



DEFENSE SECURITY COOPERATION AGENCY
2800 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2800

01 NOV 2019

MEMORANDUM FOR 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 CONTRACT MANAGEMENT AGENCY
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE,
SECURITY COOPERATION ACCOUNTING
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY
JOINT STRIKE FIGHTER PROGRAM

SUBJECT: Special Bill Arrangement Notification on the Letter of Offer and Acceptance, Defense Security Cooperation Agency Policy Memo 19-40

Effective immediately, all Foreign Military Sales (FMS) partners with Special Bill Arrangements (SBAs) will see the following statement on Letters of Offer and Acceptance (LOAs) that are billed in accordance with a SBA instead of the standard DD645 issued by the Defense Finance and Accounting Service (DFAS):

“The above stated Estimated Payment Schedule represents the Department of Defense's (DoD's) best estimate of its cash requirements to provide the articles and/or services identified on this Letter of Offer and Acceptance (LOA) document. As such, these values are incorporated into the quarterly Foreign Military Sales Billing Statement, DD Form 645. However, to more accurately reflect the DoD's ongoing cash requirements for active LOAs, the Purchaser has entered into a Special Billing Arrangement that authorizes DSCA to issue a Special Bill Letter. This Special Bill Letter more accurately reflects the most current calculations of DoD's cash requirements for the Purchaser's FMS program. The amount due as stated on the periodic Special Bill Letter supersedes the Amount Due stated on the DD Form 645 and is the amount the Purchaser is obligated to pay. The amount due as stated on the Special Bill Letter is an official claim of the United States Government and is incorporated into this LOA for purposes of enforcement and claims.”

The purpose of this LOA statement is to ensure all parties are aware of the official billing method for each LOA. This statement ensures there is notification and transparency of the official billing method.

The Defense Security Assistance Management System (DSAMS) Country Reference Report (WN039) has been updated as necessary to identify all FMS partners that use SBAs. Going forward, Country Financial Directors (CFDs) will communicate DSAMS exceptions and changes to the Information Management & Technology (IM&T) DSAMS team. These changes will be updated on the DSAMS Country Reference Report (WN039) and/or DSAMS Case Detail Window (WN005) as appropriate. CFDs will be responsible for reviewing all LOAs to ensure the above Special Bill statement is inserted on LOA documents as necessary.

Implementing Agencies should work directly with the respective DSCA CFD if there are country specific concerns. If you have questions or would like additional information about this policy, please contact Ms. Danielle Ayers, DBO/FPA, mary.d.ayers2.civ@mail.mil, (703) 697-9407.

A handwritten signature in black ink, appearing to read 'J. A. Harding', with a stylized flourish at the end.

J. Aaron Harding
Chief Financial Officer