Figure AP3.F12. - Foreign Military Financing Grant Agreement - Exhibit B

DSCA Requirements for Documentation to Support Requests for Advances

1. This Exhibit describes the documents which the Grant Recipient must furnish to the DSCA (Office of Business Operations, Comptroller Directorate (OBO/CMP)) in support of requests for advances.
2. Whenever the Grant Recipient desires a disbursement of grant funds, its authorized representatives(s), as designated pursuant to provisions of the Grant Agreement, shall forward the written request, prepared in accordance with Annex II of the Agreement, to:

   Defense Finance and Accounting Service-Indianapolis
   ATTN: Security Assistance Accounting/JAX
   8899 East 56th Street
   Indianapolis, IN 46249-6300

   not less than 15 business days before the desired disbursement date.
3. With each request for an advance, the Grant Recipient will provide a letter addressed to the Defense Finance and Accounting Service, substantially in the format as follows:

Requests for Advance Sample Letter

Dear Sir:

In accordance with the provisions of Section 1.3 of our Grant Agreement with the Government of the United States of America dated [DD/MMM/YYYY], the Government of [_____] hereby requests the Defense Finance and Accounting Services - Indianapolis (DFAS-IN) approval and disbursement of an advance of $[amount] from that grant.

The Government of [_____] acknowledges that advances hereunder may be used to pay ocean and air freight costs only for transportation of Defense Items being carried on vessels or aircraft of United States registry, and that all materiel financed from this grant which is to be shipped by ocean surface transportation must be transported in privately owned vessels of United States registry unless a waiver is obtained in accordance with Section 6 of the Grant Agreement. In furtherance of this requirement, the suppliers of the materiel being financed with this advance were so notified and given appropriate shipping instructions.

In connection with this request, the Government of [_____] confirms that, as appropriate: the defense articles and services for which payment is requested have been satisfactorily delivered; or the advance payment requested is in accordance with requirements of the contract; or the progress payment requested is based on the contractor's satisfactory progress and in accordance with requirements of the contract; and that payment is therefore due and unpaid under the Purchase Agreement [Case Identifier] with the [Supplier].

Sincerely,

GOVERNMENT OF [_____]

By: [Name and Title]

4. Whenever funds from this grant are to be used to pay a Commercial Supplier, the Grant Recipient shall also provide invoices and bills-of-lading in support of each request for an advance, as follows:

   a. A copy of the Supplier's invoice, which has been prepared in accordance with the relevant provisions of the Purchase Agreement. As a minimum, the invoice must:

      i. reflect the amount due and payment due date;

      ii. specify whether the amount billed is an advance, progress, or delivery payment;

      iii. list the items and services delivered for which payment is requested;

      iv. indicate by a separate entry the amount included in the invoice for transportation and related costs;

      v. designate the FOB point and "ship to" address;

      vi. designate the address to where the payment should be sent;

      vii. if the billed amount consists of "cost, insurance and freight" for delivery of materiel to a destination point outside the United States, provide the name of the carrier(s) of the materiel from the U.S. Port of Embarkation; and,

      viii. be supported by a copy of freight bills, air waybills, or rated on-board bills-of-lading, fully accounting for the cost of inland and export transportation of the items covered by the invoice for which payment is requested.

   b. If the Commercial Supplier pays for the transportation, whether the transportation cost is included in the price of the item or billed separately to the Grant Recipient, bills-of-lading or air waybills must be submitted with the invoice for which payment is requested. A copy of the invoice for the cost of any insurance coverage on the shipment must also be submitted along with the shipping documents.

   c. The request for an advance must include a copy of the Supplier's invoice as specified in paragraph 4.a above and a certification from the Supplier as follows:

      The [Commercial Supplier] acknowledges U.S. Government funds are being used by the Government of [_____] to finance this purchase and certifies that the invoice(s) submitted with respect thereto are free misrepresentation and do not omit any material facts.

      Signed: [Name and Title]

      By: [Commercial Supplier]

d. If the Grant Recipient is paying the export transportation cost with other than funds granted under the Arms Export Control Act or FMS loan funds, and therefore the Commercial Supplier is not paying for the export transportation cost, the supplier will be required to submit a certification with the invoice as follows:

> The [Commercial Supplier] acknowledges U.S. Government funds are being used by the Government of [_____] to finance this purchase, and certifies that no shipping cost has been incurred by this firm for exporting this materiel from the United States, and therefore no cost is included in the sales price or otherwise included in the invoiced amount for which payment is requested.
>
> Signed: [Name and Title]
>
> By: [Commercial Supplier]

e. Before the DSCA authorizes the use of grant funds to finance any purchase from a Commercial Supplier, the Grant Recipient must ensure that the Commercial Supplier completes and submits to the DSCA the "Contractor's Certification and Agreement with the Defense Security Cooperation Agency." See Section C9.7. and;

5. Whenever funds from this grant are to be used to pay an amount owed on an FMS case, the Grant Recipient shall also provide a listing of the FMS cases for which payment is requested and the amounts applicable to each.