



DEFENSE SECURITY COOPERATION AGENCY

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26 NOV 2013

MEMORANDUM FOR DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, NATIONAL GEOSPATIAL INTELLIGENCE AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE LOGISTICS AGENCY DEFENSE
LOGISTICS INFORMATION SERVICE
DIRECTOR, DEFENSE LOGISTICS AGENCY DISPOSITION
SERVICES
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE
AND ACCOUNTING SERVICE - INDIANAPOLIS OPERATIONS
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

SUBJECT: Clarification Regarding Supply Discrepancy Report (SDR) Submissions Against Supply/Services Complete Cases (Defense Security Cooperation Agency (DSCA) Policy 13-62, SAMM E-Change 242)

This memorandum clarifies the intent of policy regarding the purchaser's declaration regarding SDR submission after supply/services complete status is reached on a case. The current policy may imply the purchaser is waiving his right to submit SDRs when the policy states "no additional SDRs shall be submitted". The revised wording makes it clear that the purchaser is merely indicating that submission of SDRs is not anticipated. This statement does not alter the purchaser's right to submit SDRs as defined in the LOA Standard Terms and Conditions.

The attachment updates the Security Assistance Management Manual (SAMM) Chapter 16 and the Reconciliation and Closure Guide (RCG) - Appendix 7 to reflect this wording change. If you have any questions regarding this guidance, please contact Brad Bittinger, DSCA DBO/FPA, brad.bittinger@dsca.mil, 703-602-1360.

A handwritten signature in black ink, appearing to read "James Worm", is positioned above the printed name.

James Worm
Principal Director
Business Operations

Attachment:
As stated

cc:

STATE/PM-RSAT

DISAM

USASAC

SATFA

TRADOC

USACE

NAVSUP WSS

NETSAFA

AFSAC

AFSAT

AFCEE

MARCOR IP

SCETC

USCG International Affairs (G-CI)

AFRICOM

CENTCOM

EUCOM

NORTHCOM

PACOM

SOUTHCOM

JFCOM

SOCOM

TRANSCOM

**Clarification Regarding Supply Discrepancy Report (SDR) Submissions Against
Supply/Services Complete Cases (Defense Security Cooperation Agency (DSCA) Policy 13-
62, SAMM E-Change 242)**

SAMM Chapter 16

1. Replace SAMM CH16, Section C16.4.1.1.1.1. in its entirety with:

C16.4.1.1.1.1. – Cases are SSC for at least 12 months. The 12 months allows for final reconciliation actions and considers the purchaser’s right to submit an SDR associated with the final delivery. This time period can be reduced, however, if the purchaser confirms in writing (e-mail or meeting minutes are acceptable) that the submission of SDRs is not anticipated. This statement does not waive the FMS purchaser’s right to submit an SDR as indicated in the LOA Standard Terms and Conditions 5.4. The following applies to ACCP closure eligibility:

2. Replace SAMM CH16, Section C16.4.1.2.1.1. in its entirety with:

C16.4.1.2.1.1. – Cases are supply complete for at least 12 months. The 12 months allows for final reconciliation actions and considers the purchaser’s right to submit an SDR associated with the final delivery. This time period can be reduced, however, if the purchaser confirms in writing (e-mail or meeting minutes are acceptable) that the submission of SDRs is not anticipated. This statement does not waive the FMS purchaser’s right to submit an SDR as indicated in the LOA Standard Terms and Conditions 5.4. The following applies to Non-ACCP closure eligibility:

SAMM Appendix 7, Reconciliation and Closure Guide

1. Replace Appendix 7, Section C1.5.2. in its entirety with:

A7.C1.5.2. ACCP – Cases should be certified for closure under ACCP within 24 months post-SSC, and it is preferred that they are closed as soon as possible once they are 12 months post-SSC (exceptions are addressed in Appendix 7, Chapter 3). The 12 months allows for consideration of the purchaser’s right to submit an SDR associated with the final delivery. This time period can be reduced, however, if the purchaser confirms in writing (e-mail or meeting minutes are acceptable) that the submission of SDRs is not anticipated. This statement does not waive the FMS purchaser’s right to submit an SDR as indicated in the LOA Standard Terms and Conditions 5.4. The underlying contracts supporting the FMS case do not need to be completed for the FMS case to interim close if there are ULOs on the contract associated with the FMS case, or to direct final close if there are no ULOs associated with the FMS case. The detailed procedures for ACCP are discussed in Appendix 7, Chapters 3 and Chapter 4.

2. Replace Appendix 7, Section C1.5.3. in its entirety with:

A7.C1.5.3. Non-ACCP – Cases are eligible for non-ACCP closure certification typically when they have been SSC for 12 months and financially complete. The 12 months allows for consideration of the purchaser’s right to submit an SDR associated with the final delivery. This time period can be reduced, however, if the purchaser confirms in writing (e-mail or meeting minutes are acceptable) that the submission of SDRs is not anticipated. This statement does not waive the FMS purchaser’s right to submit an SDR as indicated in the LOA Standard Terms and Conditions 5.4. Financially complete refers to the fact that there are no ULOs on underlying contracts for the case and all costs are determined, final billed and collected. For major system sales in particular, this often delays closure by several years or more. Detailed procedural guidance for Non-ACCP cases is found in Chapter 3 and 4.