

<b>SUMMARY OF MAJOR CHANGES TO DOD 7000.14-R, VOLUME 15, CHAPTER 2 “FINANCE”</b>		
<b>Substantive revisions are denoted by a ★ preceding the section, paragraph, table or figure that includes the revision</b>		
<b>PARA</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Changes DFAS-DE/I to DFAS-ADY/DE.	Update
All	Changes Defense Security Assistance Agency (DSAA) to Defense Security Cooperation Agency (DSCA).	Update
All	Changes Industrial Fund (IF) and Defense Business Operations Fund (DBOF) to Working Capital Fund (WCF).	Update
020102.A	Identifies that DSCA oversees the Contract Administration Service (CAS) Reimbursable Program.	Clarification
020102.C.5	Adds maintaining general ledgers to make list more comprehensive.	Update
020103.A 020103.B	Deletes obsolete 1513 terminology.	Update
020104.A	Adds Letter of Intent (LOI).	Clarification
020105.B.1	Adds Investment accounts.	Clarification
020107	Adds section on the release of budgetary authority for Foreign Military Sales (FMS) Administrative Expense.	Added
020302	Updates section to reflect policy that FMS case funds are used until exhausted instead of new cases issued each year.	Update
0204 0205	Clarifies the preparation and processing of obligational authority for CAS.	Clarification
0207	Streamlines section and required reports specified.	Update
0210	Clarifies policy and updates case closure policy.	Clarification
0211	Consolidates write-off authority into one section and clarifies applicability of discontinued research for FMS problem disbursements under \$2,500.	Clarification
0212	Clarifies Antideficiency Act Violations for FMS.	Clarification
Table 2-1	Codifies requirement for administrative expense safety level.	Update
Table 2-2	Updates pricing elements.	Update
Figure 2-1 Figure 2-2 Figure 2-3	Updates Letter of Offer and Acceptance to reflect 2.5 percent administrative fee.	Update
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**CHAPTER 2****FINANCE****0201 INTRODUCTION**

020101. Objectives. The primary objective of this chapter is to assure that all Letters of Offer and Acceptance (LOAs) that have been accepted by foreign military sales (FMS) customers are brought under full accounting control. In addition, it is policy that budget authority should be released for execution in the year in which contracts to fill customer requirements will be awarded, articles from inventory will be released to common carriers/the Defense Transportation System, or the Department of Defense (DoD) in-house services will be performed. This chapter also specifies procedures covering the issuance of obligational authority related to FMS case execution and FMS administrative and contract administration services.

**020102. Responsibilities**

★ A. Defense Security Cooperation Agency (DSCA). The DSCA shall prepare annual budget requests for the FMS Trust Fund obligational and outlay authority necessary to support the FMS program. The DSCA reviews and approves budgets for the FMS administrative charge/logistics support charge (LSC), Security Assistance Organizations (SAO) and the FMS contract administration services (CAS) Surcharge Account. The DSCA/Comptroller-Resource Management (COMPT-RM) oversees the overall FMS CAS Reimbursable Program.

★ B. Implementing Agency(IA)/Performing Agency. Each DoD Component that prepares individual LOAs, hereinafter referred to as the Implementing Agency, shall ensure that:

1. Estimated prices in LOAs meet DoD pricing requirements,
2. LOA payment schedules are accurate and meet DoD payment requirements,
3. A realistic time-phased plan is developed for execution of LOAs upon FMS customer acceptance,
4. A request for the obligation authority--which will be required to initiate performance of the LOA--is submitted to the Directorate of Security Assistance, Defense Finance and Accounting Service, Denver (DFAS-ADY/DE),
5. Sufficient anticipated appropriation/fund reimbursable authority is included in the Defense budget,
6. Appropriation/fund budget execution records accurately reflect the status of the reimbursable FMS program, and

7. DD Forms 2060 or automated equivalent (FMS Obligational Authority) are submitted to support Component budget estimates.

C. The Directorate of Security Assistance , Defense Finance and Accounting Service, Denver (DFAS-ADY/DE). The DFAS-ADY/DE shall:

1. Record budget authority resulting from accepted LOAs in the FMS Trust Fund accounting system,
2. Maintain FMS Trust Fund budget execution records,
3. Approve DoD Component requests for FMS obligational authority in a timely manner,
4. Obtain cash advances from FMS customers necessary to liquidate obligations resulting from the use of the budget authority created by the FMS program, and
- ★ 5. Maintain general ledgers and submit reoccurring monthly and annual reports to the DSCA.

020103. Source Documents. FMS Budget Authority is created through preparation and processing of three formats and two forms:

★ A. “United States of America Letter of Offer and Acceptance” (LOA). This format, or its equivalent when a deviation has been authorized by the DSCA, is the basic source document to create FMS budget authority. One of the more common equivalent documents is the Letter of Intent (LOI). The LOA does not, in itself, create budget authority in either the FMS Trust Fund or in a DoD appropriation/fund account. A sample of the format is at Figure 2-1. Instructions for preparing the LOA are contained in the Security Assistance Management Manual (SAMM) (reference c).

★ B. “United States of America Amendment to Letter of Offer and Acceptance” and “United States of America Modification to Letter of Offer and Acceptance.” The amendment is designed to obtain FMS customer acceptance of an increase in LOA scope. The modification is a notification document to alert FMS customers of within-scope cost increases, cost decreases, or other minor changes to the program. These documents are used to alter the original LOA and provide the basis to create additional FMS Trust Fund budget authority, when applicable. Samples of these formats respectively are at Figures 2-2 and 2-3.

C. DD Form 2061, “FMS Planning Directive.” This form (or its automated equivalent) is prepared and maintained by the installation tasked by the implementing agency to prepare an LOA. The form is a working paper that serves three major purposes:

1. It provides for the identification of all of the cost elements included in prices reflected on the LOA and, thereby, helps to assure the case is priced in accordance with DoD pricing policies, as promulgated in [Chapter 7](#) of this volume.

2. It provides a time-phased plan for execution of the LOA upon FMS customer acceptance.

3. It identifies the appropriations/funds that will be used to finance new procurement or realize earned reimbursements through delivery of items from inventory or provision of DoD in-house services. A sample form is at Figure 2-4. Instructions for preparing and processing the forms are contained in section 0202, below.

★ D. DD Form 2060, “FMS Obligational Authority.” This form (or its automated equivalent) is prepared based upon data reflected in the DD Form 2061. Part A of the form is prepared at the FMS case level and is the basis for case-level control of obligational authority (OA). Part B of the form identifies the appropriations/funds which have been or will be used to finance the cases reflected in Part A. For reimbursable orders, Part B is submitted to the DFAS-ADY/DE as stated in paragraph 030301, of this volume. The DD Form 2060 may be prepared on either an individual case basis or a multiple case basis. The DD Form 2060 also is used to convey OA for DoD Components’ FMS administrative expenses, logistics support expenses, and FMS CAS costs (see section 0205, below). A sample form is at Figure 2-5. Instructions for preparing and processing the form are contained in section 0202. Issuance of Budget Authority (BA) shall be authenticated by the appropriate official using manual or electronic signature.

020104. Recognition of Budget Authority by the FMS Trust Fund

★ A. Establishment of FMS Trust Fund Budget Authority. All accepted LOIs, LOAs and amendments, and all processed modifications are to be returned by FMS customers to the DFAS-ADY/DE. Upon receipt of a DD Form 2060 and the RBI transaction (“Request for Budget Authority”) and within the time-frames established by paragraph 020105, below, the DFAS-ADY/DE shall review FMS case-level accounting records. The purpose of the review is to determine that: (1) the case is valid, (2) the FMS customer has deposited necessary cash in advance to implement the FMS case, and (3) the requested obligational authority does not exceed the dollar values established in the LOI/LOA and any applicable amendments or modifications. If these three requirements are met, then the DFAS-ADY/DE shall create FMS Trust Fund budget authority, approve the DD Form 2060, and issue an RBF transaction.

B. Direct Citation. The DD Form 2060 (or its automated equivalent) shall be used to request commitment/obligation authority for direct cite of the FMS Trust Fund. The DD Form 2060 is used as a control device, and commitments/obligations shall be limited to the dollar value of approved DD Form 2060. The accounting procedures vary depending upon whether detailed contract accounting is performed by the DSCA or by a Military Department.

020105. Recognition of FMS Reimbursable Budget Authority in DoD Appropriation/Fund Accounts

A. Trust Fund Orders for Reimbursable Work. The LOA, amendment, and modification or approved substitute documents do not represent reimbursable orders to the performing DoD Components. The approved DD Form 2060, or automated equivalent, is the reimbursable order. The DD Form 2060, Part A, specifies the value of orders that may be credited to appropriations by a DoD Component for each case for a fiscal year. The obligation authority amount for each case cannot be exceeded. Reporting violations of this administrative limitation will follow the procedures in DoD Directive 7200.1, "Administrative Control of Appropriations within the Department of Defense" [reference (d)]; [Volumes 4 and 14](#) of this Regulation; and section 0212 of this volume.

B. When authority to accept reimbursable orders is subject to apportionment, obligations on a reimbursable program may not exceed the apportioned amounts of anticipated reimbursement. In the event any portion of the reimbursable budget authority (DD Form 2060) is in excess of apportioned amounts for anticipated reimbursable orders, the excess portion cannot be obligated until an additional apportionment of anticipated reimbursable orders is requested and received through the reapportionment process. A summary of accounts that are subject to apportionment follows:

★ 1. Investment Accounts -- All reimbursable programs are specifically apportioned. All reimbursable programs for the Air Force and the Defense Agencies are specifically apportioned. Army and Navy reimbursable programs are automatically apportioned.

2. Military Pay Accounts -- All reimbursable programs for the Army and the Air Force are specifically apportioned. The Marine Corps and the Navy reimbursable programs are automatically apportioned.

3. Operation & Maintenance Accounts -- All reimbursable programs are automatically apportioned except for the Defense Agencies.

4. Military Construction Accounts -- All reimbursable programs are specifically apportioned except for the Army and the Navy, which are automatically apportioned.

5. DoD Working Capital Funds -- Reimbursable programs are partially apportioned. Consult the Office of the Deputy Comptroller (Program/Budget), Revolving Funds Directorate, for further guidance.

C. Apportionments and reapportionments for reimbursable programs must be requested by appropriation accounts and fiscal year. An appropriation that is available for obligation for more than 1 year requires an apportionment for anticipated reimbursable orders in the first year of availability. That apportionment shall be reduced to the value of orders actually received in the first year. In the subsequent years of availability, a reapportionment for anticipated reimbursable orders is required to accept customer orders that fund within-scope price increases. The reapportionment request for anticipated reimbursable orders in the final year of availability is especially critical because any unused amounts in the reapportionment are

automatically available for acceptance of additional reimbursable orders necessary to fund within-scope price increases after the appropriation has lapsed. It shall be noted that an apportionment or reappportionment for anticipated reimbursable orders does not constitute authority to incur obligations. The actual customer order shall be received and recorded in appropriation accounting records before applicable budget authority may be used.

D. The process by which budget authority is generated is depicted in Figure 2-6. The figure depicts the relationships among the forms and formats as discussed in the above paragraphs as well as relationships among organizations and the FMS customer at various stages of processing.

020106. FMS Integrated Control System (FICS) Documents. Automated RBI/REI/R4I transactions are used to notify the DFAS-ADY/DE of budget authority request and approval. The DFAS-ADY/DE is authorized to establish budget authority up to 100 percent of cumulative value of the LOAs, amendments, and modifications. Authority for the contract administration services (CAS) charge and the logistics support charge (LSC) are not distributed to the Implementing Agencies (IAs). Specific details on how to use these transactions are contained in the FICS document at Table 2-5.

★ 020107. Release of Budgetary Authority for FMS Administrative Expenses. The cumulative budgetary authority available for allotment in the current fiscal year period from collections for FMS administrative expenses, including the FMS administrative and logistics support charges, is composed of actual collections less any prior allotments of such amounts and the amount(s) to be reserved for future administrative expenses (i.e., the safety or safety level). The methodology to compute the amount to be reserved for future administrative expenses is at Table 2-1. In no event shall the annual allotment be higher than the limitation imposed in the annual Foreign Operations, Export Financing and Related Programs Appropriations acts, unless otherwise approved through the process required by law.

## 0202 PREPARATION AND PROCESSING OF DD FORMS 2061 AND 2060 FOR OTHER THAN COOPERATIVE LOGISTICS SUPPLY SUPPORT ARRANGEMENTS (CLSSA)

★ 020201. General. DD Forms 2061 and 2060 shall be prepared for each case and updated as necessary. DD Forms 2061 and DD Form 2060 shall also be prepared:

A. In support of requests for amendments and modifications reflecting financial impact.

B. In support of price changes of less than 10 percent of the estimated cost of articles and services (utilizing the most recently approved document).

C. In support of significant variation in performing accounts discovered subsequent to case implementation. "Significant" is defined as more than \$100,000 between reimbursable accounts or between direct cite and reimbursable accounts.

D. In support of changes in current year obligational authority (OA) requirements within the net case value as reflected on the most recently approved DD Form 2061 and DD Form 2060.

E. As necessary, to ensure adequate OA is available in the budget year before commencement of that year. The manual forms (or automated equivalents) are required for all cases in the process of implementation and for all new cases that have been submitted to FMS customers for acceptance. The DD Form 2061 reflects detailed pricing elements, planned financing appropriations (or direct citation), obligational authority required for the current year, and an estimate of obligational authority for the budget year. The DD Form 2061 and DD Form 2060 shall be developed initially at the time the LOA data is prepared. The DD Form 2060 shall be included with the LOA package and the DD Form 2061 retained by the implementing agency as work paper backup for the LOA package. Activities, from which articles or services will be furnished in fulfilling case requirements, shall provide the case manager the necessary data to accomplish his or her responsibilities. The case manager shall ensure that all applicable nonrecurring research, development and production costs are included in the LOA package and identified for reimbursement to the appropriate Miscellaneous Receipts Account in the DD Form 2060, Part B. The initial DD Form 2061 may be an abbreviated financial analysis. As execution begins, however, the DD Form 2061 must be expanded to encompass all required cost elements and data.

020202. Preparation of DD Forms 2061 and 2060. All DD Forms 2061 and 2060 (or automated equivalents) are cumulative documents. Therefore, case managers shall maintain an audit trail that will relate each form to its predecessor.

A. To ensure positive control over the flow of documentation, the case managers shall assign and maintain a system of control numbers, composed of the FMS customer country code, case designator, Julian Date, and serial number (e.g., BC-ADK-03181 03). Specific guidance on the construction of the control number is provided in Table 2-3.

B. All amounts on DD Form 2061 and DD Form 2060 shall be in dollars and cents (United States currency).

C. Before the end of each fiscal year, unless real time DD Form 2060 procedures are in effect, the IA shall submit a consolidated DD Form 2060 to the DFAS-ADY/DE roll-up requesting budget year obligational authority. This roll-up of case data will be based on information taken from Column 19 "Budget Year ( ) Funding Plan," of the DD Form 2061 and is necessary to ensure that case execution is not delayed due to funding problems.

D. Each case manager preparing the year-end DD Form 2060 shall identify the obligational authority requirements through the end of the upcoming fiscal year. If it is determined that the sum of the budget year, current year, and prior year requirements exceed the case materiel value, then the case manager shall initiate action for the processing of a case amendment, modification, or less-than-10 percent increase, as appropriate.



E. In addition, case managers shall scrutinize financial performance on a continuing basis to ensure the availability of sufficient obligational authority for both the current fiscal year and completion of the case.

F. The various pricing elements and related appropriations and funds required to prepare DD Forms 2060 and 2061 are listed and explained in Table 2-2. Figure 2-7 contains examples of DD Form 2061 pricing element and funding entries for typical FMS cases. Procedures for completing DD Forms 2060 and 2061 are in Table 2-3 and 2-4 and an example of a completed DD Form 2060 is illustrated in Figures 2-7 and 2-8.

G. Table 2-5 describes the automated RBI/REI/R4I Interface Transaction used to report, request, and approve budget authority from the implementing agencies to the DFAS-ADY/DE. This procedure is the primary means of transmission of budget information ensuring positive control of data.

#### 0203 PREPARATION AND PROCESSING OF DD FORMS 2061 AND 2060 FOR COOPERATIVE LOGISTICS SUPPLY SUPPORT ARRANGEMENTS (CLSSAs)

020301. General. Proper recognition and phasing of budget authority resulting from LOAs written to implement Cooperative Logistics Supply Support Arrangements (see DoD Directive 2000.8) create unique problems. Under these arrangements, the customer funds the acquisition and maintenance of increments to normal DoD inventories and due-ins. Once these increments are established, the customer is provided supply support with the same responsiveness as is provided to DoD military units. The applicable LOAs have the following three distinct financial subdivisions.

A. Foreign Military Sales Order (FMSO) I, Part A. The FMSO I, Part A, represents the on-hand inventory level required in Continental United States (CONUS) to support FMS requisitions to replenish in-country stocks. Normally, the on-hand level represents 5 months of demand. The cash necessary to establish on-hand inventory accompanies the accepted LOA.

B. FMSO I, Part B. The FMSO I, Part B, results in recognition of the contract authority necessary to award contracts for pipeline to support FMS customer demands. The concept is that the customer's requisition is filled from on-hand inventory acquired under the FMSO I, Part A. The inventory then is replaced by a delivery of a due-in from a contractor. Customer payments under the FMSO II provide the cash necessary to pay the contractor and establish new contract authority to award a contract for additional items--thus maintaining quantities in the pipeline. Because cash received from the FMSO II is used to pay for due-ins, the customer is not required to deposit cash in support of the FMSO I, Part B. Billings against the FMSO I, Part B, however, are required if FMSO II demands are below expected levels. The FMSO I, Part B, normally represents 12 months of demand or the procurement lead-time whichever is greater.

C. FMSO II. The FMSO II is the consumption case. The FMSO II does not create budget authority for procurement until applicable requisitions are received (earned reimbursements) and customer cash is deposited in the financing appropriation account (collected). Upon shipment and collection, additional budget authority is recognized to maintain the pipeline created by the FMSO I, Part B.

★ 020302. Preparation. The FMSO I is written in perpetuity and is modified only if the density of the end items to be supported changes or FMSO consumption patterns differ from expectations. The reimbursable budget authority resulting from acceptance of the FMSO I is credited to financing appropriations current at the time the contracts are awarded to increase on-hand and on-order quantities. The FMSO II budget authority is credited to appropriations current at the time materiel is released from inventory in response to FMSO II requisitions.

★0204 PREPARATION AND PROCESSING OF DD FORM 2060 FOR CONTRACT ADMINISTRATION SERVICES (CAS) PROVIDED BY DOD ON COMMERCIAL CONTRACTS

The Defense Contract Management Agency (DCMA) is the DoD central control point (CCP) for processing foreign country and international organization requests for DoD Contract Administration Services (non-FMS CAS) support of commercial contracts. The cases developed by the DCMA are entered into the DFAS Program Budget and Accounting System (PBAS). The PBAS manages FMS cases and handles the issuances of obligational/expenditure authority.

★0205 PREPARATION AND PROCESSING OF DD FORM 2060 FOR FMS CONTRACT ADMINISTRATION SERVICES (CAS) COSTS INCURRED IN SUPPORT OF FMS CAS BUDGETS AND FUNDS BEING REIMBURSED BY THE FMS CAS SURCHARGE ACCOUNT

DoD Components will develop and submit an annual FMS CAS Budget to the DSCA Comptroller by August 10 of each year. These estimates must support only FMS CAS related efforts as outlined in the Federal Acquisition Regulation (FAR) and DoD FAR (DFAR) Supplement thereto.

A. These estimates can not include FMS CAS related efforts that have been waived in whole or part under Section 21 (h) of the Arms Export Control Act (AECA) (reference (a), see subparagraphs 070104.C.2.a and 070104.C.3 of this volume, and Chapter 13, DoD 5105-38-M). This includes individual reciprocal countries agreements processed by Office of the Under Secretary of Defense, Acquisition, Technology and Logistics (OUSD/AT&L) (see subparagraph 070104.C.3.d, 7 of this volume), CAS waivers for North Atlantic Treaty Organization (NATO) and NATO Cooperative Projects (reference subparagraph 070104.C.4, of this volume), CAS waivers applicable to other special projects and FMS CAS work excluded by specific Public Laws (reference(a), [Chapters 7 and 8](#) of this volume).

1. The letter shall specify the amount of anticipated FMS CAS work that will be performed and needs to be reimbursed for that particular fiscal year (FY). An FMS OA document (DD Form 2060) shall accompany the request with anticipated FMS CAS costs, to included the projected unfunded civilian retirement (UCR) costs (see <http://www.dod.mil/comptroller/financialindex.html>) and associated salary and retirement costs for military personnel performing full-time FMS CAS. The DoD reimbursable rates are computed annually (see [Volume 11A, Chapter 6](#)) and approved and released by the Office of the Under Secretary of Defense (Comptroller) (see <http://www.dod.mil/comptroller/financialindex.html>).

2. Part A, Column 6 will reflect the total amount of reimbursements that are expected to be performed for that FY. Part B of the DD Form 2060 shall list all appropriations and reflect the estimated amount for each appropriation. The total amount reflected in Part B, Column 6 and Column 10 must equal the requested total shown in Part A and in the FMS CAS Budget. The UCR costs are computed on the basic pay only, excluding overtime (see 5 U.S.C. 8331(3) and OMB Circular A-11, section 12.5 (see Figure 2-9).

3. The DCMA CONUS FMS CAS Budget estimates shall be based on a DCMA established annual command rate as explained in subparagraph 080601.B of this volume. In addition to the budget estimates, the DCMA shall provide a copy of the Command Rate Report and the Quarterly Functional Workforce Analysis worksheet.

4. The DCMA Overseas FMS CAS Budget estimates shall be based on actual costs for full-time employees (90 percent or more) and the DoD hourly rate will be used for the part-time equivalents.

a. Full-Time Employees: All other costs (e.g., equipment, vehicles or computers) associated with these full-time employees also are included in the estimates. Budget presentation of full-time employees shall not be based upon a composite of part-time effort. Follow the Funded Environment and Morale Leave (FEML) funding guidance issued by OUSD. Full-time employees, who are provided Environmental and Morale Leave (EML) travel as assistance-in kind (AIK) by the host government, may not also travel on FMS CAS funded FEML in the same year and under no circumstances may the combination of FMS CAS funded FEML and AIK EML exceed one trip per year. The travel on AIK tickets shall not be augmented with further tickets/travel that is FMS CAS funded.

b. The estimates for the part-time employees (10 percent to 90 percent) will include only actual work performed (costs relating to salaries), unfunded civilian retirement rate computed on salaries, and overseas TDY cost. FMS CAS funds will not be used to fund EML travel for part-time FMS CAS employees. FMS CAS funds will not be used either to fund salaries or support for employees who spend less than 10 percent of their time on FMS CAS tasks.

c. Military positions shall be reimbursed based on the guidelines above.

d. Reference subparagraph 080601.B of this volume.

B. Upon budget approval, the DSCA shall forward the FMS OA document (DD Form 2060) to DFAS-ADYADD/DE for processing. Before FMS CAS surcharge costs may be incurred, the DoD Component shall establish a reimbursable order in the financing appropriation which will initially pay the actual cost of such services. Part B of the DD Form 2060 shall list the appropriations and anticipated reimbursements to each. Upon approval of the budget estimate by the DSCA, the DD Form 2060 shall be forwarded to DFAS-ADYADD/DE for approval, processing, reporting (see subparagraph 030210.E of this volume) and general ledger control (see subparagraph 030210.C of this volume).

C. The initial approved DD Form 2060 shall constitute the reimbursable order to perform FMS CAS work on FMS cases. If it is suspected that the DD Form 2060 is no longer valid, and the OA amount either needs to be increased or decreased, then an updated DD Form 2060 shall be forwarded with a cover letter to the DSCA Comptroller explaining the need for the OA change (increase or decrease). The revised DD form 2060 shall be forwarded to DFAS-ADYADD/DE for processing (see Figure 2-10).

D. During the fiscal year, monthly SF 1080s shall be prepared and forwarded to DFAS-ADYADD/DE for payment as specific in [Chapter 8](#) of this volume.

E. At year-end, the annual OA document (DD Form 2060) shall be updated to reflect the September 30 end-of-year obligated position. No new obligations are authorized after September 30 of the closing FY. When all costs have been finalized and reimbursements processed by the DFAS (i.e., when actual costs, disbursements and obligations all are equal), a “Final FMS OA” document shall be prepared and forwarded to the DSCA Comptroller for approval/processing. CONUS FMS OA documents should be forwarded to the DSCA on or before December 14 of that year. Overseas FMS OA final documents shall be forwarded to DSCA when all costs have been reimbursed and all associated disbursements have been processed by the DFAS. The “Final FMS OA” year end DD Form 2060 shall show the actual cost incurred by each individual appropriation, including the UCR costs that are deposited in Miscellaneous Receipts Account 3041 (see 5 U.S.C. 8331(3) and OMB Circular A-11, section 12.5) and the military pay accounts for military personnel costs associate with salary and retirement for full-time FMS CAS employees. The United States Treasury accounting symbols are listed in the FAST Book (see website: <http://www.fms.treas.gov/fastbook> ). The DFAS-ADY/DE shall use this DD Form 2060 as the basis for withdrawing obligational authority for all unobligated balances that were recorded under each appropriation for that FY (see Figure 2-11). Prior to the close out of a particular fiscal year and during the fiscal years, joint financial reviews will be conducted between the billing agency, the DFAS, and the DSCA. All adjustments/revisions will be submitted with 30 days following the completion of the review.

F. Figure 2-9 illustrates the initial OA document, Figure 2-10 illustrates changes during the fiscal year, and Figure 2-11 illustrates the “Final OA” year-end document (DD Form 2060).

G. Revenues to fund these FMS CAS expenses are prescribed in subparagraph 030207.A.2 of this volume. The methods for reimbursing the DoD Components for performing FMS CAS is prescribed in subparagraph 080601.B of this volume.

H. DoD Components that purchase equipment, vehicles, computers, and other items using the FMS CAS Surcharge Account shall establish disposal guidance to ensure compliance with [Volume 11A, Chapter 5](#), Figure 5-2, item number 8d, of this Regulation to ensure that all funds resulting from the sale or disposal of this equipment are returned to the FMS Trust Fund.

## 0206 BUDGET EXECUTION

020601. Objectives. This section establishes the budget execution requirements that are applicable to the FMS program. Specific objectives are to ensure that:

A. Mandatory budget execution reports are submitted to the Department of the Treasury in a timely manner and that the reports accurately reflect data recorded in accounting records.

B. Unnecessary FMS OA is withdrawn officially from all organizations participating in execution of FMS cases at the end of each fiscal year.

C. FMS case records maintained by IAs are in agreement with the DFAS-ADY/DE throughout the life of each FMS case.

### 020602. Responsibilities

A. The DFAS-ADY/DE is responsible for providing accounting data on FMS Trust Fund operation to DoD Components.

B. The DSCA is responsible for monitoring the FMS program and submission of required FMS Trust Fund budget execution reports.

C. Implementing agencies and supporting DoD Components are responsible for:

1. Conducting year-end reviews of the unobligated FMS reimbursable program to assure unnecessary budget authority is identified and returned to the FMS Trust Fund.

2. Ensuring that the FMS reimbursable program is properly reported in appropriation/Defense Working Capital Fund budget execution reports.

3. Submitting financial execution reports accurately and on a timely basis in accordance with section 0207 of this Chapter.

4. Reconciling implementing agency FMS case records to the DFAS-ADY/DE case level accounting records on a periodic basis.

5. Preparing Case Closure Certificates as soon as possible after the case is supply/service complete but no longer than 24 months after such occurrence for cases applicable to countries participating in Accelerated Case Closure Procedures (ACCP). See paragraph 020904, below.

★0207 FMS TRUST FUND BUDGET EXECUTION REPORTS

There are seven required reports on FMS Trust Fund operations:

- A. Monthly & Quarterly SF-133 (“Report on Budget Execution for 11X8242, Advances Foreign Military Sales Executive”)
- B. Quarterly ACCT-RPT(M) 1002, (“Report on Appropriations Status by Fiscal Year Programs and Subaccounts”)
- C. Semi-annual TFS Form 2108 (“Status of Contract Authority” report, TFS Form 7304 on 11X8242)
- D. Quarterly “Report on Receivables Due From the Public” on 11X8242
- E. Annual TFS Form 2108 (“Analysis of Appropriation and Fund Balances”)
- F. Appropriate sections of the annual Chief Financial Officer Financial Statements (see section 0209) below.
- H. An annual Federal Agencies Centralized Trial-Balance System (FACTS) report.

NOTE: Administrative instructions for the above reports, e.g., the number of required copies and submission times are set forth in [Volume 6, Chapter 5](#) of this Regulation. Illustrations and specific information about these reports also may be found in that chapter.

0208 FINANCIAL STATEMENTS

For financial statement guidance concerning the reporting of Foreign Military Sales amounts, see [Volume 6B](#) of this Regulation, specifically [Chapter 2](#), paragraph 020104; [Chapter 9](#), paragraph 090203; and [Chapter 10](#), paragraph 101706.

0209 CASE EXECUTION

020901. Fiscal Year-End. At the end of each fiscal year, review the reimbursable obligational authority received to implement each FMS case. The total amount of reimbursable budget authority received is reflected in Column 10 of the DD Form 2060. The review serves as the basis to withdraw any unnecessary unobligated balances. Make the withdrawal by submitting year-end DD Form 2060 or automated equivalent. See section 0202, above, for instructions on the preparation of the DD Form 2060.

A. Nonexpiring Accounts. At the close of each fiscal year, retain reimbursable FMS obligational authority in a performing DoD account only to the extent that: (1) the amounts are required to cover certifiable obligations incurred by the performing account as a result of performance of the order; (2) the amounts have been committed within a formal commitment accounting system, for example, to cover normal administrative lead-time on the next contract escalation clauses; or (3) items have been delivered from inventory or applicable DoD services have been performed (cash earned reimbursement). Withdraw any reimbursable FMS obligational authority not required for these purposes from the performing accounts as of September 30 each year. It is recognized that year-end reviews must be made prior to the last day of the fiscal year. Therefore, the amount of obligational authority retained may be somewhat greater than the goal. It is expected, however, that estimating procedures shall be improved continually until unnecessary unobligated balances are eliminated.

B. Expiring and Expired Accounts. As of the close of each fiscal year, reflect reimbursable FMS obligational authority in an expiring account only to the extent that the amounts are earned reimbursements or required to cover certifiable obligations incurred against the performing account. Withdraw any reimbursable FMS obligational authority not required to cover obligations in the expiring account as of September 30 each year. During the fiscal year, transfer amounts required in expired accounts from the Trust Fund, as necessary, to cover upward obligation adjustments necessitated by within-scope changes to contracts or similar transactions.

020902. Reimbursement of Appropriations and Accounts. Reimburse appropriations and accounts, including miscellaneous receipts accounts, upon delivery of items from inventory or performance of DoD services within 30 days of occurrence (i.e., date of shipment or performance).

020903. DD Form 2061. Update the FMS case DD Form 2061, as required, as prescribed in section 0202, above. Update cost elements and financing accounts in order to: ensure full recoupment of the costs prescribed in [Chapter 7](#) of this volume, ensure timely identification of cost increases, and serve as the basis for preparing all DD Forms 2060 during the life of the case.



★0210 FMS CASE CLOSURE PROCEDURES

021001. General. DoD policy requires that all proper charges and credits be recorded against the applicable FMS case. Thus, case closure does not stop the billing/reporting process; rather it results in a recategorization of the case records from an active status to an inactive status to ensure accessibility for recording subsequent activity. In other words, a case never closes from a DoD accounting perspective. A case closure checklist may be used to track case closure actions. A sample checklist is at Table 2-6; this checklist can be customized for each activity.

021002. Initiating FMS Case Closure. When all ordered items have been physically delivered, all ordered services performed (i.e., supply/services complete) or there is no activity on a blanket order case for 180 days (and the customer agrees no further activity will occur), and all other conditions of the LOA are fulfilled, an FMS case is a candidate for closure. At this time, responsible DoD Components shall determine if there are any unresolved delivery issues, outstanding Supply Discrepancy Reports (SDRs) and/or litigation claims, and contracting officers shall review any contracts that have not been financially closed to determine if significant financial adjustments of open contracts may occur. Cases can be closed under either Accelerated Case Closure Procedures (ACCP) or non-ACCP closure procedures. ACCP shall be used only for those countries that explicitly elect such procedures; however, all countries that have cases financed with Military Assistance Program (MAP) Merger/Foreign Military Financing (FMF) (nonrepayable) are mandatory participants in ACCP unless specifically excluded by the DSCA. Once selected by a country, ACCP shall apply to all cases of that country and shall govern any case that was opened (or closed) prior to the date of ACCP implementation, unless a specific arrangement between DSCA and the FMS customer is made as part of the implementation criteria. The case manager shall ensure the following actions are taken:

★ A. Request an FMS case Financial Management Worksheet (or on-line equivalent) or access the Defense Integrated Financial System (DIFS) database to obtain a listing of historical billing transactions (FK History Listing) from the DFAS-ADY/DE, if necessary, to reconcile IA records. The IA delivered value should agree with the delivered value recorded in the DIFS. work-in-progress account should agree with the delivered value. If not, then the IA shall submit applicable input to bring the books into balance.

B. Rectify all problem disbursements in accordance with [Volume 3, Chapter 11](#), of this Regulation. A prerequisite for satisfactorily resolving problem disbursements is to validate the accuracy of the disbursed values. Using the authorities in [Volume 3, Chapter 11](#), of this Regulation is strongly encouraged to facilitate efficient reconciliation and closure actions. Additionally, section 0211, below, addresses the applicable write-off authority for FMS problem disbursements.

C. Obligation validity requirements are found in [Volume 3, Chapter 8](#), of this Regulation. Many of those provisions address FMS-specific actions in this regard.



D. Use the following procedures for all FMS cases without remaining unliquidated obligations (ULO).

1. The applicable DoD Component shall submit to the DFAS-ADY/DE a final FMS Case Closure Certificate (Figure 2-12) within 24 months after an FMS case is “supply/service complete,” if the case belongs to a country under the ACCP. A supply/service complete case for a country not participating in ACCP will not be submitted for closure until all contracts associated with the case are physically complete, final bills submitted and the contracts audited and a final contract completion statement issued. In the meantime, a case reduction to return unused obligation authority should be considered as an interim measure. Additionally, no case under non-ACCP closure procedures can be interim closed (as indicated on Figure 2-12).

2. If a DoD Component determines that, due to reconciliation issues, a case under ACCP cannot be closed within 24 months of supply completion, then the case, along with identification of the problem or cause believed to prevent case closure, shall be submitted to the DSCA for resolution. The means of resolution may entail incorporation on the DSCA Enhanced Accelerated Case Closure (EACC) inventory, or the use of the FMS Case Closure Executive Committee (EXCOM) (see DSCA Policy Memorandum 03-05 issued March 3, 2003, for details).

E. Use the following procedures for FMS cases with remaining unliquidated obligations (ULOs).

1. For countries participating in ACCP.

a. The applicable DoD Component shall submit to DFAS-ADY/DE a Case Closure Certificate within 24 months after an FMS case is supply/services complete. Cases with a ULO of zero are final closed; cases with a ULO greater than zero are interim closed. See Figure 2-12 and subparagraph 021003, below.

b. The applicable DoD Component shall determine and report the value of any remaining ULO relevant to that case. These amounts should be equal to those recorded in the applicable DoD accounting system.

c. Using the DoD Component’s remaining ULO, DFAS-ADY/DE shall bill the applicable country using normal billing procedures. The ULO is part of the case closure value.

d. The DFAS-ADY/DE shall record the billed (and subsequently, the collected) amounts in a summary account entitled “Case Closure Suspense Account” (CCSA). At the same time, record applicable charges and credits, by country and by case, in subsidiary accounts which total to the case closure suspense account.

e. When final costs are known and reported by the DoD Component (i.e., liquidating the ULO), the DFAS-ADY/DE shall record such amounts against the Case Closure Suspense Account and subsidiary account by country and by case.

f. Upon receipt and payment of final bills, the DoD Component shall submit a final Case Closure Certificate.

g. On a quarterly basis, the DFAS or DSCA Denver Liaison Office shall submit, to the DSCA Comptroller (Financial Policy) and participating FMS customer countries, a status report on the Case Closure Suspense Account and subsidiary accounts.

h. Whenever a country's Case Closure Suspense Account has a negative balance of \$100,000 or more for a period of 6 consecutive months, the DSCA may instruct the DFAS-ADY/DE to bill the country for the entire balance owed. For example, if the country's suspense account has negative balances of \$100,000 on December 31, \$250,000 on March 31, and \$175,000 on June 30, the DFAS-ADY/DE will bill the country \$175,000. Such

billings should be made through the country's omnibus quarterly billing statement and will cite the all FMS case(s) involved. The DSCA should review the country's Case Closure Suspense Account (CCSA) periodically to determine if any refund is warranted.

2. For countries not participating in ACCP, the DoD Component shall submit to the DFAS-ADY/DE Case Closure Certificates only after all applicable costs have been finalized and supporting contracts are completed in all logistical and financial aspects. In other words, no case for a country under non-ACCP closure procedures can close with an unliquidated obligation value greater than zero.

F. At case closure, the closure certificate/transaction submitted to the DFAS-ADY/DE shall be used in lieu of an LOA amendment or modification unless the FMS customer insists upon a formal amendment or modification.

021003. Closure Certification. The FMS Case Closure Certificate (Figure 2-12) and the C1I/C1F transaction interface (Figure 2-13 and Table 2-7) alerts the DFAS-ADY/DE to initiate reconciliation actions needed to close the case. Send the certificate electronically to the DFAS-ADY/DE. When the DoD Component and the DFAS-ADY/DE FMS case records are reconciled, the DFAS-ADY/DE shall proceed to reclassify the case to an inactive status and provide a final statement of account to the FMS customer for the value billed according to DFAS-ADY/DE records. The IA then closes applicable case records.

021004. Billings After Case Closure.

A. Use the following procedures in those cases for which ACCP does not apply.

1. All cases must be reclassified to active status except for those with a transaction adjustment of \$200 or less (see section 0211, below, or for problem disbursements of \$2,500 or less). Such adjustments may be charged to the FMS Administrative Charge Budget, object classification 42.3, "Supply Discrepancy Reports—Charges for Closed FMS Cases." Otherwise, reestablish accounting records at the amounts recorded at the time closure certification occurred. Reclassification to active status shall occur in both the DoD Component and the DFAS-ADY/DE records.

a. All post closure disbursements or credits shall be recorded in an undistributed account until case records are reactivated.

b. Upon the FMS customer request, a modification may be issued to the country for cases with post-closure activity in excess of 10 percent of the net case value at the time of closure.

c. When cases are reactivated, the DoD Component shall request additional obligational authority, commence reporting status of funds data, request expenditure authority, process disbursement/credit transactions, and report adjusted delivery information via the delivery transaction.

d. Once the disbursement/credit and billing process is complete, the DFAS-ADY/DE accordingly shall bill the FMS customer. Effect re-closure as specified in paragraph 021003, above.

B. For cases where ACCP applies, only the DSCA can approve the reopening of an FMS case (except where temporary reopenings occur due to case closure suspense account refunds).

1. When post-closure disbursements are reported by the DoD Component, the DFAS-ADY/DE shall record such amounts against the Case Closure Suspense Account and subsidiary accounts by country and by case.

2. When post-closure disbursements exceed \$100,000 (in either direction) as a result of a verified pricing adjustment, the applicable DoD Component shall submit a request to the DSCA, with an information copy to the DFAS-ADY/DE, that the case be reopened. Upon receipt of the DSCA approval to reopen the case, both the DoD Component and DFAS records shall be reclassified to active/implemented status. In any event, the DFAS-ADY/DE shall bill the country for the entire balance owed in accordance with established billing procedures. If the case is not reopened, then the disbursement shall be processed against the CCSA.

3. When all post closure disbursements/credits have been reported and final costs determined, the DoD Component shall certify the case for finalized status utilizing the case closure certificate at Figure 2-12.

021005      Reopening FMS Cases. Normally, cases closed under either ACCP or non-ACCP closure procedures will not be reopened. Generally, upon FMS customer request to reactivate a closed case first determine if there is a case already implemented and still open, or if a new case should be initiated. Opening a case already closed is a last resort, and requires DSCA approval. Include in the request to DSCA both a justification that explains why reopening the case is the best option and a recommendation from the IA.

★0211      WRITE-OFF AUTHORITY

A DoD Component which determines that unresolved reconciliation issues for a case exist may write-off those imbalances using the following guidelines:

021101.      For problem disbursements, up to \$2,500 per transaction, refer to the [Volume 3, Chapter 11](#), of this Regulation for an elaboration of the policies and procedures relative to problem disbursements. The DSCA/COMPT-FM and DFAS-ADY/DE are responsible for ensuring detailed procedures are disseminated to the FMS community. Problem disbursements greater than \$2,500 should be brought to the attention of DSCA via the FMS Case Closure Executive Committee for resolution, provided those problem disbursements have not exceeded the [Volume 3, Chapter 11](#) processing timelines.

021102.      For all other types of FMS financial transactions, up to \$200, charge them to the FMS Administrative Charge Budget, object classification 42.3, “Supply Discrepancy Reports Charges for FMS Cases” for the amount required to effect prompt financial reconciliation as prescribed in the DSCA annual case review requirement. For write-off adjustments performed in support of readying a case for closure, the DFAS-ADY/DE will provide the DSCA/COMPT-FM with a quarterly summary of closure certificates received in which amounts have been charged in accordance with this paragraph. A comment shall be included in the remarks/comments section of the case closure certificate (Figure 2-12) when these write-offs are utilized.

★0212      ANTIDEFICIENCY ACT VIOLATIONS AND ADVERSE FINANCIAL CONDITION REPORTS

021201.      Antideficiency Act Violations. For purposes of the Antideficiency Act, appropriated funds are not limited to those funds specifically appropriated by the Congress to federal agencies from the general fund of the United States Treasury. Rather, funds available to agencies are considered appropriated, regardless of their source, if made available for collection and expenditure pursuant to specific statutory authority. Accordingly, in applying the Antideficiency Act, the FMS Trust Fund is considered to be, and is to be treated as, appropriated funds. Therefore, transactions that involve the FMS Trust Fund may constitute violations of the Antideficiency Act.

A.      Potential Types of Violations. Potential violations can occur under the FMS Trust Fund when: (1) issuing obligational authority and/or awarding an FMS contract without a signed LOA; or (2) obligating and/or expending FMS case funds for an unauthorized purpose, including purposes not provided for by law. Other violations may occur related to apportionments or indemnity clauses.

B. Identifying and Reporting Violations on the Antideficiency Act. Detailed guidance for identifying and reporting violations under the Antideficiency Act is contained in DoD Directive 7200.1, “Administrative Control of Appropriations,” and [Volume 14](#), Administrative Control of Funds and Antideficiency Act Violations of this Regulation. Due to the complexities of provisions in the Arms Export Control Act, it is important to consult with appropriate legal counsel and comptroller officials on potential violations of the Antideficiency Act for FMS.

021202. Adverse Financial Conditions. A second group of reportable events occurs when FMS case records are out-of-balance, but these conditions do not necessarily meet the criteria of violations discussed above. These conditions are adverse financial conditions and occur when financial reports indicate that: (A) obligational authority exceeds case or line item-level values, (B) commitments or obligations exceed obligational authority at case or line item level, (C) total disbursements exceed obligations at case or line item level, or (D) expenditure authority is not requested prior to disbursing. Adverse financial conditions are reported using the same format as used for Antideficiency Act violations, but are sent to the DFAS-ADY/DE for review unless exempt from reporting due to the exceptions described below.

A. Reporting Requirements for Adverse Financial Conditions. A report of potential adverse financial conditions shall be prepared in the format show in the DoDD 7200.1 by DFAS-ADY/DE and submitted to the appropriate Military Department (MILDEP) focal point and/or DFAS field site for review and evaluation within 30 days after the end of each quarter or within 10 working days of being notified that the potential adverse condition has occurred. The DFAS-ADY/DE has the responsibility for determining reportable conditions and notifying IAs of adverse conditions involving expenditure authority and obligations or expenditures of funds in excess of approved authority at the FMS case level. The DFAS-ADY/DE shall provide the quarterly analysis report to MILDEPs identifying the following potential adverse conditions:

Commitments or Obligations > Obligational Authority (OA)	Country-Case Level
Disbursements > Expenditure Authority (EA)	Country-Case Level
Disbursements > Obligations	Country-Case Level
OA > 110% of Total LOA Value	Country-Case Level

The MILDEPs shall review the listings within 15 days of receipt and provide the DFAS-ADY/DE an explanation of the discrepancy, the corrective action to be taken, and when such action will be processed. This information will be shared, appropriately, with the DSCA. The DoD Component also has the responsibility for resolving adverse conditions involving obligations or expenditures of funds in excess of approved authority at any level lower than case level.

B. Exceptions to Reporting Adverse Financial Conditions. Reports need not be submitted for within-scope cost increases if either of the following circumstances occur:

1. Obligation(s) in excess of the “Total Estimated Cost” shown on the LOA occurs, and a modification is prepared by the DoD Component and submitted to the purchaser through appropriate channels within 60 days of the date of the transaction which resulted in the unfavorable financial condition.

2. Obligation(s) or expenditure(s) in excess of approved authority when the excess amount results from the posting of duplicate or erroneous obligation/expenditure transactions or from the posting of obligations from inventory systems and corrective action is taken within 60 days of the transaction date. These conditions, however, could indicate weaknesses in internal controls and administrative action may be required to improve systems design or to prevent recurrence.

**★ COMPUTATION OF THE AMOUNT TO BE RESERVED FOR FUTURE  
ADMINISTRATIVE EXPENSES (SAFETY LEVEL)**

In addition to an amount required for current period expenses, a safety level is required to be reserved to complete existing sales commitments. This safety level shall be established by the Defense Security Cooperation Agency (DSCA) before the close of each fiscal year.

The DSCA shall forward information to the Defense Finance and Accounting Service regarding the safety level that shall be maintained in the FMS administrative account for future closeout expenses. The following methodology shall be used to compute the safety level. The methodology shall be reviewed on an annual basis by the DSCA. Any recommended changes shall be forwarded for consideration to the Office of the Under Secretary of Defense (Comptroller).

For purposes of estimating the applicable safety level in the unlikely event of program closure, the following assumptions shall be used:

1. Cease all new sales activity.
2. Close previous sales in an orderly fashion. In accordance with a condition of the Letter of Offer and Acceptance (LOA) (contract between the U.S. Government (USG) and the foreign purchaser), the USG reserves the right to cancel or suspend all or part of a LOA at any time prior to the delivery of defense articles or performance of defense services under unusual and compelling circumstances when the national interest of the United States requires such action.
3. Phase out administrative efforts within 2 future fiscal years.
  - a. Accelerate deliveries and collections from previous sales wherever feasible. For purposes of calculating the reserve amount, assume that 50 percent of second year deliveries and collections will be accelerated to the first year and that 100 percent of third year deliveries and collections will be accelerated to the second year and/or supply source of items previously ordered will be converted to direct commercial sales between foreign purchasers and U.S. industry.
  - b. Reduce the FMS administrative budget by 25 percent from anticipated levels in the first future fiscal year and 50 percent in the second future fiscal year.
  - c. Ensure that workforce reductions in force (RIF) parallel administrative budget reductions--25 percent in the first future fiscal year and 50 percent in the second future fiscal year. Add an additional 5 percent to personnel severance costs for other types of severance costs. RIF costs will follow Office of Personnel Management (OPM) guidelines, e.g., 1-week severance pay for each year of USG employment.
  - d. Discontinue data systems in the second future fiscal year.

Table 2-1

**COMPUTATION OF THE AMOUNT TO BE RESERVED FOR FUTURE  
ADMINISTRATIVE EXPENSES (SAFETY LEVEL) (continued)**

The safety level shall be computed using the steps shown below:			
	<b>Current FY</b>	<b>FY +1</b>	<b>FY +2</b>
	(\$ in millions)		
<b>1. Revenue available to the Department</b>			
Planned administrative funds collections for deliveries from previous years sales <sup>1</sup>	173	155	113
Additional collections due to accelerated deliveries <sup>2</sup>	+77	-77	
		+113	-113
Estimated revenue available to the Department	250	190	0
<b>2. Anticipated DoD Expenses</b>			
Budget base (DSCA approved annual funding program)	343	340	
Associated costs for military salaries and unfunded civilian retirement benefits	+63	+65	
Subtotal	406	405	
Phased 2-year close down (25% in FY+1; 50% in FY +2)	-102	-203	
Anticipated administrative expenses (a)	304	202	
Reduction in Force(RIF) costs for personnel <sup>3</sup>	17	17	
RIF costs for other	1	1	
Systems closeout	-	8	
Total one-time closeout costs (b) (over and above the normal operating expenses)	+18	+26	
Total anticipated DoD expenses (a+b)	322	228	
<b>3. FMS Administrative Balance (difference between 1 and 2 above)</b>	72	38	
<b>4. Total Cumulative Shortfall (total of line 3 above)</b>		110	
<b>5. Safety level for current FY</b>		110	

Table 2-1

<sup>1</sup>The collections of administrative funds are based on the application of the applicable FMS administrative rate to deliveries from previous sales.

<sup>2</sup> Current FY and FY+1 deliveries, and the associated collections, would be accelerated by moving 50 percent of the FY+1 deliveries into the Current FY 2000 and moving 100 percent of the FY+2 deliveries into FY+1.

<sup>3</sup> An average of 15 weeks utilized for each employee at the GS-13/1 level (\$60,000). About 1,950 employees shall undergo RIF and the other 1,950 employees shall be absorbed into the USG (Department of Defense and other federal agencies).



## ★ PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS

Pricing Element	Description	Appropriation or Fund	Description
AT	Attrition 978242.8209	FMS Trust Fund	Funds collected to cover equipment damaged beyond repair by foreign students.
AU	Contractor Rental Payments	Miscellaneous Receipt	Applied as a percentage of the direct costs being billed and is in lieu of separate computations for tractor Rental Account 3041, as charges required to be applied in order to recover payments applicable taxpayer investment (sunk cost) in inventory or facilities (see <a href="#">Chapter 7</a> of this volume). NOTE: Discontinued effective with all deliveries reported to the DFAS-ADY/DE after December 1989.
CC	Contract Cost	Direct citation of FMS Trust Fund or applicable appropriation/fund symbol (see <a href="#">Chapter 1</a> of this volume)	Cost of defense articles or services being supplied from procurement.
CP	Services of Civilian Personnel	Applicable appropriation/fund (O& M, RDT& E, or DoD Working Capital Funds)	Cost of civilian personnel services (including cost of fringe benefits reimbursed to the performing account and accelerated for leave and holidays when applicable) (see <a href="#">Chapter 7</a> of this volume).
CR	Civilian Retirement Funded by DoD	Applicable appropriation/fund (O& M, RDT& E, or DoD Working Capital Funds)	This is an optional code that identifies the cost of civilian retirement benefits reimbursable to the performing account. Computed on basis of prescribed Acceleration Factors (see <a href="#">Chapter 7</a> of this volume). This cost element may be included as part of CP.

Table 2-2

## PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS (continued)

Pricing Element	Description	Appropriation or Fund	Description
★CD	Unfunded Civilian Retirement (UCR) Factor Not Funded by DoD	Miscellaneous Receipt Account 3041 (See Treasury Federal Account Symbols and Titles (FAST) Book, see website: <a href="http://www.fms.treas.gov/fastbook">http://www.fms.treas.gov/fastbook</a> )	Cost of unfunded civilian retirement not reimbursable to the performing account. Computed on basis of prescribed Acceleration Factors (see <a href="#">Chapters 7 and 8</a> and of this volume <a href="http://www.dod.mil/comptroller/rates/index.html">http://www.dod.mil/comptroller/rates/index.html</a> ).
CS	Contract Audit Support (for FY 1980 and prior, applies to FMS and commercial contracts; after FY 1980, applies to commercial contracts only)	O& M Appropriation of Performing Activity	Audit costs incurred in the evaluation of a contractor bid proposal or the audit of claims for incurred costs.
CX	Contract Administration Service (in FY 1981, used in lieu of CS & QS)	Trust Fund (TF), centrally managed by the DFAS-ADY/DE	Cost of the contract administration tasks set forth in the FAR, subpart 42.3 and audit.
EG	DoD Engineering Support	O&M Appropriation of Performing Activity	Government-provided engineering services that are required to solve problems encountered during the production run, or efforts to improve the item's capabilities to meet predetermined specifications.
FS	DoD Production, Testing, and Evaluation Support	O& M, RDT& E Appropriation, or DoD Working Capital Funds	Government production testing and evaluation costs to be recovered on a pro-rata basis over benefiting production run items.

Table 2-2

## PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS (continued)

Pricing Element	Description	Appropriation or Fund	Description
LS	Logistics Support Charge (LSC)	Trust Fund (TF) centrally managed by the DFAS-ADY/DE	Cost of logistics support. Note: Discontinued for DoD Working Capital Funds items, on or after October 1, 1990.
MP	Services of Military Personnel	Military Personnel (MP) Appropriations	Cost of military personnel services based on standard composite pay rates (as accelerated for leave and holidays when applicable) (see <a href="#">Chapter 7</a> of this volume). Includes retirement for FY 1985 and subsequent.
MR	Retired Military Pay (Note: This pricing element applies to FY 1984 and prior)	Miscellaneous Receipt Account 3041 FY 1984 and prior. See MP for 85 and subsequent years	Cost of imputed military retirement determined by applying appropriate acceleration factor to military personnel services costs (see <a href="#">Chapter 7</a> of this volume).
MX	Other Benefits (when applicable)	O&M Appropriation of Performing Activity	Cost for portion of quarters, subsistence, medical, and other personnel support costs not included in MP. Computed by applying appropriate acceleration factor to military personnel service costs (see <a href="#">Chapter 7</a> of this volume).
OS	Other Support	“TF” for PCH&T, Storage and Admin. Other appropriations, as applicable.	Other costs not specifically defined. PCH&T does not apply to DoD Working Capital Funds items delivery reported on or after October 1, 1990.

Table 2-2

**PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS (continued)**

<b>Pricing Element</b>	<b>Description</b>	<b>Appropriation or Fund</b>	<b>Description</b>
QS	DoD Quality Assurance Support (For FY 1980 and prior, applies to FMS cases and to commercial contracts; after FY 1980 applies to commercial contracts only)	O&M Appropriation of Performing Activity	Government-applied quality assurance costs to be recovered either on the basis of individual items examined or on a prorata basis over benefiting production run items.
RD	R& D and nonrecurring production	SDAF 11X4116 or Miscellaneous Receipt Account 3041, recoupment as applicable	Recovery of nonrecurring costs as specified by <a href="#">Chapter 7</a> of this volume.
RF	Royalty Fees	SDAF 11X4116 or Miscellaneous Receipt Account 3041, as applicable	Collection of royalty fees.
RS	Special RDT& E	RDT&E Appropriation	Special RDT& E effort being accomplished specifically for the FMS customer.
SA	Articles obtained from inventory for SDAF	SDAF 11X4116	Sale SDAF items originally obtained from DoD inventories.
SD	Articles procured from contractors for SDAF	SDAF 11X4116	Sale of SDAF items obtained from procurement.
SF	Articles from Stock not requiring replacement	SDAF or Miscellaneous Receipt Account 3041 as applicable	Sale of assets not requiring inventory replacement.

Table 2-2

**PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS (continued)**

<b>Pricing Element</b>	<b>Description</b>	<b>Appropriation or Fund</b>	<b>Description</b>
SR	Articles from stock requiring replacement	Procurement Appropriation or DoD-Working Capital Funds	Sale of materiel requiring inventory replacement as a result of sale.
TF	Charges applied by the DFAS-ADY/DE	Trust Fund (TF), centrally managed by DFAS-ADY/DE	Below-the-line cost on the LOA (PCH, administrative fee, transportation, etc.) PCH does not apply to DoD Working Capital Funds items delivery reported on or after October 1, 1990.
TR	Training related expenses for formal training	Direct Cite or appropriation account	The expenses related to the conduct of formal training.
TX	Transportation	Applicable appropriation or fund	Costs for transportation when Defense Transportation System (DTS) is approved and used. The DFAS-ADY/DE applied transportation charges do not apply to DoD Working Capital Funds material effective October 1, 1990, for generic code L1A, and effective October 1, 1991, for generic code L1D and L1E.
<b>Special Pricing Element Codes for Air Force Training Cases</b>			
AR	Air Force Reserve	Air Force Reserve Appropriation	That portion of training reimbursement passed to Air Force Reserve.
DM	Depot Maintenance	DoD Working Capital Funds	That dollar portion of training course cost identified for depot maintenance.
NG	Air National Guard	National Guard Appropriation	That portion of training reimbursement passed to National Guard.
PL	Aviation POL	DoD Working Capital Funds	That dollar portion of training course cost identified POL.

Table 2-2

**PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS (continued)**

<b>Pricing Element</b>	<b>Description</b>	<b>Appropriation or Fund</b>	<b>Description</b>
TC	Reimbursement to a Foreign Government	Country TF	Third Country training with reimbursement from the second country.
XN	Reimbursable Orders to Navy	Direct Cite or Navy Appropriation Account which accepted order	That portion of the training case passed to Navy for execution.
XA	Reimbursable Orders to Army	Direct Cite or Army Appropriation Account which accepted order	That portion of the training case passed to Army for execution.
XX	Reimbursable Orders to Defense Agencies	Direct Cite or Agency Appropriation Account which accepted order	That portion of the training case passed to Defense Agency for execution.
DI	Reimbursable Orders to DISAM	Direct Cite or AF Appropriation Account which accepted order	That portion of the training case passed to DISAM for execution.
M2	Military Personnel PCS	Military Pay Appropriation	Military personnel PCS costs incurred to accomplish FMS training case.
IP	Information Program Funds	Direct Cite or Appropriation Account which accepted order	That portion of the training case which funds the information program.
ML	Minor Construction	O&M Appropriation	That portion of the training case applicable to minor construction.

Table 2-2

## DD FORM 2060 COMPLETION PROCEDURES

<u>DD Form 2060 Data Element</u>		<u>Information Source</u>	<u>Remarks</u>
<u>Line/ Column #</u>	<u>Description</u>		
	Type of Request	See remarks	Enter the designation of the document that occasioned the submission of the DD Form 2061 and 2060, e.g., LOA, modification, amendment, less than 10% increase, or DD Form 2061 Revision.
1	Performing Component	See remarks	Enter "Army," "Navy," or "Air Force."
2	Period Covered	Enter the fiscal year for which obligational authority is being requested, e.g., FY81	
	<b><u>Part A</u></b>		
3	FMS Planning Directive Control No.	Obtain from line 6 of DD Form 2061	
4	Total Case Value	Obtain from "Total Case Value" line, Column 14, of "Summary" section of DD Form 2061. Also equals line 5, DD Form 2061.	

Table 2-3

## DD FORM 2060 COMPLETION PROCEDURES (continued)

<u>DD Form 2060 Data Element</u>		<u>Information Source</u>	<u>Remarks</u>
<u>Line/ Column #</u>	<u>Description</u>		
5	Amount to be Held in Trust Fund	Obtain from “PCH&T, Admin, and Storage, Column 14, in “Summary” section of DD Form 2061	PCH&T does not apply to DoD Working Capital Funds delivery reported on or after October 1, 1990. Storage charges do not apply to the FMSO I Part A on-hand of DoD Working Capital Funds items.
6	Net Case Value	Computation: Column 4 – Column 5 = Column 6	This amount represents the total which will be provided the performing DoD Component for an FMS case.
7	Received	Obtain from “Net Case Value” line, Column 15, of the “Summary” section of DD Form 2061	The entries in blocks 7, 8, and 9 are constant for a fiscal year and must agree with the entries on the annual consolidated DD Form 2060.
8	Required	Obtain from “Net Case Value” line, Column 16 “Total,” of the “Summary” section of the DD Form 2061	
9	Withdrawn	Computation: Column 7-Column 8 = Column 9	Represents the amount of funds received in prior periods but not required for case performance. These amounts will be withdrawn from performing DoD Components.

Table 2-3



## DD Form 2060 Completion Procedures (continued)

<u>DD Form 2060 Data Element</u>		<u>Information Source</u>	<u>Remarks</u>
<u>Line/ Column #</u>	<u>Description</u>		
10 & 11	Authority Required this Fiscal Year	Enter the fiscal year from line 2	
10	Reimbursable	Obtain from “Reimbursable Program” line, Column 17, of the “Summary” section of the DD Form 2061	Represents the amount of reimbursable obligation authority required for the current fiscal year.
11	Direct Cite	Obtain from the “Direct Cite” line, Column 17, of the DD Form 2061	Amounts in this column followed by a “(C)” represent direct citation delegation authority required for the current fiscal year. If blank, the request is for an allotment of funds for direct cite, with the implementing agency to be the accounting station.
12	Remaining Program	Computation: Column 6-[Column 8 + Column 10+ Column 11] =Column 12. Should agree with “Net Case Value” line, Column 18, of the “Summary” section of the DD Form 2061	May be negative if type of request is for a less-than-10% increase.
13	Balance Brought Forward	N/A	
14	Case Total	N/A	
15	Admin Expense	N/A	

Table 2-3

## DD FORM 2060 COMPLETION PROCEDURES (continued)

<u>DD Form 2060 Data Element</u>		<u>Information Source</u>	<u>Remarks</u>
<u>Line/ Column #</u>	<u>Description</u>		
<b><u>Part B</u></b>			
16	Total	Sum of entries by column	
17	Appropriation Title	Obtain from appropriate DoD Component directives	Enter abbreviated title. Where the case is impacted by an increase of less than 10%, insert an additional line "Less-than-10% increase."
18	Account Symbol	Obtain from DD Form 2061, Column 13	Enter the first impacted (financing) appropriation or fund for reimbursement action; or enter "DC" where the Trust Fund is to be direct cited. Summarize into one line per account.
6-12		Obtain totals (by appropriation) from applicable column on DD Form 2061.	Individual data under each column where the case is impacted by an increase of less than 10%, an appropriate negative entry will be shown in Columns 6 and 12 as determined from Columns 14 and 18 of the DD Form 2061.
6	Net Case Value		
7	Received		

Table 2-3

## DD FORM 2060 COMPLETION PROCEDURES (continued)

<u>DD Form 2060 Data Element</u>		<u>Information Source</u>	<u>Remarks</u>
<u>Line/ Column #</u>	<u>Description</u>		
8	Required		
9	Withdrawn	Column 9 should be computed as Column 7 - Column 8	
10	Reimbursable		
11	Direct Cite		
12	Remaining		
	Program		
19	Balance Brought Forward	N/A	
20	Obligational Authority	Enter totals (by column) for each applicable element	Totals should reflect same data as DD Form 2060 summary data reflected in Part A.
21	Signature Block	To be completed by Appropriate DoD Component	
22	Signature Block	To be completed by the DFAS-ADY/DE	
23	Approval Control Number	To be completed by the DFAS-ADY/DE	

Table 2-3

**DD FORM 2061 COMPLETION PROCEDURES**

<b><u>Line/ Col.</u></b>	<b><u>Description</u></b>	<b><u>Procedures</u></b>
1	FMS Case Number BC-P-ADK	Perpetuate LOAs.
2	Date LOA Submitted to Foreign Government	Obtain from date of LOA.
3	Date Offer Expires	Obtain from expiration date of LOA.
4	Date Case Accepted by Foreign Government.	Obtain from acceptance date of LOA.
5	Total Case Value	Must agree with total of Column 14 and “Estimated Total Costs” of LOA.
6	Control Number	Consists of country code, case designator, Julian date (YYDDD), and a two-digit sequential number. Initial DD Form 2061 will use sequential number 01, with each succeeding submission using 02, 03, etc. The Julian date must agree with the data entered on line 7. Use the format BD-ADK-79346 01.
7	Date Prepared	Date formally prepared. Must agree with Julian date used in control number. Use the format Dec 12, 1998.
8	DoD Component/Case Manager	Enter the DoD Component, followed by the case manager’s name, organization, and DSN number, that is, Navy, J. Smith, NAVAIR, 222-7890
9	Case Item Number	This entry must match the entries on the LOA.
10	Item Description	This entry must match the item description on the LOA. Abbreviated titles should be used. However, when information is classified, enter “Classified – Refer to LOA.”
11	Quantity	This entry must match exactly the entries on the LOA. Columns 9, 10, and 11 should show no further breakdown than is or will be reflected on the LOA.
12	Pricing Elements	This column will be used to provide breakdown of the cost of the article or service by pricing element using codes provided by Table 2-2.

Table 2-4

## DD FORM 2061 COMPLETION PROCEDURES (continued)

<b><u>Line/ Col.</u></b>	<b><u>Description</u></b>	<b><u>Procedures</u></b>
13	Financing Appropriation	For each pricing element, Column 12, enter the first impacted appropriation (the financing appropriation) or for reimbursable actions; or enter “DC” for Direct Citation (for example, when the FMS Trust Fund will be directly cited on obligation documents). More than one appropriation may be entered for some pricing elements. Annual appropriations will reflect the applicable fiscal year.
14	Estimated Cost	Enter the estimated cost (priced in accordance with <a href="#">Chapter 7</a> ) for each financing appropriation, Column 13. For each item number with multiple entries in Columns 13 and 14, enter “Item No. Costs” in Column 13 after the last entry and the sum (subtotal) of the estimated costs for that item in Column 14. This sum must equal the line item total cost to be reflected on proposed LOA, amendment, or modification. For less than 10% increases, this amount will reflect the adjusted cost of the article or service. For each item number citing a single financing appropriation, the entry in Column 14 should be the cost of the item.
15	Direct Cite/Obligational Authority received to date most recent prior fiscal year (e.g., FY97 during FY98)	Leave blank if case was not implemented in a prior fiscal year. Enter, by financing appropriation Column 13, the amount of obligational authority issued by the through the end of the prior fiscal year. Column 15 should be adjusted for withdrawals of unused authority at the end of the previous year.

Table 2-4

## DD FORM 2061 COMPLETION PROCEDURES (continued)

<u>Line/ Col.</u>	<u>Description</u>	<u>Procedures</u>
16	Funding Required to Date (same fiscal year entered in Column 15)	Leave blank if case was not implemented in a prior fiscal year. Columns 16a, 16b, and 16c provide a horizontal breakdown of amounts entered in Column 16d.
16a	Obligations Incurred	
16b	Unobligated Commitments	
16c	Items from Stock	
16d	<b>Total</b>	Enter, by financing appropriation in Column 13, the obligational authority committed through the end of the prior fiscal year.

Note: On successive DD Forms 2061 in the same fiscal year, Columns 15 and 16 are constant and reflect the status by financing appropriation as of September 30 of the prior fiscal year. These entries, in total, must agree with the entries in Columns 7 and 8, respectively, of the annual consolidated DD Form 2060.

17	Current FY ( ) Funding Plan	Enter the current fiscal year in the parentheses, e.g., (1998). For a new case in which obligational authority will not be required until a subsequent fiscal year, Column 17 should reflect that subsequent year as the current fiscal year. Enter, by financing appropriation, the current FY obligational authority requirements. On successive DD Forms 2061, these figures are cumulative.
18	Remaining Program Value	Enter, by financing appropriation, the result of Column 14 minus the “total” of Column 16 minus column 17. This entry must not be a negative amount.
19	Budget Year ( ) Funding Plan	Enter the fiscal year following the year shown in Column 17. Enter, by financing appropriation, the budget year obligational authority requirements. Amounts shown in Column 19 must not exceed the amounts shown in Column 18.

Subtotals: If the DD Form 2061 is prepared in support of a request for an increase of less than 10%, the following two lines will also be entered.

Table 2-4

## DD FORM 2061 COMPLETION PROCEDURES (continued)

<u>Line/ Col.</u>	<u>Description</u>	<u>Procedures</u>
10 and 14-19	Subtotal	Enter "Subtotal" and the vertical sums of Columns 14 through 19. Check sums horizontally. Columns 14= 16+ 17+ 18.
10, 14, and 18	Less than 10% increase	Enter "Less than 10% increase." In Columns 14 and 18, enter the amount of the cumulative net increase in the total materiel/services value.
10 and 14-19	Net Case Value	Enter "Net Case Value" and the vertical sums of columns 14 through 19. Column 14 should agree with the "Estimated Cost" of the LOA. Check sums horizontally. Columns 14= 16+ 17+ 18.
10, 12-14, and 18	PC& H (if applicable)	Enter "PC& H (___%)," Pricing element "OS," and Financing Appropriation "TF." Columns 10, 14, and 18 should be completed with the proper rate and amount as computed in accordance with <a href="#">Chapter 7</a> . PC& H charges were discontinued for DoD Working Capital Funds items effective October 1, 1990.
10, 12-14, and 18	Admin (if applicable)	Enter "ADMIN (___%)," Pricing element "OS," and Financing Appropriation "TF." Columns 10, 14, and 18 should be completed with the proper rate and amount as computed in accordance with <a href="#">Chapter 7</a> .
10, 12-14, and 18	Transportation (if applicable)	Enter "TRANS (___%)," and/or Parc. Post (___%)," as appropriate, Pricing element "OS," and Financing Appropriation "TF." Columns 10, 14, and 18 should be completed with the proper rate( s) and amount( s) as computed in accordance with <a href="#">Chapter 7</a> .
		Note: Different rates may be used if partial delivery was made prior to April 13, 1978. The rate to be charged is the rate in effect at the time of delivery.

Table 2-4

## DD FORM 2061 COMPLETION PROCEDURES (continued)

<u>Line/ Col.</u>	<u>Description</u>	<u>Procedures</u>
10, 12-14, and 18	Stock issue asset use (if applicable) for cases implemented after Sep 30, 1979, and all DD Form 2060/2061 submissions subsequent to that date up to Nov 30, 1989)	Enter "SIAU (1%)," Pricing Element "AU," Financing Appropriation "TF." In Columns 14 and 18, enter the amount computed in accordance with <a href="#">Chapter 7</a> . Discontinued November 30, 1989.
10 and 14-19	Total Case Value	Enter "Total Case Value" and the vertical sum of Columns 14 through 19 for "Net Case Value" and PCH& T, Admin, Storage, and SIAU. Check sums horizontally. Columns 14= 16+ 17+ 18. Column 14 should match the "Total Estimated Cost" line of the LOA.
10	Summary	Enter "Summary:"
10, 14-19	Reimbursable Program	As applicable, enter "Reimbursable Program" in Column 10. Sum Columns 14 through 19 for all entries with other than "DC" or "TF" in Column 13.
10, 14-19	Direct Cite Program	As applicable, enter "Direct Cite Program" in Column 10. Sum Columns 14 through 19 for all entries with "DC" in Column 13.

If the DD Form 2061 is prepared in support of a less than 10% increase, the following two lines will also be entered:

10, 14-19	Subtotal	Enter "Subtotal" in Column 10. Sum "Reimbursable Program" and "Direct Cite Program," Columns 14 through 19.
10, 14, and 18	Less than 10% increase	Enter "Less than 10% increase" in Column 10. In Columns 14 and 18, enter the negative amount of the cumulative net increase in the total materiel/services value.
10, 14-19	Net Case Value	Enter "Net Case Value" in column 10. Sum Reimbursable Program" and "Direct Cite Program," or, if applicable, "Subtotal" and "Less than 10% increase," Columns 14 through 19.

Table 2-4



## DD FORM 2061 COMPLETION PROCEDURES (continued)

<u>Line/ Col.</u>	<u>Description</u>	<u>Procedures</u>
10, 14, and 18	PCH& T, Admin, etc.	If applicable, enter “PC& H,” “PCH& T,” “Admin,” “Trans,” and “Storage” in Column 10. Sum Columns 14 and 18 for all entries with “TF” in Column 13.
10, 14- 19	Total Case Value	Enter “Total Case Value” in Column 10. Sum “Net Case Value,” “PC& H,” “Trans,” “PCH& T,” “Admin,” and “Storage” lines (as entered from above procedure) for Columns 14 through 19. Check sums horizontally. Columns 14= 16+ 17+ 18. Check to insure that each column total matches the sum entered on the previous “Total Case Value” line.

Table 2-4

## FORMAT AND VALIDATION CRITERIA FOR FICS RE/R4 TRANSACTIONS

<b>Data Element Description and Element Abbreviation</b>	<b>Format/ No. of Position</b>	<b>FICS TRC</b>	<b>Edit/Validation of: Input—MILDEP to DFAS-ADY/DE Feedback—DFAS-ADY/DE to MILDEP</b>
Document Identifier Code (DIC)	X(3)	002	Must Be “REF”, if not reject.
Direct Status (Input)	1-3		“REF” A machine generated mirror image of the RBI transaction appended by the Positive Transaction Codes (PTC) to become the REF transaction.
Direct Status (Feedback)	1-3		
Transaction Control No. (TCN) (FORMAT: YYMMDDNNNNNV)	X(13) 4-16	152	Must be numeric (0-9).
		152	YYMMDD must be equal to or less than current date
		249	Version Number (V) must be “0” if action code is “A” (add).
		248	V must be 1-9 if action code is “C” (change) and must be 1 greater than suspense version number.
		251	If action code is “C” or “D” (delete) TCN (excluding V) must equal suspense file. (YYMMDDNNNNNN).
Action Code	X(1) 17	003	Must be “A” or “C” or “D”, otherwise invalid. A=Add; C=Change; D=Delete
Country Code (CC)	X(2) 18-19	037	Must be “00” or on Country Code Table #2. If “00”, site code must be “5” (DFAS-ADY/DE input).
Implementing Agency Code (IA)	X(1) 20	038	If site code equals “5” or “6”, IA code must be on DIFS IA Table.
Case Designator	X(3) 21-23	041	Must match the active case control file or match on Case Control History.
		031	Case status must equal “I” (Implemented) or “C” (Closed)

Table 2-5

**FORMAT AND VALIDATION CRITERIA FOR FICS RE/R4 TRANSACTIONS**  
(continued)

<b>Data Element Description and Element Abbreviation</b>	<b>Format/ No. of Position</b>	<b>FICS TRC</b>	<b>Edit/Validation of: Input—MILDEP to DFAS-ADY/DE Feedback—DFAS-ADY/DE to MILDEP</b>
Amount Commitments Cumulative from Inception (CFI)	S(12) V99 24-37	156	Must be numeric (0-9).
		310	Must be positive unless country is “IR” (Iran).
Amount Obligations (OA) Cumulative from Inception (CFI)	S(12) V99 38-51	156	Must be numeric (0-9).
		311	Must be positive, unless country is “IR” (Iran).
Unpaid government End of Period	S9 (12) V99 52-65	156	Must be numeric (0-9), may be negative.
Unpaid Non-Government End of Period	S9 (12) V99 66-79	156	Must be numeric (0-9), may be negative.
Date Accounting Month (YYMM)	S9 (12) V99 80-83	016	YYMM must be equal to current month or one prior month.
The Positive Transaction Control Feedback contains the original REI transactions plus the following data elements for the REF transactions.			
Transaction Reply Code (TRC)	X(15) 84-89	FEEDBACK TRANSACTIONS ONLY. This 15 character element is appended to the feedback format of all interact transactions by the recipient system. This area will contain 1 to 5, 3-digit transaction reply codes to communicate back to the originator system the result of processing the transaction. (Left justified/spaces filled).	

Table 2-5

**SAMPLE CASE CLOSURE CHECKLIST**

<b>Action</b>	<b>Date Completed</b>
Verify there are no valid unfilled requisitions	
Verify all items have been delivered/shipped, all services performed, and reported to the DFAS-ADY/DE including: <ul style="list-style-type: none"> <li>a. Government Furnished Material (basic items, Defense Transportation Systems and PC&amp;H)</li> <li>b. Actual accessorial (PCH&amp;T) charges (where applicable)</li> </ul>	
Verify outstanding Supply Discrepancy Reports (SDRs) processed	
Verify financing appropriations reimbursed	
Verify Case Closure Certificate electronically submitted to the DFAS-ADY/DE	
Verify records retired: Identify location of all supporting documentation (documentation may be hardcopy or electronic media)	
Verify all accounting records are final (applies to cases for customers not participating in accelerated closure process).	
Verify all accounting records are final or unliquidated obligations are established to capture unfinalized billings (applies to accelerated case closure participants).	

Table 2-6

**FORMAT FOR THE CASE CLOSURE CERTIFICATE INVENTORY TRANSACTION  
(C1I/C1F)**

<b>Data Element Description and Element Abbreviation</b>	<b>Format/ No. of Position</b>	<b>Edit/Validation of: Input—MILDEP to DFAS-ADY/DE Feedback—DFAS-ADY/DE to MILDEP</b>
Document Identifier	1-3	Must Be “C1I”
Transaction Control Number (TCN) (FORMAT: YYMMDDNNNNNV)	4-16	Must be numeric (0-9).
Action Code	17	Must be “A”, “C”, or “D”
Country Code	18-19	Must be on DIFS Country Code Table.
Implementing Agency (IA)	20	Must be on DIFS IA Table.
Case	21-23	Must be a valid case on the DIFS Case Control (either implemented or closed).
Certification Amount	24-38	Must be numeric (0-9).
Closure Date	39-44	Must be numeric (0-9)
Certificate Disbursed Amount	45-59	Must be numeric (0-9)
Closure Type	60	Must be numeric. 1=Non-ACCP, 2=Interim ACCP, 3=Final ACCP.
Transaction Reply Code	61-76	FEEDBACK TRANSACTIONS ONLY. This 15 character element is appended to the feedback format of all interact transactions by the recipient system. This area will contain 1 to 5, 3-digit transaction reply codes to communicate back to the originator system the result of processing the transaction. (Left justified/spaces filled).

Table 2-7

## ★ LETTER OF OFFER AND ACCEPTANCE

**United States of America**  
**Letter of Offer and Acceptance (LOA)**  
**BD-P-BLX**

Based on BANDEF ltr 2/265 of 10 Apr 2001

Pursuant to the Arms Export Control Act, the United States Government(USG) offers to sell to [the Government of Bandaria, Office of the Naval Attache, 252 Massachusetts Ave., NW, Washington, DC 20036 the defense articles or defense services (which may include defense design and construction services) collectively referred to as “items”, set forth herein, subject to the provisions, terms, and conditions in this LOA.

This LOA is for Technical Services for the Standard Missile Program.

***Estimated Cost:*** \$1,025,000

**Initial Deposit:** \$ 263,750

**Terms of Sale:** Cash prior to delivery/dependable undertaking.

This offer expires on 22 July 2001. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This page through page [x], plus Letter of Offer and Acceptance Standard Terms and Conditions attached, are a part of this LOA.

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA:

<div> <div>U.S. Signature</div> <div>A.R. Smith Director</div> <div>Typed Name and Title</div> <div>Navy International Programs Office</div> <div>Implementing Agency</div> <div>DSCA</div> </div>		<div> <div>30 May 2001</div> <div>Date</div> <div>Purchaser Signature</div> <div>Typed Name and Title</div> <div>Agency</div> <div>30 May 2001</div> <div>Date</div> </div>	
--	--	---	--

Information to be provided by the Purchaser:

Mark For Code \_\_\_\_\_, Freight Forwarder Code \_\_\_\_\_, Purchaser Procuring Agency Code \_\_\_\_\_, Name and Address of the Purchaser's Paying Office \_\_\_\_\_

Figure 2-1

**LETTER OF OFFER AND ACCEPTANCE (continued)**

Items to be Supplies (costs and months for delivery are estimates):

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit	(b) Total	(5) SC/MOS/ TA or Note	(6) Ofr Rel Cde	(7) Del Trm Cde
001	M1B 020200M1SSLTA(N) <i>Technical Services</i> (Note 1)			\$1,000,00 0	X(24) TA 4	A	4
(8)	Net Estimated Cost						\$1,000,000
(9)	Packing, Crating, and Handling						\$0
(10)	Administrative Charge						\$25,000
(11)	Transportation						\$0
(12)	(Specify; e.g., "Supply Support Arrangement")						\$0
(13)	Total Estimated Cost						\$1,025,000

Additional details regarding codes, acronyms, and financial data may be found in attached "Letter of Offer and Acceptance Information".

To assist in fiscal planning, the USG provides the following anticipated costs of this LOA:

**Estimated Payment Schedule**

Payment Date	Quarterly	Cumulative
Initial Deposit	\$263,750	\$263,750
15 Dec 2001	126,875	390,625
15 Mar 2002	126,875	517,500
15 Jun 2003	126,875	644,375
15 Sep 2004	126,875	771,250
15 Dec 2005	126,875	898,125
15 Mar 2006	126,875	1,025,000

Identifier BD-P-BLX

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Figure 2-1

## ★ AMENDMENT TO LETTER OF OFFER AND ACCEPTANCE

<b>United States of America</b> <b>Letter of Offer and Acceptance (LOA)</b> <b>BD-P-BLX</b>			
<p>Based on BANDEF ltr 2/343 of 12 Aug 2001</p> <p>Pursuant to the Arms Export Control Act, the United States Government (USG) offers to amend the Letter of Offer and Acceptance (LOA) identified above for the purchase of defense articles, defense services, or both. Other provisions, terms, and conditions of the original LOA remain unchanged.</p> <p>This Amendment is for: Extends Basic LOA Item 1 period of availability. Purchaser request, extends period of performance for 12 months.  Basic LOA accepted 18 July 2001.</p> <p><b>Estimated Cost:</b> \$1,537,500                      <b>Initial Deposit:</b> \$126,875</p>			
<p><b>Terms of Sale:</b> Cash prior to delivery/dependable undertaking.</p> <p>This offer expires on 5 December 2001. Unless a request for extension is made by the Purchaser and granted by the USG, this offer will terminate on the expiration date.</p> <p>This page through page [x] attached are a part of this Amendment.</p> <p>The undersigned are duly authorized representatives of their Governments and hereby respectively offer and accept this Amendment:</p>			
_____ U.S. Signature	5 Sep 2001 _____ Date	_____ Purchaser Signature	_____ Date
A.R. Smith Director _____ Typed Name and Title		_____ Typed Name and Title	
Navy International Programs Office _____ Implementing Agency		_____ Agency	
_____ DSCA	_____ Date		

Figure 2-2



## AMENDMENT TO LETTER OF OFFER AND ACCEPTANCE (continued)

This Amendment consists of changes as follows:

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit	(b) Total	(5) SC/MOS/ TA or Note	(6) Ofr Rel Cde	(7) Del Trm Cde
<u>Previous</u>							
001	M1B 020200M1SSLTA(N) <i>Technical Services</i> (Note 1)			\$1,000,000	X(24) TA 4	A	4
<u>Revised</u>							
001	M1B 020200M1SSLTA(N) <i>Technical Services</i> (Note 1)			\$1,500,000	X(36) TA 4	A	4
					<u>Previous</u>	<u>Revised</u>	
(8)	Net Estimated Cost				\$1,000,000		\$1,500,00
(9)	Packing, Crating, and Handling				\$0		\$0
(10)	Administrative Charge				\$25,000		37,500
(11)	Transportation				\$0		\$0
(12)	(Specify; e.g., "Supply Support Arrangement")				\$0		\$0
(13)	Total Estimated Cost				\$1,025,000		1,537,500

To assist in fiscal planning, the USG provides the following revised anticipated costs of this LOA:

## Estimated Payment Schedule

Payment Date	Quarterly	Cumulative
Previous Payments Scheduled (15 June 2001)	NA	\$263,750
Amount received from Purchaser		263,750
Due with Amendment Acceptance	\$385,625	649,375
15 Mar 2002	126,875	776,250
15 Jun 2002	126,875	903,125
15 Sep 2002	126,875	1,030,000
15 Mar 2003	126,875	1,156,875
15 Jun 2004	126,875	1,283,750
15 Sep 2004	126,875	1,410,625
15 Dec 2004	126,875	1,537,500

Identifier BD-P-BLX

Page 2 of x pages

Figure 2-2

## ★ MODIFICATION TO LETTER OF OFFER AND ACCEPTANCE

**United States of America**  
**Modification 1 to Letter of Offer and Acceptance**  
**BD-P-BLX**

Based on cost adjustments due to experience during program execution.

Pursuant to the Arms Export Control Act, the United States Government (USG) hereby notifies the Purchaser of Modification of the Letter of Offer and Acceptance (LOA) identified above. All other terms and conditions of the LOA remain unchanged.

This Modification is for: Cost adjustments to Amendment Item Number 1 based on experience while executing the program.

LOA accepted 18 July 2001.

**Estimated Cost:** \$1,435,000

**Terms of Sale:** Cash prior to delivery/dependable undertaking.

This page through page [x] attached are part of this Modification. The undersigned are duly authorized representatives of their Governments and hereby respectively furnish and acknowledge receipt of this Modification:

U.S. Signature  A.R. Smith Director	8 Jan 2002 Date	Purchaser Signature	Date
Typed Name and Title		Typed Name and Title	
Navy International Programs Office Implementing Agency		Agency	
DSCA	Date		

Figure 2-3

**MODIFICATION TO LETTER OF OFFER AND ACCEPTANCE (Continued)**

This Modification provides notification of changes as follows:

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit (b) Total	(5) SC/MOS/ TA or Note	(6) Ofr Rel Cde	(7) Del Trm Cde
<u>Previous</u>						
001	M1B 020200M1SSLTA(N) <i>Technical Services</i> (Note 1)		\$1,500,000	X(36) TA 4	A	4
<u>Revised</u>						
001	M1B 020200M1SSLTA(N) <i>Technical Services</i> (Note 1)		\$1,400,000	X(36) TA 4	A	4
				<u>Previous</u>	<u>Revised</u>	
(8)	Net Estimated Cost			\$1,500,00	\$1,400,00	
(9)	Packing, Crating, and Handling			\$0	\$0	
(10)	Administrative Charge			37,500	35,000	
(11)	Transportation			\$0	\$0	
(12)	(Specify; e.g., "Supply Support Arrangement")			\$0	\$0	
(13)	Total Estimated Cost			1,537,500	1,435,000	

To assist in fiscal planning, the USG provides the following revised anticipated costs of this LOA:

**Estimated Payment Schedule**

Payment Date	Quarterly	Cumulative
Previous Payments Scheduled (15 Dec 2001)	NA	\$ 649,375
Current USG Financial Requirements		649,375
Amount received from Purchaser		649,375
15 Mar 2002	112,232	761,607
15 Jun 2002	112,232	873,839
15 Sep 2002	112,232	986,071
15 Mar 2003	112,232	1,098,303
15 Jun 2004	112,232	1,210,535
15 Sep 2004	112,232	1,322,767
15 Dec 2004	112,233	1,435,000

Identifier BD-P-BLX

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Figure 2-3

# DD FORM 2061 FMS PLANNING DIRECTIVE

[illegible]

Figure 2-4

## DD FORM 2060, "FMS OBLIGATIONAL AUTHORITY"

FMS OBLIGATIONAL AUTHORITY									
(1) Performing Component _____									
(2) Period Covered _____									
FMS Case Commitment/Obligation Authority									
(3) FMS Planning Directive Control No.	(4) Total Case Value	(5) Amount To Be Held in Trust Fund	(6) Net Case Value	Prior Period Reimbursable Funding/Direct Cite Authority			Authority Required This FY		(12) Remaining Program Value
				(7) Received	(8) Required	(9) Withdrawn	(10) Reimbursable	(11) Direct Cite	
			0.00			0.00			0.00
			0.00			0.00			0.00
			0.00			0.00			0.00
(13) Balance br't fwd.									
(14) Case Tot.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(15) Admin. Expense									
(16) Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PART B: Financing Accounts									
(17) Appropriation Title (18) Account Symbol									
						0.00			0.00
						0.00			0.00
						0.00			0.00
						0.00			0.00
(19) Balance Brought Forward									
(20) Obligational Authority			0.00	0.00	0.00	0.00	0.00	0.00	0.00
<p>(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column 10, (2) authority for a direct cite against 97-11x8242 for amounts designated (C) in column 11, and (3) allotments in amounts designated (A) in column 11.</p> <p>(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designate (A) in column 11 but not to exceed the amounts specified by case.</p> <p>_____ Name of Accepting/Requesting Official</p> <p>_____ Name of Offering/Approving Official</p> <p>(23) Approval Control No. _____</p>									

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Figure 2-5

## ★ GENERATION OF BUDGET AUTHORITY (NEW CASES)

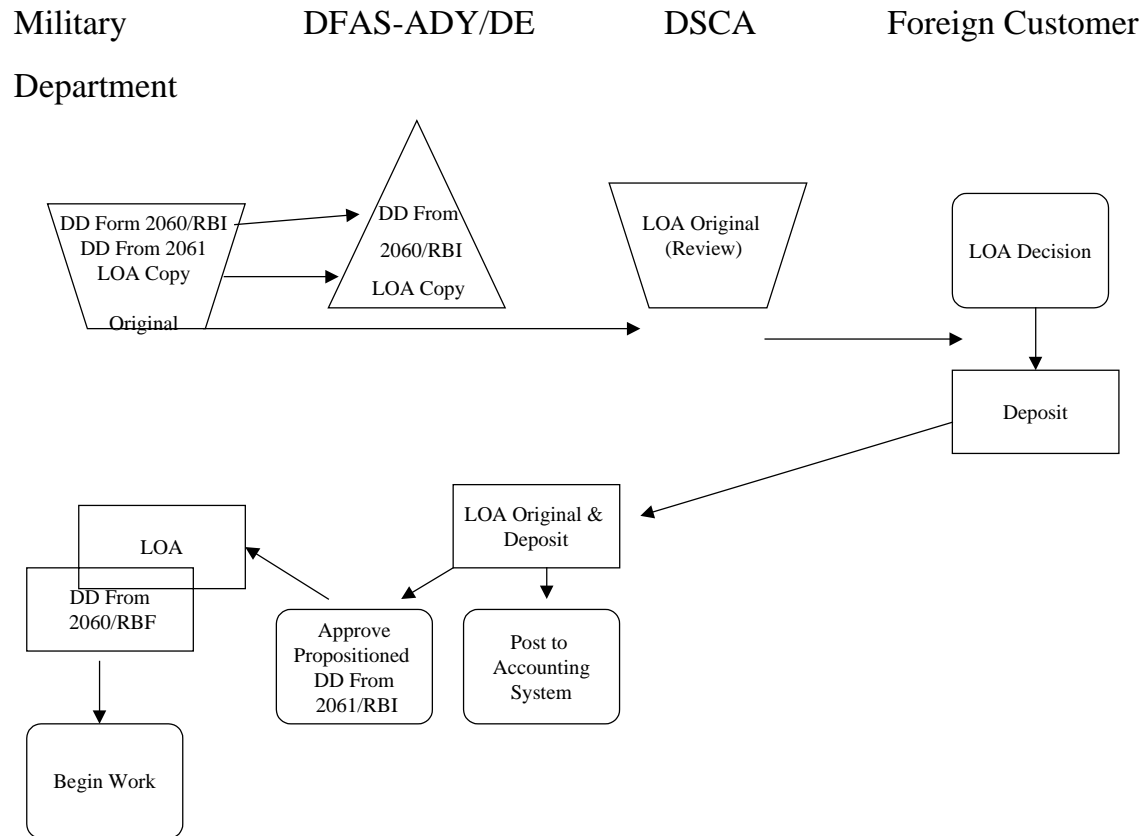


Figure 2-6

## FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE

FMS PLANNING DIRECTIVE													
(1) FMS Case No <u>BC-P-ADK</u>						(5) Total Case Value <u>XX</u>							
(2) FMS Case Submitted to Foreign Government <u></u>						(6) Control Number <u>BC-P-ADK-02181 01</u>							
(3) Date Offer Expires <u>Oct 31, 2002</u>						(7) Date Prepared <u>Jun 30, 2002</u>							
(4) Date Case Accepted by Foreign Government <u></u>						(8) DoD Component <u>Navy/J. Smith</u>							
								<u>NAVAIR, AV 222-7890</u>					
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				(17)	(18)	(19)
Case Item No	Item Description	Qty	Pricing Elements	Financing Approp	Estimated Cost	Direct/Cite Obligl Auth Rec'd to Date ( )	Funding Required to Date ( )				Current FY ( ) Funding Plan	Remaining Program Value	Budget Year ( ) Funding Plan
							Obligations Incurred	Unobligated Commitments	Items from Stock	Total			
A.	Lines 1 and 5 through 8 must be completed on all forms. Lines 2, 3, and 4 should be completed if information is available the appropriate fiscal years must be inserted in the parentheses above columns 15, 16, and 19.												
B.	Material and services procured from a contractor or Non-DoD source. Contract to be awarded in the current year. Contract administration services applicable to the current year includes recoupment of nonrecurring research and development and non-recurring production costs.												
1	Ship	1	CC CX RD	DC TF 3041	2,450,000 36,750 200,000						2,450,000 36,750	200,000	200,000
C.	Material produced by Navy industrially funded (NIF) activity, 80% of work to be completed in the current year.												
1	Bomb	20	CC CP CR CD	DC 17X4912 17X4912 3041	800,000 26,491 1,735 5,576						640,000 21,533 1,388 4,461	160,000 5,388 347 1,115	160,000 5,388 347 1,115
D.	Material produced by Non-NIF Navy Activity, 70% of work to be completed in the current year.												
1	Film	1 Lot	OS OS CP CP CR CR CD	1731804 1731804 1731804 1731804 1731804 1731804 3041	350,000 150,000 18,544 7,947 1,215 520 5,576						350,000 0 18,544 0 1,215 0 3,903	0 150,000 0 7,947 0 520 1,673	0 150,000 0 7,947 0 520 1,673

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Figure 2-7A

## FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE (continued)

FMS PLANNING DIRECTIVE													
(1) FMS Case No <u>BC-P-ADK</u>						(5) Total Case Value <u>XX</u>							
(2) FMS Case Submitted to Foreign Government <u></u>						(6) Control Number <u>BC-P-ADK-02181 01</u>							
(3) Date Offer Expires <u>Oct 31, 2002</u>						(7) Date Prepared <u>Jun 30, 2002</u>							
(4) Date Case Accepted by Foreign Government <u></u>						(8) DoD Component <u>Navy/J. Smith</u>							
						NAVAIR, AV 222-7890							
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				(17)	(18)	(19)
Case Item No	Item Description	Qty	Pricing Elements	Financing Approp	Estimated Cost	Direct/Cite Obligl Auth Rec'd to Date ( )	Funding Required to Date ( )				Current FY( ) Funding Plan	Remaining Program Value	Budget Year ( ) Funding Plan
							Obligations Incurred	Unobligated Commitments	Items from Stock	Total			
E.	Material Approved From Non-Excess Stock Items - From NSF, 25% OPN (New Procurement) and 25% from DLA												
1	Spare Parts		SR	17X4911	80,000						80,000		
			CC	1731810	40,000						40,000		
			SR	97X4961	40,000						40,000		
			CX	TF	600						600		
			LS	TF	5,022						5,022		
F.	Material Provided From Excess Stock												
1	Helo Rotors	3	SF	3041	9,000						9,000		
G.	Civilian Personnel costs performin at a U.S. Government Facility, 50% in the current year, 30% in the Budget Year and 20% in the following Year.												
1	Services of Civ Pers		CP	1731804	13,246						13,246	0	0
			CP	1731804	7,947						0	7,947	7,947
			CP	1731804	5,298						0	5,298	0
			CR	1731804	868						868	0	0
			CR	1731804	520						0	520	520
			CR	1731804	347						0	347	0
			CD	3041	5,576						2,788	1,673	1,115

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Figure 2-7B



## FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE (continued)

FMS PLANNING DIRECTIVE													
(1) FMS Case No <u>BC-P-ADK</u> (2) FMS Case Submitted to Foreign Government _____ (3) Date Offer Expires <u>Oct 31, 2002</u> (4) Date Case Accepted by Foreign Government _____						(5) Total Case Value <u>XX</u> (6) Control Number <u>BC-P-ADK-02181 01</u> (7) Date Prepared <u>Jun 30, 2002</u> (8) DoD Component <u>Navy/J. Smith</u> <u>NAVAIR, AV 222-7890</u>							
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				(17)	(18)	(19)
Case Item No	Item Description	Qty	Pricing Elements	Financing Approp	Estimated Cost	Direct/Cite Obligi Auth Rec'd to Date ( )	Funding Required to Date ( )				Current FY( ) Funding Plan	Remaining Program Value	Budget Year ( ) Funding Plan
							Obligations Incurred	Unobligated Commitments	Items from Stock	Total			
H.	Military Personnel costs Performing at a U.S. Government Facility, 75% in the Current Year, 25% in the Budget Year.												
1	Milpers		MP	1731453	50,123						50,123	0	0
			MP	1731453	16,707						0	16,707	16,707
			MX	1731804	3,007						3,007	0	0
			MX	1731804	1,002						0	1,002	1,002
I.	Recoupment of Nonrecurring Research Development and Nonrecurring Production costs In The Current Year (Including In End)												
1	Nonrecurring Costs		RD	3041	202,800							202,800	
J.	Contract Administration Services Provided by DCMA, Unfunded Retirement Charges Shown Separately.												
1	CAS		CS	9730100	8,300							8,300	
K.	Recovery of Royalty Fees Related to the Sales of a Technical Data package, based on In-Country Production.												
1	TDP		RF	3041	6,000							6,000	
L.	Sales of Excess Ship, "As Is, Where Is," With Applicable R&D Recoupment.												
1	Ex-Uss Boat		SF	3041	2,225,000							2,225,000	
			RD	3041	50,000							50,000	
M.	Sale of an Item Whose Description Would Require Classificatin of the DD Form 2061.												
1	"Classified" Refer to LOA		CC	DC	2,000,000							2,000,000	

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Figure 2-7C

## FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE (continued)

FMS PLANNING DIRECTIVE													
(1) FMS Case No <u>BC-P-ADK</u> (2) FMS Case Submitted to Foreign Government <u>                    </u> (3) Date Offer Expires <u>Oct 31, 2002</u> (4) Date Case Accepted by Foreign Government <u>                    </u>						(5) Total Case Value <u>XX</u> (6) Control Number <u>BC-P-ADK-02181 01</u> (7) Date Prepared <u>Jun 30, 2002</u> (8) DoD Component <u>Navy/J. Smith</u> <u>NAVAIR, AV 222-7890</u>							
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)				(17)	(18)	(19)
Case Item No	Item Description	Qty	Pricing Elements	Financing Approp	Estimated Cost	Direct/Cite Obligl Auth Rec'd to Date ( )	Funding Required to Date ( )				Current FY( ) Funding Plan	Remaining Program Value	Budget Year ( ) Funding Plan
							Obligations Incurred	Unobligated Commitments	Items from Stock	Total			
N.	Foreign Liasion Office at a U.S. Navy-Owned Facility. Assume the Following Charges: 1) Telephone - \$250; 2) Office Equipment - \$800; 3) Mail - \$350; 4) Duplicating - \$1,000; 5) Printing - \$500; 6) Toll Charges - \$800; 7) ADP Services - \$400; and 8) Indirect Base Support - \$400.												
1	Foreign Liasion Office		OS	1731804	4,500						4,500		
O.	Same Example as Above Except that 1) Facility is Rented by navy; 2) Pro Rata Share of Rental Charges is \$2,500; and 3) Indicate base Support Included in space Rental Charge.												
1	Foreign Liasion Office		OS	1731804	6,600						6,600		
P.	Example of Prior, current and Future Year Data Using No Year (x) Account.												
1	Special Support		OS	17X4912	288,462	144,231	108,173			108,173	144,231	36,058	36,058
Q.	Example of PCH&T and Admin, Through Total Case Value												
	Net Case Value	1 Lot	OS	TF	8,000,000						6,000,000	2,000,000	2,000,000
	PC&H (3%)				53,760							53,760	
	(Admin (2.5%)				240,000							240,000	
	Tran (6.25%)				6,250							6,250	
	Parc Post (3.75%)				75,000							75,000	
	Total Case Value				8,375,010						14,947	2,375,010	2,000,000

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Figure 2-7D

## FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE (continued)

FMS PLANNING DIRECTIVE													
(1) FMS Case No <u>BC-P-ADK</u>						(5) Total Case Value <u>XX</u>							
(2) FMS Case Submitted to Foreign Government <u></u>						(6) Control Number <u>BC-P-ADK-02181 01</u>							
(3) Date Offer Expires <u>Oct 31, 2002</u>						(7) Date Prepared <u>Jun 30, 2002</u>							
(4) Date Case Accepted by Foreign Government <u></u>						(8) DoD Component <u>Navy/J. Smith</u>							
								<u>NAVAIR, AV 222-7890</u>					
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16) Funding Required to Date ( )			(17)	(18)	(19)	
Case Item No	Item Description	Qty	Pricing Elements	Financing Approp	Estimated Cost	Direct/Cite Obligi Auth Rec'd to Date ( )	Obligations Incurred	Unobligated Commitments	Items from Stock	Total	Current FY( ) Funding Plan	Remaining Program Value	Budget Year ( ) Funding Plan
R.	Example of a Summary (Execution To Be Completed in Budget Year). Case Not Impacted By a Less than 10% Increase.												
	Summary:												
	Reimbursable Program				15,000	15,000	0		5,000	5,000	5,000	5,000	5,000
	Direct Cite Program				45,000	45,000	45,000		0	45,000	0	0	0
	Net Case Value				60,000	60,000	45,000		5,000	50,000	5,000	5,000	5,000
	PCH&T and Admin				2,888	0	0		0	0	0	2,888	0
	Total Case Value				62,888	60,000	45,000		5,000	50,000	5,000	7,888	5,000

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Figure 2-7E

## FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE

FMS Obligational Authority									
FMS Case Commitment/Obligation Authority						(1) Performing Component <u>Navy</u> (2) Period Covered <u>1986</u>			
(3). FMS Planning Directive	(4). Total Case Value	(5). Amount to Be Held in Trust Fund	(6). Net Case Value	Prior Period Reimbursable Funding/Direct Authority (FY)			Authority Required This FY ( )		(12). Remaining Program Value
				(7). Received	(8). Required	(9). Withdrawn	(10). Reimbursable	(11). Direct Cite	
BC-ADK-86181 02	7,473,923	217,687	7,256,236	6,203,500	1,812,079	4,391,421	22,100	4,420,057	1,002,000
(13) Balance br't fwd.									
(14) Case Total									
(15) Admin Expense									
(16) Total									
<b>PART B: Financing Accounts</b>									
(17) Appropriation Title	(18) Account Symbol								
Direct Cite	DC	7,207,655	6,162,237	1,790,744	4,371,493	0	4,420,057	996,854	
NIF	17X4912	36,101	30,863	13,015	17,848	17,940	0	5,146	
O&M, N	1761804	8,000	10,000	8,000	2,000	0	0	0	
O&M, N	1771804	4,000	0	0	0	4,000	0	0	
Misc Receipts	3041	480	400	320	80	160	0	0	
(19) Balance Brought Forward									
(20) Obligational Authority		7,256,236	6,203,500	1,812,079	4,391,421	22,100	4,420,057	1,002,000	
(21) We will accept (1) orders to be performed on a Reimbursable basis in the amounts shown in column 10, (2) authority for a direct cite against 97- 11X8242 for amounts designated (C) in column 11, and (3) allotments in amounts designated (A) in column 11.				(22) In approving this form, we hereby issue (1) reimbursable orders on a case- by- case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case.					
Name of Accepting/Requesting Official _____				Name of Offering/Approving Official _____ (23). Approval Control No. _____					

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Figure 2-8A

## FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE (continued)

FMS Obligational Authority										
FMS Case Commitment/Obligation Authority										
(1) Performing Component <u>Navy</u>										
(2) Period Covered <u>1986</u>										
(3). FMS Planning Directive	(4). Total Case Value	(5). Amount to Be Held in Trust Fund	(6). Net Case Value	Prior Period Reimbursable Funding/Direct Authority (FY)			Authority Required This FY ( )		(12). Remaining Program Value	
				(7). Received	(8). Required	(9). Withdrawn	(10). Reimbursable	(11). Direct Cite		
BC-ADL-86181 02 (13) Balance br't fwd. (14) Case Total (15) Admin Expense (16) Total	61,800	1,800	60,000	60,000	50,000	10,000	6,000	5,000	-1,000	
<b>PART B: Financing Accounts</b>										
(17) Appropriation Title			(18) Account Symbol							
Direct Cite			DC	45,000	45,000	40,000	5,000	0	5,000	0
NIF			17X4912	16,000	15,000	10,000	5,000	5,000	0	0
Less than 10% increase				-1,000	0	0	0	0	0	1,000
(19) Balance Brought Forward										
(20) Obligational Authority				60,000	60,000	50,000	10,000	6,000	5,000	-1,000
(21) We will accept (1) orders to be performed on a Reimbursable basis in the amounts shown in column 10, (2) authority for a direct cite against 97- 11X8242 for amounts designed (C) in column 11, and (3) allotments in amounts designated (A) in column 11.				(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by- case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designed (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case.						
Name of Accepting/Requesting Official _____				Name of Offering/Approving Official _____						
				(23). Approval Control No. _____						

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Figure 2-8B

## FMS OBLIGATIONAL AUTHORITY FOR DCMA INITIAL CONUS SUBMISSION

FMS OBLIGATIONAL AUTHORITY									
(1) Performing Component <u>DCMA CONUS</u>									
(2) Period Covered <u>FY 2001 (Initial)</u>									
FMS Case Commitment/Obligation Authority									
(3) FMS Planning Directive Control No.	(4) Total Case Value	(5) Amount To Be Held in Trust Fund	(6) Net Case Value	Prior Period Reimbursable Funding/Direct Cite Authority			Authority Required This FY		(12) Remaining Program Value
				(7) Received	(8) Required	(9) Withdrawn	(10) Reimbursable	(11) Direct Cite	
N/A	70,000,000.00		70,000,000.00			0.00	70,000,000.00		0.00
			0.00			0.00			0.00
			0.00			0.00			0.00
(13) Balance brought fwd.									
(14) Case Tot.	70,000,000.00	0.00	70,000,000.00	0.00	0.00	0.00	70,000,000.00	0.00	0.00
(15) Admin. Expense									
(16) Total	70,000,000.00	0.00	70,000,000.00	0.00	0.00	0.00	70,000,000.00	0.00	0.00
PART B: Financing Accounts									
(17) Appropriation Title	(18) Account Symbol								
O&M, OA	9710100					0.00	65,662,259.00		-65,662,259.00
Misc Receipts, OA (Unfunded Civilian Ret.)	973041					0.00	4,337,741.00		-4,337,741.00
						0.00			0.00
						0.00			0.00
(19) Balance Brought Forward			70,000,000.00						
(20) Obligational Authority			70,000,000.00	0.00	0.00	0.00	70,000,000.00	0.00	-70,000,000.00
<p>(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column 10, (2) authority for a direct cite against 87-11x8242 for amounts designated (C) in column 11, and (3) allotments in amounts designated (A) in column 11.</p> <p>(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designate (A) in column 11 but not to exceed the amounts specified by case.</p>									
Name of Accepting/Requesting Official _____					Name of Officing/Approving Official _____				
					(23) Approval Control No. _____				

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Reset

Figure 2-9

## FMS OBLIGATIONAL AUTHORITY FOR DCMA REVISION CONUS SUBMISSION

FMS OBLIGATIONAL AUTHORITY									
(1) Performing Component <u>DCMA CONUS</u>									
(2) Period Covered <u>FY 2001 (Revision)</u>									
FMS Case Commitment/Obligation Authority									
(3) FMS Planning Directive Control No.	(4) Total Case Value	(5) Amount To Be Held in Trust Fund	(6) Net Case Value	Prior Period Reimbursable Funding/Direct Case Authority			Authority Required This FY		(12) Remaining Program Value
				(7) Received	(8) Required	(9) Withdrawn	(10) Reimbursable	(11) Direct Case	
N/A	70,000,000.00		70,000,000.00	70,000,000.00	65,000,000.00	5,000,000.00			5,000,000.00
			0.00			0.00			0.00
			0.00			0.00			0.00
(13) Balance b't f'wd.									
(14) Case Tot.	70,000,000.00	0.00	70,000,000.00	70,000,000.00	65,000,000.00	5,000,000.00	0.00	0.00	5,000,000.00
(15) Admin. Expense									
(16) Total	70,000,000.00	0.00	70,000,000.00	70,000,000.00	65,000,000.00	5,000,000.00	0.00	0.00	5,000,000.00
PART B: Financing Accounts									
(17) <u>Appropriation Title</u>	(18) <u>Account Symbol</u>								
O&M, OA	9710100			65,662,259.00	60,972,093.00	4,690,166.00			-60,972,093.00
Misc Receipts, OA (Unfunded Civilian Ret.)	973041			4,337,741.00	4,027,907.00	309,834.00			-4,027,907.00
						0.00			0.00
						0.00			0.00
(19) Balance Brought Forward			70,000,000.00						
(20) Obligational Authority			70,000,000.00	70,000,000.00	65,000,000.00	5,000,000.00	0.00	0.00	-65,000,000.00
<p>(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column 10, (2) authority for a direct case against 87-11x8242 for amounts designated (C) in column 11, and (3) allotments in amounts designated (A) in column 11.</p> <p>(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 10, (2) authority for performance on a direct case basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case.</p>									
Name of Accepting/Requesting Official _____					Name of Offering/Approving Official _____				
(23) Approval Control No. _____									

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Figure 2-10

## FMS OBLIGATIONAL AUTHORITY FOR DCMA FINAL CONUS SUBMISSION

FMS OBLIGATIONAL AUTHORITY									
(1) Performing Component <u>DCMA CONUS</u>									
(2) Period Covered <u>FY 2001</u>									
FMS Case Commitment/Obligation Authority									
(3) FMS Planning Directive Control No.	(4) Total Case Value	(5) Amount To Be Held in Trust Fund	(6) Net Case Value	Prior Period Reimbursable Funding/Direct Cite Authority			Authority Required This FY		(12) Remaining Program Value
				(7) Received	(8) Required	(9) Withdrawn	(10) Reimbursable	(11) Direct Cite	
N/A	65,000,000.00		65,000,000.00	65,000,000.00	62,100,426.00	2,899,574.00			2,899,574.00
			0.00			0.00			0.00
			0.00			0.00			0.00
(13) Balance brought fwd.									
(14) Case Tot.	65,000,000.00	0.00	65,000,000.00	65,000,000.00	62,100,426.00	2,899,574.00	0.00	0.00	2,899,574.00
(15) Admin. Expense									
(16) Total	65,000,000.00	0.00	65,000,000.00	65,000,000.00	62,100,426.00	2,899,574.00	0.00	0.00	2,899,574.00
PART B: Financing Accounts									
(17) Appropriation Title	(18) Account Symbol								
O&M, OA	9710100			60,972,093.00	58,252,202.00	2,719,891.00			-58,252,202.00
Misc Receipts, OA (Unfunded Civilian Ret.)	973041			4,027,907.00	3,848,224.00	179,683.00			-3,848,224.00
						0.00			0.00
						0.00			0.00
(19) Balance Brought Forward			65,000,000.00						
(20) Obligational Authority			65,000,000.00	65,000,000.00	62,100,426.00	2,899,574.00	0.00	0.00	-62,100,426.00
(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column 10, (2) authority for a direct cite against 97-11x6242 for amounts designated (C) in column 11, and (3) allotments in amounts designated (A) in column 11.				(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designate (A) in column 11 but not to exceed the amounts specified by case.					
Name of Accepting/Requesting Official _____				Name of Offering/Approving Official _____					
(23) Approval Control No. _____									

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Figure 2-11



## ★ FMS CASE CLOSURE CERTIFICATE

1. Date: _____	FINAL <input type="checkbox"/>	INTERIM <input type="checkbox"/>
2. Implementing Agency/Country/Case: _____		
3. Net Case Value: _____		
4. Case Closed at Zero Value per FMS Customer's Request:    YES _____ NO _____		
If YES, also reference the FMS customer's request document and attach the DSCA approval letter. If NO, proceed immediately to item 5 below.		
5. Final Delivered Articles/Services value, including CAS and LSC : _____		
A. _____ The net case value shown on line 3 agrees with implementing agency records and obligational authority released to this agency via DD Form 2060.		
<b>And</b>		
B. [Check one below that applies]		
_____	The contracts awarded in connection with the FMS case are logistically and financially complete and included in line 5 (case closed). <b>Or</b>	
_____	The contracts awarded in connection with the FMS case are not financially complete; however, responsible officials have advised that no additional costs beyond the recorded unliquidated obligations in line 7 below can be identified.	
<b>And</b>		
C. _____	All requisitions, reimbursable work orders, MIPRs and invitational travel orders that were processed pursuant to this FMS case are accounted for and the costs thereof are included in line 5. Reimbursements from the DFAS-ADY/DE have been credited to the financing appropriation or Miscellaneous Receipt Account 3041, as applicable.	
<b>And</b>		
D. _____	All estimated deliveries were converted to actual deliveries.	
<b>And</b>		
E. _____	All outstanding discrepancy reports against the case were processed.	
<b>And</b>		
F. _____	Performance Reporting and Cash Disbursements were reconciled with Implementing Agency accounting records and are equal in value.	

Figure 2-12

**FMS CASE CLOSURE CERTIFICATE (continued)****And**

- G. \_\_\_\_\_ All accessorial charges were validated.
6. Above-the-line disbursements excluding CAS and LSC: \_\_\_\_\_
7. Unliquidated obligation balance: \_\_\_\_\_  
Of which CAS \_\_\_\_\_
8. Closure certificate point of contact: **[Provide name, office symbol, DSN phone #, e-mail address]**
- Remarks/Comments as appropriate:

Figure 2-12