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23 SEP 2013

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DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE
AND ACCOUNTING SERVICE – INDIANAPOLIS OPERATIONS
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

SUBJECT: Release of Security Assistance Management Manual (SAMM) Chapter 16 DSCA Policy 13-36, [SAMM E-Change 230]

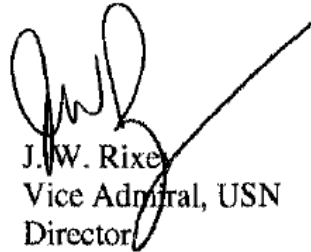
References: (a) Defense Security Cooperation Agency Manual (DSCAM) 5105.38-M, "Security Assistance Management Manual (SAMM)," April 30, 2013
(b) Department of Defense Manual (DoDM) 5105.65-M, "Foreign Military Sales (FMS) Case Reconciliation and Closure Manual (RCM)," August 11, 2004

The Defense Security Cooperation Agency (DSCA) hereby releases Chapter 16 of the SAMM (Reference (a)) for use throughout the Security Cooperation (SC) community. The chapter is a compilation of the reconciliation and case closure policies for Foreign Military Sales (FMS) and Building Partner Capacity cases, and a consolidation of policies pertaining to case reconciliation and closure from Chapter 6 of the SAMM. In addition, the attached document identifies other changes made throughout the SAMM necessitated by this consolidation.

The FMS Case Reconciliation and Closure Manual (Reference (b)) is hereby rescinded. Relevant policy-related information from Reference (b) has been incorporated into Chapter 16.

Case reconciliation and closure processes and procedures are contained in the new Case Reconciliation and Closure Guide, to be released separately.

Chapter 16 of the SAMM is available at www.samm.dsc.mil. If you have any questions regarding this change, please contact Brad Bittinger, DSCA DBO/FPA, (703) 602-1360, e-mail: brad.bittinger@dsc.mil.



J.W. Rixey
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Director

Attachment:
SAMM Changes

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
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NORTHCOM
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**Release of the Security Assistance Management Manual (SAMM) Chapter 16
(Defense Security Cooperation Agency (DSCA) Policy 13-36, SAMM E-Change 230)**

The release of chapter 16 requires the following changes to the SAMM:

1. The addition of Appendix 7 “Reconciliation and Closure Guide” to include an entry on the Appendices list page
2. Revise Table of Contents, C6 name column to “Foreign Military Sales Case Implementation and Execution”. Revise all subsequent references of “Foreign Military Sales Case Implementation, Execution, and Closure” to “Foreign Military Sale Case Implementation and Execution” throughout the SAMM where it occurs.
3. Add a new C6.F2 to ESAMM Figures, Chapter 6 titled, “C6.F2. Requirements for General Case Reviews”. Renumber all subsequent figures in ESAMM Table, Chapter 6 and throughout the SAMM where referenced.
4. Delete table C6.T9. “Accelerated Case Closure Eligibility” from ESAMM Table, Chapter 6
5. Add a new C6.T6., titled “Scope of FMS Reviews” to ESAMM Tables, Chapter 6 and renumber all subsequent tables in ESAMM Table, Chapter 6 and throughout the SAMM where referenced
6. Delete DoD Manual 5105.65-M, Foreign Military Sales (FMS) Case Reconciliation and Closure Manual (RCM) from ESAMM References under Manuals
7. Revise the title of Chapter 6 to “Foreign Military Sales Case Implementation and Execution”
8. Revise first paragraph of Chapter 6 to “Chapter 6, Foreign Military Sales Case Implementation and Execution discusses how accepted Letters of Offer and Acceptance (LOA) are implemented, executed, or cancelled.
9. Revise C6.7.2.1.2.3 to "Refer to Chapter 16 for comprehensive policy and the Case Reconciliation and Closure Guide (RCG), SAMM Appendix 7, for process and procedural information related to reconciliation and closure."
10. Delete section 6.8 “Foreign Military Sales (FMS) Case Closure” of Chapter 6
11. Revise C6.9.1. by replacing “See Section C6.8.4.2.” with “See Section C16.4.7.”
12. Revise C15.6.1 by replacing "DoD 5105.65-M, Foreign Military Sales (FMS) Case Reconciliation and Closure Manual (RCM)" with "Chapter 16 and the Reconciliation and Closure Guide (RCG)"
13. Revise C6.5 title from “Foreign Military Sales Case Reconciliation and Review to “Case Reviews”
14. Replace Section 6.5 with the following:

C6.5. Case Reviews

The USG SC community goal is to provide consistent, incomparable support to our purchasers. Towards this goal, thorough reviews are conducted periodically to ensure accurate and timely status of customer's programs. There are several categories of reviews: USG Annual Case Reviews/Reconciliations, which are discussed in SAMM, Chapter 16; Financial Management Reviews outlined in SAMM, Chapter 9; and General FMS Case Reviews that are detailed in the following sections.

C6.5.1. General Case Reviews. Reviews, including those with the customer, are an excellent opportunity for ensuring prompt issue resolution, data integrity, and accurate accountability. General case review types are outlined in Table C6.T6.

C6.5.2. Reasons for Case Review. The following items influence a decision about the need for a case review: USG resources, desires or requirements of the FMS purchaser, political visibility or sensitivity, political-military changes in a region, and the size and complexity of the program. Review objectives must be clearly identified, including why the FMS review is being conducted, as well as post-review deliverables and desired outcomes. A purchaser nation's internal policy or legislation may require periodic information about the status of country accounts, issues, cases, and programs. The preferences and desires of the purchaser regarding the conduct of reviews should be accommodated to the greatest extent possible. See Section C6.5.6. for guidance about appropriate funding for these reviews. The number and type of reviews should be documented in the LOA as explained in the manpower matrix in Table C9.T2.

C6.5.3. Frequency and Timing of Case Reviews. The frequency and timing of reviews depend on the urgency of the review, the meeting purpose, purchaser funding, budget timelines, and program events. FMS case reviews should be conducted at least once per calendar year but they can be done more frequently if needed. For external reviews (those that involve the purchaser), the frequency and timing are coordinated with the purchaser. Table C6.T5. shows the normal frequency and timing of each review. When scheduling a review, purchaser and USG holidays, weekends, and personnel changes (e.g., SCO, purchaser leadership) should be considered. Because FMS reviews for a specific purchaser or program often involve many of the same people, reviews should be consolidated whenever practical.

Table C6.T5. Frequency and Timing of Reviews Matrix

Review Type	USG Representation	Frequency	Timing
Policy-level	<ul style="list-style-type: none">• OSD/Policy (USG chair)• Department of State (DoS)• Joint Chiefs of Staff• Defense Security Cooperation Agency	Varies - some reviews are held on a regular basis, usually annually.	Based on determination by policy-level officials.

Review Type	USG Representation	Frequency	Timing
	<p>(DSCA) (may chair a subcommittee or working group)</p> <ul style="list-style-type: none"> • MILDEPs/IAs (if requested) • OUSD(AT&L), OUSD(C) (if requested) • Others as needed 		
Country-level	<ul style="list-style-type: none"> • DSCA (USG chair) • MILDEPs/IAs (if required) • SCOs • Defense Finance & Accounting Service (DFAS) (if required) • Other interagency departments (e.g., DoS, Commerce, Homeland Security) (if required) 	Usually Annually	May be driven by purchaser funding and budgeting timelines.
Service-level	<ul style="list-style-type: none"> • MILDEPs/IAs (USG chair) • SCOs (if required/requested) • DSCA (if required) • DFAS (if required) • Contractors (if required) 	Usually Annually	May be driven by purchaser funding and budgeting timelines.
Program-level	<ul style="list-style-type: none"> • IA's and Program Management/Executive Offices (USG chair) • DFAS (if required) • DSCA (if required) • SCOs (if required) • Contractors (if required) • Others as needed 	Based on milestone plan established during case development as referenced in the LOA (and refined over time).	Event-driven based on established milestones.
Internal (USG only)	<ul style="list-style-type: none"> • Varies, depending on review purpose 	Varies - although some internal reconciliation reviews may be held annually.	Varies

C6.5.4. Scope of Reviews. Each review type has a corresponding scope of what is typically covered (Refer to Table C6.T6). This is to ensure that an appropriate level of detail is addressed, that the best suited USG personnel attend and that expectations are clear to all attendees.

Table C6.T6. Scope of FMS Reviews

Review Type	Scope
Country-Level (e.g., FMR, Tri-Service SAMR)	<ul style="list-style-type: none"> • DSCA-chaired • Programmatic/financial and/or logistical orientation • Higher-level representation • Purchaser: Flag officer or civilian equivalent co-chair • Summary case-level visibility <ul style="list-style-type: none"> ○ Case closure ○ Standardized format ○ Delivery status ○ Excess funds ○ Discrepancy resolution • Forum to address FMS policies/procedures and SA/SC issues
Service-Level (e.g., SAR, CRR, SAMR)	<ul style="list-style-type: none"> • IA lead component chairs • Can be oriented by purchaser ICS or IA • General status briefings: major weapon systems, etc. • Driven by magnitude of purchaser and/or IA issues • Forum to address FMS policies and procedures • Purchaser and IA representation driven by agenda topics • May involve contractor personnel • Line/contract-level detailed review
Program-Level (e.g., PMR)	<ul style="list-style-type: none"> • IA/PMO-chaired • Covers all aspects of a specific weapon system/program/case/cadre of cases • Line/contract-level detailed review addressing: <ul style="list-style-type: none"> ○ Obligations/contract awards ○ Expenditures ○ Deliveries ○ Unused funds ○ Programming of current and future requirements ○ Discrepancy resolution • Purchaser represented by head of its PMO • Driven by key milestones in program life cycle • Often involves contractor personnel

C6.5.5. Representation at Case Reviews. Senior officials can co-chair case reviews, but detailed discussions require the participation of the managers who are responsible for the day-to-day operations of the program or weapon system under review. The rank of the lead USG review participant should be equivalent to that of the lead purchaser participant. Controlling the number of participants at each review is important, but it is also important to include subject matter experts who can adequately cover anticipated topics or issues. The USG meeting chair ensures each participant has a distinct, active role in the review. If topics beyond participants' expertise are discussed or issues are raised that cannot be resolved during the review, participants should research answers/solutions after the review and follow-up appropriately to all within a week. For FMS purchaser-hosted reviews, Security Cooperation Organizations (SCOs) coordinate the administrative arrangements, including lodging and transportation, and they help the visiting team as appropriate and necessary.

C6.5.6. Standardized Review Formats. Standard formats, meeting procedures, and terminology help participants clearly understand the review processes. Figure C9.F5. provides the standard format for use in all DSCA Financial Management Reviews (FMRs). Standard formats are preferred, but changes and deviations are acceptable when other critical program or financial information must be discussed. Submit requests for changes and deviations to this format to DSCA (Business Operations Directorate).

C6.5.7. Requirements and Guidelines for General Case Reviews. Guidelines and requirements for general case reviews are provided in figure C6.F2.

Figure C6.F2 Requirements and Guidelines for General Case Reviews

Section 1: Review Requirements. Thorough reviews are periodically conducted to ensure accurate and timely status of customer programs. These reviews represent a significant investment of FMS resources, in terms of both time and funding. As such, the FMS reviews are a key source of information for communicating agreed upon decisions impacting cases. FMS reviews may be driven by a number of requirements, to include the following:

- 1. Purchaser Requirements.** A purchaser's internal policy or legislation may require periodic information on the status of country accounts, issues, cases and programs. Care must be taken to ensure that purchaser expectations or precedence complement the review value process; on the other hand, having a review every quarter for the past three years is not in and of itself sufficient. An exception would be Program-level reviews that are following an established milestone plan. In addition, while technologies such as Video Teleconference (VTC) should be explored whenever feasible, in person dialogue may be imperative for some purchasers.
- 2. USG Requirements.** The USG has many of the same needs as those in the "Purchaser Requirements" section above. In addition, FMS reviews are a beneficial opportunity for advising the purchaser on updated policies and laws and current events/issues. Reviews can demonstrate U.S. advocacy, as well as timely resolution and closure of issues and actions. They show USG commitment and desire to be effective/efficient stewards of the purchaser's FMS resources. In addition, preparing for FMS reviews qualifies as an event that satisfies the annual case review requirement.

3. **Long-Term Investment.** The FMS review forum may be viewed as a valuable opportunity to promote USG interests and strengthen our sovereign relations with other countries. This is an intangible yet potentially important value determinant.
4. **Purchaser Sophistication/Reliance on USG.** This can be an important factor, especially when an FMS review involves a purchaser unfamiliar with the FMS “language”, policies and procedures. Usually, these purchasers require closer USG involvement and more intensive management. These reviews would also be prime venues for educating purchasers on the FMS process. Conversely, highly sophisticated purchasers can benefit from reviews by helping to maintain open communications. Customers may also be comfortable using technologies (VTC) as a substitute for in person reviews.
5. **Purchaser Preference.** The preferences and desires of the purchaser regarding the conduct of reviews should be accommodated by the USG to the fullest extent possible. However, when those preferences are not practical and/or logical, the USG review component lead is responsible for offering sound and reasonable alternatives. The key is to find mutually agreeable solutions that make sense.
6. **Uniqueness.** A number of reviews have evolved to accommodate unique requirements on the part of the purchaser or an applicable weapon system, etc. These unique arrangements already in existence should continue to be honored provided they continue to provide benefit. However, review components are invited to introduce common data element usage, standardized definitions and reporting formats to the extent agreeable by the FMS purchaser.
7. **USG attendees.** USG attendees should be selected to reflect the FMS review type that applies and the corresponding level of detail involved. Each attendee must have a distinct and active role in the FMS review. The applicable USG chair is responsible for ensuring that each attendee is performing separate roles. Every effort should be made to minimize the number of attendees while ensuring full coverage of all agenda topics. The review’s location may impact the number of attendees that can be present. Attendees must be fully prepared to address all agenda topics submitted in advance, and those logically anticipated to arise during the course of discussions. “Contingency” representatives are not authorized. The USG chair is responsible for ensuring that all invited activities have the agenda topics being addressed. Attendees must be able to effectively represent their organization, not just the specific office or activity to which that attendee reports, and to speak to the issues at hand. Understandably, actions may arise for issues not known in advance and which are outside the attendee’s activity per se. In those instances, the attendee must take responsibility for ensuring follow-up with the appropriate organizational component. That said, the attendee must be knowledgeable about all issues known beforehand that pertain to the overall organizational component, and have the ability to clearly articulate discussion topics.

Section 2: Guidelines for Reviews. An FMS review is a culmination of extensive preparations and planning, and sets the stage for important follow-on requirements. The following guidelines apply to all reviews, regardless of participation level or hosting organization:

1. **Preparation.** The first step in planning for a review is to identify the objectives and

deliverables. Subsequent preparation requirements are determining the review purpose, performing an internal FMS review planning meeting, establish planning milestones to include data “cut-off” date, formal announcement of the review, establishment of an agenda, determination of attendees/purchaser audience and determining the review date and logistics (i.e., location, transportation arrangements, etc.). In addition, agenda topics must be developed and delivered to all attendees, development and publishing of briefings/papers must be completed and reporting formats and quality control checklists must be developed and disseminated. The final items are development of guidelines for the documentation of minutes, confirmation of how the review will be funded, and administrative duties such as local security measures, disclosure review, lodging and transportation, social events, cultural primers, audio/video requirements, etc. For reviews hosted by the purchaser, SCOs are expected to coordinate all administrative arrangements, secure lodging and transportation, and accommodate the visiting CONUS team, when practical.

2. **Follow-on.** It is expected that action items shall be tasked and other information shall be required, as a result of an FMS review.
 - a. **Minutes preparation.** The USG chair is responsible for ensuring the timely preparation of all minutes associated with that review. This entails oversight of and, as necessary, direct involvement with the minutes preparation, coordination and distribution. The following applies:
 - i. Action item assignments should be distributed with the minutes and contain the following information: who has the action (Office of Primary Responsibility (OPR)); what is the action; when is the action due; and what is the reference number.
 - ii. Action item follow-on reports should be sent on a regular basis to update all OPRs on status of actions tasked during the review.
 - iii. Actions are to be completed in a timely manner; any delays must be identified by the OPR with a reason and revised estimated completion date.
 - iv. Trip reports and other internal summary reports may be required.
 - v. Tentative dates/location for the next review should be provided, if appropriate, and information forwarded to the FMS review advisor.
 - b. **Minutes distribution.** A copy of the minutes must be sent to all USG components attending the review, other organizations to which actions were assigned, the applicable DSCA Country Program Director and DSCA Country Finance Director, the SCO, and any other organizations deemed appropriate by the lead component activity. Electronic transmission of minutes is encouraged. Minutes should be distributed within 10 days after signature.