DEFENSE SECURITY COOPERATION AGENCY
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7 October 2025

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 INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
DIRECTOR, SECURITY COOPERATION ACCOUNTING DIRECTORATE, DEFENSE FINANCE AND ACCOUNTING SERVICE, INDIANAPOLIS OPERATIONS
DIRECTOR OF CYBERSECURITY DIRECTORATE AND DEPUTY NATIONAL MANAGER FOR NATIONAL SECURITY SYSTEMS, NATIONAL SECURITY AGENCY

SUBJECT: Defense Security Cooperation Agency Policy Memorandum 25-53, Government Invoicing Receipt and Acceptance [SAMM E-Change 761]

References: (a) Defense Security Cooperation Office, Fiscal Year 2025 Government Invoicing Implementation Guidance Memorandum, 12 December 2024

(b) Defense Security Cooperation Office, FY 2024 Financial Statement Audit Notice of Finding and Recommendations SAA-2024-N0030

This policy memorandum establishes the requirement to use Freight-on-Board (FOB) Destination on Intra-governmental Transactions (IGTs) that are executed via Government Invoicing (G-Invoicing) in order to document receipt and acceptance for performance transactions. This policy also incorporates reference (a) into the SAMM, which mandates the use of G-Invoicing for all unclassified IGTs involving security assistance funds.

Findings in reference (b) identified that FOB Source transactions do not require the requesting agency (i.e. the buyer) to document receipt and acceptance for performance transactions unless the buyer disagrees with the performing agency's (i.e. the seller) performance transaction. When the performance transaction is entered by the seller, G-Invoicing systematically interfaces to the appropriate accounting system which records the expense in the

Security Assistance Account (SAA) general ledger. The use of FOB Source results in the buyer not having assurance that trading partners provided the goods, services, or both before they receive reimbursement, and may be unable to demonstrate the resulting expended authority transactions occurred and were properly recorded in the SAA financial statements. An exception to policy is allowed when trading partners have a documented and auditable receipt and acceptance dispute process in place, per SAMM Section C14.9.7. in the attached.

Effective immediately, G-Invoicing IGTs will be classified as FOB Destination to ensure the fund settlement is initiated by the buyer's performance transaction when the performance type is 'Received/Accepted'.

The policy in the attachment is incorporated into the DSCA Security Assistance Management Manual (SAMM) at https://samm.dsca.mil.

For questions on this memorandum, please contact DSCA Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Policy Division (OBO/FPRE/FP) at dsca.ncr.obo.list.fpre-fp@mail.mil. Please reference the DSCA policy number and memorandum subject. For general questions about the SAMM, please contact DSCA Office of Strategy, Plans, and Policy, Execution Policy and Analysis Directorate (SPP/EPA) at dsca.ncr.spp.mbx.epa@mail.mil.

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Brian T. Watford
Acting Chief Operating Officer and
Chief Financial Officer
Defense Security Cooperation Agency

Attachment: SAMM E-Change 761 - Government Invoicing Receipt and Acceptance

Attachment 1: Security Assistance Management Manual E-Change 761

Government Invoicing Receipt and Acceptance

1. Add SAMM Section C14.9. – Government Invoicing (G-Invoicing)

C14.9. Government Invoicing (G-Invoicing)

C14.9.1. G-Invoicing. G-Invoicing is the long-term solution for federal agencies to manage their intragovernmental transactions (IGTs) to enhance transparency, reduce buy/sell differences, and improve financial reporting. G-Invoicing helps agencies, and their trading partners, negotiate and accept General Terms and Conditions (GT&C) agreements, broker orders, exchange performance information, and validate settlement requests through the Intra-governmental Payment and Collection (IPAC) system. The Treasury G-Invoicing platform replaces the manual reimbursable interagency agreement process with a web-based application for the electronic origination, review, and approval of buy/sell interagency agreements.

C14.9.2. G-Invoicing Implementation. To comply with the U.S. Treasury requirement to implement G-Invoicing, IGTs with security assistance funds and unclassified GT&C are required to be processed using the G-Invoicing application to:

- Establish GT&C Agreements (Fiscal Service (FS) Form 7600A)
- Process Orders (FS Form 7600B)
- Track Performance and Settlement

C14.9.3. General Terms & Conditions. Trading partners must establish an approved GT&C (FS Form 7600A) before initiating any reimbursable order.

C14.9.3.1. The GT&C establishes the foundational terms, scope, and mutual responsibilities of the trading partner for the conduct of reimbursable transactions.

C14.9.3.2. Trading partners should only accept reimbursable orders when the corresponding GT&C is in an ‘Open for Orders’ status within G-Invoicing.

C14.9.3.3. If a trading partner uses a financial system capable of processing orders within G-Invoicing, then the order must be processed using G-Invoicing.

C14.9.3.4. If a trading partner financial system is incapable of processing orders within G-Invoicing, then the order can be processed using the trading partner’s legacy procedures.

C14.9.4. General Terms & Conditions Approval. The requesting agency (as the buyer) and the servicing agency (as the seller) must approve the GT&C in G-Invoicing before any 7600B order can be submitted for performance and financial processing.

C14.9.5. Orders and Funding Documents. Each IGT order must align with the corresponding GT&C and include applicable performance and financial information.

C14.9.6. Receipt and Acceptance. Performance transactions in G-Invoicing will be classified as Freight-on-Board (FOB) Destination to ensure proper receipt and acceptance. Ownership, title, and risk transfer to the buyer upon receipt and acceptance of goods or services.

C14.9.6.1. The seller will initiate a performance transaction with type "Delivered/Performed" which starts the constructive receipt period (typically seven business days unless otherwise agreed upon). Fund settlement is initiated by the buyer's performance transaction.

C14.9.6.2. The buyer must submit a "Received/Accepted" performance transaction once the goods or services are validated.

C14.9.6.3. If the buyer does not act within the constructive receipt period, G-Invoicing will consider the seller's performance as accepted, and the IPAC transaction will proceed.

C14.9.6.4. If the buyer disagrees with the seller's performance report, the buyer must reject the transaction within the constructive receipt period and provide an explanation.

C14.9.6.5. The seller's "Delivered/Performed" transaction totals must equal the buyer's "Received/Accepted" totals before the order can be closed.

C14.9.6.6. Both the seller and buyer record accruals as of the performance date when the seller submits a performance transaction with type "Delivered/Performed".

C14.9.7. Exceptions to Policy. The use of FOB Source is permissible when a trading partner has a documented and auditable receipt and acceptance dispute process in place. The receipt and acceptance must be documented on each order and agreed upon by both trading partners.