



## DEFENSE SECURITY COOPERATION AGENCY

2800 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-2800

25 SEPT 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 26-55, Concurrent  
Modification Process for Legacy Case Closure [SAMM E-Change 830]

References: (a) Defense Security Cooperation Agency, [Policy Memorandum 25-97](#)  
“Prioritization of Case Closure Activities,” January 07, 2026

(b) Defense Security Cooperation Agency, Security Assistance Management  
Manual, [Chapter 6, Section C6.7](#), “Amendments and Modifications”

This memorandum provides an update to the Security Assistance Management Manual (SAMM) and establishes guidance on Concurrent Modifications in support of legacy case closure activities consistent with reference (a). This policy standardizes execution across Implementing Agencies (IAs) by clarifying legacy case closure Concurrent Modification procedures and authorizing minimal-dollar value lines on Basic cases. This policy is effective immediately.

Foreign Military Sales (FMS) cases require periodic updates to reflect evolving partner requirements, cost adjustments, and administrative changes. Such updates are executed through Amendments or Modifications outlined in reference (b). Inconsistent application, particularly distinguishing scope versus non-scope changes during case closure, introduces risk to financial integrity, standardization, and auditability, resulting in unnecessary enterprise-wide rework.

This SAMM update clarifies acceptable FMS case implementation and execution activities using the Concurrent Modification process. Specifically, it defines the requirements for transferring FMS funding via Concurrent Modifications with no change in scope, while also addressing Congressional Notification linkage, and the transfer of Nonrecurring Cost waivers where applicable.

If you have any questions concerning 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](mailto: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](mailto:dsca.ncr.spp.mbx.epa@mail.mil).

WATFORD.BRIAN.T.

Digitally signed by  
WATFORD.BRIAN.T.  
Date: 2026.09.25 12:51:15 -04'00'

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

Attachment: SAMM E-Change 830 - Policy Update on the Concurrent Modification Process for Legacy FMS Case Closure

**Security Assistance Management Manual E-Change 830**  
**Concurrent Modification Process for Legacy Case Closure**

1. Update Section C6.7.6.3:

**From:**

**C6.7.6.3. Request for Foreign Military Sales and Building Partner Capacity Exceptions.**

There are several exceptions to the general prohibition on the use of minimal-dollar value lines (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)). IAs are not required to submit an ETP if one of the situations listed below applies to the relevant FMS or BPC case. Otherwise, the IA must request and receive an approved ETP for any lines that must remain on a case at minimal-dollar value (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)) due to audit or other transactional requirements. Requests for an ETP should be submitted through the [DSCA ETP Tracker](#) (DoW CAC Required) and will be provided to DSCA (OBO/FPRE/FP) for decision

- a. The line is associated with the Euro-North Atlantic Treaty Organization (NATO) Joint Jet Pilot Training Program (ENJJPT).
- b. The line is associated with the Electronic Combat International Security Assistance Program (ECISAP) Electronic Warfare (EW) classified and unclassified software and hardware.
- c. The line is for EDA grants under the [Foreign Assistance Act \(FAA\) of 1961](#).
- d. The line is for classified software when the development costs are on other lines.
- e. The minimal-dollar value line remains on a BPC case where unused funds were reprogrammed for other BPC program priorities.
- f. The line includes defense articles or defense services redirected from and funded under another BPC case. For a case line that includes defense articles or services redirected from another BPC case, the line value should reflect \$0 and the line note should include the original case and line, quantity, item description, and location where these items are being redirected.
- g. Minimal-dollar value training lines for BPC or FMS cases for the purpose of student accounting in Defense Security Assistance Management System - Training Module (DSAMS-TM) for student management and congressional reporting purposes. The two most common situations for creating minimal-dollar value training lines are 1) when the training is funded on a separate line on the same case (i.e., for regional BPC programs where training is funded through a separate BPC case or another line on the same regional BPC case) and 2) when a case that includes the provision of equipment has training costs embedded on the case line for such equipment.

**To:**

**C6.7.6.3. Request for Foreign Military Sales and Building Partner Capacity**

**Exemptions.** There are several exemptions to the general prohibition on the use of minimal-dollar value lines (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)). IAs are not required to submit an ETP request if one of the situations listed below applies to the relevant FMS or BPC case. Otherwise, the IA must request and receive an approved ETP for any lines that must remain on a case at minimal-dollar value (or any other non-executable dollar value (i.e., \$0, \$1, \$2, or \$10)) due to audit or other transactional requirements. Requests for an ETP should be submitted through the [DSCA ETP Tracker](#) (DoW CAC Required) and will be provided to DSCA (OBO/FPRE/FP) for decision.

- a. The line is associated with the Euro-North Atlantic Treaty Organization (NATO) Joint Jet Pilot Training Program (ENJJPT).
- b. The line is associated with the Electronic Combat International Security Assistance Program (ECISAP) Electronic Warfare (EW) classified and unclassified software and hardware.
- c. The line is for EDA grants under the [Foreign Assistance Act \(FAA\) of 1961](#).
- d. The line is for classified software when the development costs are on other lines.
- e. The minimal-dollar value line remains on a BPC case where unused funds were reprogrammed for other BPC program priorities.
- f. The line includes defense articles or defense services redirected from and funded under another BPC case. For a case line that includes defense articles or services redirected from another BPC case, the line value should reflect \$0 and the line note should include the original case and line, quantity, item description, and location where these items are being redirected.
- g. Minimal-dollar value training lines for BPC or FMS cases for the purpose of student accounting in Defense Security Assistance Management System - Training Module (DSAMS-TM) for student management and congressional reporting purposes. The two most common situations for creating minimal-dollar value training lines are 1) when the training is funded on a separate line on the same case (i.e., for regional BPC programs where training is funded through a separate BPC case or another line on the same regional BPC case) and 2) when a case that includes the provision of equipment has training costs embedded on the case line for such equipment.
- h. **Minimal-dollar value lines on Sister FMS Cases developed for Concurrent Modifications in support of prioritization of case closure activities for cases implemented in FY2017 and prior, as outlined in [Section C16.4.6.1](#).**

2. Add Section C16.4.6. “Concurrent Modifications Requirements for Legacy Foreign Military Sales Funded Cases”, subsections, Table C16.T3., and Figure C16.F5.

**C16.4.6. Concurrent Modifications Requirements for Legacy Foreign Military Sales Funded Cases.** Concurrent Modifications transfer funding authority, update the payment schedule to mirror the Legacy FMS case(s), and make any needed allowable changes as provided in [Table C6.T7](#). If a change outside [Table C6.T7](#) is required, the IA may request an Exception to Policy (ETP) to utilize the Concurrent Modification process to make a scope change on the Sister FMS case (See [Section C6.7.5](#)). Absent an approved ETP, IAs must complete any pending scope changes via an Amendment to the Sister FMS case after implementation of the Concurrent Modification.

**C16.4.6.1. Prerequisites.** For Legacy FMS cases in the Case Closure Initiative (CCI) population where the IA is establishing and implementing a Sister FMS case, the prerequisites outlined in [Table C16.T3](#) must be met.

**Table C16.T3. Sister Foreign Military Sales Case Prerequisites**

| Requirement Area                                           | Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope changes or administrative updates to the Legacy case | <p>IAs may process changes to Legacy FMS cases via Concurrent Modification as follows:</p> <ol style="list-style-type: none"> <li>1) <b>Administrative Changes:</b> changes must align with <a href="#">Table C6.T7</a>. All other administrative modifications require an approval with the Exception to Policy (ETP) process outlined in <a href="#">Section C6.7.5</a> and written partner acknowledgement and concurrence. IA requests via ETP to add new scope will not be considered and will need to be processed via Amendment.</li> <li>2) <b>Scope Changes:</b> Any updates that do not fall into the above (e.g., new requirements or unincorporated future corrective actions) must be processed via an Amendment and shall be held and processed once the Concurrent Modifications to the new Sister case are implemented.</li> </ol> |
| Case Structure                                             | IAs will structure the new Sister FMS case with a quantity of 1 and a unit price of \$1 for each active individual line item.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Initial Deposit                                            | A \$0 initial deposit is required to implement the Sister FMS case.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Documentation                                              | The partner is not required to submit a Letter of Request (LOR) to initiate the Sister FMS case. However, a crosswalk of transferring requirements is mandatory for each line of the case and must be documented in the case file. Additionally, all Sister FMS cases shall contain both of the following LOA notes and be documented in the case file; Prioritization of Case Closure Activities - Sister Foreign Military Sales Letters of Offer and Acceptance, and Prioritization of Case Closure Activities - Sister LOA and Required Adjustments.                                                                                                                                                                                                                                                                                            |

| Requirement Area                         | Action                                                                                                                                                                                                                                                                     |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Surcharge and accessorial accounts rates | IAs will ensure all surcharge and accessorial accounts rates (e.g., FMS Administrative Surcharge, Contract Administrative Surcharge, Packaging, Crating, and Handling, and Transportation, etc.) on the Sister FMS case will mirror the original rates on the Legacy case. |

**C16.4.6.2. Sister Foreign Military Sales Case Development Process.** The following section outlines the standard process for creating a Sister FMS case, migrating active lines from the Legacy FMS cases, executing Concurrent Modifications to transfer associated funds, and making all necessary within scope updates as appropriate. This action is a U.S. Government (USG)-driven administrative effort under the CCI.

**C16.4.6.2.1. Create the Sister Foreign Military Sales Case.** The IA creates a Sister FMS case in the DSAMS to serve as the receiving FMS case for the ongoing partner requirements from the Legacy FMS case(s).

**C16.4.6.2.1.1.** For FMS cases utilizing FMS Credit (non-repayable) or Military Assistance Program (MAP) Merger funds, the IA must confirm funds availability with the DSCA Country Finance Director (CFD) to ensure the CFD has obtained the Department of State approval to transfer funds to the new case. To facilitate the transfer of funds to the Sister FMS case, the Legacy FMS case must have existing excess funds for transfer. In instances where funds are unavailable, the IA will initiate case closure of the Legacy FMS case.

**C16.4.6.2.2. Line Structure.** The Sister FMS case must be established to mirror only the open and undelivered lines from the Legacy FMS case that have not expired. One line should be included for each line transferred from the Legacy FMS case to the Sister FMS case. Specifically, the following Line Elements should match exactly between the two cases:

- Military Articles and Services List (MASL)
- Line Manager Code and/or Operating Agency Code
- Line Description
- Source Code
- Type of Assistance Code
- Terms of Sale
- Offer Release Code
- Delivery Term Code
- Months (must match and cannot back date for either MOS format of date/year or numeric range (ex. Numeric range: If a Legacy Case MOS is 190-261 where the 261st month is DEC 2028 then the line transferred to the Sister case must have a new numeric date end of DEC 2028 calculated based on the Sister case OED.)
- Line Notes (must match Legacy case and include line crosswalk information. See [Section C16.4.6.2.4.](#))

**C16.4.6.2.3. Mandatory Audit Trail.** To ensure a clear audit trail, the IA must ensure that both FMS case notes for “Prioritization of Case Closure Activities - Sister Foreign Military Sales Letter of Offer and Acceptance,” and “Prioritization of Case Closure Activities - Sister LOA and Required Adjustments” are included as case notes for the Sister FMS case.

**C16.4.6.2.4. Mandatory Crosswalk Matching Legacy Case Lines to Sister Foreign Military Sales Case Lines.** For transparency, ease of auditing, and to prevent unnecessary case returns during Write or Review status, the IA must ensure that the line note includes the following crosswalk verbiage: “This line item is transferred from Legacy case [Insert Legacy case #], Line [Insert Legacy Line #]”.

**C16.4.6.2.5. No Signature Requirement for Implementation.** The establishment of a Sister FMS case is an administrative action that transfers remaining scope and funding from a Legacy case with no change to the overall scope. Therefore, partner signature is not required.

**C16.4.6.2.5.1.** To execute this administrative update, the IA will accept and implement the Sister Letter of Offer and Acceptance (LOA) unilaterally. The IA must enter the exact statement "No Purchaser Signature required" directly into the Purchaser Signature block on the LOA document.

**C16.4.6.2.6. Partner Notification of New FMS Case.** Once the new Sister FMS case is implemented, a copy of the Sister case and a notification to the partner must be provided by the IA to inform the partner of the change (see [Figure C16.F5](#) for the notification template.)

#### **Figure C16.F5. Template of Notification Memorandum of New Sister Case**

**See update #4 below for figure**

**C16.4.6.2.7. Prepare the Concurrent Modifications.** Once the Sister FMS case is implemented and the partner is notified of the transfer of requirements to the Sister FMS case, the IA will prepare the Concurrent Modifications [Section C6.7.3.2](#). The documents must not contain any scope changes: 1) A Modification to decrease the value on the Legacy FMS case by the amount of the undelivered scope, and 2) A Modification to increase the value and quantity (if applicable) on the Sister FMS case by the identical amount. If the “Prioritization of Case Closure Activities - Sister Foreign Military Sales Letter of Offer and Acceptance Case” remark and case note are not already present on these cases when the modifications are being developed, they must be added by the IA.

**C16.4.6.2.8. Case Linkage.** IAs must record the modified cases and amounts in the DSAMS Mod Funding tab (under Case Detail) to link both modifications for simultaneous implementation by the Defense Finance and Accounting Service (DFAS). This action allows DSAMS to automatically relate the case documents and print the required statements in accordance with [Section C6.7.3.2.6](#). The related modifications must also be linked and reviewed in the Case Tracking System (CTS) before posting the DSAMS Military Approval

(MILAP) milestone which transitions the modifications to the Case Writing and Development Division.

**C16.4.6.2.8.1. Congressional Notifications.** A new Congressional Notification (CN) is not required for a Sister FMS case when a valid CN already exists on the associated legacy case. The existing CN will be used to support the Sister FMS case. The IA holds the sole responsibility for initiating and executing the CN transfer from the Legacy case to the Sister FMS case. Prior to any transfer action, the IA must request and receive formal approval from the designated DSCA CFD. Upon receiving CFD approval, the IA shall transfer the CN by entering the previously notified CN milestone from the Legacy case to the Sister FMS case within the DSAMS. This action must be completed while the Legacy case is open (implemented status), and the Sister FMS case is in the "Development" phase. The DSAMS will adjust the funding amounts and/or item quantities on the affected lines of the Legacy case as necessary. Any unused quantities or funds resulting from this adjustment will be transferred to the Sister FMS case and will be reflected on CN Balance Sheet (Cognos report RP533). Upon successful completion of the transfer, the remaining balances of both the financial value and the item quantities associated with the CN will become fully available for use on the Sister FMS case.

**C16.4.6.2.8.2. System Updates.** Statutory notification milestones must be posted, and the transmittal number must be entered on the Sister FMS case prior to the IA posting the MILAP milestone in DSAMS.

**C16.4.6.2.9. Nonrecurring Cost Waivers.** For FMS cases in the Case Closure Initiative population where the IA is establishing a Sister FMS case, a new Nonrecurring Cost (NC) waiver is not required if there is no change in scope (no additional MDE being added or changes in pricing). In support of case closure, previously approved NC waivers can transfer directly from the Legacy FMS case to the Sister FMS case. NC waivers are only transferred when applicable Legacy FMS case lines are moved to the Sister FMS case. To execute an NC transfer, send an email request directly to DSCA (Office of Administration, Performance Improvement and Effectiveness (ADM/PIE)) ([dsca.ncr.pie.mbx.nc@mail.mil](mailto:dsca.ncr.pie.mbx.nc@mail.mil)) while the case is in development.

**C16.4.6.2.10. Transfer Case Notes and Remarks.** The IA will directly copy case notes and case remarks from the Legacy FMS case (e.g., Foreign Disclosure Office, Anti-Tamper) to the Sister FMS case, provided they are accurate, consistent with the original scope, and relevant.

**C16.4.6.2.11. Manpower Travel and Data Sheet.** Sister FMS cases with open and undelivered case-funded manpower lines from Legacy FMS cases are required to include Manpower Travel and Data Sheet (MTDS) for continued standardized planning and auditing. All sections (i.e., Personnel, Travel, Support Costs, Narrative Description, etc.) of the MTDS should mirror manpower rates, but new case amounts should reflect remaining work to be done (i.e., actuals). Dates may not be backdated, and end dates need to match the Legacy FMS case.

**C16.4.6.2.12. Align Contracts and Requisitions.** Once the Concurrent Modifications are implemented, the IA must update all execution documents to transition to the new funding source. Specifically, IAs must update Contract Line Item Numbers (CLINs) with the new line of accounting established for the Sister FMS case.

**C16.4.6.2.12.1. Contracts.** The IA notifies the Procurement Contracting Officer (PCO), who issues a formal modification to the existing contract. This legal document updates the contract's funding citation to reference the Sister FMS case and line item.

**C16.4.6.2.12.2. Requisitions.** Existing open requisitions are modified using a MILSTRIP transaction (identified by Document Identifier Code AM). This updates the requisition's Fund Code to ensure invoices bill against the Sister FMS case.

**C16.4.6.2.13. Final Reconciliation and Closure of the Legacy Foreign Military Sales Case.** With all scope and funds migrated, the Legacy FMS case must be transitioned toward closure as outlined in [Appendix 7, Case Reconciliation and Closure Guide \(RCG\)](#). The IA is responsible for ensuring all articles and services are fully delivered (achieving Supply/Service Complete status), reconciling all financial transactions, clearing Unliquidated Obligations (ULOs) where applicable, and finalizing the accounting to support the issuance of a final-case closure certificate.

**C16.4.6.2.14. Managing the Sister Foreign Military Sales Case.** The Sister FMS case is now an active case for the migrated defense articles and/or defense services. Any future requirements or new scope requested by the partner must be added via a subsequent LOA Amendment. An amendment requires a Letter of Request (LOR), partner signature, and ensures a clear, auditable separation between the migrated effort and the Sister FMS case. When amending cases, all provisions outlined in [Section C6.7.2.](#) remain in effect.

**C16.4.6.2.14.1. Required Downward Adjustments for Financial Reconciliation.** IAs must remove the placeholder amounts during the next modification or amendment to match the total case value of the Sister Case to the previous total case value of the Legacy Case. Because Sister FMS Cases are initially established using minimal-dollar placeholder values these temporary placeholders artificially inflate the total case value.

**C16.4.6.2.14.1.1.** To resolve this discrepancy, the IA is required to back out the exact placeholder amounts during the first subsequent modification or amendment to have the total case value of the Sister case match the amount on the Legacy case. Executing this downward adjustment is a critical system reconciliation step; it brings the Sister FMS case into proper funding alignment and finalizes a clean, accurate financial audit trail between the Legacy and Sister cases. To identify the exact placeholder amount to be backed out of each line, refer to the 'Last Implemented Value' on the Case Line Summary window (WN007) in DSAMS.

3. Add Section C16.4.7. “Using Concurrent Modification Process to Consolidate Cases” and subsections

**C16.4.7. Using Concurrent Modification Process to Consolidate Cases.** The partner may request the consolidation of two or more Legacy FMS cases and requirements on to a new

Sister FMS case. By consolidating lines into a single, follow-on Sister FMS case, IAs reduce administrative burden and improve overall case management efficiency.

**C16.4.7.1. Pre-Consolidation Assessment and Eligibility.** Prior to consolidating Legacy FMS cases, IAs must execute the following procedures to ensure compliance:

**C16.4.7.1.1. Receive Request.** Obtain a formal request (e.g., formal letter, FMR Minutes, etc.) from the partner to initiate the consolidation process for multiple Legacy cases.

**C16.4.7.1.2. Verify Case Parameters.** Maintain the exact parameters of the original cases. IAs must ensure zero alterations to the established scope of work, requirements, or price (including surcharges) between the Legacy cases and Sister FMS case.

**C16.4.7.1.3. Audit Account Rates.** Review of the FMS Administrative Surcharges, Contract Administration Services (CAS), and all accessorial account rates across every Legacy FMS case intended for consolidation.

**C16.4.7.1.3.1. Contract Administration Services.** CAS rates are established at the case level, and for the life of the case. As such, only those Legacy cases with identical CAS rates can be consolidated.

**C16.4.7.1.3.2. Foreign Military Sales Administrative Surcharge.** FMS Administrative Surcharge rates are established at the line level within a case and can be different depending on the FMS Administrative Surcharge in effect at the time the line was implemented. It is permissible for there to be multiple FMS Administrative Surcharge rates within a Sister case.

**C16.4.7.1.4. Confirm Rate Alignment.** Verify that all audited rates are identical.

**C16.4.7.1.5. Linking a Congressional Notifications.** Link the Legacy CNs directly to the Sister FMS Case. IAs must maintain the exact scope, particularly for Major Defense Equipment or Significant Military Equipment ([Section C16.4.6.2.8.1.](#))

**C16.4.7.1.6. Transfer Nonrecurring Costs.** Transfer the NCs or approved NC waivers to the Sister FMS case, ensuring they carry over identically from the Legacy FMS cases ([Section C16.4.6.2.9.](#))

**C16.4.7.1.7.** Upon successful completion of the pre-consolidation assessment, and provided all eligibility criteria are satisfactorily met, the IA should execute Concurrent Modification as outlined in [Section C16.4.6.](#) to finalize the consolidation process.

**C16.4.7.1.8.** Upon successful execution of the consolidation or transfer, the Legacy FMS case must be transitioned toward closure as outlined in [Appendix 7, Case Reconciliation and Closure Guide \(RCG\)](#) and [Section C16.4.6.2.13.](#)

4. Add SAMM Figure C16.F5. “Form Letter - Notification Memorandum of a New Sister Foreign Military Sales Case”

**Figure C16.F5. Form Letter - Notification Memorandum of a New Sister Foreign Military Sales Case.**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <p>[OFFICIAL LETTERHEAD - Implementing Agency]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>[Date]</p> |
| <p>MEMORANDUM FOR: [Partner Point of Contact Title]</p> <p>FROM: [Implementing Agency / Military Group Point of Contact Title]</p> <p>SUBJECT: Notification of Legacy Foreign Military Sales Case Closure Initiative and Establishment of Sister Foreign Military Sales Case</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |               |
| <p>In support of <a href="#">Executive Order 14268</a> and to strengthen the financial integrity of the Security Cooperation (SC) program, the Defense Security Cooperation Agency (DSCA) is closing Legacy Foreign Military Sales (FMS) Letters of Offer and Acceptance (LOA) implemented in United States Fiscal Year (FY) 2017 and prior. This memorandum is notification of this initiative and how [Implementing Agency] will ensure your FMS requirements continue to be fulfilled during its execution.</p> <p>The DSCA’s FY 2026 closure targets include Legacy cases from your portfolio. Although the initiative affects cases with pending deliveries, it is largely administrative and should require little effort on your part. [Implementing Agency] is working with DSCA to prevent any loss of funds or delivery delays while meeting our Department’s requirements.</p> <p>To continue executing Legacy cases with pending deliveries, [Implementing Agency] is developing a Sister FMS case, which assumes the remaining active scope (e.g., active procurement, training, or services) from Legacy case [Legacy Case ID] and allows the completed portions of [Legacy Case ID] to proceed to reconciliation and closure in compliance with <a href="#">DSCA Policy Memorandum 25-97</a>. This new Sister FMS case, [Sister Case ID], will not require an initial deposit nor a new Letter of Request (LOR) from you to implement. Shortly after new [Sister Case ID] is implemented, we will initiate concurrent modifications to expeditiously complete the transfer of the remaining residual scope and funding from [Legacy Case ID] and move to [Sister Case ID] with no change in scope or cost. The concurrent modifications will update the current quantities and pricing for [Sister Case ID], transfer funding, and make any necessary updates to the payment schedule to complete this administrative update to allow the work to continue in compliance with our financial requirements. These actions will be accomplished via modification; therefore, the Sister FMS case will be implemented without partner signature.</p> |               |

We value [Partner]'s partnership in this effort as we work to quickly and efficiently close FMS cases. For questions concerning this Notification, please contact [IA/ Point of Contact Information]; we will work with DSCA to ensure a seamless transition.

[Signature]

[Name] [Title]

[Implementing Agency]

CC: United States Military Group

5. Add the following note to Appendix 6- Letter of Offer and Acceptance Notes Listing:

**Prioritization of Case Closure Activities - Sister Foreign Military Sales Letter of Offer and Acceptance**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>Building Partner Capacity:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No                                       |
| <b>Foreign Military Sales:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Yes                                      |
| <b>Note Input Responsibility:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | IA                                       |
| <b>Date Range of Use:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | All                                      |
| <b>References:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | See <a href="#">Section C16.4.6.2.3.</a> |
| <b>Note Usage Instructions for Documents:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          |
| Mandatory for all Sister Foreign Military Sales (FMS) Letters of Offer and Acceptance (LOAs) created to assume the remaining operational scope of a single or multiple Legacy FMS cases that were designated for prioritized final closure by Implementing Agencies (IAs) via Concurrent Modification.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                          |
| <b>Note Text:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |
| This Foreign Military Sales (FMS) Letter of Offer and Acceptance (LOA) is a continuation of Legacy FMS case(s) [Insert Legacy Case Designator(s)] and transfers the following line(s) [Insert line number/s from Legacy FMS Case(s)]. This Sister FMS case is created in support of the Case Closure Initiative per <a href="#">Section C16.4.</a> to facilitate the closure of the Legacy FMS cases. Once this new basic Sister FMS case is implemented, Concurrent Modifications will be initiated to transfer funding authority, update the payment schedule to mirror the Legacy FMS case(s), and make any needed allowable changes as provided in <a href="#">Table C6.T7.</a> Modification for Foreign Military Sales cases unless authorized by an approved Exception to Policy. Per <a href="#">Section C16.4.6.2.5.</a> , no partner signature is required for this administrative change, as no scope change has occurred and written partner notification with the new Case ID has been issued (email notification is permissible). |                                          |

6. Add the following notes to Appendix 6 - Letter of Offer and Acceptance Notes Listing:

**Prioritization of Case Closure Activities - Sister Letter of Offer and Acceptance and Required Adjustments**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>Building Partner Capacity:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        | No                                          |
| <b>Foreign Military Sales:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yes                                         |
| <b>Note Input Responsibility:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        | IA                                          |
| <b>Date Range of Use:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                | All                                         |
| <b>References:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                       | See <a href="#">Section C16.4.6.2.14.1.</a> |
| <b>Note Usage Instructions for Documents:</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |                                             |
| Mandatory for all Sister Foreign Military Sales (FMS) Letters of Offer and Acceptance (LOAs) created to assume the remaining operational scope of Legacy FMS cases designated for prioritized final closure by Implementing Agencies (IAs) via Concurrent Modifications. The text below provides direction to IAs to remove the minimal-dollar values from the case to prevent overstatement of value and future reconciliation issues on the new Sister FMS case lines. |                                             |
| <b>Note Text:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                             |
| Per <a href="#">Section C6.7.6.3.</a> , minimal-dollar values were used to establish these lines. To bring the case into proper funding alignment, the Implementing Agency (IA) must remove these placeholder values during the next modification or amendment to match the total case value of the Sister Case to the previous total case value of the Legacy Case.                                                                                                     |                                             |

7. Add the following terms to the E-SAMM Glossary:

| TERM                                     | DEFINITION                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Link |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Legacy Foreign Military Sales (FMS) Case | An FMS Letter of Offer and Acceptance (LOA) implemented in Fiscal Year 2017 (FY 2017) or prior. Under DSCA guidance, these cases are specifically designated for prioritized final closure by Implementing Agencies (IAs).                                                                                                                                                                                                                                           | N/A  |
| Sister Foreign Military Sales (FMS) Case | An FMS Letter of Offer and Acceptance (LOA) created to assume the remaining operational scope of a Legacy FMS case. It provides a mechanism for Implementing Agencies (IAs) to migrate active procurement, training, or service lines to a newly established case to meet audit compliance standards. Development of the sister case segregates the completed portions of the Legacy FMS case, allowing it to proceed to financial reconciliation and final closure. | N/A  |