



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

FEB 28 2002

In reply refer to:  
I-02/002853-FM

MEMORANDUM FOR

DEPUTY UNDER SECRETARY OF THE ARMY  
(DEFENSE EXPORTS AND COOPERATION)  
(DASA(DE&C)/SAAL-ZN)  
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE  
DEPARTMENT OF THE NAVY

DEPUTY UNDER SECRETARY OF THE AIR FORCE  
(INTERNATIONAL AFFAIRS)  
DEPARTMENT OF THE AIR FORCE

DIRECTOR, DEFENSE LOGISTICS AGENCY

DIRECTOR, NATIONAL IMAGERY AND MAPPING  
AGENCY

DIRECTOR, NATIONAL SECURITY AGENCY

DIRECTOR, DEFENSE CONTRACT MANAGEMENT  
AGENCY

DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

SUBJECT: DSCA Coordination Requirements on Letter of Offer and Acceptance (LOA)  
Documents Financed with Foreign Military Financing (FMF) Funds  
(DSCA 02-09)

This memorandum clarifies policy as regards the DSCA coordination requirements for LOAs funded with FMF. In this context, "FMF" includes the following Terms of Sale and/or categories of funding:

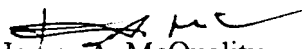
FMS Credit  
FMS Credit (non-repayable)  
MAP Merger  
NADR \*\*\*  
EIPC

And any other funding authorized under Section 23, Arms Export Control Act

\*\*\* Note: Although not all NADR funds cycle through the FMF account, this simplifies the policy described herein.

For any LOA document containing at least one of the aforementioned Terms of Sale, DSCA must coordinate on that document. Official coordination is commensurate with DSCA's approval of the LOA document. This applies regardless of whether the applicable Terms of Sale finances the LOA in whole or in part. This measure is taken to ensure that the FMF-related funds are reserved by DSCA prior to the LOA being offered (for Basics and Amendments) or implemented (for Modifications). Thus, we avoid the undesirable scenario of determining after the fact that available FMF funds are insufficient to finance the LOA document. DSAMS will employ validations that preclude progressing an LOA document to "Offered" status (or, for Modifications, "Implemented" status) without prior DSCA approval. DSCA will also clarify this requirement in the upcoming Security Assistance Management Manual (SAMM, DoD 5105.38-M) rewrite.

We appreciate your attention to this matter. Should you have any questions, the DSCA point of contact is Mr. David Rude, Financial Policy team chief, DSN 664-6569, e-mail (unclas): [David.rude@osd.pentagon.mil](mailto:David.rude@osd.pentagon.mil).

  
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