



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

DEC 31 2002

In reply refer to:  
I-02/018237-FM

MEMORANDUM FOR

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

DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(INTERNATIONAL PROGRAMS)  
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

DIRECTOR, DEFENSE FINANCE AND ACCOUNTING  
SERVICE (DENVER CENTER)

SUBJECT: FMS Case Review and Reconciliation Policy: Revised Matrix, New Checklist  
and Preparation Guidelines (DSCA 02-48)

REFERENCE: DSCA 01-22 (I-01/009498-FM) dated 19 Sep 2001

Reference memo provided policy documents resulting from the 2001 Finance Interagency Process Team (IPT). Attachment 2B of that package contained the initial FMS case review and reconciliation matrix. This memo provides an updated matrix, and issues both the associated checklist and guidelines for its preparation.

### FMS Case Review and Reconciliation Matrix

The FMS case reconciliation and closure community recently conducted an extensive review of the matrix furnished in DSCA 01-22. Many revisions were made as a result. The revised matrix is contained at **Attachment 1**. Features of the revised matrix are summarized below:

- Reorganized for better clarity.
- Expanded the “what to do” section.
- Inserted the “end of review timeframe” for each matrix item, to specify when the individual item no longer needs to be reviewed.
- Numbered the matrix items.
- Assigned a version and date to the matrix.
- Established a separate section for closure actions – while not part of the FMS case review/reconciliation requirement, it prescribes actions to ready a case for closure.
- Identified specific matrix items for which system values may not equal for active cases.

### Checklist and Preparation Guidelines

Attachment 2 of DSCA 01-22 specifies that “each checklist shall be signed and dated by the case manager conducting the review, and shall become an official document within the applicable case file.” To facilitate adherence to this policy, a checklist corresponding to the items on the matrix was developed. That checklist is furnished at **Attachment 2**.

An aid to assist those responsible for completing the checklist was also developed. The checklist preparation guidelines are found at **Attachment 3**.

With this memorandum and attachments hereto, *Attachment 2B to DSCA 01-22 is hereby superseded*. All other attachments to DSCA 01-22 remain valid, unless subsequently revised via separate financial policies issued by DSCA.

We hope these documents promote the efficiency and effectiveness in conducting FMS case reviews. We appreciate the assistance of the Military Departments and DFAS Denver in improving the FMS case review and reconciliation process. Should you have any questions, the DSCA point of contact is Mr. David Rude, Financial Policy Team Chief, (703) 604-6569 (DSN 664-6569), david.rude@osd.pentagon.mil.

  
James A. McQuality  
Comptroller

Attachments  
As stated

Copy to:  
Commandant, DISAM  
OUSD (Comptroller)/ODCFO/A&FP&A  
USASAC Alexandria  
USASAC New Cumberland  
NAVICP  
AFSAC

# FMS CASE REVIEW AND RECONCILIATION MATRIX

Version 3 (CURRENT)

Date of Last Revision: 24 December 2002

Previous editions obsolete

## Minimum Actions Required

ITEM NUMBER	WHAT TO REVIEW	LOA	DIFS	MILDEP SYSTEM 1/	CASE DIR	CASE FILE	CASE INGR RECORDS	FUNDING	DOCS SHIPMENT	DOCS	VOUCHERY	EXPENS	END OF REVIEW TIMEFRAME	WHAT TO DO (RECONCILIATION) 2/
<b>SECTION 1: GENERAL CASE DATA</b>														
1	Compare LOA values in DSAMS, DIFS and MILDEP systems	X	X	X									C3 (final closure) status	When DIFS does not equal LOA values contact Country Accountant at DFAS-DE/ADY for assistance
2	Compare LOA line values and associated CAS, and LSC in DSAMS, DIFS and MILDEP systems	X	X	X									C3 (final closure) status	When MILDEP system values do not equal LOA values contact legacy system point of contact to resolve. As appropriate, initiate LOA modification in DSAMS.
3	Ensure commitments are posted * not valid for Army			X		X *	X *						When C1 transaction/closure cert is sent to DFAS	Ensure commitments are posted; check program office (local records) against official accounting and MILDEP records; check with financial point of contact/comptroller to ensure records are accurately posted
4	Review commitments, obligations and expenditures with adjusted net case value	X	X	X	X	X	X	X			X		C3 (final closure) status	Review case accounting records to ensure that the case is not over committed, obligated or expended. Take appropriate action to clear erroneous commitments, obligations and expenditures. Examples include but are not limited to increasing the case value or resolving problem disbursements (which require intensive work and are discussed in item 20 below).
5	Ensure obligational authority (OA) issued does not exceed adjusted net case value	X	X	X	X		X	X					C3 (final closure) status	When OA received exceeds ADJ NCV, check case direction. Ensure OA value is net of CAS and LSC. Check with legacy system point of contact.
6	Ensure obligations (OBS) do not exceed OA issued	X		X	X	X	X	X					C3 (final closure) status	If obligations exceed OA received, check funding documents, check system to ensure duplications are not posted. If duplications posted contact financial point of contact/comptroller to deobligate. If obligations are valid, determine if all OA has been drawn down. If not, drawn down additional OA. If all case OA received and obligations exceed OA, a case mod/amend required to increase case value. Check financial system to ensure that correct use of appropriation indicators, pricing element, direct/indirect pricing codes were utilized as well as the correct Delivery Source Codes
7	Ensure total cumulative from inception (CFI) OBS on FIF2 Budget OA/OBS agrees with CFI OBS recorded in MILDEP System		X	X									Before transmittal of C1 transaction/ closure cert to DFAS	Compare MILDEP Obligations against DIFS total Obligations CUM FROM INCEPT. This amount is updated monthly. Work with DFAS-DE/ADY to correct also work with legacy system administrator.
8	Correct any rounding variances between MILDEP System and DIFS		X	X									Before transmittal of C1 transaction/ closure cert to DFAS	Any rounding variances should be brought to the attention of DFAS-DE/ADY to correct. Can impact CAS and LSC.
<b>SECTION 2: DELIVERY-RELATED DATA</b>														
9	Compare delivery quantities (LOA, ordered, delivered)	X	X	X	X	X	X	X	X				Before transmittal of C1 transaction/ closure cert to DFAS	Check case direction in program directives against LOA and ensure that quantities ordered/delivered do not exceed quantity ceilings specified in LOA. Also, compare ordered vs. delivered quantities in legacy systems (including DIFS). If reported quantities are determined to be invalid, initiate corrective action with legacy system point of contact or other point of contact. If reported quantities are valid, mod/amend LOA as appropriate.

1/ Includes MILDEP accounting systems

2/ Maximum use of automated tools is highly encouraged

**NOTE:** For **active** cases, systems may not equal for items 7,9,11,12,17,19 thru 23.

# FMS CASE REVIEW AND RECONCILIATION MATRIX

Version 3 (CURRENT)

Date of Last Revision: 24 December 2002

Previous editions obsolete

## Minimum Actions Required

ITEM NUMBER	WHAT TO REVIEW												END OF REVIEW TIMEFRAME	WHAT TO DO (RECONCILIATION) 2/
		LOA	DIFS	MILDEP SYSTEM 1/	CASE DIR	CASE FILE	CASE INGR RECORDS	FUNDING DOCS	SHIPMENT DOCS	VOUCHERS	EXPENS			
10	Ensure accurate and timely delivery reporting of ALL deliverables.	X	X	X	X	X	X	X	X	X	X	X	Before transmittal of C1 transaction/ closure cert to DFAS	Track deliveries of major items and ensure all deliveries (physical and financial) already completed are recorded. Also ensure that as deliveries are posted that NRC costs are appropriately billed. Ensure any NRC waivers that apply are not inadvertently billed. Track and ensure all other deliveries (physical and financial) already completed are recorded and ensure that future deliveries are recorded. If deliveries are delayed notify customer and prepare case mod/amend when required. When LOA lines/case becomes supply complete, ensure MILDEP system is annotated with a material/service complete date. Issue Notice of Supply Service Completion (NSSC) or its equivalent IAW local MILDEP/Command procedures. "E" bills will enable all material shipped to be reported to DIFS as shipped delivery reported. The "E" bill will be used if an actual bill was not received within 30 days of material shipment/service performance. Ensure "E" billings are converted to actual billings throughout the case and specifically at closure.
11	Ensure delivery reporting to correct LOA Line; also review Delivery Source Codes, Appropriation Indicators, Pricing Elements, Price Codes and other variables as appropriate	X	X	X	X	X	X	X	X	X	X	X	Before transmittal of C1 transaction/ closure cert to DFAS	Review funding documents, to check appropriation indicators, pricing elements, and delivery source codes to ensure that deliveries are posting correctly within MILDEP system and in DIFS (to the correct LOA line). If any part of the property accounting activity (PAA) field in the line of accounting is erroneous, work with financial point of contact/comptroller to correct. (Note: Army does not use PAA codes.) Make changes as necessary to DSAMS in order to keep case reconciled, this may require case mod to realign.
12	Compare DIFS deliveries to MILDEP deliveries.		X	X									Before transmittal of C1 transaction/ closure cert to DFAS	Compare MILDEP deliveries against DIFS. <u>Formula for comparison:</u> DLVR ART SVC COST minus DLVR CAS (NON LIQ and LIQ) minus LSC STOCK FUND should equal MILDEP expenditures. Depending on the age of the case, and if STOCK FUND was used, the STOCK FUND would have to be added to the MILDEP deliveries in order to balance between the two systems. Ensure all positive transaction control rejects are cleared. Work with DFAS-DE/ADY to correct.
13	Resolve SDRs		X	X		X	X	X	X	X	X	X	Before transmittal of C1 transaction/ closure cert to DFAS	Resolve SDRs within published timeframes. Work with DFAS-DE/ADY as necessary to resolve financial SDRs.
<b>SECTION 3: EXPENDITURES/DISBURSEMENTS</b>														
14	Ensure ADMIN, CAS and Royalty Fee disbursements do not exceed estimated ADMIN, CAS and Royalty Fees		X	X		X	X	X				X	C3 (final ACCP closure)/ C1 (non-ACCP closure) status	If ADMIN, CAS, or Royalty Fees disbursements exceed LOA estimates, check funding documents, along with obligations and expenditures against MILDEP system. If duplications posted contact financial point of contact/comptroller to correct. If valid prepare case mod/amend to realign funds or if required to increase case. Work with DFAS-DE/ADY to make summary changes to SEC 21 and SEC 22 and associated CAS costs. Also check Delivery Source Codes to ensure posting to SEC 21 and SEC 22.
15	Ensure LSC disbursements do not exceed estimated LSC		X	X		X	X	X				X	Before transmittal of C1 transaction/ closure cert to DFAS	If LSC disbursements exceed estimates, verify accuracy of Generic Codes used. Also, check funding documents, along with obligations and expenditures against MILDEP system. If duplications posted contact financial point of contact/comptroller to correct. If valid prepare case mod/amend to realign funds or if required to increase case. LSC corrections must be done at the individual requisition level/line of accounting. Remember that DIFS is the originating source of the LSC disbursement data.

1/ Includes MILDEP accounting systems

2/ Maximum use of automated tools is highly encouraged

**NOTE:** For *active* cases, systems may not equal for items 7,9,11,12,17,19 thru 23.

# FMS CASE REVIEW AND RECONCILIATION MATRIX

Version 3 (CURRENT)

Date of Last Revision: 24 December 2002

Previous editions obsolete

## Minimum Actions Required

ITEM NUMBER	WHAT TO REVIEW												END OF REVIEW TIMEFRAME	WHAT TO DO (RECONCILIATION) 2/		
		LOA	DIFS	MILDEP SYSTEM 1/	CASE DIR	CASE FILE	CASE INGR	RECORDS	FUNDING	DOCS	SHIPMENT	DOCS			VOUCHERS	EXPENS
16	Ensure Accessorial costs in DIFS do not exceed Ordered Accessorial and LOA value	X	X	X		X	X	X	X	X					Before transmittal of C1 transaction/ closure cert to DFAS	Ensure accessorial costs do not exceed LOA estimates. If accessorial costs exceed, review LOA, case direction, shipping documents and actual bills to determine how items were packaged, crated, handled or transported. What changes were made? Where these reflected in the transportation bill code in the requisition? If erroneous, correct. May require a DIFS history search. Work with DFAS-DE/ADY.
17	Compare DIFS Disbursements to MILDEP disbursements. Ensure DIFS TOTAL DLVR COST ((F1C1 transaction) does not exceed DISB TOTAL (FIS2)) values - along with CAS and LSC		X	X											C3 (final ACCP closure)/ C1 (non-ACCP closure) status	ART SVC DISB on FIS2 should not exceed MILDEP disbursements. When MILDEP disbursements are not equal to DIFS disbursements, determine missing dollar amounts. When DIFS disbursements exceed MILDEP disbursements, obtain necessary detailed reports to determine which transactions did not report to DIFS. Work with DFAS-DE/ADY to correct.
18	Reconcile DIFS to DIFS: DIFS FIC1 transaction to DIFS FIS2 -- DIFS performance/case = DIFS disbursements also review CAS, LSC, ADMIN		X												Before transmittal of C1 transaction/ closure cert to DFAS	Complete an internal comparison of DIFS by reviewing the DIFS FIC1 transaction against DIFS FIS2 to ensure performance and disbursements as well as CAS, LSC and ADMIN are in balance. Any discrepancies work with DFAS-DE/ADY to correct
19	Review and resolve Adverse Financial Condition (AFC) and Financially Troubled Condition (FTC) cases (to include ensuring expenditures do not exceed obligations)		X	X		X	X	X					X		C3 (final ACCP closure)/ C1 (non-ACCP closure) status	If an AFC/FTC condition exists, check funding documents, validate commitments/obligations/expenditures and check system to ensure duplications are not posted. If duplications posted contact financial point of contact/comptroller to correct. If expenditures are valid, determine if all OA has been drawn down. If not, drawn down additional OA and increase obligations. If all case OA received and obligations exceed OA, a case mod/amend required. Increase case.
20	Resolve problem disbursements		X	X		X	X	X					X		Before transitioning to C3 status	If case has problem disbursements, review funding documents, validate commitments, obligations and expenditures against MILDEP system, if valid and no additional OA available prepare case mod/amend to increase case; or realign funds via case mod/amend. If invalid prepare correction package IAW local MILDEP/Command procedures and forward to financial point of contact/comptroller for processing. Refer to DoDFMR, Vol 3, Chapter 11, DSCA policy memo 02-28 dated 31 Jul 2002, and DFAS-DE/ADY memo dated 17 Jun 2002 for additional information and guidance on resolving problem disbursements.
21	Obtain billings and current information on reimbursable documents.			X		X	X	X					X		C3 (final ACCP closure)/ C1 (non-ACCP closure) status	Obtain finals on reimbursable documents within 90 days after funding document expires. Field activities should submit quarterly billing information. To avoid multiple requests, send a consolidated list of missing finals to the field activity performing the work. Keep on top of reimbursable documents.
22	Ensure all travel orders/vouchers are liquidated		X	X		X	X	X					X		C3 (final ACCP closure)/ C1 (non-ACCP closure) status	Travel Vouchers. Travel vouchers are a reconciliation problem. Ensure that vouchers are submitted within 5 days of travel completion. Obtain copy of travel voucher when paid by DFAS. <u>For invitational travel orders or when travel funds are sent to other activities, do not issue additional travel funds until all paid vouchers have been received.</u> Upon receipt of paid travel voucher ensure all travel is liquidated.

1/ Includes MILDEP accounting systems

2/ Maximum use of automated tools is highly encouraged

**NOTE:** For *active* cases, systems may not equal for items 7,9,11,12,17,19 thru 23.

# FMS CASE REVIEW AND RECONCILIATION MATRIX

Version 3 (CURRENT)

Date of Last Revision: 24 December 2002

Previous editions obsolete

## Minimum Actions Required

ITEM NUMBER	WHAT TO REVIEW	LOA	DIFS	MILDEP SYSTEM 1/	CASE DIR	CASE FILE	CASE INGR RECORDS	FUNDING	DOCS	SHIPMENT	DOCS	VOUCHER	EXPENS	END OF REVIEW TIMEFRAME	WHAT TO DO (RECONCILIATION) 2/
23	Obtain current information on contracts, including information on future deliveries (when will contract be physically complete) and financial billing information (when does contractor anticipate submitting final voucher when contract is physically complete)			X	X	X	X	X	X	X				C3 (final ACCP closure)/ C1 (non-ACCP closure) status	For acquisition items delivered under a Firm Fixed Price (FFP) contract (without award or incentive fees) billing should not be an issue. If the contract is other than FFP contract (e.g., cost plus, incentive or award fees), check MOCAS to determine when last physical delivery will occur (as of that date) and keep a copy of query in file. Check MOCAS, work with the PM, ACO, PCO to obtain current contract information. When contract become physically complete, the contractor has submitted the final voucher and a final audit has been completed obtain a copy of the final contract mod and PK9/DD1594. Use these documents to clear outstanding net commitments and obligations in the MILDEP financial/accounting systems. Follow MILDEP/Command procedures for audit trail when documentation is not available. Remember that for Non-ACCP customers to keep track of current mods let against long running multi appropriation funded contracts to advise when last deliveries will occur.
24	Ensure liquidated progress payments do not exceed PRG PMT RPT (note: N/A for "E" billings)		X											Before transmittal of C1 transaction/ closure cert to DFAS	Compare DIFS PRG PMT RPT against SEC 21 and SEC 22 liquidating values. The sum of SEC 21 and SEC 22 LIQ values minus LSC should equal PRG PMT RPT. If variance greater than LSC work with DFAS-DE/ADY to correct.
25	Ensure no credit values exist in DIFS		X											Before transmittal of C1 transaction/ closure cert to DFAS	Review DIFS to ensure credit (CR) balance does not exist - too many credits processed. Run DIFS history search and compare against MILDEP records, identify individual transactions and process corrections
<b>SECTION 4: SUMMARY FINANCIAL REVIEW</b>															
26	Conduct payment schedule review	X	X	X	X	X	X	X	X	X				When case is certified as supply/services complete	Conduct payment schedule review based on case 'anniversary' implementation date, in preparation for an external FMS review or when the case value changes by 10% or more. Pull various MILDEP and DIFS queries or download system data in order to analyze and validate accuracy of existing payment schedule, or to determine that the payment schedule should be changed.
27	Prepare for various financial review meetings	X	X	X	X	X	X	X	X					When case is certified for interim or final closure (whichever occurs first)	<p>Prepare for various Case Reconciliation, Program and Financial Management reviews as tasked. Pull various MILDEP and DIFS queries to obtain data or download system as applicable to complete MILDEP/Command reporting format. Be prepared to advise customer, at a minimum, the following logistics and financial information that pertains to each case: 1) the estimated or actual delivery date at the LOA line level; 2) the estimate or actual date when the entire case will become supply complete; 3) if excess funds are available identify possible case reduction value and completion date; 4) indicate whether any open SDRs exist and progress to resolve (if known); 5) identify when case will be submitted by the MILDEP to DFAS for closure, provide an estimated case closure certificate value and any monies that will be return at closure. Note any imbalances, discrepancies and advise what actions have been or will be undertaken to resolve.</p> <p>Where contracts are involved, working with the PM, ACO, PCO and reviewing MOCAS (or other system) establish current information on the contract: when will entire contract be physically complete, when does contractor anticipate submitting final voucher. What about reimbursables?</p>

1/ Includes MILDEP accounting systems

2/ Maximum use of automated tools is highly encouraged

**NOTE:** For *active* cases, systems may not equal for items 7,9,11,12,17,19 thru 23.

# FMS CASE REVIEW AND RECONCILIATION MATRIX

Version 3 (CURRENT)

Date of Last Revision: 24 December 2002

Previous editions obsolete

## Minimum Actions Required

ITEM NUMBER	WHAT TO REVIEW	LOA	DIFS	MILDEP SYSTEM 1/	CASE DIR	CASE FILE	CASE INGR	RECORDS	FUNDING	DOCS	SHIPMENT	DOCS	VOUCHERY	EXPENS	END OF REVIEW TIMEFRAME	WHAT TO DO (RECONCILIATION) 2/
<b>SECTION 5: ACTIONS TO PREPARE CASE FOR CLOSURE (NOTE: NOT PART OF ANNUAL REVIEW REQUIREMENT)</b>																
C-1	Conduct Final Reconciliation of MILDEP and DIFS systems	X	X		X	X									C3 (final ACCP closure)/ C1 (non-ACCP closure) status	As appropriate reconcile and close case at lowest level (line of accounting, requisition, PDLI, funding document) as items are delivered to enhance efficiency of overall case closure. Notify the customer as LOA lines are supply/services complete and when the case as a whole is supply/services complete. Also reduce internal program/case directives to return obligational authority back to the case at case level. Conduct final reconciliation of MILDEP and DoD systems to ensure that systems are reconciled and in balance.
C-2	Determine how the case will be submitted for closure - ACCP interim, ACCP direct final, or non-ACCP closure	X	X	X		X	X								Before transmittal of C1 transaction/ closure cert to DFAS	Determine if customer is ACCP or non-ACCP participant. If ACCP, determine if case will be submitted for interim or final closure. If non-ACCP is utilized, validate all funding documents finalized, all contracts associated with the case physically completed and contract completion statements issued. Refer to detailed ACCP and non-ACCP closure procedures in DoDFMR, SAMM and forthcoming FMS Case Reconciliation and Closure Manual.
C-3	Determine if zero closure value applies	X	X	X		X	X								Before transmittal of C1 transaction/ closure cert to DFAS	If case was never used and is a potential zero closure value candidate, contact DSCA/FM to determine if ADMIN costs are applicable. Attach/provide DSCA/FM response to DFAS-DE/ADY with case closure certificate if case will closure at zero.
C-4	Convert all estimated billings to actual billings		X	X		X	X	X	X	X					Before certifying in C2 or C3 status, whichever occurs first	Prior to submitting any case for Interim or Final closure, ensure all Estimated "E" delivery billings have been converted to Actual "A" delivery billings.
C-5	Develop ULO Value (applies only for ACCP interim/C2 closure type)		X	X	X	X	X	X				X			Before transmittal of C1 transaction/ closure cert to DFAS	If the customer is an ACCP participant and the case will be submitted for interim closure, develop a ULO value for the case as a whole. This pertains to ACCP/EACC interim closure. Simply stated, the ULO value is the difference between gross obligations and expenditures, plus any applicable CAS. The ULO value is determined by reviewing the MILDEP system and identifying financially open obligation records, including both direct cite and reimbursable funding documents (e.g., contracts, MILSBILLS and travel documents). Calculate the ULO by adding all net commitments, net obligations and applicable CAS percentages for the contract-related funding documents. Annotate the total ULO value and applicable CAS values on the case closure certificate. Prepare any worksheets as required by MILDEP/Command procedures and submit to DFAS-DE/ADY prior to submitting the case closure certificate.
C-6	Conduct activities within MILDEP system to return all monies back to case level			X		X									Before transmittal of C1 transaction/ closure cert to DFAS	Reduce internal program/case directives/program directive line items to return obligational authority back to the case at case level
C-7	Prepare case closure certificate		X	X		X	X								Before transmittal of C1 transaction/ closure cert to DFAS	Prepare case closure certificate and case closure package for review IAW MILDEP/Command procedures. A case closure certificate is not required for cases identified as DSCA EACC closure candidates. A certificate should be passed to DFAS-DE/ADY for MILDEP/Command EACC candidates.
C-8	Forward case to DFAS-DE/ADY via MILDEP system		X	X											Before transmittal of C1 transaction/ closure cert to DFAS	When review complete and certificate signed, push case for closure in MILDEP system. Retain a signed hard copy of closure certificate in the case file, e-mail the closure certificate to DFAS-DE/ADY. Ensure internal distribution of electronic certificates IAW MILDEP/Command policy. A current copy of the case closure certificate is attached.

1/ Includes MILDEP accounting systems

2/ Maximum use of automated tools is highly encouraged

**NOTE:** For *active* cases, systems may not equal for items 7,9,11,12,17,19 thru 23.



# FMS CASE REVIEW AND RECONCILIATION MATRIX

Version 3 (CURRENT)

Date of Last Revision: 24 December 2002

Previous editions obsolete

## Minimum Actions Required

ITEM NUMBER	WHAT TO REVIEW	LOA	DIFS	MILDEP SYSTEM 1/	CASE DIR	CASE FILE	CASE MGR RECORDS	FUNDING	DOCS SHIPMENT	DOCS VOUCHER	EXPENS	END OF REVIEW TIMEFRAME	WHAT TO DO (RECONCILIATION) 2/
C-9	Ensure C1 closure transaction has processed accurately to DIFS		X	X	X							C3 (final ACCP closure)/ C1 (non-ACCP closure) status	DFAS reviews case closure certificate against DIFS, accomplishes necessary DIFS actions and closes case - identified on DD645. Should DFAS-DE/ADY have questions on the closure certificate they should contact the point of contact list on the certificate for clarification and assistance. MILDEP should ensure the C1 closure transaction has posted accurately in DIFS and query the DIFS case closure inventory record to determine if any inhibitors to closure exist. After receipt of a C3 closure transaction from DIFS, the MILDEP should ensure that both DIFS and the MILDEP system accurately reflect the same status and dollar values.
C-10	Maintain archive file of closed case			X	X		X	X	X			Normally, 10 Years after C3 (final ACCP closure/ C1 non-ACCP closure) status	Refer to DoDFMR, Volume 15, Chapter 6 and DoDFMR, Volume 1, Chapter 9 for official DoD policy on the retention of FMS case files. Depending on MILDEP/Command policy, keep interim closed cases in house and send final closure to archives IAW local record disposition standards. Also refer to any specific or unique guidance issued by DSCA or other activities for cases of special interest (e.g., belonging to countries under suspensions/sanctions).

1/ Includes MILDEP accounting systems

2/ Maximum use of automated tools is highly encouraged

**NOTE:** For *active* cases, systems may not equal for items 7,9,11,12,17,19 thru 23.

## FMS CASE REVIEW AND RECONCILIATION CHECKLIST

FMS Case Designator:     **XX-X-XXX**

Reviewer Name:             \_\_\_\_\_

Reviewer Title/Position:   \_\_\_\_\_

Data 'As of' Date:         MM/YYYY

Review Event (check one)   \_\_\_   **Anniversary of basic case implementation**  
   \_\_\_   **Preparation for FMS review with Purchaser**  
   \_\_\_   **Case value adjustment**

***GENERAL COMMENT: Refer to "Case Review and Reconciliation Matrix" for a description of what exactly to review, what systems and source documents pertain, when does the individual item no longer need to be reviewed, and how to resolve issues that arise. Include in the "Remarks" column below corrective actions taken to reconcile discrepancies discovered during the review.***

Item Number	Checklist Item	Item Verified (Yes/No/ N/A) (Circle One)	Remarks
<b>SECTION 1: GENERAL CASE DATA</b>			
1	LOA values in DSAMS, DIFS and MILDEP systems equal.	YES NO N/A	
2	LOA line values and associated CAS and LSC in DSAMS, DIFS and MILDEP systems equal.	YES NO N/A	
3	Commitments posted.	YES NO N/A	
4	Commitments, obligations and expenditures reviewed.	YES NO N/A	
5	OA received does not exceed adjusted net case value.	YES NO N/A	
6	Obligations do not exceed OA received.	YES NO N/A	
7	Cumulative from inception (CFI) obligations in DIFS FIF2 equal CFI obligations recorded in MILDEP system.	YES NO N/A	
8	DSAMS/DIFS/MILDEP system rounding variances corrected.	YES NO N/A	
<b>SECTION 2: DELIVERY-RELATED DATA</b>			
9	Delivery quantities compared.	YES NO N/A	
10	All deliveries reported in an accurate and timely manner.	YES NO N/A	

Item Number	Checklist Item	Item Verified (Yes/No/ N/A) (Circle One)	Remarks
11	Deliveries reported to correct line; DSCs, appropriation indicators, pricing elements, price codes and other variables verified.	YES NO N/A	
12	DIFS deliveries compared with MILDEP deliveries.	YES NO N/A	
13	SDRs resolved.	YES NO N/A	
<b>SECTION 3: EXPENDITURES/DISBURSEMENTS</b>			
14	Admin, CAS and royalty fee disbursements do not exceed estimated Admin, CAS and royalty fees.	YES NO N/A	
15	LSC disbursements do not exceed estimated LSC.	YES NO N/A	
16	Accessorial costs in DIFS do not exceed estimated accessorials.	YES NO N/A	
17	DIFS disbursements compared with MILDEP disbursements.	YES NO N/A	
18	DIFS FIC1 reconciled with DIFS FIS2.	YES NO N/A	
19	Adverse Financial Condition (AFC)/Financially Troubled Case (FTC) issues resolved.	YES NO N/A	
20	Problem disbursements resolved.	YES NO N/A	
21	Billings and current information obtained on all reimbursable documents.	YES NO N/A	
22	All travel orders/vouchers liquidated.	YES NO N/A	
23	Current information on contracts obtained.	YES NO N/A	
24	Liquidated progress payments do not exceed progress payments reported (N/A for "E" bills).	YES NO N/A	
25	No credit values exist in DIFS.	YES NO N/A	
<b>SECTION 4: SUMMARY FINANCIAL REVIEW</b>			
26	Payment schedule reviewed.	YES NO N/A	
27	FMS review data prepared	YES NO N/A	

**LOA Document Revision**

As a result of this review, the following LOA document revision information applies:

A new Modification was prepared    YES    NO    N/A    If YES, cite Mod #\_\_\_\_\_

A new Amendment was prepared    YES    NO    N/A    If YES, cite Amendment #\_\_\_\_\_

**Verification**

I certify that the above information is true and correct, to the best of my knowledge.

\_\_\_\_\_  
Reviewer Signature

\_\_\_\_\_  
Date Review Completed

**Attachments**

List each separately, as applicable

**Distribution**

FMS case file (mandatory repository)

Other (list separately, as applicable)

## FMS CASE REVIEW AND RECONCILIATION CHECKLIST PREPARATION GUIDELINES

**FMS Case Designator:**     **XX-X-XXX**

**Reviewer Name:**             \_\_\_\_\_

**Reviewer Title/Position:**   \_\_\_\_\_

**Data 'As of' Date:**       **MM/YYYY**

**Review Event (check one)**   \_\_\_ **Anniversary of basic case implementation**  
    \_\_\_ **Preparation for FMS review with Purchaser**  
    \_\_\_ **Case value adjustment**

***GENERAL COMMENT:** Refer to “Case Review and Reconciliation Matrix” for a description of what exactly to review, what systems and source documents pertain, when does the individual item no longer need to be reviewed, and how to resolve issues that arise. Include in the “Remarks” column below corrective actions taken to reconcile discrepancies discovered during the review; this would, unless otherwise noted below, apply to any checklist item for which the reply shown is NO.*

<b>Item Number</b>	<b>Checklist Item</b>	<b>Item Verified (Yes/No/ N/A) (Circle One)</b>	<b>Expected Response ***</b>	<b>Guidelines</b>
<b>SECTION 1: GENERAL CASE DATA</b>				
1	LOA values in DSAMS, DIFS and MILDEP systems equal.	YES NO N/A	<b>YES</b>	Systems interfaces should identify discrepancies immediately.
2	LOA line values and associated CAS and LSC in DSAMS, DIFS and MILDEP systems equal.	YES NO N/A	<b>YES</b>	Systems interfaces should identify discrepancies immediately.
3	Commitments posted.	YES NO N/A	<b>YES</b>	N/A is acceptable if no requirements identified thus far.
4	Commitments, obligations and expenditures reviewed.	YES NO N/A	<b>YES</b>	All entries must be reviewed for accuracy, even if the amounts equal zero.

\*\*\* “Expected” up until the end of review timeframe, as prescribed on the matrix. After the review timeframe has elapsed, a response of “N/A” is always acceptable.

<b>Item Number</b>	<b>Checklist Item</b>	<b>Item Verified (Yes/No/ N/A) (Circle One)</b>	<b>Expected Response ***</b>	<b>Guidelines</b>
5	OA received does not exceed adjusted net case value.	YES NO N/A	<b>YES</b>	If OA received, this is a business rule that cannot be violated. N/A is acceptable if no OA received thus far.
6	Obligations do not exceed OA received.	YES NO N/A	<b>YES</b>	If obligations exist, this is a business rule that cannot be violated. N/A is acceptable if no OA issued thus far.
7	Cumulative from inception (CFI) obligations in DIFS FIF2 equal CFI obligations recorded in MILDEP system.	YES NO N/A	<b>YES</b>	Obligations should match except for active cases. N/A is acceptable if no obligations posted thus far.
8	DSAMS/DIFS/MILDEP system rounding variances corrected.	YES NO N/A	<b>YES</b>	Systemic rounding differences between DSAMS and DIFS are being worked.
<b>SECTION 2: DELIVERY-RELATED DATA</b>				
9	Delivery quantities compared.	YES NO N/A	<b>YES</b>	Delivered quantity cannot exceed ordered quantity. Quantities must be compared, even if the values equal zero.
10	All deliveries reported in an accurate and timely manner.	YES NO N/A	<b>YES</b>	N/A is acceptable if no physical deliveries or service performance occurred.
11	Deliveries reported to correct line; DSCs, appropriation indicators, pricing elements, price codes and other variables verified.	YES NO N/A	<b>YES</b>	N/A is acceptable if physical deliveries or service performance occurred.
12	DIFS deliveries compared with MILDEP deliveries.	YES NO N/A	<b>YES</b>	Deliveries should match; only exception is to accommodate lag time for reporting of deliveries to DIFS.
13	SDRs resolved.	YES NO N/A	<b>YES or NO</b>	N/A if no outstanding SDRs; NO is acceptable if open SDRs exist. YES is acceptable if all previously open SDRs were completed.
<b>This row left blank intentionally.</b>				

\*\*\* “Expected” up until the end of review timeframe, as prescribed on the matrix. After the review timeframe has elapsed, a response of “N/A” is always acceptable.

**VERSION 3 / Date of Last Revision: 24 December 2002 / Previous editions obsolete**

Item Number	Checklist Item	Item Verified (Yes/No/ N/A) (Circle One)	Expected Response ***	Guidelines
<b>SECTION 3: EXPENDITURES/DISBURSEMENTS</b>				
14	Admin, CAS and royalty fee disbursements do not exceed estimated Admin, CAS and royalty fees.	YES NO N/A	<b>YES</b>	N/A would not typically apply since the front-load admin is normally disbursed upon basic case implementation.
15	LSC disbursements do not exceed estimated LSC.	YES NO N/A	<b>YES</b>	N/A is acceptable if LSC does not apply to any deliveries reported thus far.
16	Accessorial costs in DIFS do not exceed estimated accessorials.	YES NO N/A	<b>YES</b>	N/A is acceptable if accessorials not incurred thus far.
17	DIFS disbursements compared with MILDEP disbursements.	YES NO N/A	<b>YES</b>	Systems must be compared.
18	DIFS FIC1 reconciled with DIFS FIS2.	YES NO N/A	<b>YES</b>	Records should be in agreement. N/A is acceptable if no disbursements and progress payments reported thus far.
19	Adverse Financial Condition (AFC)/ Financially Troubled Case (FTC) issues resolved.	YES NO N/A	<b>YES</b>	Business rule that cannot be violated. N/A is acceptable if no AFC/FTC issues exist.
20	Problem disbursements resolved.	YES NO N/A	<b>YES</b>	Problem disbursement resolution timeline of NTE 120 days applies. N/A is acceptable if no problem disbursements exist.
21	Billings and current information obtained on all reimbursable documents.	YES NO N/A	<b>YES</b>	N/A is acceptable if no reimbursable documents processed.
22	All travel orders/vouchers liquidated.	YES NO N/A	<b>YES</b>	N/A is acceptable if no travel orders/vouchers processed.
23	Current information on contracts obtained.	YES NO N/A	<b>YES</b>	N/A is acceptable if case is not supported by contracts (i.e., SOS for all lines = 'S' and no progress payments reported in DIFS).

\*\*\* "Expected" up until the end of review timeframe, as prescribed on the matrix. After the review timeframe has elapsed, a response of "N/A" is always acceptable.

**VERSION 3 / Date of Last Revision: 24 December 2002 / Previous editions obsolete**

<b>Item Number</b>	<b>Checklist Item</b>	<b>Item Verified (Yes/No/ N/A) (Circle One)</b>	<b>Expected Response ***</b>	<b>Guidelines</b>
24	Liquidated progress payments do not exceed progress payments reported (N/A for “E” bills).	YES NO N/A	<b>YES</b>	N/A is acceptable if no progress payments reported thus far.
25	No credit values exist in DIFS.	YES NO N/A	<b>YES</b>	Business rule that should not be violated. N/A is acceptable if no credit values exist.
<b>SECTION 4: SUMMARY FINANCIAL REVIEW</b>				
26	Payment schedule reviewed.	YES NO N/A	<b>YES</b>	Business rule that cannot be violated.
27	FMS review data prepared	YES NO N/A	<b>YES</b>	YES must apply if the event for this case review is in preparation for an FMS review. NO or N/A are acceptable if other events are checked as the basis for this case review.

\*\*\* “Expected” up until the end of review timeframe, as prescribed on the matrix. After the review timeframe has elapsed, a response of “N/A” is always acceptable.

**VERSION 3 / Date of Last Revision: 24 December 2002 / Previous editions obsolete**



**LOA Document Revision**

As a result of this review, the following LOA document revision information applies:

A new Modification was prepared    YES    NO    If YES, cite Mod #\_\_\_\_\_

*Expected response depends on the reconciliation actions required as a result of the review.*

A new Amendment was prepared    YES    NO    If YES, cite Amendment #\_\_\_\_\_

*Typically, the expected response would be NO, since reconciliation actions do not normally result in a change to the LOA scope.*

**Verification**

I certify that the above information is true and correct, to the best of my knowledge.

\_\_\_\_\_  
Reviewer Signature

\_\_\_\_\_  
Date Review Completed

**Attachments**

List each separately, as applicable

**Distribution**

FMS case file (mandatory repository)

Other (list separately, as applicable)

\*\*\* “Expected” up until the end of review timeframe, as prescribed on the matrix. After the review timeframe has elapsed, a response of “N/A” is always acceptable.

**VERSION 3 / Date of Last Revision: 24 December 2002 / Previous editions obsolete**