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

02 NOV 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 26-76, Updating Building Partner Capacity Prior Year Adjustment Request Submissions, SAMM E-Change 846]

Reference: Defense Security Cooperation Agency Policy Memorandum 24-36, Title 10 Building Partner Capacity Long Term Solution

This memorandum provides updated guidance to Implementing Agencies (IAs) seeking to submit Building Partner Capacity (BPC) Prior Year Adjustment (PYA) requests to the Defense Security Cooperation Agency (DSCA). This policy applies to Title 10 BPC cases funded with appropriations that have been decoupled from the Foreign Military Sales (FMS) Trust Fund, per the reference. This guidance outlines new process requirements for IAs seeking to submit PYA requests in various scenarios, including in instances where an IA may be seeking to pay outstanding bills on BPC cases funded with appropriations that are either cancelled or fully expended. Lastly, it updates the standard form IAs must use to submit PYA requests to DSCA. The policy in the attachment is incorporated into the DSCA Security Assistance Management Manual (SAMM) at https://samm.dsca.mil.

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

WATFORD.BRIAN.T.

Digitally signed by WATFORD.BRIAN.T.
Date: 2026.11.06 09:45:23 -05'00'

Brian Watford
Acting Chief Operating Officer and
Chief Financial Officer

Attachment: SAMM E-Change 846 - Updating Building Partner Capacity Prior Year Adjustment Request Submissions

**Attachment 1: Security Assistance Management Manual E-Change 846**

**UPDATING BUILDING PARTNER CAPACITY PRIOR YEAR ADJUSTMENT REQUEST SUBMISSIONS**

1. Update SAMM Section C15.6.1.1:

**From:**

**C15.6.1.1. Prior Year Adjustments.** PYA requests are utilized to make monetary or Months (MOS) adjustments to BPC cases and training grants funded with prior year appropriations. The funds are no longer available for incurring new obligations when an appropriation expires but remain available for recording, adjusting, and liquidating obligations properly chargeable to that account. Expired funds are available for upward adjustments only in specific situations, as outlined below (see Section C15.6.1.1.1.). Five years after expiration, the funds are cancelled and no longer available for any purpose. The IA will submit a PYA Request Package to the DSCA Country Finance Director (CFD), identifying the amount and/or MOS changes required, the reason for the additional funds or time, and supporting documentation. A determination by the IA Contracting Officer (KO) and an opinion by the IA's legal counsel are required if additional funds for a procurement action are required.

**To:**

**C15.6.1.1. Prior Year Adjustments.** PYA requests are utilized to make monetary or Months (MOS) adjustments to BPC cases and training grants funded with prior year appropriations. The funds are no longer available for incurring new obligations when an appropriation expires but remain available for recording, adjusting, and liquidating obligations properly chargeable to that account. Expired funds from the original appropriation are available for upward adjustments only in specific situations, as outlined below (see Section C15.6.1.1.1.). Five years after expiration, the funds are cancelled and no longer available for any purpose. ~~The IA will submit a PYA Request Package to the DSCA Country Finance Director (CFD), identifying the amount and/or MOS changes required, the reason for the additional funds or time, and supporting documentation. A determination by the IA Contracting Officer (KO) and an opinion by the IA's legal counsel are required if additional funds for a procurement action are required.~~

2. Update SAMM Section C15.6.1.1.1.

**From:**

**C15.6.1.1.1. Funds Selection for Prior Year Adjustments.** The original appropriation will be used, if available, to fund the PYA request. Current year funds that are available

for the same purpose as the expired funds must be used to fund the requirement if funds from the original appropriation are not available (either the funds are cancelled, fully expended, or committed to other efforts). The DSCA CFD will determine an appropriate fund source and coordinate approval with DSCA (Office of Business Operations, Comptroller Directorate (OBO/CMP)) and the DSCA (Front Office, Office of the General Counsel (FO/OGC)). A Congressional Notification (CN) may be required in certain instances, (i.e., when assistance exceeds the previous total program value) prior to authorizing and releasing the funds.

**To:**

**C15.6.1.1.1. Prior Year Adjustment Request Submission Process and Funds Selection ~~for Prior Year Adjustments~~.** IAs are required to submit PYA requests in various instances, including in order to use current year funds to make payments against a cancelled-year appropriation or against an expired-year appropriation that does not have sufficient funds to support the requested payment. Approval from DSCA is required for all PYA requests. In order to obtain DSCA approval, IAs must email PYA requests utilizing the BPC PYA Request Form (see Figure C15.F6.) to the DSCA CFD PYA Request mailbox (dsca.ncr.dbo.mbox.prior-year-requests@mail.mil). DSCA will conduct an initial review within 10 business days upon receipt of a complete PYA request and begin coordinating formal approval. The DSCA CFD will determine an appropriate funding source and coordinate approval with other internal stakeholders. The original appropriation will be used, if available, to fund the PYA request. Current year funds that are available for the same purpose as the expired funds must be used to fund the requirement if funds from the original appropriation are not available (either the funds are cancelled, fully expended, or committed to other efforts). ~~The DSCA CFD will determine an appropriate fund source and coordinate approval with DSCA (Office of Business Operations, Comptroller Directorate (OBO/CMP)) and the DSCA (Front Office, Office of the General Counsel (FO/OGC)).~~ A Congressional Notification (CN) may be required in certain instances, (i.e., when assistance exceeds the previous total program value) prior to authorizing and releasing the funds. Within 30 days of receiving the complete PYA request from the IA, the CFD will inform the IA of DSCA's decision.

3. Add SAMM Section C15.6.1.1.1.1.

**C15.6.1.1.1.1. Prior Year Adjustment Approval.** DSCA (OBO/CMP) approves all PYA requests following review and concurrence by DSCA (FO/OGC) and DSCA (OBO/FPRE) also review PYA requests and provide concurrence. If the PYA request is disapproved, the CFD will inform the IA of DSCA's decision and provide guidance on the way forward. Upon DSCA approval of a PYA request, DSCA will initiate a Customer Request (CR) with the necessary details and the CFD will provide the verbiage for either the Appendix 6 "Current Year Funds Usage - Building Partner Capacity (BPC)" or Appendix 6 "Prior Year Funds Usage - Building Partner Capacity (BPC)" BPC case note and approval memo to the IA and document the approval in a DSAMS-BPC case remark. The IA will use the CR information

to develop the required LOA. Once finalized, the IA will submit the LOA package to DSCA/CWD, including a copy of the approval memo and the approved PYA Request form.

4. Update SAMM Section C15.6.1.1.2., add subsections, and renumber subsequent sections as needed:

**From:**

**C15.6.1.1.2. Prior Year Adjustment Submission for Use of Expired Year Funds.** IAs are required to submit PYA Requests to use expired funds for: within scope increases to BPC case or training grant Total Case Value (TCV); adjustments within TCV (e.g. increasing one line and decreasing another); Defense Working Capital Fund (DWCF) fact-of-life price increases; and extensions to MOS, where applicable (see Section C15.6.1.1.2.1. for when PYA Requests are not required). The IA will submit a PYA Request package (see Figure C15.F6.) to the DSCA CFD, identifying the amount and/or MOS changes required, the reason for the additional funds or time, and supporting documentation. The IA Contracting Officer determination and the opinion of the IA's legal counsel will be included in the request package. IAs will submit the PYA Request package to the DSCA CFD PYA Request mailbox (dsca.ncr.dbo.mbx.prior-year-requests@mail.mil).

**C15.6.1.1.2.1.** PYA requests for MOS extensions are not required when:

**To:**

**C15.6.1.1.2. Prior Year Adjustment Request Categories ~~for Use of Expired Year Funds~~.** IAs are required to submit PYA Requests in order to: ~~use expired funds for: within scope increases to BPC case or training grant Total Case Value (TCV); adjustments within TCV (e.g. increasing one line and decreasing another); Defense Working Capital Fund (DWCF) fact-of-life price increases; and extensions to MOS, where applicable (see Section C15.6.1.1.2.1. for when PYA Requests are not required). The IA will submit a PYA Request package (see Figure C15.F6.) to the DSCA CFD, identifying the amount and/or MOS changes required, the reason for the additional funds or time, and supporting documentation. The IA Contracting Officer determination and the opinion of the IA's legal counsel will be included in the request package. IAs will submit the PYA Request package to the DSCA CFD PYA Request mailbox (dsca.ncr.dbo.mbx.prior-year-requests@mail.mil).~~

**C15.6.1.1.2.1. Use Expired Year Funds.** Expired funds may be used for: within scope increases to BPC case or training grant Total Case Value (TCV); adjustments within TCV (e.g. increasing one line and decreasing another); Defense Working Capital Fund (DWCF) fact-of-life price increases; and extensions to MOS, where applicable.

**C15.6.1.1.2.1.1.** PYA requests ~~for MOS extensions~~ are not required when:

5. Add SAMM Section C15.6.1.1.2.1.1.4.:

**C15.6.1.1.2.1.1.4.** Adjusting LOA values to account for any material quantity increases or decreases based on final contract amounts. The amendments package must include approval from DSCA's BPC program manager.

6. Update SAMM Section C15.6.1.1.3. and renumber:

**From:**

**C15.6.1.1.3. Prior Year Adjustment Submission for Use of Current Year Funds.** IAs are required to submit PYA requests to use current year funds to make payments against a cancelled-year appropriation or against an expired-year appropriation where insufficient funds are available in that appropriation to support the requested payment, among other scenarios. IAs will complete the PYA Request Form with all supporting documentation and submit to the DSCA CFD PYA Request mailbox (dsca.ncr.dbo.mbx.prior-year-requests@mail.mil).

**To:**

**C15.6.1.1.2.2. ~~Prior Year Adjustment Submission for~~ Use of Current Year Funds.** IAs are required to submit PYA requests to use current year funds to make payments against a cancelled-year appropriation or against an expired-year appropriation where insufficient funds are available in that appropriation to support the requested payment, among other scenarios. The IA must amend the prior year BPC case to add a unique BPC case note stating expired funds are not available and reference the amount and current year BPC case funding the expired year bill.~~IAs will complete the PYA Request Form with all supporting documentation and submit to the DSCA CFD PYA Request mailbox (dsca.ncr.dbo.mbx.prior-year-requests@mail.mil).~~

7. Add SAMM Section C15.6.1.1.2.3. and renumber subsequent sections as needed:

**C15.6.1.1.2.3. Use Alternative Funds for Cancelled Programs.** When there are outstanding bills for a BPC program that has cancelled and neither funds from the original appropriation nor current year funds are available for the same purpose, IAs are required to submit PYA requests to identify an alternative funding source. No separate Congressional Notification is required to use current year funds to liquidate previously incurred liabilities unless the liquidation of the prior year obligation would cause a program to exceed its Congressionally notified value.

8. Remove Section C15.6.1.1.4. (and subsections) and renumber subsequent sections as needed:

**C15.6.1.1.4. Prior Year Adjustment Approval.** Approval from DSCA is required for all PYA requests.

**C15.6.1.1.4.1.** Within 30 days of receiving the complete PYA request from the IA, the CFD will inform the IA of DSCA's decision. DSCA (OBO/CMP) approves all funding requests that increase the TCV of the BPC case or training grant, and DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate (OBO/FPRE)) Deputy Assistant Director approves all adjustment requests within the TCV of the BPC case or training grant and Months extensions. DSCA (FO/OGC) and DSCA (OBO/FPRE) also review PYA submissions and provide concurrence.

**C15.6.1.1.4.2.** If approved, the CFD will provide the verbiage for either the Appendix 6 "Current Year Funds Usage - Building Partner Capacity (BPC)" or Appendix 6 "Prior Year Funds Usage - Building Partner Capacity (BPC)" BPC case note and approval memo to the IA and document the approval in a DSAMS BPC case remark.

**C15.6.1.1.4.3.** If disapproved, the CFD will inform the IA of DSCA's decision and provide guidance on the way forward.

**C15.6.1.1.4.4.** If expired year funds are not available to fund a PYA, then current year funds must be used to fund the requirement (see Section C15.6.1.1.3.). The IA must amend the prior year BPC case to add a unique BPC case note stating funds are not available and reference the amount and current year BPC case funding the expired year bill.

9. Update SAMM Figure C15.F6. Building Partner Capacity Prior Year Adjustment Request Form.

**From:**

| **Building Partner Capacity<br>Prior Year Adjustment Request Form<br>Obtain Current/Expired Year Funds and/or<br>Request Change to Months** | | |
|---|---|---|
| **Case Identifier:[ _____]** | **Building Partner Capacity Program**: **[ _____]** | **Suspense Date: [MM/DD/YYYY]** |
| | **Requested By: [ _____]** | **Phone #: [ _____]** |
| Please list all lines that are changing and label them as a change to: Months and/or Amount. | | |
| **Line Item:** | **Change (Months and/or Amount):** | **Purpose of change:** |
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| Please confirm all statements below are true by placing an "X" in the boxes: | |
|---|---|
| | All funds for the case were obligated prior to the funds expiration date. |
| | All efforts to amend this case are within the scope of these funds. |
| | I have confirmed that my legal department and/or contracting officer has reviewed the material and agrees that all issues meet purpose, time, and amount laws. Legal concurrence and/or contracting officer determination is attached. |
| | All supporting documentation for review is included in this request package. |
| | I agree that all the information provided in this document is true and accurate to the best of my ability. DSCA is able to start the review process. |

| Documents Attached: | | | |
|---|---|---|---|
| | Background Justification | | Implementing Agency Legal Opinion |
| | Notes from Implementing Agency | | Contracting Officer Determination |
| **Supporting Documents:** | | | |
| | Contract | | Bill or Invoice |
| | Purchasing Requisition | | Other |
| | Draft Letter of Offer and Acceptance Modification - Expired Funds Request | | |
| | Basic Letter of Offer and Acceptance (with all Modifications) - Cancelled Funds Request | | |

**To:**

| **Building Partner Capacity<br>Prior Year Adjustment Request Form<br>Obtain Current/Expired Year Funds and/or<br>Request Change to Months** | | |
|---|---|---|
| **Case Identifier:[ _____]** | **Building Partner Capacity Program: [ _____]** | **Suspense Date: [MM/DD/YYYY]** |
| **Fiscal Year and Status:** | **Request Type: ___** | **Customer Request Reference:** |
| | **Requested By: [ _____]** | **Phone #: [ _____]** |
| Please list all lines that are changing and label them as a change to: Months and/or Amount. | | |

| Line Item: | Change (Months and/or Amount): | Purpose of change: |
|---|---|---|
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| Please confirm all statements below are true by placing an "X" in the boxes: | |
|---|---|
| | All funds for the case were obligated prior to the funds expiration date. |
| | All efforts to amend this case are within the original scope of these funds. |
| | I have confirmed that my legal department and/or contracting officer have reviewed the material and agrees that all issues meet purpose, time, and amount requirements ~~laws~~. Legal concurrence and/or contracting officer determination is attached. |
| | All supporting documentation for review is included in this request package. |
| | I agree that all the information provided in this document is true and accurate to the best of my ability. DSCA ~~is able to~~ can begin ~~start~~ the review process. |

| ~~Documents Attached:~~ | | | |
|---|---|---|---|
| | ~~Background Justification~~ | | ~~Implementing Agency Legal Opinion~~ |
| | ~~Notes from Implementing Agency~~ | | ~~Contracting Officer Determination~~ |
| ~~Supporting~~ Required Documents: | | | |
| | Contract | | Copy of Outstanding Bill or Invoice |
| | Purchasing Requisition | | Original Letter of Offer and Acceptance (LOA) and any amendments |
| | Written Explanation of BPC Contract Line Scope/LOA Change | | IA Legal Analysis of PYA Request |
| | Related Email Correspondence | | Current Implemented Case Report (rp005) |
| | Original Congressional Notification (CN) and any renotifications of the program related to the LOA | | Other |
| | ~~Draft Letter of Offer and Acceptance Modification – Expired Funds Request~~ | | |
| | ~~Basic Letter of Offer and Acceptance (with all Modifications) – Cancelled Funds Request~~ | | |