

Figure C5.F6. Instructions for Preparing a Letter of Offer and Acceptance

1. **Case Identifier.** Each case includes a unique case identifier (XX-X-XXX) composed of the Security Cooperation Customer code, the Implementing Agency (IA) code, and a case designator. The case designator is a three-position code assigned by the IA. The chart below shows the letters used by the military departments (MILDEPs) to assign case designators. This chart is for information purposes only and does not mandate use of these first-position letters. Case designations are the responsibility of the IA.

U.S. Army		U.S. Navy		U.S. Air Force	
B	Repair Parts	A	Ammunition and Other Explosives	A	Munitions (AFLC)
D	Training OCONUS (SATMO)			C	Cartridge Actuated Devices/Propellant Actuated Devices (CAD/PAD)
G	SELPO/Communications Security	B-C	Individual Spares and Components	D	Communication/ Electronic System Sale
H	Construction (Corps of Engineers)	G	Technical and Engineering Services	E	Equipment (Blanket)
I	Excess Defense Articles	H-J	Direct Requisitioning Procedures	F	Targeting
J	SDAF	K	FMSO (KA or KS – FMSO I and KB-KR or KT-KW – FMSO II)	G	Services
K	Foreign Military Sales Order (FMSO) I and II	L	Major End Items (components and equipment)	H	Section 30 Sales
L	Leases	M	Repair and Return	I	Contingency Support
M	Medical (U.S. Army Medical Materiel Agency)	P	Cartridge Actuated Devices (CAD), Propellant Actuated Devices (PAD), Aircrew Escape Propulsion Systems (AEPS)	K	FMSO (KA – FMSO I and KB-KW – FMSO II)
N	Coproduction	R	Open End Requisitioning Procedures	L	Equipment (Defined)
O	Training CONUS (TRADOC)	S	Weapon System Sale (Ship or Aircraft)	M	Maintenance
P	Planning	T	Training	N	Special Support
Q	Materiel/Services (from U.S. activities located in Europe)	Z	Leases	O	Communications Security (COMSEC)
S	Materiel/Services (from U.S. Army Security Assistance Agency – Latin America)			P	Publications
T	Publications			Q	Systems Sustainment Support
U-Z	Materiel/Services provided from various Life Cycle Management Commands (including but not limited to system package sales, munitions, spare parts, equipment, technical services, maintenance, etc.)			R	Spares
				S	Aircraft System Sale
				T	Training
				V	Major Modifications
				X	Special Financial (Reserved for DFAS-IN/JAX)
				Y	Missile System Sale
				Z	Leases

2. **Purchaser's Reference.** The Letter of Request (LOR) date, serial number, etc. is entered in the "Based on" field.

3. Term(s) of Sale. Term(s) of Sale indicate when payments are required and whether the Letter of Offer and Acceptance (LOA) is financed with cash or credit. [Table C9.T11.](#) of this Manual provides details on the various types. The terms must be recorded on the first page of each LOA. LOAs that include multiple sources of funding must list all sources and include a dollar breakout for each credit term used.
4. Defense Security Cooperation Agency Congressional Notification Transmittal Number. Include the DSCA transmittal number used in the statutory Congressional Notification (CN) (e.g., Congressional Notification 92-15) when applicable. When multiple notification numbers apply, they must all be listed.
5. Offer Expiration Date. Each LOA document includes an Offer Expiration Date (OED) indicating the last date on which the purchaser may accept the offer. The OED is normally 85 days (25 days for administrative processing and 60 days for Security Cooperation Customer review) from Military Department Approval (MILAP) in the Defense Security Assistance Management System (DSAMS), except for countries that have been approved a longer OED as reflected in the below chart. For countries listed in the chart below with an OED longer than 85 days, the Security Cooperation Customer review time is the OED minus 25 days.

Long Offer Expiration Dates: The purchaser can submit request for OEDs longer than the approved timeframes reflected in the below chart on a countrywide or case-by-case basis to the applicable IA. If the IA concurs, it enters a case remark in DSAMS that the LOA document contains an OED that is longer than the approved timeframes reflected in the below chart, and forwards it to DSCA (Office of Strategy, Plans, and Policy (SPP)) for approval. The validity of the data may decrease as the length of time from offer increases. The chart below reflects the current Security Cooperation Customer timeframes that should be used unless an exception is granted.

Short Offer Expiration Dates: Short OEDs are used for USG driven requirements (e.g., where the price estimates are dependent on contract award by a certain date). Short OEDs should not be used for purchaser-driven needs or as a means to expedite LOA documents through the review and countersignature process. If the purchaser has less than the OED minus 25 days, the IA must include the mandatory short OED LOA note (see [Appendix 6](#) on LOA Notes). The standard OED is used even when it is anticipated that the purchaser may accept the LOA document early. Using the standard OED allows the purchaser to accept the LOA document early (e.g., purchaser driven needs such as internal budget requirements, etc.), but also allows the purchaser the normal review time when early acceptance does not occur. This eliminates unnecessary pen and ink changes that are required to revise the OED when early acceptance does not take place.

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Security Cooperation Customer	Number of Days from Implementing Agency Signature to Offer Expiration Date
Egypt	115
Germany	115
Greece	115
India	180
Indonesia	145
Israel	115
Italy	130
Korea	120
Kuwait	180
Morocco	115
Pakistan	115
Philippines	145
Portugal	120
Saudi Arabia	180 (Air Force cases) 180 (Navy Cases) 140 (Army Cases) 150 (all other cases)
Spain	115
Taiwan	120
Turkey	100
Yemen	115
All Others	85

6. **Item Number.** Each LOA includes three position numeric LOA line numbers (e.g., 001, 002).
7. **Description/Condition Field.** For each line item this field must include a Generic Code and Military Articles and Services List (MASL) line data, National Stock Number (NSN) or part number (if applicable), Major Defense Equipment (MDE) (Y)/ Significant Military Equipment (SME) (S)/non-MDE (N), Missile Technology Control Regime (MTCR), End-Use Monitoring (EUM) code, a description of the articles or services, whether the materiel is classified or unclassified, continental United States (CONUS) or outside of the continental United States (OCONUS) travel and the condition code (if other than A1 condition) or reference to a note in which the condition is shown. [Appendix 4](#) of this Manual contains the entire list of Generic Codes. References to other information within the LOA may also be included, e.g., for weapon systems, the reference may relate to an attachment or note of the LOA that includes more descriptive information.

The LOA must contain a separate line for each article with a MASL line that is measured in units (any unit of issue other than “XX”). Any MDE/SME or other reportable items (e.g. Classified Materiel) must be listed separately on the LOA---they may not be embedded within a line item for Non-MDE equipment. For LOAs with more than one significant article or service, lines are listed in order from

most to least substantial. After the major items, the remaining lines are in order by generic code. The purpose of this order is for ease of reading. If there are compelling reasons for listing the lines in a different order, the IA may decide to do so, on a case-by-case basis.

8. Quantity, Unit of Issue, and Unit and Total Costs. This information is entered, as applicable. Total costs for each line are always in whole dollars. See [DoD 7000-14.R, Volume 15, Chapter 7](#) for information on how to price.
9. Supply Code/Months/Types of Assistance Code or Training Notes. This column includes the Supply Code (SC) (also referred to as the Source of Supply (SoS) code), defines the Months (MOS), Type of Assistance (TA) code, and training notes. These terms are defined in the LOA Information attached to each LOA. [See Figure C5.F5](#).
10. Offer Release Code. This code specifies notification requirements prior to shipment and must be compatible with the Delivery Term Code (DTC). [See Figure C5.F5](#) for a complete list of Offer Release Codes (ORCs). More than one code may apply for each line item.
11. Delivery Term Code. This code specifies who is responsible for transportation and how far items are transported. The percentage associated with this code is used to compute the transportation charges in Block 11. [See Figure C5.F5](#) for a complete list of DTCs. More than one code may apply for each line item although it is recommended that different lines be used to facilitate different computations.
12. Charges on the Letter of Offer and Acceptance. [Chapter 9](#) and [DoD 7000-14.R, Volume 15, Chapter 7](#) identify specific pricing policies for Foreign Military Sales (FMS) cases. The LOA includes a Net Estimated Cost that represents the total of all line items on the case. Separate entries identify Packing, Crating, and Handling (PC&H), Administrative, Transportation, or other accessorial charges that are included. These figures are added to the Net Estimated Cost to provide a Total Estimated Cost. With the exception of the Contract Administration Services (CAS) and administrative surcharge, the percentage rate used for determining accessorial costs should not be indicated in the LOA. A note is included indicating the percentage of CAS and administrative surcharges that are applied against each line item (See [Appendix 6](#)). When calculating the administrative surcharge, if the calculated amount is less than \$15,000, a Small Case Management Line (SCML) must be added as a line item on the case to recover the difference between the calculated administrative surcharge and \$15,000. See [Section C9.4.7](#) of this Manual for more information on the SCML.
13. Estimated Payment Schedule. Unless the initial deposit constitutes the total value of the LOA, each LOA must include a payment schedule. This payment schedule shows the calendar dates when each payment is required and the amount due on each calendar date. The total of these amounts is equal to the amount reflected on the LOA "Total Estimated Cost" line. See [Section C9.9](#) of this Manual for more information on payment schedules.
14. Ordering of Letter of Offer and Acceptance Notes. Notes should be included to provide detailed information about what is being sold. [Appendix 6](#) provides information on mandatory notes. To ensure consistency, notes should be included in the following order.

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Order	Description
1	Line item description notes. Each line should have a separate item description note. The sample LOA in <a href="#">Figure C5.F3</a> has five lines so there are five item description notes. If all line item description information fits beneath the MASL description, a line item description note is not required. If any one line item requires a line item description note, a line item description note must be included for each line item
2	Case unique notes, e.g., description of the system, any purchaser responsibilities.
3	Mandatory notes unique to the system being sold, e.g., Man-Portable Air Defense Systems (MANPADS), communications security (COMSEC), and Anthrax Vaccine.
4	Notes regarding waivers, e.g., CAS and Nonrecurring Cost (NC).
5	Standard notes required on all cases, e.g., Administrative Surcharge, CAS, NC, Accessorial Charges, and Supply Discrepancy Report (SDR) Time Limits. The Administrative Surcharge note should be the last note on the LOA.