



DEFENSE SECURITY COOPERATION AGENCY

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15 JULY 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 26-84, Updating
Security Assistance Management Manual for Legacy Case Closure [SAMM E-Change 854]

References: (a) Defense Security Cooperation Agency, [Policy Memorandum 25-97](#),
Prioritization of Case Closure Activities, January 7, 2026

Effective immediately, this memorandum updates the Security Assistance Management Manual (SAMM) by incorporating the requirements outlined in reference (a) into SAMM Chapter 16, Case Reconciliation and Closure. The attachment incorporates this policy 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.

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

Attachment: SAMM E-Change 854 - Updating SAMM for Legacy Case Closure

Attachment: Security Assistance Management Manual E-Change 854

UPDATING SAMM FOR LEGACY CASE CLOSURE

1. Add SAMM Section C16.4. - Legacy Case Closure, and renumber existing Section C16.4. - Case Closure Submission Tool” as required.

C16.4. Legacy Case Closure

C16.4.1. Case Closure for Legacy Cases (Cases Implemented in Fiscal Year 2017 and Prior). To ensure the DoW achieves an unmodified audit opinion on financial statements, Implementing Agencies (IAs) must prioritize and execute the final closure of Foreign Military Sales (FMS) cases implemented in fiscal year (FY) 2017 and prior.

C16.4.2. Case Closure. As a required action to support the DoW’s unmodified audit opinion objective, Legacy cases must be brought to final closure no later than September 30, 2027. This action is required as legacy systems used for these cases often lack the detailed transactional data and documentation necessary for audit compliance.

C16.4.3. Exemptions. Letters of Offer and Acceptance (LOAs) implemented in FY 2017 and prior may be removed from mandatory closure under the Case Closure Initiative through two distinct mechanisms: (1) Established Case Categories Exemption, and (2) IA Requested Exemption. The specific criteria and procedures for both pathways are detailed in the following subsections.

C16.4.3.1. Case Categories Exemption. To support the broader case closure initiative without degrading partner sustainment, DSCA has established programmatic exemptions from [Section C16.4.](#) requirements for LOAs implemented in FY 2017 and prior. While these exemptions allow critical support lines to remain active, they do not preclude IAs from closing cases that are no longer required, nor do they waive SAMM reconciliation requirements. Authorized policy-exempt case categories are detailed in the table below.

Table C16.T2. Legacy Case Closure Exempted Categories

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| <ul style="list-style-type: none">• Foreign Military Sales Order I (FMSO I) described in Section C16.3.1.3. are exempt from legacy case closure and may remain open.• FMS Contingency Support Cases described in Section C16.3.21. are exempt from legacy case closure and may remain open. |
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C16.4.3.2. Implementing Agency Requested Exemptions. IAs may request individual exemptions to [Section C16.4.](#) To qualify for this exemption, IAs must demonstrate that

accounting information is fully reconciled among the General Ledger (GL), FMS case logistics systems, and other relevant business feeder systems (e.g. contracting, disbursing, etc.), and that supporting documentation related to case implementation and case execution is available. [Figure C16.F1.](#) should be used for all IA exemption requests and must be signed by a Flag/General Officer or member of the Senior Executive Service (SES). IA exemption requests should be submitted to DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Policy Division (OBO/FPRE/FP)) by IA Closure points of contact (POCs) via the [Case Closure Submission Tool](#) (DoW CAC Holders Only).

C16.4.3.2.1. Once submitted, DSCA (OBO/FPRE/FP) will review for compliance. Once it is determined the exemption letter does comply with policy, the IA may proceed and shall include a case remark in DSAMS stating “DSCA (OBO/FPRE/FP) determined that the Exemption Letter does comply with [DSCA Policy Memo 25-97](#).” DSCA does not provide approval of an IA’s exemption request, but reviews for compliance. All exempted cases are subject to sampling activity, which will be conducted by DSCA for the purpose of confirming the requirements outlined in this section.

Figure C16.F1. Form Letter - Case Closure Exemption Letter

See update #2 for figure.

C16.4.4. Pending Deliveries and Services on Fiscal Year 2017 and Prior Cases. For FMS cases implemented in FY 2017 or prior with pending deliveries, requisitions, outstanding repair and returns and/or FMS related training to be completed, IAs may seek an exemption (see [Section C16.4.3.2.](#)), or develop a new FMS case in coordination with the purchaser where concurrent modifications will move the scope from the legacy case to a new case. FMS cases without an IA exemption are required to be closed no later than September 30, 2027, as outlined in [Section C16.4.2.](#)

2. Add Figure C16.F1. Form Letter - Case Closure Exemption Letter

Implementing Agency Letterhead	
DD MMM YYYY	
SUBJECT: Case Closure Exemption Letter	

Reference: (a) [Defense Security Cooperation Agency Policy Memorandum 25-97](#),
Prioritization of Case Closure Activities for Letters of Offer and
Acceptance Implemented in Fiscal Years 2017 and Prior

In accordance with the criteria outlined in reference (a), [\[Implementing Agency\]](#) requests an exemption from the Foreign Military Sales (FMS) Case Closure Initiative for the attached list of cases implemented in fiscal years 2017 and prior. [\[Implementing Agency\]](#) attests that accounting information is fully reconciled among the General Ledger, FMS case logistics systems, and other relevant business feeder systems (e.g. contracting, disbursing, etc.), and that supporting documentation related to case implementation and case execution is on file and readily available for review for the identified Letters of Offer and Acceptance (LOA).

[Name]
[Position]

Attachment A – List of Foreign Military Sales Cases