Act (31 U.S.C. 1535), Section 2571 does not require that funds transferred under its authority be returned to the ordering organization if they are not obligated during the funds period of availability. Therefore, such funds are available to pay for DoD-provided services during the ~~period of performance~~MOS	

allowed under CFY authority even if the funds were not obligated via a project order, travel order, or by a working capital fund transaction.

~~"10 U.S.C. 333(g)(2)(B) provides Full Operational Capability (FOC) authority.~~

1. ~~For a program to qualify for FOC, the program must first meet the requirements of CFY authority. Then, the USG must receive all equipment requiring follow-on support and/or services to ensure the foreign partner achieves full operational capability for such equipment before the end of the fiscal year after the fiscal year in which the program incurs the first financial obligation. If all such equipment is delivered to the U.S. Government during this time, the U.S. Government may provide the foreign partner with defense articles, training, defense services (i.e. field service representatives contractor logistical support), supplies, and small-scale military construction (subject to $2,500,000 limit) associated with the previously-delivered equipment. These FOC activities may begin in the fiscal year when the equipment is delivered to the partner nation and may continue until the end of the second fiscal year thereafter. The following lines on this LOA use this authority: (fill in).~~

2. ~~If the U.S. Government does not receive all equipment requiring follow-on support and/or services before the end of the next fiscal year after the first obligation, the line on the case does not qualify for FOC and must revert to the period of performance otherwise available under the program. The U.S. Government will make every effort to deliver the equipment to the partner nation within 120 days after acceptance of the items by the U.S. Government.~~

3. ~~Note that FOC authority is not available to extend the period of performance for training-only programs, Section 333 programs that include FOC assistance executed via Section 2571 funds transfers are not subject to obligation/de-obligation requirements under the Economy Act.~~

4. ~~The following lines on this LOA use FOC authority: (fill in)."~~

~~Add the below for all uses of this note:~~

*A Section 333 program is defined as the provision of a particular capability to a specific Benefitting Partner (or partners) within a tranche of a Congressional Notification. DSCA (Office of International Operations, Global Capability Development Directorate (IOPS/GCD)) oversees the development and execution of Section 333 programs. The notification to Congress defines a Section 333 program's scope. A Section 333 program may require execution by multiple Implementing Agencies and recipients of Direct Funds, with multiple BPC LOAs and direct funds transfers, all of which will share a common program start date based on the earlier of the following: (1) the program's first obligation of program funds for a procurement contract; or (2) the first date of delivery to the Benefitting Partner of a USG sourced defense article or USG sourced defense service provided by the program.

**For more information on the program start date, please pull Security Cooperation Information Portal (SCIP)/Security Cooperation Management Suite (SCMS) Dashboard report or contact DSCA (IOPS/GCD) for assistance.

3. Update Note Text in Indirect Charges - Title 10 Building Partner Capacity (BPC) as follows:

"All indirect charges (percentage charges not included in a line value such as Administrative, transportation, and packing, crating & handling (PC&H), and percentage charges previously

included in a line cost such as Contract Administration Services (CAS), ~~Civilian Fringe Benefits,~~ etc.) are excluded from this Building Partner Capacity (BPC) Letter of Offer and Acceptance (LOA) and will be paid for from the program's current year program-wide support BPC LOA or through other funds distribution processes (e.g., Funding Authorization Documents (FADs), Military Interdepartmental Purchase Requests (MIPRs)), if applicable."

4. Update Chapter 15 per below:

- Current:

  C15.3.10.3. Project Orders. IAs may use project orders as a mechanism to fund services in support of a program. Funding for Project Orders must be obligated during the funds' period of availability and then may be executed like a contract in accordance with 41 U.S.C. 6307. See DoD FMR Volume 11A, Chapter 2. Project orders must not extend beyond the appropriation's funds cancellation date.

  C15.3.10.6.1.1. 10 U.S.C. 3133 does not limit the ability to use Cross-Fiscal Year (CFY) authority under Section 333. 10 U.S.C. 3133 and the Section 333. CFY authority both provide exceptions to the bona fide needs rule. There is no limitation on the use of Section 333. CFY authority simply because 10 U.S.C. 3133 would also apply. Therefore, DoD may use CFY authority for contractor-provided training under Section 333. to perform severable services for up to 36 months, irrespective of the 12-month limit on severable service contracts under 10 U.S.C. 3133, as long as funds are appropriately obligated during their POA.

- Revised:

  C15.3.10.3. Project Orders. IAs may use project orders (to include DWCF services) as a mechanism to fund services in support of a program. Funding for Project Orders must be obligated during the funds' period of availability and then may be executed like a contract in accordance with 41 U.S.C. 6307. See DoD FMR Volume 11A, Chapter 2. Project orders must not extend beyond the appropriation's funds cancellation date.

  ~~**C15.3.10.6.1.1.** 10 U.S.C. 3133 does not limit the ability to use Cross-Fiscal Year (CFY) authority under Section 333. 10 U.S.C. 3133 and the Section 333. CFY authority both provide exceptions to the bona fide needs rule. There is no limitation on the use of Section 333. CFY authority simply because 10 U.S.C. 3133 would also apply. Therefore, DoD may use CFY authority for contractor-provided training under Section 333. to perform severable services for up to 36 months, irrespective of the 12-month limit on severable service contracts under 10 U.S.C. 3133, as long as funds are appropriately obligated during their POA.~~

5. Update Chapter 15-Legacy per below:

- Current:

  C15-Legacy.3.12.3. Project Orders. IAs may use project orders as a mechanism to fund services in support of a program. Project orders must be obligated before the appropriation's POA for obligation expires. See DoD FMR Volume 11a, Chapter 2. Project orders must not extend beyond the appropriation's funds cancellation date.

  C15-Legacy.3.15.1.1.1. 10 U.S.C. 3133 does not limit the ability to use Cross Fiscal Year (CFY) authority under Section 333. 10 U.S.C. 3133 and the Section 333 CFY authority both provide exceptions to the bona fide needs rule. There is no limitation on the use of Section 333 CFY authority simply because 10 U.S.C. 3133 would also apply. Therefore, DoD may use CFY authority for contractor-provided training under Section 333 to perform severable services for up to 36 months, irrespective of the 12-month limit on severable service contracts under 10 U.S.C. 3133, as long as funds are appropriately obligated during their POA.

- Revised:

  C15-Legacy.3.12.3. Project Orders. IAs may use project orders (to include DWCF services) as a mechanism to fund services in support of a program. Project orders must be obligated before the appropriation's POA for obligation expires. See DoD FMR Volume 11a, Chapter 2. Project orders must not extend beyond the appropriation's funds cancellation date.

  ~~**C15-Legacy.3.15.1.1.1.** 10 U.S.C. 3133 does not limit the ability to use Cross Fiscal Year (CFY) authority under Section 333. 10 U.S.C. 3133 and the Section 333 CFY authority both provide exceptions to the bona fide needs rule. There is no limitation on the use of Section 333 CFY authority simply because 10 U.S.C. 3133 would also apply. Therefore, DoD may use CFY authority for contractor-provided training under Section 333 to perform severable services for up to 36 months, irrespective of the 12-month limit on severable service contracts under 10 U.S.C. 3133, as long as funds are appropriately obligated during their POA.~~

6. Update Appendix 8 Section 333 per below:

- Current:

  S333.2.5. Exceptions to the Bona Fide Need Rule. The Bona Fide Need (BFN) (31 U.S.C. 1502) rule is a general fiscal law principle that requires appropriations to be obligated only for payment of bona fide need of the requiring agency during the period of availability of funds. In addition to the use of the production/lead time BFN exception that applies to all U.S. Government acquisitions, there is one other BFN exception that applies only to 10 U.S.C. 333 programs: Cross Fiscal Year (CFY) authority. The CFY BFN exception allows for the execution of funds in future years as long as the funds are

obligated during their original period of availability. The National Defense Authorization Act (NDAA) for Fiscal Year 2025 (P.L. 118-159) currently limits CFY authority to funds obligated in the year they are made available and eliminated the Full Operational Capability (FOC) authority from Section 333.

S333.2.5.1. Production/Long Lead Time Exception. Limited contractor-provided non-severable services (e.g., initial operator training or construction) are permissible to support the delivery of articles and equipment with a long-lead production time when the desired non-severable services or training would fall outside of the allowable Period of Performance (POP) under another authority. Non-severable service contracts may be awarded to support the fielding of a long-lead production article but must be funded entirely with appropriations available for new obligations at the time the contract is awarded, and the POP may extend across fiscal years (FYs) to support the equipment whenever it is delivered prior to the funds' cancellation date.

S333.2.5.2.2.1. Provision of Services Related to Equipment Delivery. Certain activities that are not non-severable services but are intrinsic to the provision of equipment being delivered under a Section 333 program may be executed upon delivery of long-lead equipment that is outside the period of performance authorized by CFY authority. Such activities may include engineering and technical services, quality assurance, installation, transportation, and initial operator training (not tactical or deployment training, see Section C15.3.10.6.2.) when a BFN exists at the time the funds are initially obligated to procure the long-lead equipment. Such services and/or training must be included in the procurement contract awarded for equipment during the appropriations' original period of availability (POA) for obligation.

- Revised:

S333.2.5. Exceptions to the Bona Fide Need Rule. The Bona Fide Need (BFN) (31 U.S.C. 1502) rule is a general fiscal law principle that requires appropriations to be obligated only for payment of bona fide need of the requiring agency during the period of availability of funds. In addition to the use of the production/lead time BFN exception that applies to all USG acquisitions, there is one other BFN exception that applies ~~only~~ to 10 U.S.C. 333 programs: Cross Fiscal Year (CFY) authority. The CFY BFN exception allows for the execution of funds in future years as long as the funds are obligated during their original period of availability. ~~The National Defense Authorization Act (NDAA) for Fiscal Year 2025 (P.L. 118-159) currently limits CFY authority to funds obligated in the year they are made available and eliminated the Full Operational Capability (FOC) authority from Section 333.~~

S333.2.5.1. Production/Long Lead Time Exception. Limited contractor-provided non-severable services (e.g., initial operator training or construction) are permissible to support the delivery of articles and equipment with a long-lead production time when the desired non-severable services or training would fall outside of the allowable ~~Period of Performance (POP)~~months (MOS) under another authority. Non-severable service contracts may be awarded to support the fielding of a long-lead production article but must be funded entirely with appropriations available for new obligations at the time the

contract is awarded, and the ~~POP~~MOS may extend across fiscal years (FYs) to support the equipment whenever it is delivered prior to the funds' cancellation date. CFY authority is available to execute Section 333 programs when such programs are also being executed with production/long lead time.

S333.2.5.2.2.1. Provision of Services Related to Equipment Delivery. Certain activities that ~~are~~do not constitute non-severable services but are intrinsic to the provision of equipment being delivered under a Section 333 program may be executed upon delivery of long-lead equipment that is outside the ~~period of performance~~allowable MOS authorized by CFY authority. Such activities may include engineering and technical services, quality assurance, installation, transportation, and initial operator training (not tactical or deployment training, see Section C15.3.10.6.2.) when a BFN exists at the time the funds are initially obligated to procure the long-lead equipment. Such services and/or training must be included in the procurement contract awarded for equipment during the appropriations' original period of availability (POA) for obligation. This section does not apply to USG services, with the exception of project orders (Section C15.3.10.3. and Section C15-Legacy.3.12.3.).

7. Update AP8.S333. to replace references of period of performance to months or allowable months and POP to MOS or allowable MOS.

8. Add the following to Appendix 8 - Ukraine Security Assistance Initiative:

USAI.2.6. Exceptions to the Bona Fide Need Rule. The Bona Fide Need (BFN) (31 U.S.C. 1502) rule is a general fiscal law principle that requires appropriations to be obligated only for payment of bona fide need of the requiring agency during the period of availability of funds. In addition to the use of the production/lead time BFN exception that applies to all USG acquisitions, there is one other BFN exception that applies to USAI programs: Cross Fiscal Year (CFY) authority. The CFY BFN exception allows for the execution of funds in future years as long as the funds are obligated during their original period of availability.

USAI.2.6.1. Production/Long Lead Time Exception. Limited contractor-provided non-severable services (e.g., initial operator training or construction) are permissible to support the delivery of articles and equipment with a long-lead production time when the desired non-severable services or training would fall outside of the allowable months (MOS) under another authority. Non-severable service contracts may be awarded to support the fielding of a long-lead production article but must be funded entirely with appropriations available for new obligations at the time the contract is awarded, and the MOS may extend across fiscal years (FYs) to support the equipment whenever it is delivered prior to the funds' cancellation date. CFY authority is available to execute USAI programs when such programs are also being executed with production/long lead time.

USAI.2.6.2. Cross Fiscal Year.

USAI.2.6.2.1. USAI Program Start. CFY authority is legally available for DoD to execute USAI programs through a multi-year deliberate planning process to deliver enduring capabilities to Benefitting Partners. The CN establishes the scope for each USAI program. A USAI program begins at the earlier of the following (1) the program's first obligation of program funds for a procurement contract; or (2) the first date of delivery to the Benefitting Partner of a USG-sourced defense article, USG-sourced defense service, or USG-sourced training provided by the program. The planned execution timeline provided to Congress will be based on when the first field activity officially starts the program. To achieve a unified start among all offices supporting a single USAI program there must be continual communication and coordination to ensure all supporting offices know the fiscal year a program starts and conform their execution to the permissible MOS authorized by USAI.

USAI.2.6.2.2. Cross Fiscal Year Authority. CFY authority allows amounts available in a fiscal year to be used to execute activities under that authority that begin in that fiscal year and end not later than the end of the second fiscal year thereafter. Per standard fiscal law guidelines, non-severable services may be performed, and long-lead procurement items may be delivered to the USG outside the CFY period until funds are canceled as long as funding is fully obligated before funds expire. The IAs must provide sufficient time for case reconciliation to be completed after final delivery to the USG to facilitate case closure not later than July 31 of the cancellation year.

USAI.2.6.2.2.1. Provision of Services Related to Equipment Delivery. Certain activities that do not constitute non-severable services but are intrinsic to the provision of equipment being delivered under a USAI program may be executed upon delivery of long-lead equipment that is outside the MOS authorized by CFY authority. Such activities may include engineering and technical services, quality assurance, installation, transportation, and initial operator training (not tactical or deployment training, see Section C15.3.10.6.2.) when a BFN exists at the time the funds are initially obligated to procure the long-lead equipment. In addition, such services and/or training must be included in the procurement contract awarded for equipment during the appropriations' original period of availability (POA) for obligation. This section does not apply to USG services, with the exception of project orders (Section C15.3.10.3. and Section C15-Legacy.3.12.3.).

USAI.2.7. Reimbursable Economy Act Support. If a supporting USG organization provides reimbursable support to a USAI program under the authority of the Economy Act (31 U.S.C. 1535), the supporting organization must de-obligate and return to the ordering agency any funds for services (to include training services) not provided prior to fund expiration. Funds obligated on a commercial contract, project order, or a working capital fund (e.g. Defense Working Capital Fund (DWCF)) before the appropriation expires are not required to be de-obligated and returned to the ordering agency. IA Recipients must return de-obligated and unused funds to DSCA no later than the end of the first quarter following the expiration of the funds' POA. The timelines authorized by CFY authority do not negate the Economy Act de-obligation requirement.

USAI.2.7.1. Support services provided by USG personnel (except when operating under a project order or a working capital funds like the DWCF (see DoD Financial Management

Regulation (DoD FMR) Volume 11a, Chapter 2)), are considered obligated only when the support service is actually provided, not when funds are provided.

USAI.2.7.2. For case lines supported by USG personnel (with a Source of Supply (SOS) of "S" or "X") where MOS dates extend beyond funds' expiration, the line note must include language stating USG services are funded with working capital funds or by project order. For SOS "X" case lines, if USG personnel are not funded with either working capital funds (WCFs) or by project order, the line note must include language stating USG services will end when funds expire.

USAI.2.7.3. For any service lines, the case note must indicate if severable or non-severable services will be provided.

USAI.2.8. 10 U.S.C. 2571 - Authority for Certain Reimbursable Interchange of Supplies and Services. Section 1202 of the NDAA for FY 2022 (P.L. 117-81) amended 10 U.S.C. 2571 to grant authority to DoD to transfer funds to other DoD organizations in order to execute Security Cooperation (SC) activities on a reimbursable basis without utilizing the Economy Act authority in 31 U.S.C. 1535 and 31 U.S.C. 1536. The FY26 NDAA also allows use for USAI.

USAI.2.8.2. The use of the authority granted in 10 U.S.C. 2571 is limited to seeking support from a supporting DoD organization. Funds transferred to other departments, such as the Department of State (State) or Department of Justice (DOJ), must continue to use the Economy Act to seek reimbursable support.

USAI.2.8.3. DSCA will rely upon 10 U.S.C. 2571 whenever DSCA seeks reimbursable support from another DoD organization and cite 10 U.S.C. 2571 on commitment documents for USAI funding. IAs must rely upon 10 U.S.C. 2571 and also cite 10 U.S.C. 2571 on any funding documents when seeking reimbursable support from another DoD organization. This guidance does not apply when a DoD organization is seeking support from a WCF or via a project order.