



DEFENSE SECURITY COOPERATION AGENCY

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16 APR 2021

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
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DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
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DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE
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DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
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SERVICE
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
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DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE
AGENCY
DIRECTOR OF CYBERSECURITY DIRECTORATE AND DEPUTY
NATIONAL MANAGER FOR NATIONAL SECURITY SYSTEMS,
NATIONAL SECURITY AGENCY

SUBJECT: Clarification of “Accepted Case” and “Implemented Case” Definitions, Defense Security Cooperation Agency (DSCA) Policy 21-34 [SAMM E-Change 470]

Effective immediately, this memorandum updates the Security Assistance Management Manual (SAMM) to clarify the definitions of a Foreign Military Sale (FMS) “accepted case” and “implemented case” for consistency in use. The distinction between these two case status types is important as it impacts the inclusion of cases in annual sales figures and the official starting point of case execution. The following definitions apply:

- a. “Accepted Case”: An FMS case that has been signed by an authorized representative of the foreign partner.
- b. “Implemented Case”: An FMS case that has been signed by an authorized representative of the foreign partner, and for which (1) any required initial deposit has been received and appropriately deposited, and (2) applicable data system implementing transactions have occurred.

Cases are included in annual sales figures when they reach “implemented” status. Cases are eligible to begin execution activities (e.g. incur obligations, let contracting documents, etc.) after a case is “implemented.” SAMM C6.3.11. allows specific acquisition planning activities to occur once a case has been “offered” to the foreign partner but limits those activities to ones that do not commit the United States Government or obligate funds in advance of case implementation.

The attached SAMM change updates specific references related to “accepted” and “implemented” case information. For questions regarding these definitions, please contact Ms. Vu-Tuyet Nguyen, DSCA/CPMO at 703-697-9314 or vu-tuyet.t.nguyen.civ@mail.mil.



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Attachment:
As stated

cc:
STATE/PM-RSAT
AFRICOM
CENTCOM
EUCOM
NORTHCOM
INDOPACOM
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DSCU

Security Assistance Management Manual (SAMM), E-Change 470

1. Update Table C5.T9. LOA Preparation Milestones to:

Milestone	Definition
OFFERACC	Offer signed by the foreign partner. Case manager will create this milestone in DSAMS when the case version is accepted.
ISTATUS	Case status is “Implemented.” This is set when the offer is signed by the foreign partner AND the initial deposit has been received and deposited by DFAS. DSAMS will create this milestone when the case status is changed to “Implemented.”

2. Update ESAMM Glossary to:

Term	Definition
Acceptance Date	The date on which an authorized representative of the foreign partner signed the LOA document.
Accepted Case	An FMS case that has been signed by an authorized representative of the foreign partner.
Implementation Date (FMS)	The date when an FMS case moves to “Implemented” status, indicating it has been signed by an authorized representative of the eligible foreign partner, any initial deposit has been received and appropriately deposited, and data systems implementing transactions have occurred.
Payment Schedule	List of dollar amounts and when they are due from the foreign customer. The payment schedule is included in the Letter of Offer and Acceptance (LOA) presented to the customer. After implementation of the LOA, the payment schedule generally serves as the basis for billing to the foreign partner. Changes in the estimated costs of an FMS case may require changes in the accompanying payment schedule.

3. Add to the ESAMM Glossary:

Term	Definition
Implemented Case	An FMS case that has been signed by an authorized representative of the foreign partner, and for which (1) any required initial deposit

	has been received by DFAS and deposited; and (2) applicable data system implementing transactions have occurred.
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4. Update Paragraph C2.5.1., Sentence five, to:

“C2.5.1. ... Correspondence should include a rationale for issuing the notification, the deadline for receipt of an LOR, and the final date for acceptance and subsequent implementation of the LOA ...”

5. Update Paragraph C3.7.4.4., Sentence one, to:

“C3.7.4.4. FMS EWIRDB Release in Specific. Upon implementation of an LOA for ...”

6. Update Table C5.T5., Row 8, to:

8	<p>Key factors affecting the data. For example:</p> <ul style="list-style-type: none"> a) The current contract for this item expires on [insert date] and an LOA must be implemented by [insert date] so that options can be added to the current contract. b) The production line is due to phase out by [insert date]. Start-up costs apply if an LOA is not implemented by [insert date]. c) The materiel has a shelf life of [insert date].”
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7. Update Figure C5.F5., Paragraph 5 to:

“5. CHANGES TO THE LOA. Changes may be initiated by the USG or by requests from the foreign partner. After implementation of the basic LOA, these changes will take the form of Amendments or Modifications.”

8. Update Paragraph C5.4.7.10.1. to:

“C5.4.7.10.1. LOAs include any requirement for, and scheduling of, logistics conferences or other program management actions for the purpose of definitization. The costs of such conferences that occur prior to implementation of the LOA can be funded from the Administrative Budget Account Allocation of the IA, with reimbursement from the LOA after it is implemented. These actions pertain to approved programs and are distinguished from AECA, section 26 ([22 U.S.C. 2766](#)), Survey Teams.”

9. Update Paragraph C5.4.16.:

“C5.4.16. LOA Implementation. LOA implementation occurs when an authorized representative of the foreign partner signs the LOA, any required initial deposit has been received by DFAS and deposited, and any required data system implementing transactions have occurred. Once implemented, the FMS case is a government-to-government agreement between the purchaser government or international organization and the United States or in

the case of the Foreign Assistance Act (FAA) 607 certain voluntary non-profit relief agencies.”

10. Update Paragraph C6.3.4.2.:

“C6.3.4.2. Timing of Requests. ... The designation of a procurement to be conducted using other than full and open competition for an LOA that has already been accepted by the foreign partner and implemented would be an exception to policy subject to acceptance by the Implementing Agency. ...”

11. Update Paragraph C6.3.9.2. to:

“C6.3.9.2. ... The contractor must disclose the amount of the estimated offset costs included in the price to the USG contracting officer. The costs should be included before transmittal of the LOA for acceptance. Requests to include costs after LOA acceptance and subsequent implementation require an LOA Modification or Amendment. An offset note is included in the LOA.”

12. Update Paragraph C6.6.1.6.2. to:

“C6.6.1.6.2. New or pending FMF-financed LOAs will not be countersigned or issued to the foreign partner for acceptance. FMF-funded cases implemented prior to effective date of sanctions remain in force and will be executed. Modifications or Amendments to existing FMF-funded FMS cases are allowed if they do not involve new obligation of funds.”

13. Delete Paragraph C6.7.1.2.

14. Update Paragraph C6.7.1.8.:

“C6.7.1.8. Amendment Implementation. Amendments are implemented when an authorized representative of the foreign partner signs the Amendment, any required deposit due with amendment acceptance is received by DFAS and deposited, and any required data system implementing transactions have occurred. When this occurs, the Case Manager posts the Amendment implementation milestone in DSAMS.

15. Update Paragraph C11.3.4. to:

“C11.3.4. EDA Pricing. ... however; reasonable charges will be assessed against items stored beyond 60 days past LOA implementation ...”

16. Update 16, Paragraph C16.4.7. to:

“C16.4.7. ... “Requests should include the following information: case identifier, date of case implementation, value of the case, delivered amount ...”