



DEFENSE SECURITY COOPERATION AGENCY

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

14 AUGUST 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 26-85, Title 22 Foreign
Military Sales Closure Adjustment [SAMM E-Change 855]

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

Effective immediately this memorandum establishes policy on how to conduct verified closure adjustment activities for Title 22 (T22) Foreign Military Sales (FMS) Letters of Offer and Acceptance (LOAs) in advance of case closure. The policy in the attachment is incorporated into the SAMM at <https://samm.dsca.mil>.

The closure adjustment process is not a substitute for Implementing Agencies (IAs) performing required funds reconciliation and exercising thorough financial management. It is instead intended as a tool of last resort in situations where an IA is unable to, using established procedures, reconcile a case that is supply service complete and does not have any pending obligations. Further, it is specifically intended to address constraints that may prevent timely case closure in line with reference (a). This policy may be reevaluated, updated with a subsequent policy memorandum, or rescinded at a later date as necessary. Further, this policy is

not applicable to Building Partner Capacity (BPC) cases; for BPC-related policies and procedures please see Security Assistance Management Manual Chapters 15 and 15-Legacy.

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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Date: 2026.08.14 14:56:22 -04'00'

Brian Watford
Acting Chief Operating Officer and
Chief Financial Officer

Attachment: SAMM E-Change 855 - Title 22 Foreign Military Sales Closure Adjustment

Attachment: Security Assistance Management Manual E-Change 855

TITLE 22 FOREIGN MILITARY SALES CLOSURE ADJUSTMENT

1. Add Section C16.2.17.

C16.2.17. Title 22 Foreign Military Sales Closure Adjustment. There may be instances where an IA, despite best efforts, is unable to fully reconcile a case using established procedures in preparation for case closure (e.g. irreconcilable discrepancies between systems, etc.). In these instances, and after all other options have been exhausted, the IA must submit a memorandum for record (MFR) (signed by a representative at or above GS-15 level) for a closure adjustment to reconcile the case before a case closure certificate can be submitted. The MFR should be coordinated with the appropriate DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate (OBO/FPRE)) Country Finance Director (CFD) in advance of formally submitting the closure adjustment request to the DSCA case closure team via the [DSCA Case Closure Tool](#) (DoW CAC Holders Only). See [Figure C16.F1](#) for the MFR. Upon receipt, DSCA (Office of Business Operations, Financial Policy and Regional Execution Directorate, Financial Analysis and Compliance Division (OBO/FPRE/FAC)) will route the MFR for review and approval to the appropriate offices within DSCA. If approved, the MFR will be signed by DSCA (OBO/FPRE/FAC), returned to the IA and DSCA (OBO/FPRE/FAC) will further forward the approved Closure Adjustment Package to DFAS-IN at dfas.indianapolis-in.jax.mbx.dfas-in-sca-ccci@mail.mil to process in DIFS. If not approved, DSCA (OBO/FPRE/FAC) will return the MFR to the IA for additional revision(s). Once the closure adjustment has been processed by DFAS, the IA will complete a Case Closure Certificate in line with [Section C16.3.8](#).

2. Add Figure C16.F1. as follows; renumber existing C16.F1 as F2.:

Figure C16.F1. Title 22 Foreign Military Sales Closure Adjustment Memorandum for Record

Notes: This Memorandum for Record (MFR) documents the submission of information required to submit a Title 22 Foreign Military Sales Letter of Offer and Acceptance (LOA) (also known as an FMS case) for closure adjustment.

Implementing Agency Letterhead

DD MMM YYYY

Subject: Title 22 Foreign Military Sales Closure Adjustment Memorandum for Record

From: Implementing Agency (IA)

To: DSCA Office of Business Operations (OBO)

Item #	Item	Information and Actions Taken
1.	Date	[## MON YEAR]
2.	Security Cooperation Customer Code/IA/FMS Case Designator	[XX-X-XXX]
3.	Net Case Value	[current value required to liquidate all obligations/expenditures]
4.	Issue of Concern	[be as descriptive as possible]
5.	Documentation of Reconciliation Attempt	[description of actions taken to demonstrate how the case has been reconciled among relevant systems (e.g. contracting, disbursing, etc.), date of reconciliation, corrective next steps (e.g. internal control implementation) etc. with documentation attached]
6.	Total Out-of-Balance (if applicable)	[\$---, system (s) where reconciliation challenges are occurring]
7.	System Adjustments required to balance case	[provide description of adjustments]
8.	Transaction documents are attached	[Yes/no] [If documents are not attached, provide explanation]
9.	IA point of contact (POC)	[Name, email, phone number]

From IA POC:
[Typed name]

Signature Block

To be filled out by DSCA

Received by DSCA OBO POC:
[Typed name]

Approved by OBO POC:
[Typed name]

Signature Block

Signature Block