

## CHAPTER 12

## ★ANNEX 1★

**REPORTING FOREIGN GOVERNMENT ACCOUNTS RECEIVABLE**A. General

1. Country Codes. Department of Defense (DoD) Components will use the country codes listed in the [Treasury Financial Manual \(TFM\), Volume I, Part 2, Chapter 4500, Appendix 2](#).

2. Program Codes. DoD Components will use the Program Codes listed in the TFM, Volume I, Part 2, Chapter 4500, Appendix 3.

3. Required Reports

a. TFM, Volume I, Part 2, Chapter 4500 requires the electronic submission of seven reports to Treasury by the 45th day following the end of a reporting quarter, if applicable. These reports are prepared and submitted by the Defense Finance and Accounting Service (DFAS). The data for these reports is extracted from the Defense Security Cooperation Agency (DSCA) Foreign Military Sales (FMS) Credit System. Treasury formats and instructions are provided in the TFM, Volume I, Part 2, Chapter 4500, Appendix 1. DoD must also complete the quarterly data editing and approval process using Treasury's Foreign Credit Reporting System (FCRS) within 2 weeks after receiving notification that the reporting period data is available for editing. These instructions are found in the "FCRS Web Site Overview and Data Editing Guide for Agency Users," which is available to authorized users on the FCRS Web site. The required reports are:

- (1) Direct Long-Term Credits History (DH).
- (2) Guarantees and Insurance of Long-Term Credits History (GH).
- (3) Direct Long-Term Credits Status (DS).
- (4) Guarantees and Insurance of Long-Term Credits Status (GS).
- (5) Aggregated Data on the Status of Direct Short-Term Credits and Guarantees and Insurance of Short-Term Credits (AS).
- (6) Direct Long-Term Credits Scheduled Payments (DP).
- (7) Guarantees and Insurance of Long-Term Credits Scheduled Payments (GP).

b. Report of Current Status Accounts Receivable (Original Maturity of Less Than 90 Days) From Foreign Obligors. DFAS is responsible for preparing and submitting this report to the Department of Commerce. See paragraph B, this annex, for instructions on how to complete this report.

B. Instructions for Preparing the Report of Current Status of Accounts Receivable (Original Maturity of Less Than 90 Days) From Foreign Obligors) (Figure 12-1-1). All foreign government accounts receivable not collected within 90 days from the due date will be included in this report.

1. General Instructions. At the end of the quarter, use the sample format at Figure 12-1-1 to report the status of accounts receivable from foreign obligors.

- a. Report all amounts to the nearest dollar or dollar equivalent.
- b. List all entries by country name in alphabetical order.
- c. Report entries within each country by program or legislative authorization applicable to the accounts receivable outstanding.
- d. Report country totals when accounts receivable are reported for more than one program for a country.
- e. Report program totals when more than one country is listed for a specific program.
- f. Report DoD Component totals when more than one program is reported for a DoD Component.
- g. Report all totals when more than one program total is reported. List all totals as one entry representing the combined total of U.S. dollars and dollar equivalent amounts reported.
- h. For continuing operations involving periodic settlement of accounts on a net settlement basis, the net balances representing receivables are to be reported.

2. Reporting of Sales Under 120-Day Delayed Payment Terms. Sales made by DoD Components under existing FMS cases which provide for 120-day payment terms will be classified as short-term credit sales. Classify sales made after September 30, 1976, under special emergency appropriations which provide for payments 120 days after delivery of articles or services as short-term credit sales.

3. Reporting FMS. Amounts reported for FMS in columns 3 through 6 of Figure 12-1-1 will be determined by analyzing unpaid bills using the criteria shown for conditions 3 and 4 in Volume 15, Chapter 5, Table 5-1 of this Regulation and the following supplementary guidance:

a. Report an amount in column 3 for a country, if the amount recorded in column 10 of the DD Form 645 (Foreign Military Sales Billing Statement) exceeds either the total in column 13 of the DD Form 645 on a net country basis (adjusted for over-collected cases) plus the country's cash resources (including holding accounts, interest-bearing accounts, and undisbursed foreign military financing (FMF)); or the total of the amount paid on the DSCA supplementary bill plus the country's cash resources (including holding accounts, interest-bearing accounts, and undisbursed FMF).

b. Do not report the country as having delinquent accounts receivable if the amount in column 13 of the DD Form 645 exceeds the amount in column 10 of the DD Form 645 and/or the cash resources exceed a 6-month supply.

c. DSCA will review the reports to determine the values to be reported in column 3 of Figure 12-1-1.

d. Report in column 5 of Figure 12-1-1 the amounts reported for the previous quarter less collections received during the current period.

4. Other Programs. For other programs, the amount of outstanding bills and any delinquent accounts receivable will be reported as accounts receivable unless specific credit terms have been authorized in a country-to-country agreement or similar document.

5. Specific Instructions. Use the following instructions to complete Figure 12-1-1:

a. Reporting Agency. Enter the name of the reporting agency and the applicable agency codes. Agency codes are as follows:

- (1) 9700 – DSCA
- (2) 9710 – Air Force
- (3) 9720 – Army
- (4) 9730 – Navy.

b. Current Status As Of. Enter the ending date of the calendar quarter for which the report is prepared. For example, the first and second quarter of calendar year 2008 will be identified as 081 and 082, respectively. Enter in the open space the actual ending date of the quarter.

c. Country/Program (Column 1)

(1) Enter on the first line the name of the first country from the alphabetical list of country names and codes provided in the [TFM, Volume I, Part 2, Chapter 4500, Appendix 2.](#) Enter in column 7 the identification code assigned to the country.

(2) Enter on the line following the country designation each program applicable to the outstanding accounts receivable. Enter in column 8 the identification code assigned to the program.

d. Currency Indicator (Column 2). Enter the codes listed below. Foreign currency obligations shall be reported in dollar equivalents (FC\$) computed at the appropriate reporting rate.

(1) \$ – Repayable in U.S. dollars.

(2) MO\$ – U.S. dollar equivalents of obligations to pay foreign currency amounts equivalent to a stated amount of U.S. dollars calculated at the reporting rate existing for that country at the time of payment (with maintenance of dollar value).

(3) FC\$ – U.S. dollar equivalents of obligations, the liquidation of which requires repayment of a stated amount of foreign currency units (without maintenance of dollar value).

e. Total Amount Outstanding – Official (Column 3). Enter the total amount of outstanding accounts receivable from foreign official obligors as of the end of the reporting period. Include foreign private obligations guaranteed by official foreigners.

f. Total Amount Outstanding – Private (Column 4). Enter the total amount of outstanding accounts receivable from foreign private obligors as of the end of the reporting period. Exclude foreign private obligations guaranteed by official foreigners.

g. Amount Due and Unpaid 90 Days or More – Official (Column 5). Enter the portion of the amount recorded in column 3 which is due and unpaid 90 days or more.

h. Amount Due and Unpaid 90 Days or More – Private (Column 6). Enter the portion of the amount recorded in column 4 which is due and unpaid 90 days or more.

i. Country Totals. In column 1, enter the words “Country Totals” on the line following the data for the last program reported. Leave column 2 blank. Enter in columns 3 through 6 the totals of the amount (U.S. dollars plus dollar equivalents of transactions computed in foreign currency) reported for the programs within that country. A separate entry for country totals will not be necessary where only one program has been reported. Repeat this for each country.

j. Program Totals. In column 1, enter the words “Program Totals” on the line following the last country totals. On subsequent lines, enter in columns 1 and 8 the name and identification code, respectively, for each program. Leave column 2 blank. Enter in columns 3 through 6 the totals of the amounts (U.S. dollars plus dollar equivalents of transactions computed in foreign currency) reported by country for each program. Separate entries for program totals will not be necessary where only one country has been listed.

k. Agency Totals. In column 1, enter on the line following the last program totals the words “Agency Totals”. Leave column 2 blank. Enter in columns 3 through 6 the totals of all agency programs. A separate entry for agency totals will not be necessary where only one program total has been reported.

C. Flash Report of Major Foreign Arrearages (Accounts Receivable). Major foreign accounts receivable are monitored by the National Advisory Council on International Monetary and Financial Policies (NAC). Periodically, flash reports will be requested from the DoD Components to satisfy NAC requirements. For this purpose, a “major” foreign accounts receivable is any country program accounts receivable which involves the sum of \$250,000 or more. Flash reports will be submitted directly to the Defense Security Cooperation Agency (DSCA) by the local command in message form with information copies to the next higher command. The report will reflect any significant changes in major foreign accounts receivable from the quarterly foreign accounts receivable reports submitted in accordance with this annex. Collections, information or increased accounts receivable, problems encountered in unsuccessful collection attempts, or country circumstances which may adversely affect collections are examples of the information which should be included in the flash report.

D. Collecting and Reporting of Foreign Debts Under Long-Term Loans and Debts. DSCA is responsible for administering FMS long-term loans and credit programs authorized by [Section 23 of the Arms Export Control Act](#) (Public Law 90-629), as amended, and determining foreign accounts receivable against these programs.

**SAMPLE FORMAT FOR  
REPORT OF CURRENT STATUS OF ACCOUNTS RECEIVABLE  
(ORIGINAL MATURITY OF LESS THAN 90 DAYS)  
FROM FOREIGN OBLIGORS**

REPORTING AGENCY		CURRENT STATUS OF ACCOUNTS RECEIVABLE (ORIGINAL MATURITY OF LESS THAN 90 DAYS) FROM FOREIGN OBLIGORS				DATE OF SUBMISSION	
CURRENT STATUS AS OF						PAGE	1 of
(1) COUNTRY/PROGRAM	(2)	(3) TOTAL OUTSTANDING	(4) AMOUNT OUTSTANDING	(5) AMOUNT DUE 90 DAYS OR MORE	(6) AND UNPAID	(7) CTRY	(8) PROG
		OFFICIAL	PRIVATE	OFFICIAL	PRIVATE		
	\$						
	\$						
	\$						
	\$						
	\$						
	\$						
	\$						
<b>TOTAL</b>		0		0			

Figure 12-1-1