

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 asterisk (*) 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 **October 2012** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
100102	Added an Authoritative Guidance paragraph to allow for easier source identification, as well as to comply with current standard operating procedures.	Addition
100201.D	Added guidance from Security Assistance Management Manual, Chapter 10, requiring each respective country to pay for their students Travel and Living Allowances.	Addition
All	Updated formatting and hyperlinks to comply with current standard operating procedures.	Revision

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CHAPTER 10

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

1001 GENERAL

100101. Purpose

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

*100102. Authoritative Guidance

The financial management policy and related requirements set forth in this chapter are in accordance with the applicable provisions of:

- A. 22 U.S.C. § 2770a, “Exchange of training and related support”;
- B. Department of Defense Directive ([DoDD](#)) [5530.3](#), “International Agreements”;
- C. Defense Security Cooperation Agency ([DSCA](#)) [5105.38-M](#), “Security Assistance Management Manual” (SAMM).

1002 POLICY

100201. Policy Requirements

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 DSCA 5105.38-M, “Security Assistance Management Manual,” provides general implementing program guidance for the conduct of exchanges.

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 **must** be on an exchange basis. If an exchange of training does not commence within 12 months, the training **must** be converted to a reimbursable transaction.

C. Unit exchanges **must** be arranged only as part of an international agreement, as defined in DoDD 5530.3, International Agreements. Before entering into negotiations for an international agreement or conducting a specific exchange thereunder, the initiating authority **must** 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, **as prescribed in DoDD 5530.3, “International Agreements.”** 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).

* D. According to Chapter 10 of the SAMM each country should pay its students Travel and Living Allowance. In addition, exchanges can be made on either an individual-to-individual or unit-to-unit basis.

100202. Pricing Reciprocal Exchanges or Related Support

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

A. The Military Department official delegated authority under DoDD 5530.3 to negotiate agreements under 22 U.S.C. 2770a **must** 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 **must** be fair and reasonable, taking into consideration all applicable circumstances. If the determination under subparagraph 100203.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 **must** 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) **must** 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.

100203. Liquidation of Credits and Liabilities

Compensation for the acquisition or transfer of a unit exchange of training and related support **must** 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, **must** 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 **must** be provided in the event reciprocity is not achieved within 12 months from the date the training began.

100204. Conversion to Reimbursable Training

The servicing accounting and finance office **must** 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 **must** be converted to a reimbursable transaction and an obligation recorded. The obligation **must** 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 **must** 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 **must** be converted to an accounts receivable. The accounts receivable **must** be established against miscellaneous receipt account 3210, "General Fund Proprietary Receipts, Defense Military, Not Otherwise Classified." See Volume 16, Chapter 6, "[Debt Owed to the Department of Defense \(DoD\) by Foreign Entities](#)" for procedures for billing foreign countries.

1003 REPORTING RESPONSIBILITIES

100301. Secretaries of the Military Departments

[In October of the current fiscal year](#), the Secretaries of the Military Departments, or designees, **must** submit to the Director, 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 **must**:

A. Provide the Military Departments, [or designees, Combatant Commands, Chairman of the Joint Chiefs of Staff, and Security Cooperation Organizations](#) 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 [January 31](#) of each year.