

VOLUME 11A, CHAPTER 10: “UNIT EXCHANGE OF TRAINING AND RELATED SUPPORT BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES”

SUMMARY OF MAJOR CHANGES

All changes are 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 February 2011 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Various	Updated references and hyperlinks.	Update

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CHAPTER 10

**UNIT EXCHANGE OF TRAINING AND RELATED SUPPORT BETWEEN
THE UNITED STATES AND FOREIGN COUNTRIES**

1001 OVERVIEW

100101. Purpose

This chapter provides the financial policy that implements [Title 22, United States Code, section 2770a](#), which authorizes the reciprocal unit exchange of training and related support between the United States and friendly foreign countries or international organizations.

100102. General

A. [22 U.S.C. 2770a](#) authorizes the President to enter into agreements for reciprocal unit exchange of training and related support between the United States and friendly foreign countries or international organizations. Chapter 10 of the Defense Security Cooperation Agency 5105.38-M, “Security Assistance Management Manual”, [SAMM](#), provides general implementing program guidance for the conduct of exchanges. Unit exchanges shall be arranged only as part of an international agreement, as defined in [DoD Directive 5530.3](#), International Agreements. Before entering into negotiations for an international agreement or conducting a specific exchange thereunder, the initiating authority shall seek the approval of the cognizant Geographic Combatant [Commander](#) in whose area of responsibility the foreign nation or international organization is located or in which the training is to be conducted. Generally, the Secretary of a Military Department, or designee, is the approving authority for implementing arrangements, entered into under authority of the agreement, which provide for the exchange of specific units. However, implementing arrangements of significant political-military importance or operationally sensitive exchanges require approval by the Under Secretary of Defense (Policy).

B. The provisions of [22 U.S.C. 2770a](#) apply only to established military units, not to ad hoc units or individual members of units. Therefore, to qualify as a unit exchange, the organization receiving the training must include substantially all individuals assigned to an established unit. A unit exchange of training and related support may include transportation, food services, health services, logistics, and the use of facilities and equipment provided to military and civilian defense personnel. Training performed pursuant to unit exchange agreements shall be on an exchange basis. If an exchange of training does not commence within 12 months, the training shall be converted to a reimbursable transaction.

1002 POLICY AND PROCEDURES

100201. Pricing Reciprocal Exchanges or Related Support

A Military Department participating in a reciprocal unit exchange or related support arrangement shall use the following pricing guidelines:

A. The Military Department official delegated authority under DoD Directive 5530.3 to negotiate agreements under 22 U.S.C. 2770a shall perform a price analysis based on prior experience and/or current supporting data. The price determined for the unit exchange of training or related support shall be fair and reasonable, taking into consideration all applicable circumstances. If the determination under subparagraph 100202.A. cannot be made, the training may not be performed and the related support may not be exchanged.

* B. Reciprocal unit exchanges of any training or related support by the United States shall be subject to the pricing provisions of Volume 15, Chapter 7, "Pricing." The estimated actual cost of the reciprocal unit exchange to be provided and the value of the unit to be received (using an appropriate price analysis) shall be computed and documented by the Military Department designated resource management function. The documented estimated actual cost is the basis for reporting costs incurred and for reimbursement purposes in the event exchanges are not reciprocated.

100202. Liquidation of Credits and Liabilities

Compensation for the acquisition or transfer of a unit exchange of training and related support shall be accomplished through either of the following methods:

A. Reciprocal Exchange. Training or related support that is to be exchanged requires a written determination by the approving U.S. organization that the reciprocal unit exchange of training or related support has a substantially comparable value. Comparable value received is the sum of those monetary (i.e., estimated actual cost that the U.S. would have had to pay for training received) and nonmonetary (i.e., benefits or cost avoidance) values that comprise the total exchange value. Methodologies depicting comparable value, both monetary and nonmonetary, shall be retained and available for audit.

B. Reimbursable. Payments for training and related support are to be in the currency of the supplying nation and shall be provided in the event reciprocity is not achieved within 12 months from the date the training began.

100203. Conversion to Reimbursable Training

The servicing accounting and finance office shall take the following actions when reciprocal training or related support is not provided or not received:

A. Actions to be Taken When the United States Does Not Provide Reciprocal Training or Related Support. When the United States does not provide reciprocal training and related support within 12 months after such training or support begins, the exchange transaction shall be converted to a reimbursable transaction and an obligation recorded. The obligation shall be recorded against the appropriation current at the time the determination is made that reciprocal training will not be provided or 12 months from the date the training began, whichever occurs first. The resulting accounts payable is to be paid 30 days from the date established. The accompanying documentation shall fully explain the reasons for not providing reciprocal training or related support during the preceding 12 months.

B. Actions to be Taken When the United States Does Not Receive Reciprocal Training or Related Support. When the United States does not receive reciprocal training or related support within 12 months after such training or support begins for a foreign country, the exchange transaction shall be converted to an accounts receivable. The accounts receivable shall be established against miscellaneous receipt account 3210, “General Fund Proprietary Receipts, Defense Military, Not Otherwise Classified.” See Volume 6A, Chapter 12, “Collecting and Reporting of Foreign Indebtedness within the Department of Defense” for procedures for billing foreign countries.

1003 REPORTING RESPONSIBILITIES

100301. Secretaries of the Military Departments

The Secretaries of the Military Departments, or designees, shall submit to the Director, Defense Security Cooperation Agency (DSCA) information on each reciprocal exchange or reimbursement that was in effect during the prior fiscal year.

100302. Director, Defense Security Cooperation Agency

The Director, DSCA shall:

A. Provide the Military Departments with the reporting format for reciprocal exchange or reimbursement of training and related support as part of the data call for the annual “Foreign Military Training Report.” The timelines for reporting training data to DSCA are provided in Chapter 10 of the [SAMM](#).

B. Consolidate the input and transmit the report for receipt by the Congress not later than February 1 of each year.