

VOLUME 11A, CHAPTER 7: “INTERNATIONAL NARCOTICS CONTROL PROGRAM”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by **blue font**.

Substantive revisions are denoted by an (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated **May 2013** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated format in accordance with the DoD Financial Management Regulation (FMR) Revision Standard Operating Procedures (SOP).	Revision
1.0	Renamed the section and paragraphs to comply with the DoD FMR Revision SOP, provided clarifying language in the Overview paragraph, and in the Purpose paragraph to specify chapter limitations.	Revision

Table of Contents

VOLUME 11A, CHAPTER 7: “INTERNATIONAL NARCOTICS CONTROL PROGRAM”. 1

- *1.0 GENERAL 3
 - 1.1 Overview 3
 - 1.2 Purpose 3
 - 1.3 Authoritative Guidance 3
- 2.0 SUPPORT OF INTERNATIONAL NARCOTICS CONTROL PROGRAM..... 3
 - 2.1 Billing..... 3
 - 2.2 Pricing 3
 - 2.3 Disposition of Proceeds..... 6

CHAPTER 7

INTERNATIONAL NARCOTICS CONTROL PROGRAM***1.0 GENERAL****1.1 Overview**

The DoD's International Narcotics Control Program (INCP) directly supports the Foreign Assistance Act (FAA) of 1961. The FAA's key objectives are to suppress the illicit manufacturing and trafficking of narcotics and psychotropic drugs, money laundering, precursor chemical diversion, and to progressively eliminate the illicit cultivation of the crops from which narcotic and psychotropic drugs are derived. While the FAA addresses statutory responsibilities for multiple agencies, the DoD is specifically tasked as a key partner in the training of foreign allies on illegal narcotics interdiction and the prevention of illegal narcotics trafficking.

1.2 Purpose

This chapter provides pricing guidance for INCP transactions, explains special cost computation scenarios, and identifies procedures for the disposition of proceeds from collections. *It does not provide guidance and procedures on the DoD's national drug and counterdrug activities as it focuses exclusively on the department's international training efforts and partnership with the Department of State.

1.3 Authoritative Guidance

The financial management policy and procedures addressed in this chapter are in accordance with Section 632 (c) of the FAA.

2.0 SUPPORT OF INTERNATIONAL NARCOTICS CONTROL PROGRAM**2.1 Billing**

Section 632 (c) of the FAA explains special pricing requirements when services, including training, are provided by the Department of Defense to the Department of State in support of the INCP. Billing must be made within 30 calendar days after the monthly services are rendered. The payment due date must be no more than 30 days from the date of the invoice. Bills rendered under this program are not subject to audit by the customer.

2.2 Pricing

The following rules **must** be followed by DoD Components when determining amounts to be collected as reimbursements for orders from the Department of State that cite INCP financing.

2.2.1. INCP Training. The tuition rate for DoD training provided to support INCP is an incremental rate comparable to the International Military Education and Training (IMET) rate. DoD FMR Volume 15 provides a detailed explanation on tuition rates, direct and indirect costs of international student training, and IMET training price exceptions not covered in this chapter. The cost elements to include in the pricing are as follows:

2.2.1.1. Civilian Instructors and School Support Staff. It is anticipated that additional costs charged to the INCP for civilian instructors will be minimal for courses or groupings of courses when either the ratios of students to instructors or U.S. students to international students is high. Courses must be reviewed to determine the additional cost incurred resulting from international student attendance. Classroom or technical courses that are similar, or that utilize instructors who teach more than one course, may be grouped for computation purposes.

2.2.1.1.1. For groups of courses, an estimate must be made of the number of U.S. students in each course and the number of civilian instructors and civilian staff required. A second projection must be made of the total number of students to be enrolled in applicable courses, both U.S. and international, and the number of civilian instructors and civilian staff required. Base both projections on the maximum number of student output by civilian instructors or civilian staff rather than on optimum class size. The difference in the number of civilian instructors and civilian staff between the two projections represents the additional civilian instructors and/or civilian staff required. Applicable additional civilian instructors and civilian staff must be priced in accordance with Volume 11A, Chapter 1. This value, divided by the total number of INCP students, represents the additional cost per INCP student for the course (or courses).

2.2.1.1.2. When there is a one-for-one or one-for-two relationship of civilian instructors to students, the instructor in all cases is considered additional. If the entire class is composed of INCP students, the instructor, and staff must be considered additional in the pricing formula.

2.2.1.2. Military Instructors and Military School Support Staff. There must be no charges to the INCP program for military personnel conducting training courses.

2.2.1.3. Equipment Overhaul and Maintenance. The overhaul and maintenance of major items of equipment, when computed on an hourly use basis, must be considered additional resources to a course based on estimated utilization hours.

2.2.1.4. Simulators. Simulator hours must be considered additional costs. Simulator costs must include pay of the operators, supplies and equipment maintenance. Allocate simulator costs to the course using an equitable distribution across the total hours available.

2.2.1.5. Supplies, Materiel, Training Aids, Ammunition. Charge the replacement costs of items not returned or reusable (including petroleum, oil, and lubricants) expended in the conduct of training as an additional cost.

2.2.1.6. Lost or Damaged Equipment. If equipment was lost or damaged during training and it was found to be the result of an international student's negligence, the additional cost to be charged **must be** the actual costs of the repairs or replacement cost of the equipment.

2.2.1.7. Base Support (That Is, Indirect Student Costs). A standard weekly rate **must be** charged for INCP training conducted on DoD installations. The fixed weekly amount **must be** the same **amount** used for billing DoD appropriations reimbursed by the International Military Education and Training (IMET) program. See Volume 15, Chapter 7, subparagraph 23.4.2, for additional details.

2.2.1.8. Food Preparation. Meal operating/food preparation costs are additive to other food costs. The weekly meal operating and food preparation costs for INCP students must be the **same amount** used in billing DoD appropriations reimbursed by the IMET program when courses are conducted on DoD installations and students use DoD appropriated dining facilities.

2.2.1.9. Instructor Training. Special courses provided on a non-routine basis to US instructors and personnel are considered additional costs and must be charged accordingly. Charge the normal cost rate for all required training conducted at a U.S. training facility in direct support of the INCP program (i.e., the Department of State). Treat special courses conducted by a Management Service Team (MST) away from the normal training institution as dedicated service, and charge the full cost billed to the INCP program.

2.2.1.10. Facilities and Equipment. The costs of any facilities or equipment acquired primarily for the support of international students enrolled in the INCP program are considered additional costs.

2.2.1.11. Field Studies Program (FSP). The full cost of the FSP to the U.S. Government is considered an additional cost.

2.2.1.12. Shipment of Retainable Instructional Materials (RIM). The shipment of **RIM** to students must be included in the tuition rate applicable to INCP students. Apply shipping charges to the same DoD billing appropriations reimbursed by the IMET program. See Volume 15, Chapter 7, subparagraphs 22.10, 23.4.3.3, and 24.8.3 for additional details.

2.2.1.13. Travel and Per Diem. Instructor and student travel and per diem associated with the provision of training must be considered additional costs, to include transportation, living allowances, and medical expenses.

2.2.2. Other DoD Services

2.2.2.1. DoD Services Provided Incident to Normal Mission Accomplishment. When support of the INCP is accomplished incidental to performance of a DoD mission requirement, there are no additional costs incurred. However, an extended mission or overall cost increase constitutes the reimbursement of the cost over and above the scheduled mission cost.

2.2.2.2. Scheduled DoD Transportation. Air and ocean transportation services performed by the U.S. Transportation Command on scheduled movements **must** be priced, where applicable, at current tariff rates for DoD Components.

2.2.2.3. Detailed Personnel. All costs incurred in connection with the detail of DoD personnel to the Department of State to support the INCP--both civilian and military--are considered additional expenses and must be priced at the normal rate charged to other Federal Agencies.

2.2.3. Supplies and Equipment. Section 482 of the FAA prohibits the procurement of weapons or ammunition from funds authorized for this program. Thus, any specific order for a weapon or ammunition that cites the appropriations provided to finance INCP either must be rejected or returned for a new fund citation. Supplies and equipment that can be provided must be priced in accordance with Chapter 1. **Additionally, Chapter 1 establishes** pricing policy for excess and non-excess material.

2.3 Disposition of Proceeds

Section 632(c) of the FAA mandates that applicable collections from the Department of State must be reimbursed to the financing DoD appropriation account.