



DEFENSE SECURITY COOPERATION AGENCY

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22 FEB 2019

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 FINANCE AND ACCOUNTING SERVICE,
SECURITY COOPERATION ACCOUNTING
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

SUBJECT: Prior Year Adjustment Requests for Building Partner Capacity (BPC) Cases, DSCA
Policy 19-03 (SAMM E-Change 418)

References: (a) DSCA Manual 5105.38, Security Assistance Management Manual
(b) DoD Financial Management Regulation (FMR), Volume 3, Chapter 10

BPC Letters of Offer and Acceptance (LOAs) and their associated Amendments and Modifications are funded with appropriations that are authorized for a specific purpose and available for specific time periods. Appropriated funds are generally available for obligation for either one or two years depending on the period of availability. After an appropriation expires, the funds are no longer available for incurring new obligations, but are still available for recording, adjusting, and liquidating valid obligations that were made during the funds' period of availability for five years. After this five-year period, funds cancel and are no longer available for any purpose, Reference (b). Requests for adjustments to LOAs that are funded by a prior year appropriation must be consistent with the lifecycle of the relevant appropriation and require DSCA approval. These adjustments include any proposed change that will require additional funding or extend the period of performance on a line and/or sub-line of the LOA.

In order to make the prior year adjustment request process more efficient this memorandum establishes definitive timelines for completing the review process, clarifies the required documentation that must be submitted for all requests, requires all prior year requests are completed via an LOA Amendment, and changes the approval authority for BPC LOAs from

the DSCA Chief Financial Officer to the DSCA/Directorate of Business Operations (DBO) Comptroller (CMP) for all funding requests which increase the total case value (TCV) of the LOA and the DSCA/DBO Business Deputy for Country Financial Management (CFM) for all adjustment requests within the TCV of the LOA and Period of Performance extensions. Reference (a), Chapter 15, provides a list of the programs, to which this policy applies.

This policy is effective immediately and rescinds DSCA policies 10-08 and 13-30. Should you require further information, please contact Jeneen Caldwell, DBO/FPA, jeneen.k.caldwell.civ@mail.mil, 703-697-8923 or Alana Bates, DBO/CFM, alana.e.bates.civ@mail.mil, 703-697-9756.



J. Aaron Harding
Chief Financial Officer

Attachments:

- 1 – BPC Prior Year Adjustment Request Process
- 2 – BPC Prior Year Adjustment Request Form

cc: STATE/PM-RSAT
DISCS
USASAC
SATFA TRADOC
USACE
NAVICP
NETSAFA
AFSAC
AFSAT
AFCEE
JFCOM
SOCOM
EUCOM
CENTCOM
NORTHCOM
PACOM
AFRICOM
SOUTHCOM
TRANSCOM

Security Assistance Management Manual (SAMM), E-Change 418
BPC Prior Year Adjustment Request Process

Building Partner Capacity Prior Year Adjustment Request Process

Approval from DSCA/Directorate of Business Operations (DBO) is required for all prior year adjustment (PYA) requests to change a Building Partner Capacity's (BPC) Letter of Offer and Acceptance (LOA) funding, and/or extend the period of performance (PoP) on a line and/or sub-line. Implementing Agencies (IAs) are required to submit requests for increases to the LOA total case value (TCV), adjustments within TCV, Working Capital Fund (WCF) fact of life price increases, and PoP extensions to DSCA/DBO Country Financial Management (CFM) for review and processing. IAs will also submit PYA requests for current year appropriations in order to pay bills from cancelled appropriations. PYA requests are not required for reductions to the TCV (not part of a within case adjustment) or PoP on the LOA.

The PYA process only applies to BPC cases where the appropriation used to fund the case has either expired or cancelled. When an appropriation expires, no new obligations may occur and only adjustments to existing obligations are permissible. Cancelled appropriations are no longer available for any purpose and must be returned to the U.S. Treasury. For Title 22 funded BPC cases, PYA requests are required when either the four-year reprogramming period has lapsed or the funds have cancelled and additional funding is required.

All PYA requests must be completed via an LOA Amendment. As LOA Modifications are automatically implemented, funding can be issued to an IA without DSCA initiating a funds transfer from appropriated accounts to the FMS Trust Fund. To mitigate against this potential audit risk, LOA Modifications are no longer authorized for any of these requests. Below is the process for requesting adjustments.

Requesting Additional Prior Year Funding and/or Period of Performance Extensions

Step #1: The IA will complete the PYA request form with all required documentation and submit to the DSCA CFM Prior Year Request mailbox (dscan.cr.dbo.mbx.prior-year-requests@mail.mil).

Required Documentation
<ul style="list-style-type: none">▪ State the additional amount required and provide an explanation for the funding increase or the PoP extension.▪ Provide all documentation that supports the adjustment request (i.e. purchasing requisition, contract, medical bill, travel order). The type of documentation depends on the reason for the prior year request.<ul style="list-style-type: none">○ Example: If the request is to fund additional costs for a non-scope change contract increase, then provide the original contract and the contractor's bill.▪ Provide a draft LOA Amendment with the requested change(s) for expired year funds requests. For cancelled appropriations, provide the basic LOA with any implemented Amendments and Modifications.

NOTE: The draft LOA Amendment will be created by the IA in DSAMS without entering the Letter of Request (LOR) Receipt Date, therefore the document will not be able to advance past “Development” status. The LOR Receipt Date will remain blank until the PYA has been approved by DSCA/DBO (see step #5 below).

- If a procurement action requires additional funds and/or a PoP extension, the IA must also provide either a determination by its contracting officer or an opinion by its legal counsel (i.e. email or memo). The IA will determine whether the contracting determination, legal opinion or both the contracting determination and legal opinion is necessary to support adjusting the procurement action.
 - The contracting officer’s determination or legal counsel opinion should state either (1) the use of the additional funds from expired appropriations is required for continued contract execution and does not add scope or a new obligation that is not allowable for prior year funds or (2) the PoP extension does not change the scope of the contract and no additional funds are required.

If a stock action requires a PoP extension for services, the IA must provide an opinion by its legal counsel stating there is no change in scope and the request meets the bona fide needs of the authority/appropriation.

Step #2: The Country Financial Director (CFD) will create a PYA Request Package—which includes the PYA Request Form and supporting documents—prepare a unique case note, and obtain appropriate coordination and concurrence from the DSCA Office of General Counsel (OGC), Financial Policy and Analysis (FPA), Comptroller (CMP), and other DSCA offices, if necessary.

NOTE: The PYA Request Package will not be created unless all required documents are received from the IA. The CFD will inform the IA if the documentation is insufficient.

Step #3: Pending concurrence from DSCA internal stakeholders, the CFD will obtain DBO Business Deputy for CFM or DBO Comptroller signature—depending on the nature of the request—on the PYA approval memorandum.

Step #4: Within 30 days of receiving the complete PYA Request from the IA, the CFD will inform the IA of DSCA’s decision.

- a. If approved, the CFD will provide the unique case note and approval memo to the IA and document the approval in a DSAMS case remark.
- b. If disapproved, the CFD will inform the IA of DSCA’s decision and provide guidance on the way forward.

NOTE: If expired year funds are not available then current year funds must be used to fund the requirement. The IA must amend the prior year case to add a unique case note stating funds are not available and reference the amount and current year case funding the expired year bill.

Step #5: When the IA receives the PYA approval memo, the IA will enter the memo’s date as the LOR Receipt Date in DSAMS (LOR Receipt Date starts the processing clock for LOA document development), add the required notes and other information required to complete the document, and submit the document to Case Writing Division (CWD) for further processing. The IA must include the DSCA approval memo when submitting the draft Amendment package to CWD. The IA will retain all supporting documentation in accordance with document retention requirements.

Coordination and Approval

Prior Year Adjustment Requests				
Request/Action Required	Required Coordination			Approval
	OGC	FPA	CMP	DBO CFM or DBO CMP
Funding Increase to TCV	X	X	X	DBO CMP
Adjustments within TCV (Includes PoP Extensions)	X	X	X	DBO CFM

Security Assistance Management Manual (SAMM), E-Change 418

Update of Security Assistance Management Manual (SAMM) Chapter 15 Prior Year Adjustment Requests for Building Partner Capacity (BPC) Cases

Add the following new section to Chapter 15:

C15.5.3.6. Prior Year Adjustment (PYA) Requests

C15.5.3.6.1. PYA requests are submitted to make adjustments to BPC LOAs funded with prior year appropriations. When an appropriation expires, the funds are no longer available for incurring new obligations, but are still available for recording, adjusting, and liquidating valid obligations for such purposes. Expired funds are available for upward adjustments only in specific situations. Once the expiration period lapses, the funds cancel and are no longer available for any purpose.

C15.5.3.6.1.1. If expired funds are not available for PYA requests then current year funds must be used to fund the requirement. Current year funds are also required for requests to pay bills from cancelled appropriations.

C15.5.3.6.2. Approval from DSCA is required for all PYA requests. DBO Comptroller (CMP) approves all funding requests which increase the total case value (TCV) of the LOA and DBO Business Deputy for Country Financial Management (CFM) approves all adjustment requests within the TCV of the LOA and PoP extensions.

C15.5.3.6.3. IAs are required to submit PYA requests for increases to BPC LOA total case value (TCV), adjustments within TCV, Working Capital Fund (WCF) fact of life price increases, and PoP extensions to DSCA. IAs will complete the PYA request form with all required documentation and submit to the DSCA CFM Prior Year Adjustment Request mailbox (dsca.ncr.dbo.mbx.prior-year-requests@mail.mil).

C15.5.3.6.3.1. PYA requests are required to request current year appropriations to pay cancelled year appropriation bills.

C15.5.3.6.3.2. A reductions to the TCV or PoP does not require a PYA request, unless the reduction is part of an adjustment within TCV.

**Building Partner Capacity
 Prior Year Adjustment Request Form
 Obtain Current/Expired Year Funds and/or
 Request Change to Period of Performance**

Case ID: _____ **BPC Program:** _____ **Suspense Date:** _____
Requested By: _____ **Phone #:** _____

Please list all lines that are changing and label them as either a change to: Period of Performance and/or Amount.

Line Item:	Change (Period of Performance and/or Amount):	Purpose of change:

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/modify 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	IA Legal Opinion
Notes from IA	Contracting Officer Determination
Supporting Documents:	
Contract	Bill or Invoice
Purchasing Requisition	Other
Draft LOA Amendment – Expired Funds Request	
Basic LOA (with all Amendments and Modifications) – Cancelled Funds Request	