



## DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

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MEMORANDUM FOR THE 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 FOR SECURITY ASSISTANCE, DEFENSE  
FINANCE AND ACCOUNTING SERVICE - INDIANAPOLIS  
OPERATIONS  
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, DEFENSE LOGISTICS INFORMATION  
SERVICE  
DIRECTOR, DEFENSE REUTILIZATION AND MARKETING  
SERVICE  
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, NATIONAL GEOSPATIAL INTELLIGENCE  
AGENCY  
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,  
NATIONAL SECURITY AGENCY  
DIRECTOR, MISSILE DEFENSE AGENCY

SUBJECT: Monthly Oversight and Review of Performance Reporting, DSCA Policy 20-72,  
SAMM E-Change 507

Reference(s):

- a) [Department of Defense 7000.14-R](#), Financial Management Regulation (FMR), Volume 15, Chapter 8
- b) [DSCA Manual 5105.38, Security Assistance Management Manual \(SAMM\)](#), Chapters 9, 16, and Appendix 7 (Reconciliation and Closure Guide (RCG))
- c) [DSCA Policy Memo 5-29](#), Importance of FMS Case Delivery Reporting, dated November 23, 2005
- d) [GAO Audit NFR Reference 20-386](#), DOD Should Further Strengthen Oversight of Transportation Fees Recommendations 1 and 2

Implementing Agencies (IAs) are required to submit performance reporting to Defense Finance Accounting Service (DFAS) of either physical or constructive deliveries within 30 days of the date of shipment, performance or constructive delivery (items are considered delivered

when Title passes to the purchaser) in accordance with the DoD Financial Management Regulation (FMR) Vol 15, Chapter 8 and DSCA SAMM Chapter 16, and Appendix 7 Chapter 2.

The Government Accountability Office (GAO) noted in audit report 20-386 that, although there is a requirement for the IAs to report performance/delivery within a 30-day timeframe to DFAS, the agencies and DSCA lacked a review mechanism to ensure deliveries were reported timely and accurately.

Each agency's adherence to current policy and guidance is essential. Timely and accurate delivery reporting is not only a requirement but an important part of overall case execution and needed to evaluate the merits of any submitted Supply Discrepancy Report. Performance reporting is essential to accurately report deliveries to the partner, calculating and collecting surcharges into the Transportation Cost Clearing Account, and reporting delivery information to Congress and other entities.

Based on the GAO audit and recommendation, DSCA/DBO/FPA is implementing a process to review the DFAS/Security Cooperation Accounting (SCA) monthly report "IA Delivery Report Card" to monitor the accuracy and timely reporting of deliveries. The IAs are required to provide a copy of their Standard Operating Procedure (SOP) to identify the process and procedure they follow to report performance/delivery in accordance with DoD FMR and SAMM guidance. The SOPs should also include the IAs process for reviewing the IA Delivery Report Card, which allows them to identify issues requiring further review and facilitate corrective measures to resolve any identified concerns such as systems and interface issues, process breakdowns, and organizational training/compliance issues. In addition to the DSCA review of the monthly report card, DFAS and the IAs will continue to review and reconcile delivery reporting and other reports as required in the DoD FMR and SAMM including the Annual Case Reviews. To assist with implementing this process, implementation guidance identifying each agency's responsibility to review the IA Report Card is contained in Attachment 1 and a sample of the "IA Delivery Report Card" is included at Attachment 2.

For any questions regarding this policy, please contact Mr. Sungjae (Justin) Lee at [sungjae.j.lee.civ@mail.mil](mailto:sungjae.j.lee.civ@mail.mil) or 703-697-6587.



J. Aaron Harding  
Chief Financial Officer

**ATTACHMENT:**

1. Implementation Guidance – Monthly Performance/Delivery Reporting Review
2. Sample IA Delivery Report Card

**Security Assistance Management Manual (SAMM), E-Change 507**  
**Monthly Oversight and Review of Performance Reporting**

1) ADD:

C9.13.3. Performance/Delivery Reporting Monthly Review. DFAS will generate and provide a monthly IA Report Card to DSCA (Directorate of Business Operations (DBO) Financial Policy & Analysis Division (FPA)) and the IAs to include delivery reporting trends and detailed delivery transaction data. DSCA/FPA, DFAS/SCA, and the IAs will review and analyze the data provided to include trends for deliveries reported over the 30-day reporting requirement to determine the root cause and implement corrective actions.

## Sample IA Delivery Report Card

**NOTICE:**

For a copy of the Sample IA Delivery Report Card, please contact the memo POC: Mr. Sungjae (Justin) Lee - [sungjae.j.lee.civ@mail.mil](mailto:sungjae.j.lee.civ@mail.mil)