



DEFENSE SECURITY COOPERATION AGENCY
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29 SEPT 2021

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, ENTERPRISE SOLUTIONS AND STANDARDS,
DEFENSE FINANCE AND ACCOUNTING SERVICES
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE
AND ACCOUNTING SERVICES – INDIANAPOLIS
OPERATIONS

SUBJECT: Offsetting Collection Vouchers to the Special Defense Acquisition Fund, DSCA
Policy 21-49

REFERENCES:

- a) DSCA Policy 20-20, “Updated and Clarifying Memorandum for the Transfer of Authorized Offsetting Collections to the Special Defense Acquisition Fund” published April 22, 2020
- b) Section 51 of the Arms Export Control Act, 22 U.S.C. 2795

This memorandum provides accounting guidance for the Special Defense Acquisition Fund (SDAF), expanding on DSCA Policy 20-20 for the authorized offsetting collections under Section 51(b) of the Arms Export Control Act (AECA) of 1976, as amended (22 U.S.C. Chapter 39), and SDAF guidance found in the current DFAS Manual 7097. This guidance is to be disseminated to all program, financial and account managers responsible for development of Foreign Military Sales (FMS) cases and/or individuals who prepare or submit SDAF-related vouchers to the Defense Finance and Account Service (DFAS).

As authorized in Section 51(b) of the AECA, there are three sources of collections that fund the SDAF account: items not requiring replacement, nonrecurring cost charges, and asset use charges. Attachment A provides updated reporting guidance:

1. All offsetting collection packages must have proper supporting documentation when submitting to the appropriate DFAS servicing office for processing.
2. All offsetting collection vouchers must cite the full Standard Financial Information Structure (SFIS) line of accounting for the office receiving funds.

This policy is effective immediately. If you have questions on this matter, please contact Ms. Jessica Doan, jessica.c.doan.civ@mail.mil, (703) 697-8883.

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J. Aaron Harding
Chief Operation Officer and Chief Financial Officer
Defense Security Cooperation Agency

Attachment:
As stated

cc:

USAFRICOM
USCENTCOM
USEUCOM
USNORTHCOM
USSOUTHCOM
USPACOM
USTRANSCOM
USSOCOM
STATE/PM-RSAT
USASAC
SATFA
TRADOC
NAVSUP WSS
NETSAFA
AFSAC
AFSAT
DISAM
MARCOR IP
SCETC
USCG International Affairs (G-CI)

Attachment A
Offsetting Collections to the Special Defense Acquisition Fund Updates

Overview:

The Special Defense Acquisition Fund (SDAF) is a revolving fund used to finance the procurement of defense articles and defense services in anticipation of their future transfer to foreign governments and international organizations. As authorized in Section 51(b) of the AECA, there are three sources of collections that fund the SDAF account: items not requiring replacement, nonrecurring cost charges, and asset use charges. This attachment provides updates for developing and processing collection packages including: (1) proper documentation when submitting offsetting collection vouchers to the DFAS; and (2) the appropriate line of accounting attributes that must be included on the Standard Form (SF) 1080 voucher to be compliant with the SFIS for the office receiving funds.

FMS Offsetting Collection Vouchers:

Implementing Agencies (IAs) and Military Departments (MILDEPs) must provide complete and accurate offsetting collections packages to DFAS. The guidance below ensures each offsetting collections package developed by the IAs and MILDEPs is standardized to enable more efficient DFAS processing. Complete packages include:

1. A complete and electronically signed and certified SF 1080;
2. A copy of the obligating document at a case/line level;
3. Confirmation that delivery has occurred for articles on the case or charges have been billed for non-recurring cost and asset use charges;
4. The most current implemented version of the FMS case; and
5. Additional documentation DFAS can use to validate the collection type (e.g., pricing reports, contracting information, RP069 reports, etc.).

The voucher must be sent to the appropriate MILDEP/IA DFAS servicing office within 30 calendar days of delivery reporting being complete or charges being billed to the foreign partner. Additionally, the package should not be sent to DFAS without confirmation of delivery or charges billed. The certifying official should review packages for accuracy and completeness before signing. The below SFIS attributes must be included for the Office receiving funds (the SDAF side) of the voucher. These attributes include:

Table 1-1: SFIS Attributes and Names

SFIS Attribute:	Attribute Name:	SDAF Attribute:
BA	Budget Activity	20
BSA	Budget Sub-Activity	000000
BLI	Budget Line Item	00000000
SAHI	Sub-Allocation Holder Identifier	Varies based on IA submitting the voucher
BALI	Budget Allotment Line Item	Varies based on offsetting collection type

Identifying the SFIS on Offsetting Collection Vouchers:

All vouchers must have the required SFIS attributes in the line of accounting with all funds being provided to the SDAF account 97-11X 4116. Starting October 1, 2021 (FY 2022), IAs and MILDEPs identifying offsetting collections and preparing vouchers to transfer funds to the SDAF account must use appropriate SFIS attributes in the line of accounting consistent with Table 1-1. DSCA will use these lines of accounting to review and reconcile the SDAF offsetting collection data monthly. No Foreign Military Sales (FMS) or Building Partner Capacity (BPC) case implemented prior to FY 2022 needs to be amended.

SDAF Account Crosswalk:

The limits previously used to identify offsetting collections eligible to be collected to the SDAF account are being updated for FY 2022 and forward. Previous offsetting collections limits from FY 2012 – FY 2021 will remain valid. Table 1-2 on the following page identifies the new limits and the appropriate SFIS attributes to use when completing a voucher. For questions on the Table 1-2 or the SFIS attributes reference the DFAS Manual 7097, please contact the POCs provided to this memorandum.

Table 1-2: SDAF Account Crosswalk for New SFIS Attributes:

MILDEP	Offices	Line of Accounting
		Offsetting Collection Type: Non-Recurring Costs
Army	Office Charged: FMS Case Funds	97-11X8242 (SAHI)(FMS Case ID)(line number)(obligating doc number)
Army	Office Receiving Funds: SDAF Account	97-11X 4116.6801.20.00000.00000000.SDAFCOLLNRCCOSTS
		Offsetting Collection Type: Items Not Requiring Replacement
Army	Office Charged: FMS Case Funds	97-11X8242 (SAHI)(FMS Case ID)(line number)(obligating doc number)
Army	Office Receiving Funds: SDAF Account	97-11X 4116.6801.20.00000.00000000.SDAFCOLLINRRPLMT
		Offsetting Collection Type: Asset Use Charges
Army	Office Charged: FMS Case Funds	97-11X8242 (SAHI)(FMS Case ID)(line number)(obligating doc number)
Army	Office Receiving Funds: SDAF Account	97-11X 4116.6801.20.00000.00000000.SDAFCOLLASSETUSE
		Offsetting Collection Type: Non-Recurring Costs
Navy	Office Charged: FMS Case Funds	97-11X8242 (SAHI)(FMS Case ID)(line number)(obligating doc number)
Navy	Office Receiving Funds: SDAF Account	97-11X 4116.6804.20.00000.00000000.SDAFCOLLNRCCOSTS
		Offsetting Collection Type: Items Not Requiring Replacement
Navy	Office Charged: FMS Case Funds	97-11X8242 (SAHI)(FMS Case ID)(line number)(obligating doc number)
Navy	Office Receiving Funds: SDAF Account	97-11X 4116.6804.20.00000.00000000.SDAFCOLLINRRPLMT
		Offsetting Collection Type: Asset Use Charges
Navy	Office Charged: FMS Case Funds	97-11X8242 (SAHI)(FMS Case ID)(line number)(obligating doc number)
Navy	Office Receiving Funds: SDAF Account	97-11X 4116.6804.20.00000.00000000.SDAFCOLLASSETUSE
		Offsetting Collection Type: Non-Recurring Costs
Air Force	Office Charged: FMS Case Funds	97-11X8242 (SAHI)(FMS Case ID)(line number)(obligating doc number)
Air Force	Office Receiving Funds: SDAF Account	97-11X 4116.6802.20.00000.00000000.SDAFCOLLNRCCOSTS
		Offsetting Collection Type: Items Not Requiring Replacement
Air Force	Office Charged: FMS Case Funds	97-11X8242 (SAHI)(FMS Case ID)(line number)(obligating doc number)
Air Force	Office Receiving Funds: SDAF Account	97-11X 4116.6802.20.00000.00000000.SDAFCOLLINRRPLMT
		Offsetting Collection Type: Asset Use Charges
Air Force	Office Charged: FMS Case Funds	97-11X8242 (SAHI)(FMS Case ID)(line number)(obligating doc number)
Air Force	Office Receiving Funds: SDAF Account	97-11X 4116.6802.20.00000.00000000.SDAFCOLLASSETUSE