

Figure C9.F8. Special Billing Arrangement Sample Agreement

**SPECIAL BILLING ARRANGEMENT
BETWEEN
THE BANDARIA MINISTRY OF DEFENSE
AND
DEFENSE SECURITY COOPERATION AGENCY**

1. **Parties.** The parties to this agreement are:
 - a. The Ministry of Defense (MoD) of the Government of Bandaria;
 - b. The Defense Security Cooperation Agency (DSCA), an agency of the United States Department of Defense (DoD)
2. **Definitions.** For the purpose of this arrangement, the following definitions are applicable:

Key Term	Description
Working Capital (Available Funds)	The current country cash balance of both their Foreign Military Sales (FMS) Trust Fund account and, if applicable, an Interest Bearing Account, that has not been associated with a projected expenditure. Includes Termination Liability Reserve.
Special Reserve	A special reserve may be added for special requirements such as high value programs.
Baseline Reserve	The amount required for projected disbursements until the special bill payment arrives.
Working Fund	The amount required to cover future disbursements subsequent to payment of the special bill.

3. **Scope.** The scope of this arrangement:

This Special Billing Arrangement (SBA) is to more accurately project cash requirements for your FMS program, including reserves for termination liability, expenditure fluctuations and progress payments to contractors are covered as agreed in the Letters of Offer and Acceptance (LOAs). Additionally, it will identify any amounts needed to close cases and Initial Deposit and Amount Due with Acceptance shortages for basic cases and Amendments implemented without payment of the total amount identified, respectively.

This SBA will include all implemented FMS cases. Special cash requirements for Bandaria unique FMS programs such as F-35 and V-22 and their related support cases will be separately identified.

This SBA may result in billings that supersede the Amount Due and Payable as stated DD 645 Quarterly Billing Statement.

LOA payment schedules will not be adjusted to reflect the revised payment requested in the Special Bill Letter (SBL), but should be reviewed by the Implementing Agency on a regular basis and updated as needed (by Modification or Amendment) to more accurately reflect financial requirements.

The DoD reserves the right to bill out-of-cycle for additional amounts if the amount previously billed proves to be inadequate to support actual expenditures for the billed period. The MoD may pay additional funds against FMS cases at any time.

4. **Implementation of this Special Billing Arrangement:** This SBA is implemented as described in the annex attached.
5. **Effective Date:** This arrangement shall enter into force at [Date to be determined (TBD)], but not before all required signatures are subscribed hereon.
6. **Termination:** Notification of SBA termination must come in the form of an official letter which will provide 30 days' notice. Upon termination, billing reverts to the standard DD 645 billing statement. In order to facilitate this transition, DSCA will calculate a final bill letter with an amount due based on the latest DD 645 billing statement amount and your current cash position. When the next quarterly DD 645 billing statement is available, the FMS partner will recommence payment in accordance with that official billing statement. If the FMS partner is unable to pay the final amount due, then the FMS partner must notify the DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate (OBO/FPRE) Country Finance Director as soon as possible in order to work on restructuring payments in accordance with Chapter 9. Delayed repayment may result in FMS program restrictions.

For the Defense Security Cooperation Agency, U.S. Department of Defense	For the Government of Bandaria, Ministry of Defense
By _____ Signature	By _____ Signature
Name: _____ Title: Principal Director Business Operations Defense Security Cooperation Agency	Name: _____ Title: _____

Annex to Bandaria Special Billing Arrangement

Implementation: This SBA is implemented as described below:

- a. MoD will be billed [TBD] by a SBL identifying the payment requirements for the next billing period.
- b. The basis for the special bill calculation is monthly average disbursements including under collected accrued costs. DSCA will always bill the MoD for under collected accrued costs.
- c. DSCA will issue one SBL for the country.
- d. Each SBL will have a unique Bill number and which identifies the country code, month and year (e.g., BN0119).
- e. DSCA will issue the SBLs on or before the 5th business day of the month. The special bill will identify the due date of the payment.
- f. The SBL shall be addressed to: [MoD point of contact (POC), address and email]
- g. The USG POC for the SBL is: [DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate (OBO/FPRE)) POC, address and email]
- h. Payment Instructions: [Wire Transfer Instructions]
- i. MoD will notify DSCA in case of payments in addition to the SBL.