

CHAPTER 4: UTILIZATION OF FUNDS

4.1 PURPOSE

This chapter addresses the guidelines that apply to SCO budget resources and object classes. These guidelines comply with sound fiscal management practices and standardize procedures across the overseas community.

4.2 GENERAL POLICIES

4.2.1 FUNDING DISTRIBUTION BY FUNCTIONAL AREA

4.2.1.1 The SCO submits Resource Allocation Data as part of its annual Program/Budget submission (also see 3.6.1). The Budget Preparation Application in the SAARMS provides reports for DSCA/CMP and the GCCMD. These reports show the distribution of the SCO workload across various functions. DSCA/CMP uses this data to assign costs to the performance of specific program management functions by the SCO.

4.2.1.2 SCO SAAF funds may only be used to support SA program management functions as defined in Sections 515 and 516 of the Foreign Assistance Act (FAA). Performance or support of missions beyond the scope of the defined SA functional areas must be financed from the appropriate benefiting appropriation. For example, non-SA missions that support DoD or the GCCMD (e.g., Armaments Cooperation, GCCMD exercises, and other theater security cooperation activities) must be funded from the appropriate O&M resource of the executive MILDEP or other funds made available to the GCCMD.

4.2.1.3 [The Foreign Assistance Act, Section 636\(a\), Volume I-A](#), provides the legal authority to expend SA funds only for purposes directly related to the Act. SAAF may only be used for the support of SA functions. When an office is composed of personnel assigned to both SAAF-funded and O&M-funded billets, office expenses such as office supplies, communications charges, vehicle costs, and maintenance must be shared by each funding sources proportionally based on the number of personnel in each category. For example, in a SCO with six SAAF-funded positions and three O&M-funded positions, a \$15K office maintenance contract would be funded with \$10K in SAAF and \$5K in O&M funds.

4.3 GUIDELINES FOR DIRECT COSTS

4.3.1 EDUCATION OF DEPENDENTS

Family member education is considered a must-pay requirement. Budget data shall reflect educational costs for family members of SAAF-funded and Non-SA funded billets. Dormitory costs are payable for command sponsored dependents who must attend school at a location other than the sponsor's assigned duty station.

4.3.1.1 International (Non-DoD) schools. SAAF support is limited to the Department of State Standardized Regulation allowance for family member education "at-post" rate for schools located within commuting distance of the sponsor's duty station or the "away-from-post" rate for

dormitory schools. The "away-from-post" rate for dormitory schools covers tuition costs, room and board, and three trips between the post and nearest locality where an adequate school is available. Costs exceeding the rates shall not be supplemented with SAAF. Costs will be paid on a semester basis unless the school requires a full-year or other tuition payment plan. If an alternative payment plan is used, the SCO shall budget the allocation of funds in the quarter when payment is projected. Ensure the non-DoD school's written request for payment of full tuition or other variation from the semester payment plan is kept on file at the SCO.

4.3.1.2 DoD-Operated Schools. Costs will be paid on a semester basis. Funds for the first semester will be budgeted for and paid in the current fiscal year (prior to 30 Sep). Funds for the second semester of the same school year will be charged to the subsequent (next) fiscal year.

4.3.1.3 Transportation Fees. Identify costs associated with transporting students to and from school on the detailed portion of each year's budget submission.

4.3.1.4 Dependent Education Travel. Command-sponsored dependents attending high school away from the sponsor's duty station are entitled to three round trips per year to the sponsor's duty location (e.g., London Central school students). Command-sponsored family members attending high school or college in CONUS are entitled to one round trip per year to the sponsor's duty location [Joint Travel Regulation \(JTR\) Volume Two](#), Chapter 5, Part C, Section C3, Paragraph C5120.

4.3.2 FUNDED ENVIRONMENTAL AND MORALE LEAVE (FEML)

4.3.2.1 The FEML program authorizes transportation or reimbursement for such transportation to an authorized FEML destination from the permanent duty site of SCO personnel and command-sponsored family member's residence at a FEML authorized duty location. NOTE: Not all duty locations qualify for FEML. Assigned personnel should verify with the GCCMD. SCO personnel are entitled to one trip during a two-year tour and two trips during a three-year tour. Extensions beyond 36 months do not grant any additional FEML authorizations. Complete details for uniformed members taking FEML can be found in the [Joint Federal Travel Regulation \(JFTR\), Volume One](#), Chapter 7, Part T, Section U7660. Civilian members can find details in the [Joint Travel Regulation, Volume Two](#), Chapter 7, Part N, Section C-7700.

4.3.2.2 A member may not perform FEML travel within six months of the start or end of the tour. Family members must be command-sponsored, but may travel unaccompanied. FEML duty locations and destinations are recertified biennially by the GCCMD and approved by OSD (P&R). Appendix S of the [JFTR/JTR](#) identifies approved FEML countries and their designated destinations. A SCO location not currently authorized FEML may request designation as a FEML location through the GCCMD.

4.3.2.3 Space-available transportation at no cost to the government will be used when available. However, if unavailable, commercial travel is authorized. SCO personnel and command-sponsored family members may travel from the assigned duty location to other than a designated FEML destination and/or from other than a designated FEML destination to the

FEML duty location. However, the total transportation cost to the government must not exceed the cost incurred if the sponsor or family members had traveled to and/or from a designated FEML destination, as appropriate. Finally, FEML events that do not consume the maximum funds authorized do not entitle the individual to additional FEML travel. Once the individual returns to the assigned duty location, the FEML terminates and the entitlement is considered used, regardless of any remaining value.

4.3.3 HOUSEHOLD FURNISHING AND APPLIANCES

4.3.3.1 Household furnishings and appliances may be approved for purchase for the use of SAAF-funded personnel when local conditions justify such purchases.

4.3.3.2 Embassy Furniture and Appliance Pool (FAP). The DoS implemented a new policy whereby all Embassy tenants who are members of the Embassy Housing Pool shall also be members of the Embassy FAP. Each GCCMD and SCO should evaluate current housing requirements and the anticipated cost increases relative to this new policy.

4.3.4 DSCA HOUSING POLICY

4.3.4.1 In keeping with DoD policy, DSCA policy states that SCO personnel procure locally available leased housing by using the overseas housing allowance (OHA). This is dependent upon the requirements of the U.S. Ambassador or COM and the Regional Security Officer (RSO) with regard to safety and security of personnel and availability of appropriate housing. Security considerations in some locations will necessitate embassy leased housing; costs shall be funded by DSCA/CMP for SAAF-funded personnel. Because Embassy housing costs are significant, appropriate management and oversight of housing is imperative.

4.3.4.2 In accordance with [AR 1-75/SECNAVINST 4900.49G/AFJI 16-104](#), *Administrative and Logistical Support of Overseas Security Assistance Organizations (SAOs)*, inadequate or unrealistic housing OHA should be brought to the attention of the DoD Per Diem, Travel and Transportation Allowance Committee for potential adjustment.

4.3.4.3 Overseas housing is governed in accordance with the [15 series Department of State Foreign Affairs Manuals \(FAMs\)](#). These FAMs address issues such as dedicated housing, authorized housing, and space allocations.

4.3.4.4 The policies and standards outlined in [15 FAM 211.2](#) apply to all U.S. Government property and agencies serving abroad that come under the authority of the COM and to all US Government property, as well as to housing acquired under the living quarters allowance (LQA) and OHA programs. No other housing policy takes precedence over or alters these provisions.

4.3.4.5 In accordance with [15 FAM 212.2-2](#), the Post Interagency Housing Board (IAHB) is responsible for overseeing the implementation of the housing policy and standards of 15 FAM. Due to its representative composition and familiarity with local housing conditions, the Post IAHB is considered the best resource to administer the local housing program. It reviews

LQA/OHA requests for residential quarters exceeding space standards or the established rental control ceiling, housing pool allocations/assignments, and related issues.

4.3.4.6 Per [15 FAM 235.2](#), dedicated housing is made available to the senior representative of each Foreign Affairs Agency, to include DIA. [15 FAM 261](#) specifies guidelines for the allocation of US Government-owned/long-term lease (GO/LTL) residential space. GO/LTL housing is considered pooled with first consideration of use being given to Foreign Affairs Agencies and Defense Intelligence Agency (DIA). [15 FAM 261.4](#) states that “Department of Defense (DOD) personnel who are attached to the mission but assigned under foreign military sales or other similar DOD-funded programs are not normally entitled to U.S. Government-held housing. If housing is not provided by the host nation under the terms of a bilateral agreement, then housing is provided within the post’s U.S. Government leasing program, or under the living quarters allowance/overseas housing allowance (LQA/OHA) programs and funded by the program under which these personnel are assigned. Such personnel are under the authority of the Chief of Mission (COM) and their housing remains subject to the policies and standards outlined in 15 FAM.”

4.3.4.7 Maximum residential space is based upon rank of the employee and family size in accordance with [15 FAM 237 and 238](#). Per [15 FAM 236](#), military and civilian personnel acquiring privately leased housing under the LQA/OHA programs are governed by the same space standards as GO/LTL housing and must meet the residential security requirements contained in [12 FAM 330](#). Housing proposed for private leases must be approved in advance by the IAHB and the RSO.

4.3.4.8 In State Department Cable 012933, Subject: Guidance for Posts on DoD’s Transition to a Senior Defense Official/Defense Attaché (SDO/DATT), dated 120347Z Feb 09, the housing issue is addressed: “The Foreign Affairs Manual authorizes the assignment of Government Owned (GO) or Long Term Leased (LTL) housing to DIA personnel assigned to Embassies and Consulates ([15 FAM 261\(2\)](#) and [15 FAM 261.4](#)). The establishment of the SDO/DATT does not change or expand entitlement which is based on long-standing legislative and budgetary processes. Any and all SDO/DATT personnel who are assigned from the various military commands or any DoD unit other than DIA are not/not entitled to GO or LTL housing. Only DIA personnel are entitled to Housing Board assignment to GO or LTL units. Post housing may be affected in cases where there is a GO/LTL “DATT House” and the Security Assistance Officer is becoming SDO/DATT. Any current “DATT House” should be returned to the housing pool upon departure of the current DIA-sourced incumbent, since Security Assistance personnel do not have access to GO/LTL Housing.”

4.3.4.9 Enclosure 3, paragraph 2.b. of DoDI C-5105.81 (a controlled Issuance), *Implementing Instructions for DoD Operations at U.S. Embassies*, states that “DIA, DSCA, and the Combatant Commands will fund authorized housing costs for SDO/DATT billets assigned to them in accordance with policies and procedures currently in place. Housing subject to Embassy assignment processes is subject to appropriate DoS directives. SDO/DATTs receiving overseas housing allowances for privately leased housing will comply with Joint Federal Travel Regulations. Residential furniture, furnishings, appliances, and equipment may be provided if authorized in accordance with current DIA, DSCA, and Combatant Command policies and procedures. Embassy housing upgrades are not authorized for incumbents who assume SDO/DATT responsibilities on station.”

4.3.5 GOVERNMENT LEASED HOUSING (GLH)

4.4.5.1 DSCA/CMP will support and fund GLH for SAAF-funded personnel assigned to SCOs when justified by the GCCMD for locations where the use of OHA creates unacceptable security or force protection concerns or would cause demonstrated hardship because of the lack of sufficient western style housing. These conditions must be approved or directed by the COM. The SCO requests GLH through the GCCMD. Leases for non-SA funded personnel assigned to a SCO must be approved by the GCCMD and funded from MILDEP funds. Because of the significant budget requirements of GLH, situations where GLH is justified based on criteria other than security may require offsets to other discretionary costs (such as travel).

4.3.5.2 DSCA/CMP, in addition to the GCCMD and DIA will fund authorized housing costs for Embassy assigned SDO/DATT billets in accordance with policies and procedures currently in place ([15 FAM 235.2](#)). Housing subject to Embassy assignment processes is subject to appropriate DoS directives. SDO/DATTs receiving overseas housing allowances for privately leased housing will comply with the [JFTR](#).

4.3.5.3 Requests for GLH for newly established offices or for conversion from OHA to GLH must be submitted to DSCA/CMP for approval. All other requests for replacement leases or for renewal of existing leases that exceed \$25K, to include utility costs, must be approved by the GCCMD after review and approval by the local Embassy Interagency Housing Board. If a waiver to the DoS space standards is required, this must be obtained from DoS before submitting a request for approval to the GCCMD. Funds required for replacement leases or renewals must be programmed in advance and included in the budget submission. Additional new leases should be separately identified and justified as a UFR.

4.3.6 LANGUAGE TRAINING

4.3.6.1 SCO Personnel. While DSCA/CMP supports language training for SCO Personnel, it is the responsibility of the GCCMD and the MILDEP to ensure required personnel receive pre-assignment language training if the position as reflected on the JTD requires language training. It is the responsibility of the GCCMD to determine if a position requires a specific foreign language, and subsequently the MILDEP to develop and implement language training programs in accordance with the needs of the Service. Although DSCA/CMP has no authority to mandate language training, the Agency encourages the use of readily available Defense Language Institute Foreign Language Center (DLIFLC) and commercial off the shelf (COTS) products for non-linguists.

4.3.6.1.1 The GCCMD must determine which billets require fluency of a specific foreign language and must ensure the personnel requisitions are properly coded to include the requirement for language training. The MILDEPS must ensure that the individual selected to fill a billet is either language qualified or is enrolled in a DLIFLC-certified course of instruction to attain required language proficiency.

4.3.6.1.2 Military personnel who have acquired a foreign language and attained a language proficiency rating based on testing guidelines established by the Under Secretary of

Defense for Personnel and Readiness (USD P&R), Defense Language and National Security Education Office (DLNSEO), are entitled to [foreign language proficiency bonus \(FLPB\)](#). Keep in mind, to be eligible for FLPB, you must be fluent in a strategic language approved and published by USD (P&R). All languages do not qualify for FLPB. FLPB is an incentive pay item and as such requires sustainment training or enrollment in continuing language study to improve one's level of expertise. Foreign Area Officers (FAOs) assigned to a SCO should use FLPB to enroll in local language courses, hire a local tutor, participate in Embassy-sponsored language training, or participate in other suitable language programs. Sustainment language training for FLPB recipients cannot be funded by SAAF resources.

4.3.6.1.3 For non-language trained SCO personnel, other training opportunities are available from DLIFLC's distance learning programs as well as COTS language training. Funding for any language training shall be paid by the individual or in some situations by the respective GCCMD if deemed a valid requirement. Language training is not a valid use of SAAF resources. The majority of language-coded billets in the SCO are for FAOs who are trained by DLIFLC in a representative language

4.3.6.2 Family Members. SCO SAAF-funds may not be used to pay for language training for family members. Family members are encouraged to attend language training with their sponsor prior to arrival in country. Family members may enroll in language training at the DLIFLC on a space-available basis. Upon arrival in country, family members may attend language training offered by the embassy at their own expense.

4.3.6.2.1 The SCO may use SAAF-funds to purchase re-useable self-paced language training material for use by all SCO personnel. For a SCO staffed with DoD and SAAF-funded positions, the allocation costs of these materials should represent the makeup of the SCO as well. The SDO/DATT may make these media available for use by family members when not in use by SCO staff.

4.3.7 PROPERTY AUTHORIZATION, REPAIR, & REPLACEMENT

4.3.7.1 Equipment must be authorized on the Joint Table of Allowance, the applicable Army Common Table of Allowance, or the applicable Air Force Table of Allowance or other approved documents. SAAF are requested in a budget object class (e.g., Other Equipment), but does not grant the SCO the authority to requisition or procure equipment items in the absence of the associated property authorization document. The GCCMD is the approval authority for equipment authorizations.

4.3.7.2 If equipment requires replacement, the SCO must include a narrative stating the reasons for replacement and whether economical repair can or cannot be accomplished locally. For example, if an electrical appliance can have a motor replaced or if furniture can be re-upholstered or refinished locally, the services should be purchased locally instead of purchasing a complete end item.

4.3.8 VEHICLES

4.3.8.1 Authorization. The GCCMD establishes authorizations for the number and types of vehicles (e.g., car, SUV, light armor, heavy armor) in accordance with regulations to include armored vehicles, required by each SCO. The GCCMD must ensure that all costs associated with its vehicle fleet can be accommodated within its approved Annual Funding Program. Non-tactical vehicle management must be in accordance with [DoD Instruction 4500.36R](#).

4.3.8.2 Budget Planning. DSCA/CMP is committed to providing adequate vehicle support, to include normal passenger, non-passenger vehicles, and armored vehicles. Vehicles are normal recurring costs, and replacement vehicles should be forecasted and budgeted within the GCCMD's approved Annual Funding Program. Depending on the GCCMD, vehicle procurement can take from six months to two years. As a result, each SCO should plan, program, and budget for vehicles through the annual Program/Budget request at least two years in advance to account for long lead-times.

4.3.8.3 Armoring. Vehicles that require armoring and other special security measures must be procured from companies with approved DoD or DoS contracts. Additional authorizations for heavy armored vehicles (HAVs) and light armored vehicles (LAVs) for a SCO must be approved in writing and in advance by DSCA; to include approval for replacement HAVs and LAVs.

4.3.8.4 Depreciation. Each SCO should follow the depreciation schedule of the MILDEP executive agency for each AOR. The GCCMD may establish standards based on local conditions.

4.3.8.5 Foreign Manufactured Vehicle Purchases. As noted in [AR 1-75/SECNAVINST 4900.49/AFJI 16-104](#), SAAF will not be used to finance the purchase, long-term lease, exchange, or guarantee of a purchase of motor vehicles unless these vehicles are manufactured in the United States. Requests for exception to this policy must be submitted in writing with full justification through the GCCMD to DSCA/CMP. The DSCA Director has delegated approval authority from the Secretary of Defense, and is the authorized approval authority for the Department for the purchase of foreign manufactured vehicles for use in SCOs. The SCO must provide full justification, to include Embassy and GCCMD concurrence; security and economic justification factors are the most important considerations (See Appendix A) in the approval process.

4.3.8.5.1 The SCO must obtain DSCA/CMP approval prior to initiating any procurement action of a foreign manufactured vehicle. DSCA/CMP will accept requests on a case-by-case basis with approval of the GCCMD – there are no blanket requests or approval authorized. Although force protection, personnel security, and safety are the most compelling reasons for approval, economic factors are also considered. After identifying a vehicle for SCO use, the SDO/DATT will forward the foreign manufactured vehicle purchase request along with a full cost analysis and cost comparison with comparable U.S made vehicles and endorsement by the post Regional Security Officer (RSO) to the GCCMD which will then endorse the request to DSCA/CMP. Again, the Director, DSCA is the Department's delegated approval authority for all requests to purchase foreign manufactured vehicles for use in SCOs.

4.3.8.6 Emergency Replacement. When there is a requirement for an unprogrammed replacement (e.g., accident, theft, fire), the SCO should submit a UFR to the GCCMD if it cannot be funded from within the SCO's approved budget.

4.3.8.7 Domicile-to-Duty Transportation (DTDT). DTDT is only authorized by the GCCMD in accordance with [AR 1-75/SECNAVINST 4900.49/AFJI 16-104](#). The minimum number of vehicles consistent with safety considerations will be used to provide DTDT.

4.3.9 BUSINESS CARDS

DoD policy allows the printing of business cards for official purposes using existing equipment and software. SAAF may also be used for business cards in countries using the Arabic, Cyrillic, or other non-English alphabets. A SCO may also purchase keyboards utilizing the Arabic, Cyrillic, or other non-English alphabets for the purpose of printing business cards or other official uses. This exception is restricted to those individuals whose official dealings with government and business interests in those countries are frequent and critical to the interests of the U.S. and need Arabic, Cyrillic, or another non-English alphabets on the reverse and not for casual, social or business courtesies unless determined by the SDO/DATT. The GCCMD should issue implementing instructions and guidelines as required.

4.3.10 FORCE PROTECTION

The COM is responsible for security protection of all DoD personnel assigned to U.S. Missions abroad in accordance with the [Omnibus Diplomatic Security and Antiterrorism Act of 1986](#) unless the GCCMD, through a Memorandum of Understanding signed by the COM, has assumed the responsibility. Security equipment, including residential security upgrades, is considered a DoS funding responsibility. DSCA/CMP will work with the GCCMD, SCO, and the DoS to allocate funding to provide adequate protection for the SCO in those instances where DoS cannot provide funding. The SCO may request additional funds from the GCCMD to meet emergent security requirements. The GCCMD will refer the request to DSCA/CMP when necessary for approval. Within the budget submission, the explanation for physical security upgrades should identify the item and whether it is for the office or a residence. This justification must include a statement from the Embassy RSO that the upgrades are necessary and valid, and indicate whether local guard services are for offices or residences.

4.3.11 EMERGENCY LEAVE

4.3.11.1 SCO Military Personnel. SAAF-funded military personnel and command-sponsored family members granted emergency leave by the SDO/DATT are authorized round-trip commercial transportation at SAAF expense, provided government transportation is not available, to the Continental U.S., Alaska, Hawaii, Puerto Rico, or U.S. possessions per [Joint Federal Travel Regulations/Joint Travel Regulations \(JFTR/JTR\) Chapter 11](#). In accordance with the JFTR/JTR, the cost of authorized commercial transportation will not exceed the cost of government-procured commercial air travel from the nearest location of the SCO or the member's permanent duty station to the CONUS international airport to which a scheduled flight is available. There is no requirement to have a direct flight to the authorized airport, whether it is

the airport nearest the location where the member was notified or to the airport nearest the member's permanent duty station. Round-trip transportation through Air Mobility Command Airlift Service is also authorized.

4.3.11.2 SCO Civilian Personnel & Family Members. SAAF-funded U.S. direct-hire civilians and their family members may use Air Mobility Command Airlift Service on a space-available basis when a bona fide family emergency arises. They will pay the transportation cost at the U.S. Government rate. These individuals have an option to travel on a non-reimbursable, space-available basis on DoD-controlled aircraft see ([DOD 4515.13-R, C2.2.3.](#)). Commercial travel in connection with emergency leave will be at the civilian member's expense for SCO personnel and their family members. In the event of TDY status, travel may be authorized as a government expense.

4.4 SPECIFIC POLICIES FOR INDIRECT COSTS

4.4.1 COSTS

4.4.1.1 Direct Charges. Object class requirements that have obligation authority provided to the SCO for execution.

4.4.1.2 Indirect Charges. Charges identified by the SCO in a separate portion of the budget preparation application. Centralized funding provided by DSCA/CMP, where all expenses are paid by DSCA/CMP. The SCO initiates action to fulfill these requirements (e.g., ICASS, C-12, USCG Salaries, and Foreign Service Nationals (FSN) Separation Trust).

4.4.2 INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES (ICASS)

ICASS is a State Department system that distributes costs for administrative services provided by State to U.S. Government offices located overseas for associated services available from service providers. ICASS services include human resources, information management, financial management, medical, security, and general services. These services are provided on a reimbursable basis and consolidated at the Washington, DC level, where actual SCO charges are centrally paid by DSCA/CMP with SCO input. See Chapter 6 for more information concerning ICASS.

Each SCO should monitor consumption of ICASS services and ensure workload factors are accurate. The SDO/DATT must review all ICASS agreements and invoices to ensure that charges are reasonable and ensure that ICASS costs for TDY personnel are assigned to a separate ICASS agreement.

4.4.3 RESIDENTIAL LOCAL GUARD PROGRAM

The Embassy RSO may contract locally for residential guard service, to include mobile patrols. Costs for this program are calculated at each post, and State's Bureau of Diplomatic

Security sends DSCA an annual invoice covering all such post programs. Effective October 1, 2012, these costs are included as part of the main ICASS billing process.

4.4.4 C-12 AIRCRAFT FLYING HOURS

As noted in the [DSCA 5105.38-M, Security Assistance Management Manual](#), the primary mission of the C-12 aircraft is to support SA program management. There is no legal authority to use SCO SAAF for C-12 flights for other than SA program management purposes. However, other missions may be flown when they do not have an adverse impact on the SA mission and when they are fully reimbursed by the requesting agency. SCOs with C-12 aircraft must also abide by the other policies delineated in the e-SAMM, and all applicable Air Force Instructions and Air Force Material Command guidance.

4.4.4.1 Budget Preparation. The proposed current year and budget year flying hour programs must be justified by detailed information in support of the total hours requested in the four categories noted below. Provide the number of flights by destination, the flying hours, and the purpose of the flights. Annotate flights requiring the aircraft to be flown out of the country. Reductions to flying hours/costs may not be realigned to other cost categories in the budget; a direct reduction to the total target level is required. Flying hours may be realigned among countries.

4.4.4.1.1 Security Assistance Missions. Include those hours flown for the primary purpose of performing SA program management functions as defined in Section 515 of the Foreign Assistance Act.

4.4.4.1.2 Maintenance. Include those hours flown while the aircraft is in a maintenance status or flown round-trip to obtain maintenance. Distinguish between routine and scheduled major maintenance.

4.4.4.1.3 Training. DSCA covered training includes instructor pilot training, proficiency training, and other not-otherwise-classified flying training.

4.4.4.1.4 Other Missions (Reimbursable). Other missions are those flown for non-SA activities and missions that provide support to TDY, MTT, MET, and TAFT personnel whose transportation costs are funded by a FMS case. Examples include disaster relief, command exercises, non-SA visitors, and Embassy support. The non-SA flying hours should be separately identified in the Current Year and the Budget Year and are coordinated with the applicable organizations.

4.4.4.2. Monthly Reports. Funding for security assistance-related C-12 aircraft operations is centrally controlled by DSCA/CMP for the Contract Logistics Support case administered by the C-12 PMO at Tinker AFB, for the fuels and ground services charges incurred for SA flights and for the usage and fees for installed SATCOM equipment. Each location where there are DSCA-funded C-12 aircraft and/or pilots is required to provide a monthly report that includes the information noted above, receipts for fuels and ground services charged to the DSCA-issued AIR Cards, and other information as noted in the SAMM.

4.4.5 U.S. COAST GUARD

DSCA/CMP reimburses the U.S. Coast Guard for the salaries of assigned personnel to perform SA program management functions in a SCO or the GCCMD staff. DSCA/CMP also pays full cost and reimburses the U.S. Coast Guard for Capital Security Cost Sharing (CSCS). Each SCO with U.S. Coast Guard personnel assigned to SAAF-funded positions will budget for normal support costs, but not salaries.

4.4.6 FOREIGN SERVICE NATIONAL (FSN) SEPARATION LIABILITY TRUST

Host Nation law dictates when and how separation pay for a FSN is paid. In many countries, the SCO must contribute to a national fund or establish a local account through the Embassy from which separation pay is disbursed. In countries where the local law permits, the SCO is required only to establish a budgetary liability from which separation pay would be disbursed. For those countries, DSCA/CMP establishes a central obligation out of which disbursements are made. The SCO will calculate the amount to be obligated based on information provided by the Embassy and enter the annual amount as a memorandum entry in the budget submission. DSCA/CMP has established a separation liability account within the FMS Trust Fund, from which separation pay will be disbursed. If a disbursement is required during a given fiscal year, the SCO will request funding from DSCA/CMP through the GCCMD for an increase in budget authority as an unfunded requirement. DSCA/CMP will transfer the funds to the GCCMD for allocation to the SCO.

4.4.7 ASSISTANCE IN KIND (AIK)

AIK provided by the Host Nation will be entered in the Special Exhibit section in the Budget Preparation Application. The data will be entered in the various Object Class entries in the same manner as for SA. Estimates of costs for these services supplied by the Host Nation should be based on what it would cost if the SCO had to budget for them from SA funds.

4.4.8 FOREIGN CURRENCY EXPENDITURES

Only a SCO spending more than \$30,000 in local currencies must report the dollar amount requiring conversion to the GCCMD and to DSCA/CMP.

4.5 NON-SA FUNDED COSTS

4.5.1 EMERGENCY EVACUATION

In those exceptional situations where emergency evacuation of family members and sponsors is authorized or directed, the GCCMD will provide specific instructions on procedures and funding. It is extremely important for the sponsor to take direction from the local Embassy or the GCCMD. This will avoid confusion and potentially contradictory information for the sponsor and family members.

4.5.2 INTERNATIONAL COOPERATIVE PROGRAMS

International Cooperative Programs such as Defense Cooperation in Armaments and Defense Industrial Cooperation are DoD functions.

4.5.3 MEDICAL AND DENTAL CARE (NON-EMERGENCY)

GCCMDs coordinate the delivery of routine medical and dental care, which is funded by the MILDEPs. Funding of travel for routine SCO military and family member patient care, such as required medical and physical examinations and non-emergency treatment, is financed by the member's MILDEP - not by SAAF.

4.5.3.1 Army and Air Force. Army and Air Force SCO personnel and family members may be provided a fund cite from a centrally managed allotment. The GCCMD may provide this fund cite to SCOs annually in October. Contact the GCCMD as the need arises or in accordance with local instructions.

4.5.3.2 Navy. Medical travel accounting data and standard document numbers will be assigned by the Field Support Activity with the concurrence of the Chief of Naval Operations (N09BF) on an individual basis; SCOs must use the travel order number(s) assigned.

4.5.3.3 Marine Corps. Marine Corps SCO personnel will request a fund cite by message to "CMC Washington DC" with an information copy to the GCCMD.

4.5.3.4 U.S. Civilians. Routine health care for U.S. direct hire civilian personnel is funded at personal expense.

4.5.4 MORALE WELFARE AND RECREATION (MWR) COSTS

In accordance with [AR 1-75/SECNAVINST 4900.49/AFJI 16-104](#), a GCCMD may establish MWR facilities and activities for their SCO and SA team personnel according to agreements with Host Nations. MWR activities will be financed with appropriated and non-appropriated funds (NAF) of the MILDEP operating the activities in which SCO personnel participate. The policy for MWR support to military missions in foreign countries is included in [Department of Defense Instruction 1015.10, Programs for Military Morale, Welfare, and Recreation \(MWR\)](#)

4.5.4.1 Physical Fitness Facilities/Equipment. A SCO without access to adequate facilities for physical fitness training should request MWR funds from their MWR account holder to purchase equipment or membership in civilian health clubs. Such equipment or memberships cannot be purchased using SAAF.

4.6 MISCELLANEOUS ISSUES

4.6.1 Consecutive Overseas Tour (COT) and In-Place Consecutive Overseas Tour (IPCOT) Leave

SCO personnel and command-sponsored family members entitled to COT or IPCOT leave will have their transportation and per diem funded as follows:

4.6.1.1 For COT, MILDEP funds will be used whenever new PCS orders are issued and the permanent change of duty station is made.

4.6.1.2 For IPCOT, MILDEP funds will be used when the member stays at the present duty station and no PCS move occurs.

Under no circumstances should SAAF be used to fund either COT or IPCOT leave. MILDEP funds must be used for COT or IPCOT leave.

4.6.2 PRIOR-YEAR OBLIGATIONS

4.6.2.1 DSCA will not authorize increases to prior-year Obligation Authority to cover upward adjustments to existing obligations that are the result of scope changes. Such upward adjustments constitute new obligations and must be financed from current year authority. However, valid upward adjustments which are the result of "within scope" price adjustments under the terms of a contract are chargeable to the appropriate fiscal year account against which the original obligation was charged.

4.6.2.2 SAAF is executed as one-year funds. These funds expire for new obligation at the end of the year in which they were provided. Five years later, the funds cancel and are not available for any purpose. During the period of time from when funds expire to when they cancel, funds remain available for the liquidation of obligations.

4.6.2.3 The SCO must review and validate expired year unliquidated balances during each Triannual Review (May/June/July) with DFAS-IN and with their respective GCCMD. Any obligation determined no longer valid must be de-obligated by the SCO and the allocation withdrawn by DSCA/CMP after certification by the GCCMD. All obligations with payments recorded against them will be reviewed, and where determined that no additional payments will be recorded, the obligations will be closed. The remaining unobligated funds will be returned to DSCA/CMP after certification by the GCCMD. De-obligation of prior year funds with subsequent re-obligation of the same funds for any purpose is not permitted. Valid disbursements may be made up to the amount of unliquidated obligation balances for that year, and will be processed against that year's obligations. Additional funding to cover upward adjustments in obligations must be requested from DSCA via the GCCMD. The SCO must provide the original obligation amount, the additional required funding authority, and the source/reason for the additional obligation. All other upward obligation adjustments are charged against the current fiscal year account.

4.6.3 DISPOSITION OF SAAF EQUIPMENT

4.6.3.1 Redistribution. If a SCO is scheduled to close, downsize, or otherwise no longer requires equipment (in good condition), the resource manager should contact the GCCMD to determine if the equipment can be redistributed to another office. If redistribution is not appropriate and the SCO equipment is disposed of by sale, the proper fund cite must be shown when depositing the funds received. The fund cite is that of the fund which was used to finance the acquisition of the specific equipment item.

4.6.3.2 Deposition of Net Proceeds from the Surplus of Property. If MAP and FMF property is returned to the U.S. Government by a recipient because it is no longer needed, the net proceeds will be deposited into the FMF Program.

4.6.3.3 Security Cooperation Office property purchased with FMS Trust Fund Funds proceeds should be deposited into the “Advances, FMS, Funds Appropriated to the President Trust Fund” account (11X8242).

4.6.3.4 Property purchased with FMS Contract Administration Services (CAS) funds should be deposited into the FMS Trust Fund CAS account (11X8242).

4.6.4 TRANSFER OF SAAF PROPERTY TO O&M ACTIVITIES

SCO property acquired with SAAF may be transferred to O&M funded activities when such property is excess to the SCO needs. Fair market value should be used as the criteria for the transfer value, and such proceeds should be returned to the FMS Trust Fund (11X8242). Each SCO and GCCMD will coordinate with DSCA/CMP to determine whether the gaining activity will be required to reimburse the trust fund. A SCO may join an Embassy furniture pool if the GCCMD determines the pool to be cost-efficient. The SCO may transfer furniture to the Embassy; fair market value is received in the continuing use of the furniture by the SCO.

4.7 SUMMARY

Although the budgeting and expenditure of SCO SAAF follow the basic rules associated with other USG funds (e.g., DoD O&M), there are distinct and critical differences. It is imperative that SAAF be used only for SA program management functions. Accordingly, the SCO budget must accurately address estimated workload by functional or benefiting area. There are special rules relative to C-12 aircraft flying hours reporting, verification of ICASS, obtaining approval of government-leased housing, and the acquisition of vehicles.