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

XX AUG 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 26-96, Reconciliation and Continued Execution of Certain Foreign Military Sales Cases Implemented in Fiscal Year 2017 and Prior [SAMM E-Change 864]

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

Effective immediately, this memorandum updates the Security Assistance Management Manual (SAMM) to establish a process to reconcile and continue to execute certain Foreign Military Sales (FMS) cases implemented in Fiscal Year (FY) 2017 and prior. This policy extends to cases that cannot meet either the objective of final closure no later than September 30, 2027 or the exemption criteria as outlined in reference (a). Further, this policy applies to cases that include the following: 1) pending deliveries for non-severable requirements; 2) active or outstanding requisitions related to procurement which would pose a significant cost to the partner if cancelled; 3) open case lines related to the FMS case with a period of performance extending past September 30, 2027; 4) pending warranties; 5) involving partners that implement practices prohibiting the movement of requirements to a new case; 6) an active Supply Discrepancy Report period; and/or 7) missing supporting documentation. The attachment incorporates this policy into the SAMM at https://samm.dsca.mil.

Implementing Agencies that rely on this policy must follow the outlined process for submitting a Memorandum for Record (MFR) to document, among other things, reconciliation attempts as well as specific closure challenges related to impacted cases. MFRs can list multiple cases that are being impacted by the same closure challenge. Reconciliation and continued execution of these specific FMS cases advances critical operational goals by avoiding unwanted breaks in service, increased costs to partners and delayed deliveries while maintaining accountability and transparency in the FMS system.

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 864 - Reconciliation and Continued Execution of Certain Foreign Military Sales Cases Implemented in Fiscal Year 2017 and Prior

Security Assistance Management Manual E-Change 864

RECONCILIATION AND CONTINUED EXECUTION OF CERTAIN FOREIGN MILITARY SALES CASES IMPLEMENTED IN FISCAL YEAR 2017 AND PRIOR

1. Add Section C16.4.5. and subsection:

   C16.4.5. Memorandum For Record to Reconcile and Continue Case Execution of Certain Foreign Military Sales Cases Implemented in Fiscal Year 2017 and Prior. Cases that cannot meet either the objective of final closure no later than September 30, 2027 or do not qualify for an exemption per Section C16.4.3. may be eligible for reconciliation and continued execution, pending certain requirements. This category includes cases with the following: 1) pending deliveries for non-severable requirements; 2) active or outstanding requisitions related to procurement which would pose a significant cost to the partner if cancelled; 3) open case lines related to the Foreign Military Sales (FMS) case with a period of performance extending past September 30, 2027; 4) pending warranties; 5) involving partners that implement practices prohibiting the movement of requirements to a new case; 6) an active Supply Discrepancy Report period and/or 7) missing supporting documentation. In these instances, Implementing Agencies (IAs) must submit a Memorandum for Record (MFR) to DSCA via the DSCA Case Closure Tool (DoW CAC Holders Only) documenting information required and actions taken for the reconciliation and continued execution of specific FMS case(s). DSCA will review MFRs on a case-by-case basis and provide IAs with a response. MFRs can list multiple cases that are being impacted by the same closure challenge and must be approved at the General Schedule -15 equivalent or higher at a comptroller or financial management organization, with conditions, for a given IA. See Figure C16.F3.

   C16.4.5.1. Additional Conditions. Modifications and amendments are restricted to supporting existing FMS case execution and reconciliation requirements. IAs must make every effort to reconcile and close the case(s) by the estimated closure date. No increase in scope may be added to the case(s) at any time. IAs shall seek opportunities (e.g. end of a contract) to move requirements to a new case in accordance with Section C16.4. DSCA will work closely with IAs to measure individual case progress and ensure any given case remains on track for completion via regular engagement forums (e.g. Business Process Reviews, Financial Management Reviews, etc.)

2. Add SAMM Figure C16.F3. Memorandum for Record to Reconcile and Continue Case Execution of Certain Foreign Military Sales Cases Implemented in Fiscal Year 2017 and Prior:

Figure C16.F3. Memorandum for Record to Reconcile and Continue Case Execution of Certain Foreign Military Sales Cases Implemented in Fiscal Year 2017 and Prior

Note: This Memorandum for Record (MFR) documents the submission of information required and actions taken for the reconciliation and continued execution of Foreign Military Sales case(s) implemented in Fiscal Year 2017 and Prior. Implementing Agencies may use the form below or submit their own documentation that addresses required Item Numbers (1-7).

Implementing Agency Letterhead

DD MMM YYYY

Subject: Memorandum for Record to Reconcile and Continue Case Execution of Certain Foreign Military Sales Cases Implemented in Fiscal Year 2017 and Prior

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/ Case Designator(s)	[XX-X-XXX]
3.	Issue of Concern	[detailed description of issue of concern with supporting documentation (e.g., why case cannot be closed by September 30, 2027 and/or does not meet exemption criteria, dates and system(s) where records are no longer available, current value required to liquidate pending obligations/expenditures, total out of balance, etc.)]
4.	Reconciliation Attempt	[description of attempt to reconcile the case among relevant systems (e.g. contracting, disbursing, etc.)]
5.	Proposed Solution	[(e.g., proposed next steps, estimated closure date, etc.)]
6.	Proposed Solution	[attestation letter that does the following: 1.) Acknowledges all relevant information in MFR is accurate and complete; 2.) provides a description of attempt to obtain supporting documentation, if not available. See DoW Financial Management Regulation (DoW FMR), DoW

		7000.14-R, Volume 1, Chapter 9, for additional details.]; and 3.) confirms coordination with Implementing Agency's managing offices for records, information technology, systems, resources, payment/disbursement, audit, and legal affairs has been completed, as appropriate. Letter is signed by relevant General Schedule (GS)-15 level/equivalent signature or higher at a comptroller or financial management organization; or GS-15 level/equivalent signature w/confirmed cc to: SES/Flag official that signed prior DSCA exemption letter for FMS case per Section C16.4.3.]
7.	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