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

06 NOV 2026

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 26-126, Case Closure Inhibitors [SAMM E-Change 888]

This memorandum establishes policy updates to DSCA Security Assistance Management Manual (SAMM) Table AP7.C4.T5. Defense Integrated Financial System Closure Inhibitors. The purpose of the update is to modernize the list of inhibitor codes and corresponding text to accurately reflect current Defense Integrated Financial System (DIFS) operations, align timelines with current SAMM policy directives, and clearly define system-generated inhibitor codes versus manual inhibitor codes. This memorandum is effective immediately. The attached policy is incorporated into the SAMM at https://samm.dsca.mil.

If you have 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.

WATFORD.BRIAN.T.

Digitally signed by WATFORD.BRIAN.T.
Date: 2026.11.06 15:49:53 -05'00'

Brian T. Watford
Acting Chief Operating Officer and
Chief Financial Officer

Attachment: SAMM E-Change 888 – Case Closure Table Inhibitors

Attachment 1: Security Assistance Management Manual E-Change 888

Case Closure Inhibitors

Update SAMM Table AP7.C4.T5. to:

Inhibitor Code	Inhibitor Type	~~Inhibitor~~ Description	Owner	Estimated Timeframe for Clearing Inhibitor	Note
~~A~~	~~Requires Payment~~	~~Identifies cases where the DIFS total delivered cost is greater than total collections in the Case Control Summary record and the responsibility for collection action is transferred to DSCA (Business Operations Directorate, Country Financial Management Division)~~		~~Upon receipt of the "Billed yet still Undercollected Cases" report from DFAS Indianapolis, initiate immediate collection action with the customer or realign funds, when appropriate. Follow up every 30 days until payment is received. After two follow up actions, elevate to senior management, when appropriate.~~	
B	~~Deliveries are not balanced~~ Certified vs. Recorded Delivery Imbalance	Identifies cases where the certified delivery costs (from Defense Integrated Financial System (DIFS) Screen 2.1.1) are out-of-balance with ~~and~~ the DIFS case control "articles and services" delivered values ~~are out-of-balance~~ (from DIFS Screen 2.C.1).–This inhibitor code is automatically assigned by the Case Closure Certificate Inventory (CCCI) subsystem. The imbalance must be resolved, or it may be bypassed under prescribed bypass conditions.	Implementing Agency (IA) or Defense Finance and Accounting Services – Indianapolis (DFAS-IN)-Country Management Accounting (CMA) Branch (see Note)	~~90 days; If IA can input disbursing/delivery transaction to fix, it can take 90 days to make it through IA system to DIFS and clear FK History.~~ DFAS-IN-CMA will delete the closure certificate from the inventory within 5 days of being notified that the certificate has been returned.	If the certificate arrives with a B inhibitor after DIFS edits, the IA is responsible for making corrections. If the B inhibitor is assigned after DIFS closure adjustments are made, DFAS-IN-CMA is responsible for reversing the erroneous transactions that caused the inhibitor.
C	Not Applicable	~~Identifies cases where closure action is complete~~	Not Applicable	Not Applicable	System-generated inhibitor indicating the

Inhibitor Code	Inhibitor Type	~~Inhibitor~~ Description	Owner	Estimated Timeframe for Clearing Inhibitor	Note
		DIFS closure action is complete and case is closed.			case is closed; further description on whether the closure is a Type 1 (direct final closure), Type 2 (interim closure), or Type 3 (final closure) can be found on the DIFS Case Closure Certificate Inventory (2.I.1) screen. Type 2 closures will require future action.
D	~~Awaiting DSCA Determination~~ Requires Payment	~~Identifies Canceled cases (zero value certificate) awaiting DSCA determination of cancellation fee assessment.~~ DFAS-IN is unable to collect funds and requests DSCA assistance. Per DSCA Policy Memo 25-88, DSCA contacts the Foreign Partner (FP) if outstanding funds are not received within 15 days of the due date of the first DD-645 mailed post-closure certification. The FP has 15 days to respond to the Country Financial Director (CFD). If unresolved, the CFD may direct DFAS-IN to close the case using specified holding account funds.	DSCA – Country Finance Director (CFD)	~~Provide determination response to DFAS Indianapolis within 3 business days~~ Up to 35 days total: 15 days post-DD-645 for DSCA outreach + 15 days for FP response to CFD + 5 days for CFD notice to DFAS-IN.	This is a manually assigned inhibitor, added to the closure once DFAS-IN requests DSCA assistance.
E	~~Closure action is suspended pending review of below-the-line administrative or~~	~~Identifies cases where closure action is suspended pending review of below-the-line~~	DFAS-Security Cooperation Accounting (SCA)	~~30 days to allow for at least 2 performance cycles and wait for FK history to update at the end of month~~	This is a manually assigned inhibitor, used by DFAS-IN-CMA accountants to pause closure for research

Inhibitor Code	Inhibitor Type	~~Inhibitor~~ Description	Owner	Estimated Timeframe for Clearing Inhibitor	Note
	~~accessorial delivered values.~~ Review of below-the-line administrative or accessorial charges	~~administrative or accessorial delivered values.~~ Closure action for Title 10 and Title 22 BPC cases is suspended pending the review of below-the-line administrative or accessorial delivery costs and values.		Up to 45 days after receipt of the closure certificate to allow two performance cycles and the subsequent End of Month (EOM) FK-history update. If corrected, the case should close within the first 5 business days of the following month.	when below-the-line charges are unreconciled. Code E does not pause or exclude time from the 30-day performance standard in DSCA Policy Memo 26-01.
F	Fund realignment required	Identifies cases where some fund realignment e.g., funds need realignment from Federal Reserve Bank (FRB) Account to Trust fund Account ~~is required~~.	DFAS-SCA	30 days; Drawdowns done monthly from ~~Federal Reserve Bank (~~FRB~~)~~.	If the inhibitor code is FI, a drawdown from the FRB to the Trust Fund is required. If the code is FL, the partner nation must send funds to the FRB before a drawdown can occur.
H	Closure suspended per customer request	~~Identifies case is ready for closure, but c~~Closure action is suspended per the customer request.	Partner	5 days from time IA has customer confirmation.	Manually assigned inhibitor
I	All CCCI edit criteria are cleared	Identifies cases which have cleared all systemic CCCI edit criteria and are ready for closure pending final review by DFAS-IN. ~~Indianapolis~~	DFAS-SCA	30 days or less	System-generated inhibitor
J	DIFS Internal Inhibitor	This code will not appear on the CCCI Inquiry screen or on any CCCI reports. It only appears in the CCCI master file and means that the closure certificate records have been deleted from the inventory.	Not Applicable	Not Applicable	System-generated inhibitor
K	Identifies cases implemented after 1	Identifies cases implemented after 1 April 1977 where the DIFS FK	DFAS-SCA	30-60 days. If K inhibitor does not clear after first	This is a system-generated inhibitor. If it

Inhibitor Code	Inhibitor Type	~~Inhibitor~~ Description	Owner	Estimated Timeframe for Clearing Inhibitor	Note
	April 1977 where the DIFS FK History articles/services delivered cost is out-of-balance with the certified delivery cost.	History articles/services delivered cost is out-of-balance with the certified delivery cost. The imbalance must be resolved or may be bypassed under prescribed bypass conditions.		EOM cycles, check the date of the case implementation. If older than 2000, a bypass code may be necessarily as delivery reporting recorded in system prior to DIFS implementation have a beginning balance and not necessarily the complete record.	appears in a case implemented before the year 2000, it may be eligible for a bypass, as complete delivery records may not exist in DIFS.
L	Requires Payment	This code identifies cases where the DIFS total delivered cost is greater than total collections in the DIFS Case Control Summary record.	Partner	~~90 days before assigning an Inhibitor of 'A' and turning the case over to DSCA for collection or realignment of funds to liquidate the shortfall.~~ 90 days, after which an inhibitor of D may be assigned to transfer collection responsibility to DSCA.	System-generated inhibitor
O	~~Out of balance condition may require IA action~~ Closure Certificate returned to IA due to an out of balance condition	~~Identifies out of balance conditions requiring the cancellation of the closure certificate~~ Closure certificate returned to certifying activity for an out-of-balance condition that requires IA/MILDEP action.	IA	~~Should occur within 5 business days. Closure Certificate returned to IA for further action~~ DFAS-IN-CMA will delete the closure certificate from the active inventory within 10 days of notifying the IA that the certificate has been returned.	This is a manually assigned inhibitor used by CMA to return a case to the IA. The period between DFAS notification to the IA and deletion of the closure certificate from the active case closure inventory does not pause or exclude time from the 30-day performance standard in Policy Memo 26-01. A

Inhibitor Code	Inhibitor Type	~~Inhibitor~~ Description	Owner	Estimated Timeframe for Clearing Inhibitor	Note
					new 30-day standard begins when the IA resubmits a corrected closure certificate.
P	~~Unliquidated progress payments~~ Review of below-the-line administrative or accessorial charges	~~Identifies un-liquidated progress payments on the case. The DLVR-SEC21-LIQplus the DLVR-SEC22-LIQ values in the DIFS Case Control does not equal the PRG-PMT-RPT in the DIFS Case Control. This code cannot be bypassed. However, for ULO cases, if the difference equals the ULO-REQD value, the 'Q' inhibitor code is not assigned.~~ Closure action for FMS cases is suspended pending the review of below-the-line administrative or accessorial delivery costs and values.	DFAS-SCA	~~45 days. Allows for two performance cycles, if still there move to 'O'. Requires coordination with IA's and DSCA. DFAS Indianapolis performs CU transaction to clear inhibitor, if the inhibitor does not clear, requires coordination with IA.~~ Up to 45 days after receipt of the closure certificate to allow two performance cycles and the subsequent EOM FK-history update. If corrected, the case should close within the first 5 business days of the following month.	This is a manually assigned inhibitor, used by CMA accountants to pause closure for research when below-the-line charges are unreconciled.
Q	Unliquidated progress payments out of balance condition	Unliquidated progress payments on the case - DIFS case control liquidated delivery cost does not equal DIFS case control progress payments reported.	DFAS-SCA	30 days or less. This inhibitor should be worked with the same priority as an I inhibitor.	System-generated. If the adjustment to align progress payments and liquidated deliveries fails to clear the Q inhibitor, it is treated like an S inhibitor. If the issue remains unresolved, the case is returned to the IA for correction and manually assigned an O inhibitor.

Inhibitor Code	Inhibitor Type	~~Inhibitor~~ Description	Owner	Estimated Timeframe for Clearing Inhibitor	Note
S	Disbursements out of balance condition	~~This code identifies those cases where the DIFS total Disbursements in the Cash Summary Master File do not equal the Total Delivered Cost in the case control subsystem. This code cannot be bypassed. However, for ULO cases, if the difference between total deliveries and total disbursements equals the ULO REQD value, the "S" inhibitor code is not assigned.~~ DIFS cash summary total disbursement cost does not equal DIFS case control total delivery cost.	DFAS-SCA	~~45 days. Allows for two performance cycles, if still there move to "O". Requires coordination with IA's and DSCA.~~ Up to 45 days. These out of balances can usually be corrected during a command pay cycle, which occurs 5 times a quarter.	System-generated inhibitor
SQ	Expenditure Authority (EA) posted after closure certificate received	On occasion, an EA will post to the case after the closure certificate is received (EA Issued for interim close cases or EA balancing for final close cases). Determined after case does not have an out of balance as a S or Q inhibitor types.	DFAS-SCA	3 days to close once the case is in balance. The closure certificate is “reset” in DIFS by deleting and re-inputting it over a three-day period.	System-generated. This typically occurs when a case is in I status and an EA post prior to final closure in DIFS. CMA accountants can verify this by checking for a ULO EA issued on the DIFS Case Control screen 2.c.1 (Page 2).
T	Certifying activity will provide a~~n updated~~ closure certificate	~~The certifying activity has promised to provide DFAS Indianapolis with a revised certificate.~~ The IA has not yet provided the soft copy of the closure certificate to the DFAS mailbox: dfas.indianapolis-in.jax.mbx.dfas-in-sca-ccci@mail.mil.	IA	~~IA/DFAS Indianapolis Case Reconciliation and Closure Branch (Navy) should submit a new certificate within 10 business days or the certificate should be cancelled.~~ The IA should send soft copies of the closure	Manually assigned inhibitor

Inhibitor Code	Inhibitor Type	~~Inhibitor~~ Description	Owner	Estimated Timeframe for Clearing Inhibitor	Note
				certificate to DFAS-IN within 2 days of inputting the C1 transaction.	
V	DFAS~~-Indianapolis~~ IN-~~Country Management Accounting~~ CMA ~~Branch~~ reopened case for internal reasons	Indicates the case was reopened for internal DFAS IN~~ndianapolis~~ reasons. Generally used for below-the line administrative and accessorial delivered value adjustments, etc. In most cases, the case can be re-closed using the same closure certificate.	DFAS-SCA	30-60 days	Manually assigned inhibitor
W	Reopened Case	A reopened case. This code is automatically assigned by the inventory system when the DIFS Case Control status changes from C to I. This code is intended to be temporary in nature and normally is replaced by either CCCI status V, O, or X.	DFAS-SCA	~~IA should cancel closure certificate or recertify for closure within 90 days~~ The W inhibitor should be cleared within 2 days by fully reopening the case and canceling the closure certificate.	System-generated inhibitor
X	~~Canceled Certificate~~ DIFS Internal Inhibitor	This code means that the closure certificate has been canceled via an IA initiated C4~~I~~ transaction. A new closure certificate and C1~~I~~ must be submitted to reactivate the closure process.	Not Applicable	Not Applicable	System-generated inhibitor
Z	Open Supply Discrepancy Report (SDR)	Indicates a case certified for closure has an outstanding SDR that requires action.	IA	IA must resolve or otherwise disposition the SDR, cancel the closure certificate, or recertify the case, as appropriate, within 90 days.	Manually assigned inhibitor