



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

23 JUNE 2020

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
DEFENSE EXPORTS AND COOPERATION  
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR  
INTERNATIONAL PROGRAMS  
DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR  
INTERNATIONAL AFFAIRS  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY  
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE  
AND ACCOUNTING SERVICE – INDIANAPOLIS OPERATIONS  
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY  
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, NATIONAL GEOSPATIAL – INTELLIGENCE  
AGENCY  
DIRECTOR, MISSILE DEFENSE AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, DEFENSE LOGISTICS INFORMATION SERVICE  
DIRECTOR, DEFENSE LOGISTICS AGENCY DISPOSITION  
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,  
NATIONAL SECURITY AGENCY

**SUBJECT:** Defense Security Assistance Management System (DSAMS) Standard Payment Schedule Update, DSCA Policy 20-22

**Reference(s):** (a) Department of Defense (DoD) 7000.14-R, Financial Management Regulation (FMR), Volume 15, Chapter 4, paragraph 0404

(b) DSCA Manual 5105.38-M, Security Assistance Management Manual (SAMM), Chapter 9, Section 9

(c) DSCA Policy Memo, “Clarification to Standardize use of the Months of Service (MOS) Fields on a Letter of Offer and Agreement (LOA) Document, (DSCA 13-41),” August 9, 2013

As stated in references (a) and (b), payment schedules provide forecasted financial requirements for a Foreign Military Sales (FMS) case and identify the timing and amount of purchaser deposits needed to meet financial requirements. Payment schedules for Letter of Offer and Acceptance (LOA) documents are generated in DSAMS by DSCA (Directorate for Security Assistance (DSA) Case Writing Division (CWD)) during the case writing process and are prepared using inputs provided from the Implementing Agencies (IAs) per Section C9.9.1.3. of the SAMM. As outlined in reference (c), it is imperative for the IAs to accurately estimate the delivery of items on defined order lines, period of performance of services, and requisitioning schedule for blanket order lines.

As part of DSCA's ongoing efforts to improve Security Cooperation processes and procedures, DSCA conducted an in-depth study of the accuracy of standard payment schedules relative to actual expenditure activity. This review was based on foreign partner concerns that the United States Government collects funds too far in advance. DSCA's analysis showed that the projected disbursement amounts for LOA's initial performance periods were often overstated, which may have led to the premature collection of funds. To improve the alignment of FMS case funding requirements to the actual cash need of cases, DSCA created new standard payment schedules.

Effective 30 June 2020, CWD will apply the new payment schedules to all new basic cases entering the writing phase. Payment schedules for Amendments and Modifications will continue to be prepared using the payment schedule contained in their respective basic case. These payment schedule revisions, along with more accurate delivery schedules and requisitioning estimates, should help reduce the over-collection of cases.

If you have questions regarding this policy, please contact Ms. Gloria Kim, DSCA DBO/FPA, [gloria.c.kim.civ@mail.mil](mailto:gloria.c.kim.civ@mail.mil), (703) 697-8875.

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Cara L. Abercrombie  
Acting Deputy Director

cc:

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