

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 15, CHAPTER 2
“FINANCE”**

All changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section, paragraph, table,
or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, italic, blue font*

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Reworded and reformatted chapter, revised and added references, and added electronic links.	Update
All	Changed “customer” to “purchaser” to clarify terminology.	Update
All	Replaced Defense Finance and Accounting Service (DFAS) - Denver (ADY/DE) with DFAS Security Assistance Accounting (SAA).	Update
020103.D	Changed budget/obligational authority control from case level to line level per Defense Security Cooperation Agency (DSCA) Policy Memo I-008500/99.	Update
020104.A	Deleted Letter of Intent (LOI) because it is no longer used. Deleted references to the FMS Integrated Control System (FICS) Budget Authority input (RBI) and Budget Authority Approval (RBF) transactions because they have been discontinued for many years.	Delete
020105.A	Deleted reference to DoD Directive 7200.1, “Administrative Control of Appropriations within the Department of Defense” from previous version. Directive was canceled May 2006.	Delete
020106	Added packing, crating, handling, and transportation (PCH&T); FMS administrative surcharge; and Small Case Management line charges to list of transactions that are not distributed to the IAs.	Update
020501	Added paragraph number. The remaining paragraphs in the section were renumbered accordingly.	Update
0207	Combined Sections 0207 and 0208 from previous version and deleted outdated reporting information. The remaining sections and paragraphs were renumbered accordingly.	Update
020701	Deleted references to two reports that are not needed for the Foreign Military Sales (FMS) Trust Fund. These reports are the Quarterly ACCT-RPT(M) 1002 (Report on Appropriations Status by Fiscal Year Programs and Subaccounts) and the Semi-annual TFS 2108 (Status of Contract Authority).	Delete
020902	Provided timeframe for when case closure should be initiated.	Update

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PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
020902.A	Added when the Implementing Agency should submit applicable input to bring records into balance before issuing a Closure Certificate.	Update
020902.E.1.c	Added that a DoD Component should request DSCA approval to delay interim closure of cases. The remaining subparagraphs were renumbered accordingly.	Update
020903	Explained procedure to be followed if reporting after the issuance of the Case Closure Certificate causes variances between the Defense Integrated Financial System and the certified values.	Update
020904	Added DSCA approval is required to reopen a case from interim closure status as 020904.A. The remaining subparagraphs were renumbered accordingly. Updated procedure for FMS-like cases and cases using Accelerated Case Closure Procedures.	Update
020905	Added DSCA approval is required to reopen a case from interim closure status.	Update
Table 2-2	Updated description for “Logistics Support Charge” (LS) and “Medicare-Eligible Retiree Health Care” (MR) pricing elements; and added “Defense Health Program” to the “Military Pay - Other Benefits” (MX) pricing element.	Update
Table 2-5	Updated information in table for FICS Execution Input (REI) Transactions.	Update
Table 2-6	Added new table “Format And Validation Criteria For FICS R4I Transactions”. Renumbered subsequent tables in chapter.	Add
Figures 2-1 - 2-3	Inserted new data (such as implementation date) for Letters of Offer and Acceptance, amendment, and modification.	Update
Figures (2-7A–2-7E), (2-8A–2-8B), 2-9, 2-10, and 2-11 (August 2003)	Deleted figures which contained outdated information. Deleted corresponding text references from previous version.	Delete

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PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Figure 2-7	Figure 2-12 from the previous version has been renumbered as Figure 2-7 in current version.	Update

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CHAPTER 2

FINANCE0201 INTRODUCTION

020101. Objectives. The primary objective of this chapter is to **provide guidance to** assure that all Letters of Offer and Acceptance (LOAs) that have been accepted by foreign military sales (FMS) **Trust Fund purchasers and implemented in applicable Department of Defense (DoD) systems** are brought under full accounting control. In addition, it is **DoD** policy that budget authority (**BA**) should be released for execution in the year in which contracts to fill **purchaser** requirements will be awarded **or orders for** articles from inventory **and DoD in-house services are performed**. This chapter also specifies procedures covering the issuance of **FMS Trust Fund obligational authority (OA)** for case, FMS administrative **surcharge**, and contract administration services (**CAS**) **surcharge execution**.

020102. Responsibilities

A. Defense Security Cooperation Agency (DSCA). DSCA shall prepare annual budget requests for the FMS Trust Fund obligational and outlay authority necessary to support the FMS **Trust Fund** program. DSCA reviews and approves budgets for the FMS administrative surcharge, Security **Cooperation Organizations**, and the FMS CAS surcharge accounts.

B. Implementing Agency (IA) and Performing Agency. Each **implementing and performing agency** that prepares **data for** individual LOAs 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 **FMS and FMS-like cases upon FMS Trust Fund purchaser** acceptance **and implementation**.
4. A request for the **OA**, which will be required to initiate performance of the **case**, is submitted to the Defense Finance and Accounting Service, Security Assistance **Accounting** (DFAS **SAA**)
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 **Trust Fund** program.

7. Department of Defense (DD) Form 2060, FMS Obligational Authority, or automated equivalent is submitted to support Component budget estimates.

C. Defense Finance and Accounting Service, Security Assistance Accounting (DFAS SAA). DFAS SAA shall:

1. Record BA 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 Trust Fund OA in a timely manner.
4. Obtain cash advances from FMS Trust Fund purchasers necessary to liquidate obligations resulting from the use of the BA created by the FMS Trust Fund program.
5. Maintain general ledgers and submit recurring monthly and annual reports to DSCA.

020103. Source Documents. FMS BA is created through preparation and processing of LOAs, (including modifications, amendments) and DD Forms 2060 and 2061.

A. “United States of America Letter of Offer and Acceptance” (LOA). This format, or its equivalent when a deviation has been authorized by DSCA, is the basic source document to create FMS Trust Fund BA. The LOA does not in itself create BA 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 Chapter 5 of the DoD 5105.38-M, Security Assistance Management Manual (SAMM).

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 Trust Fund purchaser acceptance of a change in LOA scope. The modification is a notification document to alert FMS Trust Fund purchasers 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 change FMS Trust Fund BA, 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 IA to prepare LOA data. The form is a working paper that serves three major purposes:

1. It provides for the identification of all the cost elements included in prices reflected on the LOA and thereby helps to assure that 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 case upon FMS purchaser acceptance and implementation.

3. It identifies the appropriations/funds that will be used to finance new procurement or to 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 form are contained in section 0202 of this chapter.

★ D. DD Form 2060, “FMS Obligational Authority”. The DD Form 2060 (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 line level and is the basis for line level control of OA. Part B of the form identifies the appropriations/funds which have been or will be used to finance the lines reflected in Part A. For reimbursable orders, Part B is submitted to DFAS SAA, as stated in [Chapter 3](#), 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 FMS CAS surcharge OA (see section 0205 of this chapter). A sample DD Form 2060 is provided in Figure 2-5. Instructions for preparing and processing the form are contained in section 0202 of this chapter.

020104. Recognition of Budget Authority by the FMS Trust Fund

★ A. Establishment of FMS Trust Fund Budget Authority. All accepted LOAs and amendments, and all processed modifications, are to be returned by FMS Trust Fund purchasers to the IA and DFAS SAA. When DFAS SAA receives a DD Form 2060, they shall review FMS case level accounting records within the period established by paragraph 020105.C of this chapter. The purpose of the review is to determine that: (1) the case is valid; (2) the FMS Trust Fund purchaser has deposited necessary cash in advance to implement the FMS case; and (3) the requested OA does not exceed the dollar values established in the LOA and any applicable amendments or modifications. If these three requirements are met, then DFAS SAA shall create FMS Trust Fund BA and approve the DD Form 2060.

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 the approved DD Form 2060. The accounting procedures vary depending upon whether detailed contract accounting is performed by the IA or another DoD Component.

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 line within a case for a fiscal year (FY). The OA amount for each line within a case cannot be exceeded. Reporting violations of this administrative limitation will follow the procedures in Volume 14 of this Regulation and section 0211 of this chapter.

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. Reimbursable BA may be recognized up to the apportioned amount and reimbursable orders in excess of apportionment are not available for obligation. An additional apportionment of anticipated reimbursable orders needs to be requested and received through the reapportionment process. A summary of accounts that are subject to apportionment follows:

1. Investment Accounts. All reimbursable programs for the Air Force, Marine Corp, 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 and Maintenance Accounts (O&M). 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. Defense Working Capital Funds (DWCF). Reimbursable programs are partially apportioned. Consult the Office of the Under Secretary of Defense Comptroller (OUSDC), Deputy Comptroller (Program/Budget), Revolving Funds Directorate, for further guidance.

C. Apportionments and reapportionments for reimbursable programs must be requested by appropriation accounts and FY. 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 **purchaser** 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. **Receipt of** an apportionment or reapportionment for anticipated reimbursable orders does not constitute authority to incur obligations. The actual **purchaser** orders shall be received and recorded in appropriation accounting records before applicable **BA** may be used.

D. The process by which **BA** is generated is depicted in Figure 2-6. The figure depicts the relationships among the forms and formats as discussed in the **preceding** paragraphs, as well as relationships among organizations and the FMS **Trust Fund purchaser** at various stages of processing.

★ 020106. FMS Integrated Control System (FICS) Documents. Automated R4I/R4F transactions are used to request **BA** from DFAS **SAA** and notify the IAs of DFAS **SAA's** approvals. The automated REI transactions are used to report commitments, obligations, and payables. DFAS **SAA** is authorized to establish **BA** up to 100 percent of the cumulative value of the LOAs, amendments, and modifications. Authority for the CAS surcharge; logistics support charge (LSC); **packing, crating, handling, and transportation (PCH&T)**; FMS administrative surcharge; and Small Case Management line charges (as described in C9.4.7 of the **SAMM**) are not distributed to the IAs. Specific details on how to use these transactions are contained in the FICS documents at Table 2-5 and Table 2-6.

020107. Release of Budget Authority for FMS Administrative Expenses. The cumulative **BA** available for allotment in the current **FY** period from collections for FMS administrative expenses, including the FMS administrative and **LSCs**, 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 **Department of State**, Foreign Operations, 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 variations 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 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 [Trust Fund purchasers](#) for acceptance. The DD Form 2061 reflects detailed pricing elements, planned financing appropriations (or direct citation), [the amount of OA](#) required for the current year, and an estimate of [OA](#) 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. The [IA shall retain](#) the DD Form 2061 as 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 [contain](#) abbreviated financial analysis [data](#). 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 control over the flow of documentation, the case managers shall assign and maintain a system of control numbers. [The control numbers are](#) composed of the FMS [Trust Fund purchaser](#) country code, case designator, Julian Date, and serial number (e.g., [BN-BLX-08181 08](#)). Specific guidance on the construction of the control number is provided in Table 2-4.

B. All amounts on DD Form 2061 and DD Form 2060 shall be in United States ([U.S.](#)) currency.

C. Before the end of each fiscal year, unless real time DD Form 2060 procedures are in effect ([on line pulling of OA versus hardcopy or batch processing](#)), the IA shall submit a consolidated DD Form 2060 to DFAS [SAA](#) requesting budget year

OA. This 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 OA requirements through the end of the upcoming fiscal year. If the sum of the budget year, current year, and prior year requirements exceeds the case materiel value, then the case manager shall initiate action for the processing of a case amendment or modification, as appropriate.

E. In addition, case managers shall scrutinize financial performance on a continuing basis to ensure the availability of sufficient OA for both the current FY 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. Procedures for completing DD Forms 2060 and 2061 are in Tables 2-3 and 2-4.

G. Table 2-5 describes the automated REI Interface Transaction used to report commitments, obligations, and payables from the IAs to DFAS SAA. The R4I transaction is used to request OA. Table 2-6 describes procedures for completing the R4I Interface Transaction. These transactions are 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 BA resulting from LOAs written to implement CLSSAs (see [DoD Instruction 2000.20](#)) create unique problems. Under these arrangements, the purchaser funds the acquisition and maintenance of increments to normal DoD inventories and due-ins. Once these increments are established, the purchaser is provided supply support with the same responsiveness as is provided to DoD military units within the same Force Activity Designator. 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 re-supply to support FMS purchaser demands. The concept is that the purchaser’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. Purchaser 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 purchaser is not required to deposit cash in support of the FMSO I, Part B. However, billings against the FMSO I, Part B 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 BA for re-procurement until applicable requisitions are received (earned reimbursements) and purchaser cash is deposited in the financing appropriation account (collected). Upon shipment and collection, additional BA is recognized to maintain the pipeline created by the FMSO I, Part B.

020302. Preparation. The FMSO I case exists for the duration of the CLSSA and is modified only if the quantity of the end items to be supported changes or FMSO consumption patterns differ from expectations. The reimbursable BA 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 BA 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 for processing foreign country and international organization requests for DoD Contract Administration Services (non-FMS CAS) support of commercial contracts. The cases developed by DCMA are entered into the DFAS Program Budget and Accounting System - Order Control (PBAS-OC). PBAS-OC is used to manage 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

★ 020501. 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 Supplement (DFARS). As such, these estimates can not include FMS CAS related efforts that are not charged in whole or part under Section 21(h) of the Arms Export Control Act (AECA), as amended, codified at 22 United States Code (U.S.C.) 2751 et seq. (See subparagraphs 070104.C.2.a and 070104.C.3, Chapter 7 of this

volume, and [SAMM, Chapter 9](#)). This includes individual reciprocal countries agreements processed by the Office of the Under Secretary of Defense, Acquisition, Technology and Logistics (OUSD/AT&L) (see subparagraph 070104.C.3.d, [Chapter 7](#) of this volume); CAS waivers for North Atlantic Treaty Organization (NATO) and NATO Cooperative Projects (see subparagraph 070104.C.4, [Chapter 7](#) of this volume); CAS waivers applicable to other special projects; and FMS CAS work excluded by specific Public Laws (reference [AECA](#), and Chapter 7 and [Chapter 8](#) of this volume).

A. The letter shall specify the amount of anticipated FMS CAS work that will be performed and needs to be reimbursed for that particular FY. A DD Form 2060 shall accompany the request with anticipated FMS CAS costs, to include the projected unfunded civilian retirement (UCR) costs 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 [DoD Reimbursable Rates](#)).

B. 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 [Title 5, United States Code \(U.S.C.\), Section 8331; 5 U.S.C., Section 8331\(3\)](#); and [Office of Management and Budget \(OMB\) Circular A-11, section 20.5](#)).

C. The DCMA CONUS FMS CAS Budget estimates shall be based on a DCMA established annual command rate as explained in subparagraph 080501.B, Chapter 8 of this volume. In addition to the budget estimates, DCMA shall provide a copy of the Command Rate Report and the Quarterly Functional Workforce Analysis worksheet.

D. 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 for part-time employees.

1. All other costs (e.g., equipment, vehicles, or computers) associated with full-time employees 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. 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 or travel that is FMS CAS funded.

2. The estimates for the part-time employees (10 percent to 90 percent) will include only actual work performed (costs relating to salaries), UCR rate computed on salaries, and overseas [temporary duty](#) 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.

3. Military positions shall be reimbursed based on the guidelines [in this section](#).

4. For more information on CAS costs, reference subparagraph 080501.B, Chapter 8 of this volume.

020502. Upon budget approval, DSCA shall forward the DD Form 2060 to DFAS [SAA](#) 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 DSCA, the DD Form 2060 shall be forwarded to DFAS [SAA](#) for approval, processing, reporting (see subparagraph 030210.E, [Chapter 3](#) of this volume) and general ledger control (see subparagraph 030210.C, [Chapter 3](#) of this volume).

020503. 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. The revised DD Form 2060 shall be forwarded to DFAS [SAA](#) for processing.

020504. During the FY, monthly “[Vouchers for Transfers Between Appropriations and/or Funds](#),” ([standard form \(SF\) 1080s](#)) shall be prepared and forwarded to DFAS [SAA](#) for payment as specified in Chapter 8 of this volume.

020505. At year-end, the annual OA document (DD Form 2060) shall be updated to reflect the September 30 end-of-year obligated position. New obligations are **not** authorized after September 30 of the closing FY. When all costs have been finalized and reimbursements **have been** processed by 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 and processing. CONUS FMS OA documents should be forwarded to 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 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 [Title 5 U.S.C., Section 8331 \(3\)](#) and [OMB Circular A-11](#), section 20.5) and the military pay accounts for military personnel costs associated with salary and retirement for

full-time FMS CAS employees. The U.S. Treasury accounting symbols are listed in the [Federal Account Symbols and Titles \(FAST Book\)](#). DFAS SAA shall use this DD Form 2060 as the basis for withdrawing OA for all unobligated balances that were recorded under each appropriation for that FY. Prior to the close out of a particular fiscal year and during the [subsequent](#) fiscal years, joint financial reviews will be conducted between the billing agency, DFAS, and DSCA. All adjustments or revisions will be submitted [within](#) 30 days following the completion of the review.

[020506](#). Revenues to fund these FMS CAS expenses are prescribed in subparagraph 030207.A, [Chapter 3](#), of this volume. The methods for reimbursing the DoD Components for performing FMS CAS [are](#) prescribed in subparagraph 080601.B, [Chapter 8](#), of this volume.

[020507](#). 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, Table 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 [FY](#).

C. FMS case records maintained by IAs are in agreement with DFAS [SAA](#) throughout the life of each FMS case.

[020602](#). Responsibilities

A. DFAS [SAA](#) shall provide accounting data on FMS Trust Fund operations to DoD Components.

B. DSCA shall monitor the FMS program and submission of required FMS Trust Fund budget execution reports.

C. IAs and [the](#) supporting DoD Components shall:

1. Conduct year-end reviews of the unobligated FMS reimbursable program to ensure unnecessary BA is identified and returned to the FMS Trust Fund.
2. Ensure that the FMS reimbursable program is properly reported in appropriation/DWCF budget execution reports.
3. Submit financial budget execution reports accurately and timely in accordance with section 0207 of this chapter.
4. Reconcile IA FMS case records to DFAS SAA case level accounting records on a periodic basis.
5. Prepare 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 020902 of this chapter.

0207 FMS TRUST FUND BUDGET EXECUTION REPORTS AND FINANCIAL STATEMENTS

★ 020701. Budget Execution Reports. The FMS Trust Fund submits the following budget execution reports on FMS Trust Fund operations: (1) Monthly SF 133 (“Report on Budget Execution and Budgetary Resources”) for 11 X 8242, (Advances, Foreign Military Sales, Funds Appropriated to the President”); (2) Annual Treasury Financial Management Service (TFS) Form 2108 (“Year-End Closing Statement”); (3) Appropriate sections of the annual Chief Financial Officer Financial Statements (see section 020702 of this chapter); and (4) Annual Federal Agencies Centralized Trial-Balance System (FACTS) report. Instructions for these reports are in Volume 6A, Chapter 4 of this Regulation. The FMS Trust Fund also submits the Quarterly Treasury Report on Receivables (TROR). Instructions for the TROR are in Volume 4, Chapter 3, Section 030314 of this Regulation and Chapter 5 of this volume.

★ 020702. Financial Statements. For financial statement guidance concerning the reporting of FMS amounts, see Chapter 2 and Chapter 10 of Volume 6B of this Regulation. The Security Assistance reporting entity also provides both Governmentwide Financial Reporting System (GFRS) and FACTS I submissions as a nonverifying agency per Volume 6A, Chapter 6 of this Regulation.

0208 CASE EXECUTION

020801. Fiscal Year-End. At the end of each FY, review the reimbursable OA received to implement each FMS case. The total amount of reimbursable BA 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 a year-end DD Form 2060 (or automated equivalent). See section 0202 of this chapter for instructions on the preparation of the DD Form 2060.

A. Non-Expiring Accounts. At the close of each FY, retain reimbursable FMS OA in a performing DoD account only to the extent that: (1) the amounts are required to cover certifiable obligations incurred by the performing account because 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 OA not required for these purposes from the performing accounts by September 30 each year. It is recognized that year-end reviews must be made prior to the last day of the FY. Therefore, the amount of OA 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. By the close of each FY, reflect reimbursable FMS OA in an expiring account only to the extent that the amounts are earned reimbursements or are required to cover certifiable obligations incurred against the performing account. Withdraw any reimbursable FMS OA not required to cover obligations in the expiring account by September 30 each year. During the FY, 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.

020802. 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).

020803. DD Form 2061. Update the FMS case DD Form 2061, as required, as prescribed in section 0202 of this chapter. 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.

0209 FMS CASE CLOSURE PROCEDURES

020901. General. DoD policy requires that all proper charges and credits be recorded against the applicable FMS case. Case closure does not stop the billing/reporting process; but results in a re-categorization 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 2-7; this checklist can be customized for each activity.

★ **020902.** Initiating FMS Case Closure. When (1) all ordered items have been physically delivered, (2) all ordered services performed (i.e., supply/services complete), or (3) there is no activity on a blanket order case for 180 days (and the purchaser 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, the responsible DoD Components shall determine if there are any unresolved delivery issues, outstanding Supply Discrepancy Reports (SDRs) or litigation claims. 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 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) (non-repayable) are mandatory participants in ACCP unless specifically excluded by 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 purchaser is made as part of the implementation criteria. Under ACCP, case closure should be initiated within 24 months after the case is supply/service complete to allow a country to initiate a SDR and allow IA to reconcile the case. The applicable DoD Component shall request DSCA approval to delay closure beyond 24 months. Under Non-ACCP case closure, all logistical and financial transactions must be processed before case closure can be initiated. The case manager shall ensure the following actions are taken:

★ A. If necessary to reconcile IA records, then 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 DFAS SAA. The IA delivered value must agree with the delivered value recorded in DIFS. If the case is being closed under Non-ACCP, then progress payments must equal liquidating deliveries in DIFS. If the case is being closed under ACCP, then the difference between progress payments and liquidating deliveries, and the difference between total deliveries and total disbursements in DIFS, must equal the estimated unliquidated obligation (ULO) value established by the IA. The IA records must be in balance with each of these values; if not, then the IA shall submit applicable input to bring the records into balance before issuing a Closure Certificate.

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 0210 of this chapter 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 ULOs:

1. The applicable DoD Component shall submit a final FMS Case Closure Certificate (Figure 2-7) to DFAS SAA 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, the contracts audited, and a final contract completion statement issued. In the meantime, a case reduction to return unused OA should be considered as an interim measure. No case under non-ACCP closure procedures can be interim closed, but must be marked final (as indicated on Figure 2-7).

2. If the DoD Component determines that, due to reconciliation issues, a case under ACCP cannot be closed within 24 months of supply completion, then submit the case, along with identification of the problem or cause believed to prevent case closure, to DSCA for resolution.

E. Use the following procedures for FMS cases with remaining ULOs:

1. For countries participating in ACCP:

a. The applicable DoD Component shall submit to DFAS SAA a Case Closure Certificate within 24 months after an FMS case is supply/service complete. Cases with a ULO of zero are final closed (there should be no more transactions of any kind on the case); cases with a ULO greater than zero are interim closed (there could be additional disbursements on the case, but the purchaser has already paid the FMS trust fund enough to cover those disbursements). See Figure 2-7 and paragraph 020903 of this chapter.

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. The applicable DoD Component shall request DSCA approval to delay interim closure if the estimated ULO is of significant value and is likely to be deobligated rather than disbursed. DSCA will then determine whether to approve the delay.

d. Using the DoD Component's remaining ULO; DFAS SAA shall bill the applicable country using normal billing procedures. The ULO is part of the case closure value.

e. DFAS SAA shall record the estimated ULO value in a summary account entitled "Case Closure Suspense Account" (CCSA). At the same

time, DFAS SAA shall record applicable charges and credits, by country and by case, in subsidiary accounts which total to the case closure suspense account.

f. When final costs are known and reported by the DoD Component (i.e., liquidating the ULO), DFAS SAA shall record such amounts against the CCSA and subsidiary account by country and by case.

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

h. On a quarterly basis, DFAS SAA shall submit to the DSCA Comptroller (Financial Policy) and participating FMS purchaser countries, a status report on the CCSA and subsidiary accounts.

i. Whenever a country's CCSA has a negative balance of \$100,000 or more for a period of 6 consecutive months, DSCA may instruct DFAS SAA 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, DFAS SAA will bill the country \$175,000. Such billings should be made through the country's omnibus quarterly billing statement and will cite all the FMS case(s) involved. DSCA should review the country's CCSA periodically to determine if any refund is warranted.

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

F. At case closure, the closure certificate/transaction submitted to DFAS SAA shall be used in lieu of an LOA amendment or modification unless the FMS purchaser insists upon a formal amendment or modification, or the case meets the criteria for an LOA amendment or modification in the [SAMM, Chapter 6](#).

★ 020903. Closure Certification. The FMS Case Closure Certificate (Figure 2-7) and the C1I/C1F transaction interface (Table 2-8) alert DFAS SAA to initiate actions needed to close a case. The IA shall send certificates electronically to DFAS SAA. If any reporting after the issuance of a Case Closure Certificate has caused variances between DIFS and the certified values, then DFAS SAA shall notify the DoD Component of actions required to enable closure processing to continue. When the DoD Component and DFAS SAA FMS case records are reconciled, then DFAS SAA shall reclassify the case to an inactive status and provide a final statement of account to the FMS purchaser for the final value of the case. The IA then closes applicable case records.

★ 020904. Billings After Case Closure

A. Any cases required to be reverted to implemented status must be approved by DSCA.

B. Use the following procedures for all cases except FMS-like cases and cases closed under ACCP:

1. All cases must be reclassified to implemented status except for those with a transaction adjustment of \$200 or less (see section 0210 of this chapter 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 DFAS SAA records.

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

b. When post closure activity results in exceeding the case value, a modification to the case is required.

c. When cases are reactivated, the DoD Component shall request additional OA, 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, DFAS SAA shall bill the FMS Trust Fund purchaser. The DoD Component shall effect re-closure as specified in paragraph 020903 of this chapter.

C. Use the following procedures for all FMS-like cases and those cases for which ACCP applies:

1. The DoD Component submits a C5I interface transaction to move the case from final to interim closure status. Upon receipt of the expenditure authority request, DFAS SAA moves the cash from CCSA to the expenditure authority reserve account and the disbursement is recorded against the country case line.

2. When post-closure disbursements exceed \$100,000 (in either direction) because of a verified pricing adjustment, the applicable DoD Component shall submit a request to DSCA, with an information copy to DFAS SAA, that the case be reopened. Upon receipt of DSCA approval to reopen the case, both the DoD Component and DFAS records shall be reclassified to active/implemented status. 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 final status by using the case closure certificate at Figure 2-7 and by reporting a CII/CIF transaction in DIFS.

★ **020905** Reopening FMS Cases. Normally, cases closed under either ACCP or non-ACCP closure procedures will not be reopened. If the FMS purchaser requests to reactivate a closed case, then 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 (interim or final) is a last resort, and requires DSCA approval. In the request to DSCA include a justification that explains why reopening the case is the best option and a recommendation from the IA for reopening the case. To the maximum extent possible, cases will not be reopened.

0210 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:

021001. For problem disbursements, up to \$2,500 per transaction, refer to Volume 3, Chapter 11 of this Regulation for an elaboration of the policies and procedures relative to problem disbursements. The DSCA Directorate of Business Operations (DBO) and DFAS SAA 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.

021002. For all other types of FMS financial transactions, up to \$200, charge 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, DFAS SAA will provide the DSCA DBO 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 2-7) when these write-offs are utilized.

0211 ANTIDEFICIENCY ACT VIOLATIONS AND ADVERSE FINANCIAL CONDITION REPORTS

021101. 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 U.S. 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, the Antideficiency Act [applies to](#) transactions [involving](#) the FMS Trust Fund.

A. Potential Types of Violations. Potential violations [may occur in](#) FMS Trust Fund [transactions](#) when: (1) issuing OA or awarding an FMS contract without a signed LOA; or (2) obligating 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. [Additional information on potential violations of the Antideficiency Act is in Volume 14, Chapter 2 of this Regulation.](#)

B. Identifying and Reporting Violations on the Antideficiency Act. Detailed guidance for identifying, [investigating](#), and reporting violations under the Antideficiency Act is contained in [Volume 14](#) of this Regulation. Due to the complexities of provisions in the AECA, it is important to consult with appropriate legal counsel and comptroller officials on potential violations of the Antideficiency Act for FMS.

[021102.](#) 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 [previously](#) discussed. These conditions are adverse financial conditions and occur when financial reports indicate that: (A) OA exceeds case or line item level values, (B) commitments or obligations exceed OA 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 DFAS SAA for review unless exempt from reporting due to the [following](#) exceptions:

A. Reporting Requirements for Adverse Financial Conditions. A report of potential adverse financial conditions shall be prepared by DFAS SAA as [outlined in Volume 14, Chapter 3](#) and submitted to the appropriate DoD Component focal point or DFAS [accounting activity](#) 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. DFAS SAA 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. DFAS SAA shall provide the quarterly analysis report to [the DoD](#)

Components identifying the following potential adverse conditions:

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

The **DoD Components** shall review the listings within 15 days of receipt and provide DFAS **SAA** 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 to resolve 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)

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

The safety level shall be computed using the following steps:			
	Current FY	FY +1	FY +2
	(\$ in millions)		
1. Revenue available to the Department			
Planned administrative funds collections for deliveries from previous years sales ¹	173	155	113
Additional collections due to accelerated deliveries ²	+77	-77	
		+113	-113
Estimated revenue available to the Department	250	190	0
2. Anticipated DoD Expenses			
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 ³	20	20	
RIF costs for other	1	1	
Systems closeout	-	8	
Total one-time closeout costs (b)	+21	+29	
(over and above the normal operating expenses)			
Total anticipated DoD expenses (a+b)	325	231	
3. FMS Administrative Balance (difference between 1 and 2)	75	41	
4. Total Cumulative Shortfall (total of line 3)		116	
5. Safety level for current FY		116	

Table 2-1. Computation of the Amount to be Reserved for Future Administrative Expenses (Safety Level) (Continued)

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

² 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 2009 and moving 100 percent of the FY+2 deliveries into FY+1.

³ An average of 15 weeks utilized for each employee at the GS-13/1 level (\$70,615). About 1,950 employees shall undergo RIF and the other 1,950 employees shall be absorbed into the USG (DoD and other Federal Agencies).

PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS

Pricing Element	Description	Appropriation or Fund	Description
AT	Attrition 97 8242.8209	FMS Trust Fund	Funds collected to cover equipment damaged beyond repair by foreign students.
AU	Asset Use Charges/ Contractor Rental Payments	Miscellaneous Receipt Account 3041 (See Treasury Federal Account Symbols and Titles (FAST) Book.)	Applied as a percentage of the direct costs being billed and is in lieu of separate computations for charges required to be applied in order to recover payments applicable taxpayer investment (sunk cost) in inventory or facilities (see Chapter 7 of this volume). Discontinued effective with all deliveries reported to DFAS SAA after December 1989.
CC	Contract Cost	Direct citation of FMS Trust Fund or applicable appropriation/fund symbol (see Chapter 1 of this volume)	Cost of defense articles or services being supplied from procurement.
CD	Unfunded Civilian Retirement (UCR) Factor Not Funded by DoD	Miscellaneous Receipt Account 3041	Cost of unfunded civilian retirement not reimbursable to the performing account. Computed on basis of prescribed Acceleration Factors (see Chapter 7 and Chapter 8 of this volume and DoD reimbursable rates).

★Table 2-2. Pricing Elements and Their Financing Appropriations

PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS

Pricing Element	Description	Appropriation or Fund	Description
CP	Services of Civilian Personnel	Applicable appropriation/fund (Operations and Maintenance (O&M) , Research, Development, Test and Evaluation (RDT&E) , or Defense Working Capital Fund (DWCF))	Cost of civilian personnel services (including cost of fringe benefits reimbursed to the performing account and accelerated for leave and holidays when applicable) (see Chapter 7 of this volume).
CR	Civilian Retirement Funded by DoD	Applicable appropriation/fund (O&M, RDT&E, or DWCF)	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 Chapter 7 of this volume). This cost element may be included as part of CP.
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)	FMS Trust Fund (TF), centrally managed by the DFAS SAA	Cost of the contract administration tasks set forth in the FAR , subpart 42.3 and audit.

★Table 2-2. Pricing Elements and Their Financing Appropriations (Continued)

PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS

Pricing Element	Description	Appropriation or Fund	Description
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 DWCF	Government production testing and evaluation costs to be recovered on a pro rata basis over benefiting production run items.
LS	Logistics Support Charge (LSC)	FMS Trust Fund centrally managed by DFAS SAA	Cost of logistics support. Applicable to specific items delivery reported on or after April 1, 1987 and deliveries made prior to October 1, 2007 against lines that qualify. Discontinued for DWCF items, on or after October 1, 1990.
MP	Services of Military Personnel	Military Personnel Appropriations	Cost of military personnel services based on standard composite pay rates (as accelerated for leave and holidays when applicable) (see Chapter 7 of this volume and DoD reimbursable rates). Includes retirement for FY 1985 and subsequent.
MR	Medicare-Eligible Retiree Health Care (MERHC)	Miscellaneous Receipt Account 3041	Currently, cost to cover medicare-eligible retiree health care accrual. See DoD reimbursable rates. Prior to FY 1985, was used for cost of imputed military retirement determined by applying appropriate acceleration factor to military personnel service costs.

★Table 2-2. Pricing Elements and Their Financing Appropriations (Continued)

PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS

Pricing Element	Description	Appropriation or Fund	Description
MX	Other Benefits (when applicable)	O&M Appropriation of Performing Activity. Effective FY 2006, Defense Health Program (97*0130)	Cost for portion of quarters, subsistence, Defense Health Program, and other personnel support costs not included in MP. Computed by applying appropriate acceleration factor to military personnel service costs (see Chapter 7 of this volume and DoD reimbursable rates). Effective FY 2006, limited to Defense Health Program.
OS	Other Support	Other appropriations, as applicable. Use pricing element "TF" for below-the-line PCH&T, Storage and Admin.	Other above-the-line costs not specifically defined. PCH&T does not apply to DWCF items delivery reported on or after October 1, 1990.
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 pro rata basis over benefiting production run items.
RD	R&D and nonrecurring production	Miscellaneous Receipt Account 3041	Recovery of nonrecurring costs as specified by Chapter 7 of this volume.
RF	Royalty Fees	Miscellaneous Receipt Account 3041	Collection of royalty fees.
RS	Special RDT&E	RDT&E Appropriation	Special RDT&E effort being accomplished specifically for the FMS purchaser.

★Table 2-2. Pricing Elements and Their Financing Appropriations (Continued)

PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS

SA	Articles obtained from inventory for Special Defense Acquisition Fund (SDAF)	SDAF 11 X 4116	Sale of SDAF items originally obtained from DoD inventories.
SD	Articles procured from contractors for SDAF	SDAF 11 X 4116	Sale of SDAF items obtained from procurement.
SF	Articles from Stock not requiring replacement	Miscellaneous Receipt Account 3041	Sale of assets not requiring inventory replacement.
SR	Articles from stock requiring replacement	Procurement Appropriation or DWCF	Sale of materiel requiring inventory replacement because of sale.
TF	Charges applied by DFAS SAA	FMS Trust Fund centrally managed by DFAS SAA	Below-the-line cost on the LOA (e.g. packing, crating & handling (PC&H) , administrative fee, transportation). PC&H does not apply to DWCF 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	Appropriation or FMS Trust Fund , as appropriate	Costs for transportation when Defense Transportation System (DTS) is approved and used. DFAS SAA applied transportation charges do not apply to DWCF material effective October 1, 1990, for generic code L1A, and effective October 1, 1991, for generic code L1D and L1E.

★Table 2-2. Pricing Elements and Their Financing Appropriations (Continued)

PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS

Pricing Element	Description	Appropriation or Fund	Description
Special Pricing Element Codes for Air Force Training Cases			
AR	Air Force (AF) Reserve	AF Reserve Appropriation	That portion of training reimbursement passed to AF Reserve.
DI	Reimbursable Orders to Defense Institute for Security Assistance Management (DISAM)	Direct Cite or AF Appropriation Account which accepted order	That portion of the training case passed to DISAM for execution.
DM	Depot Maintenance	DWCF	That portion of training course costs identified for depot maintenance.
IP	Information Program Funds	Direct Cite or Appropriation Account which accepted order	That portion of the training case which funds the information program.
M2	Military Personnel permanent change of station (PCS)	Military Pay Appropriation	Military personnel PCS costs incurred to accomplish FMS training case.
ML	Minor Construction	O&M Appropriation	That portion of the training case applicable to minor construction.
NG	Air National Guard	National Guard Appropriation	That portion of training reimbursement passed to National Guard.
PL	Aviation petroleum, oil and lubricants (POL)	DWCF	That portion of training course costs identified as POL.
TC	Reimbursement to a Foreign Government	Country Trust Fund	Third Country training with reimbursement from the second country.

★Table 2-2. Pricing Elements and Their Financing Appropriations (Continued)

PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS

Pricing Element	Description	Appropriation or Fund	Description
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.
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.
XX	Reimbursable Orders to Defense Agencies	Direct Cite or Defense Agency Appropriation Account which accepted order	That portion of the training case passed to Defense Agency for execution.

★Table 2-2. Pricing Elements and Their Financing Appropriations (Continued)

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., FY2008	
<u>Part A</u>			
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 on DD Form 2061.	

Table 2-3. [DD Form 2060 Completion Procedures](#)

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>		
5	Amount to be Held in FMS Trust Fund	Obtain from “PCH&T, Admin, and Storage” Column 14, in “Summary” section of DD Form 2061	PCH&T does not apply to DWCF delivery reported on or after October 1, 1990. Storage charges do not apply to the FMSO I Part A on-hand of DWCF items.
6	Net Case Value	Computation: Column 4 – Column 5 = Column 6 (DD Form 2060)	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 (DD Form 2060)	Represents the amount of funds received in prior periods but not required for case performance. These amounts will be withdrawn from the performing DoD Components.

Table 2-3. DD Form 2060 Completion Procedures (Continued)

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>		
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, then the request is for an allotment of funds for direct cite, with the implementing agency to be the accounting station.
12	Remaining Program Value	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)

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>		
	<u>Part B</u>		
16	Total	Sum of entries by column	
		<u>Part B</u>	
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, "Financing Approp"	Enter the first impacted (financing) appropriation or fund for reimbursement action; or enter "DC" where the FMS 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)

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>		
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 Accepting/Requesting Official	To be completed by the appropriate DoD Component	
22	Signature Block Offering/Approving Official	To be completed by DFAS SAA	
23	Approval Control Number	To be completed by DFAS SAA	

Table 2-3. DD Form 2060 Completion Procedures (Continued)

DD FORM 2061 COMPLETION PROCEDURES

<u>Line/Col.</u>	<u>Description</u>	<u>Procedures</u>
1	FMS Case Number BN-P-BLX	Continue from LOAs.
2	Date LOA Submitted to Foreign Government	Obtain from date of LOA.
3	Date Offer Expires	Obtain from Offer 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 BN-BLX-09212 01 .
7	Date Prepared	Date formally prepared. Must agree with Julian date used in control number. Use the format Jul 31, 2009 .
8	DoD Component/Case Manager	Enter the DoD Component, followed by the case manager’s name, organization, and DSN phone number , e.g., 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. When information is classified , enter “Classified – Refer to LOA.”
11	Quantity	This entry must match 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](#)

DD FORM 2061 COMPLETION PROCEDURES

<u>Line/ Col.</u>	<u>Description</u>	<u>Procedures</u>
13	Financing Appropriation	For each pricing element, Column 12, enter the first impacted appropriation (the financing appropriation) 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 Chapter 7) for each financing appropriation in 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., FY07 during FY08)	Leave blank if case was not implemented in a prior fiscal year. Enter, by financing appropriation in Column 13, the amount of obligational authority issued 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)

DD FORM 2061 COMPLETION PROCEDURES

<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	Total	Enter, by financing appropriation in Column 13, the obligational authority committed through the end of the prior fiscal year.

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., (2009). 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.

Table 2-4. DD Form 2061 Completion Procedures (Continued)

DD FORM 2061 COMPLETION PROCEDURES

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

Line/ Col.	Description	Procedures
10 and 14-19	Subtotal	Enter "Subtotal" in Column 10 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 Column 10 . 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" in Column 10 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 Chapter 7 . PC& H charges were discontinued for DWCF 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 Chapter 7.
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 Chapter 7.
		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)

DD FORM 2061 COMPLETION PROCEDURES

<u>Line/Col.</u>	<u>Description</u>	<u>Procedures</u>
10, 12-14, and 18	Stock issue asset use (SIAU) (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 Chapter 7 . 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, then 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.

Table 2-4. DD Form 2061 Completion Procedures (Continued)

DD FORM 2061 COMPLETION PROCEDURES

<u>Line/ Col.</u>	<u>Description</u>	<u>Procedures</u>
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.
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 previous procedure) for Columns 14 through 19. Check sums horizontally. Columns 14 = 16 + 17 + 18. Check to ensure that each column total matches the sum entered on the previous "Total Case Value" line.

Table 2-4. DD Form 2061 Completion Procedures (Continued)

FORMAT AND VALIDATION CRITERIA FOR FICS REI TRANSACTIONS

Data Element Description and Element Abbreviation	Format/ No. of Position	FICS TRC	Edit/Validation of: Input—Military Department (MILDEP) to DFAS SAA Feedback—DFAS SAA to MILDEP
Document Identifier Code (DIC)	X(3)	002	Must Be “REI”, if not reject.
Direct Status (Input)	1-3		“REF” A machine generated mirror image of the REI transaction appended by the Positive Transaction Codes (PTC) to become the REF transaction.
Direct Status (Feedback)	1-3		
Transaction Control Number (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), then 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 Number 2. If “00”, site code must be “5” (DFAS SAA input).
Implementing Agency Code (IA)	X(1) 20	038	If site code (POS 400) equals “1” or “4”, then IA code must be “B”, “C”, “E”, “M”, “R”, “V”, or “Z” (Army). If site code equals “2”, then IA code must be “D”, “L”, “U”, or “W” (Air Force). If site code equals “3”, then IA code must be “P” or “K” (Navy). All other site codes; IA code must be on the DIFS IA Table Number 3.
Case Designator	X(3) 21-23	039	If country code equals “00”, then case designator must be “94X”, “Axx”, “Lxx”, “Mxx”, or “Txx”. “xx” must be numeric.
		041	For other country codes, must match the active case control file or match on Case Control History.

★Table 2-5. Format and Validation Criteria for FICS REI Transactions

FORMAT AND VALIDATION CRITERIA FOR FICS REI TRANSACTIONS

Data Element Description and Element Abbreviation	Format/ No. of Position	FICS TRC	Edit/Validation of: Input—MILDEP to DFAS SAA Feedback—DFAS SAA to MILDEP
Case Designator (continued)		031	If on case control, case status must equal “T” (Implemented) or “C” (Closed). If on case control history, case status must be “C”.
		379	Reject case closure type “3”, Reject case closure type “1” if country code is not on the Inactive FMS Country Table Number 43 or if the country code is on Table 43 and process code is an “N”.
		380	“Axx”, “Lxx”, “Mxx”, or “Txx” if country code equals “00”. “xx” will not be more than five fiscal years prior to DT-ACCT-MO field.
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. DT-ACCT-MO cannot be greater than DC-GL-CLS-ACCT-YYYYMM.
Line Number	X(3) 84-86	055	If country code does not equal “00”, then must equal line number on case control.
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) 87-101		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. Format and Validation Criteria for FICS REI Transactions (Continued)

FORMAT AND VALIDATION CRITERIA FOR FICS R4I TRANSACTIONS

Data Element Description and Element Abbreviation	No. of Position	Error Code	Edit/Validation
Document Identifier Code (DIC)	X(3)	002	Must Be "R4I", if not reject.
Direct Status (Input)	1-3		"R4F" A machine generated image of the R4I transaction appended by the Positive Transaction Control (PTC) to become the R4F transaction.
Direct Status (Feedback)	1-3		
Transaction Control Number (TCN) (FORMAT: YMMDDNNNNNV)	X(13) 4-16	152	Must be numeric (0-9). YMMDD 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), then TCN (excluding V) must equal suspense file. (YMMDDNNNNNN).
Action Code	X(1) 17	003	Must be "A" or "C" or "D", otherwise invalid. A=Add; C=Change; D=Delete.
Country Code	X(2) 18-19	037	Must be "00", "80" or on Country Code Table Number 2. If "00" or "80", site code must be "5" (DFAS SAA input).
Implementing Agency Code (IA)	X(1) 20	038	If site code (POS 400) equals "1" or "4", then IA code must be "B", "C", "E", "M", "R", "V", or "Z" (Army). If site code equals "2", then IA code must be "D", "L", "U", or "W" (Air Force). If site code equals "3", then IA code must be "P" or "K" (Navy). All other site codes; IA code must be on the DIFS IA Table Number 3.

★Table 2-6. Format And Validation Criteria For FICS R4I Transactions

FORMAT AND VALIDATION CRITERIA FOR FICS R4I TRANSACTIONS

Data Element Description and Element Abbreviation	No. of Position	Error Code	Edit/Validation
Case Designator	X(3) 21-23	039	If country code equals "00", then case designator must be "94X", "Axx", "Lxx", "Mxx", or "Txx". "xx" must be numeric and represent the program year. If country code equals "80", then case designator must be "CAS".
		041	For all other country codes, must be on the active case control file or the Case Control History.
		031	If on the active case control file, case status must equal "I" (Implemented) or "C" (Closed). If on the Case Control History, status must equal "C".
		379	Reject case closure type "3", Reject case closure type "1" if country code is not on the Inactive FMS Country Table Number 43 or if the country code is on Table 43 and process code is an "N".
		380	"Axx", "Lxx", "Mxx", or "Txx" if country code equals "00". "xx" will not be more than five fiscal years prior to DT-ACCT-MO field.
		381	"Axx", "Lxx", "Mxx", or "Txx" if country code equals "00". "xx" will not be more than five fiscal years prior to APPROP-MULT-YR field.
		Date Of Accounting Year/Month (DT-ACCT-MO)	X(4) 24-27
OA Amount Current Fiscal Year	X(14) 28-41	156	Must be numeric (0-9).
Appropriation Basic Symbol	X(4) 42-45		No Edit.
Appropriation Fiscal Year	X(2) 46-47		No Edit.

★Table 2-6. Format And Validation Criteria For FICS R4I Transactions (Continued)

FORMAT AND VALIDATION CRITERIA FOR FICS R4I TRANSACTIONS

Data Element Description and Element Abbreviation	No. of Position	Error Code	Edit/Validation
Appropriation Multiple Fiscal Year	X(2) 48-49	289	If country code equals “00”, then must be numeric and equal to the fiscal year of date of accounting month. All other country codes can be either numeric or spaces.
Line Number	X(3) 50-52	055	If country code does not equal “00” or “80”, then must equal line number on case control.
The Positive Transaction Control Feedback contains the original R4I transactions plus the following data elements for the R4F transactions.			
Transaction Reply Code (TRC)	X(15) 53-57	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 2-6. Format And Validation Criteria For FICS R4I Transactions (Continued)

SAMPLE CASE CLOSURE CHECKLIST

Action	Date Completed
Verify there are no valid unfilled requisitions	
Verify all items have been delivered/shipped, all services performed, and reported to DFAS SAA including: a. Government Furnished Material (basic items, Defense Transportation Systems and PC&H) b. Actual accessorial (PCH&T) charges (where applicable)	
Verify outstanding Supply Discrepancy Reports (SDRs) processed	
Verify financing appropriations reimbursed	
Verify Case Closure Certificate electronically submitted to DFAS SAA	
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 purchasers 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 2-7. Sample Case Closure Checklist

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

Data Element Description and Element Abbreviation	Format/ No. of Position	Edit/Validation of: Input—MILDEP to DFAS SAA Feedback—DFAS SAA to MILDEP
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". A=Add; C=Change; D=Delete.
Country Code	18-19	Must be on DIFS Country Code Table Number 2 .
Implementing Agency (IA)	20	Must be on DIFS IA Table Number 3 .
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 2-8. Format for the Case Closure Certificate Inventory Transaction (C1I/C1F)

LETTER OF OFFER AND ACCEPTANCE

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

Based on BANDEF ltr 2/265 of 10 April 2008

Pursuant to the Arms Export Control Act, the United States Government (USG) offers to sell to the Embassy of Bandaria Office of the Naval Attaché, 1234 Massachusetts Ave, NW, Washington, DC 29999, 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 provides for Technical Services for the Standard Missile Program.

Estimated Cost: \$1,038,000

Initial Deposit: \$273,750

Terms of Sale:

Cash Prior to Delivery

Dependable Undertaking

This offer expires on 22 July 2008. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This LOA consists of page 1 through page 9.

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

U.S. Signature	30 May 2008 Date	Purchaser Signature	18 July 2008 Date
A.R. Smith Director			
Navy International Programs Office Implementing Agency		Agency	
DSCA Reviewed/Approved DSCA	30 May 2008 Date	IMPLEMENTATION DATE:	18 July 2008

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

LETTER OF OFFER AND ACCEPTANCE

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

(1) Item Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit (b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
001 12	M1B 020200M1SSLTA (N)(N)(R) MISSILE TECHNICAL ASSISTANCE CONTRACTOR PERSONNEL ONLY	XX (IV)	\$1,000,000	P(24) TA 4	A	4

(Note(s) 1)

Estimated Cost Summary:

(8)	Net Estimated Cost	\$1,000,000
(9)	Packing, Crating, and Handling	\$0
(10)	Administrative Charge	\$38,000
(11)	Transportation	\$0
(12)	Other (Specify, e.g., Supply Support Agreement)	\$0
(13)	Total Estimated Cost	\$1,038,000

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

Estimated Payment Schedule

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
Initial Deposit	\$273,750	\$273,750
15 Dec 2008	\$127,375	\$401,125
15 Mar 2009	\$127,375	\$528,500
15 Jun 2009	\$127,375	\$655,875
15 Sep 2009	\$127,375	\$783,250
15 Dec 2009	\$127,375	\$910,650
15 Mar 2010	\$127,375	\$1,038,000

Explanation for acronyms and codes, and financial information, may be found in the "Letter of Offer and Acceptance Information."

BN-P-BLX

★ Figure 2-1. Letter of Offer and Acceptance (Continued)

AMENDMENT TO LETTER OF OFFER AND ACCEPTANCE

<p>United States of America Amendment 1 to Letter of Offer and Acceptance BN-P-BLX</p>			
<p>Based on BANDEF ltr 2/343 of 12 Aug 2008</p>			
<p>Mail To: Embassy of Bandaria Office of the Naval Attaché, 1234 Massachusetts Ave, NW Washington, DC 29999.</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 provides for extending Basic LOA Item 001 period of availability. Purchaser request extends period of performance 12 months.</p>			
<p>Basic LOA accepted: 18 July 2008.</p>			
<p>Estimated Cost: \$1,557,000</p>		<p>Due with Amendment Acceptance: \$385,625</p>	
<p>Terms of Sale: Cash Prior to Delivery Dependable Undertaking.</p>			
<p>This offer expires on 5 December 2008. 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 amendment consists of page 1 through page 3.</p>			
<p>The undersigned are duly authorized representatives of their Governments and hereby respectively offer and accept this amendment:</p>			
<p>_____ U.S. Signature</p>	<p>5 Sep 2008 Date</p>	<p>_____ Purchaser Signature</p>	<p>05 Sep 2008 Date</p>
<p>A.R. Smith Director</p>		<p>_____ Typed Name and Title</p>	
<p>_____ Navy International Programs Office Implementing Agency</p>		<p>_____ Agency</p>	
<p>_____ DSCA Reviewed/Approved</p>	<p>05 Sep 2008 Date</p>	<p>IMPLEMENTATION DATE: 05 Sep 2008</p>	
<p>_____ DSCA</p>			

★Figure 2-2. Amendment to Letter of Offer and Acceptance

AMENDMENT TO LETTER OF OFFER AND ACCEPTANCE

This amendment consists of changes as follows:

(1) Item Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit (b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
Previous						
001 12	M1B 020200M1SSLTA (N)(N)(R) (IV) MISSILE TECHNICAL ASSISTANCE CONTRACTOR PERSONNEL ONLY	XX	\$1,000,000	P(24) TA 4	A	4
(Note(s) 1)						
Revised						
001 12	M1B 020200M1SSLTA (N)(N)(R) (IV) MISSILE TECHNICAL ASSISTANCE CONTRACTOR PERSONNEL ONLY	XX	\$1,500,000	P(36) TA 4	A	4
(Note(s) 1)						
Estimated Cost Summary:				Previous (B)	Revised	
(8)	Net Estimated Cost			\$1,000,000		\$1,500,00
(9)	Packing, Crating, and Handling			\$0		\$0
(10)	Administrative Charge			\$38,000		\$57,000
(11)	Transportation			\$0		\$0
(12)	Other (Specify)			\$0		\$0
(13)	Total Estimated Cost			\$1,038,000		\$1,557,000
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 (22 July 2008)					\$273,750
	Current USG Financial Requirements					\$659,375
	Amount received from Purchaser	\$273,750				
	Due with Amendment Acceptance			\$385,625		\$659,375
	15 Mar 2009			\$179,525		\$838,900
	15 Jun 2009			\$179,525		\$1,018,425
	15 Sep 2009			\$179,525		\$1,197,950
	15 Dec 2009			\$179,525		\$1,377,475
	15 Mar 2010			\$179,525		\$1,557,000
						BN-P-BLX (A1)

★Figure 2-2. Amendment to Letter of Offer and Acceptance (Continued)

MODIFICATION TO LETTER OF OFFER AND ACCEPTANCE

<p>United States of America Modification 1 to Letter of Offer and Acceptance BN-P-BLX</p>			
<p>Based on cost adjustments due to experience during program execution.</p>			
<p>Mail To: Embassy of Bandaria Office of the Naval Attaché, 1234 Massachusetts Ave, NW Washington, DC 29999.</p>			
<p>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.</p>			
<p>This Modification provides for: Cost adjustments to Amendment Item Number 1 based on experience while executing the program. Basic LOA accepted 18 July 2008.</p>			
<p>Estimated Cost: \$1,453,200</p>			
<p>Terms of Sale:</p> <p>Cash Prior to Delivery Dependable Undertaking</p>			
<p>This Modification consists of page 1 through page 3.</p>			
<p>The undersigned are duly authorized representatives of their Governments and hereby respectively furnish and acknowledge receipt of this Modification:</p>			
<p>U.S. Signature</p>	<p>18 Jan 2009 Date</p>	<p>Purchaser Signature</p>	<p>Date</p>
<p>A.R. Smith Director</p>	<p>Typed Name and Title</p>	<p>Typed Name and Title</p>	
<p>Navy International Programs Office Implementing Agency</p>	<p>Agency</p>		
<p>DSCA Review/Approved</p>	<p>22 Jan 2009 Date</p>		
<p>DSCA</p>		<p>IMPLEMENTATION DATE:</p>	<p>22 Jan 2009</p>

★Figure 2-3. Modification to Letter of Offer and Acceptance

MODIFICATION TO LETTER OF OFFER AND ACCEPTANCE

This Modification provides notification of changes as follows:

(1) Item Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a) Unit (b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
<u>Previous</u>						
001 12	M1B 020200M1SSLTA (N)(N)(R) MISSILE TECHNICAL (IV) ASSISTANCE CONTRACTOR PERSONNEL ONLY	XX	\$1,500,000	P(36) TA 4	A	4
	(Note(s) 1)					
<u>Revised</u>						
001	M1B 020200M1SSLTA (N)(N)(R) MISSILE TECHNICAL (IV) ASSISTANCE CONTRACTOR PERSONNEL ONLY	XX	\$1,400,000	P(36) TA 4	A	4
	(Note(s) 1)					

Estimated Cost Summary:

	<u>Previous (A1)</u>	<u>Revised</u>
(8) Net Estimated Cost	\$1,500,00	\$1,400,00
(9) Packing, Crating, and Handling	\$0	\$0
(10) Administrative Charge	57,000	53,200
(11) Transportation	\$0	\$0
(12) Other (Specify)	\$0	\$0
(13) Total Estimated Cost	1,557,000	1,453,200

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

Estimated Payment Schedule

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
Previous Payments Scheduled (15 Dec 2008)		\$659,375
Current USG Financial Requirements		\$659,375
Amount received from Purchaser \$659,375		
15 Mar 2009	\$113,275	\$772,650
15 Jun 2009	\$113,425	\$886,075
15 Sep 2009	\$113,425	\$999,500
15 Dec 2009	\$113,425	\$1,112,925
15 Mar 2010	\$113,425	\$1,226,350
15 Jun 2010	\$113,425	\$1,339,775
15 Sep 2010	\$113,425	\$1,453,200

BN-P-BLX (M1)

★ Figure 2-3. Modification to Letter of Offer and Acceptance (Continued)

DD FORM 2061 FMS PLANNING DIRECTIVE

FMS PLANNING DIRECTIVE												
(1) FMS Case No. _____ (2) FMS Case Submitted to Foreign Government _____ (3) Date Offer Expires _____ (4) Date Case Accepted by Foreign Government _____												
(5) Total Case Value _____ (6) Control Number _____ (7) Date Prepared _____ (8) DoD Component _____												
(9) Case Item No.	(10) Item Description	(11) Qty	(12) Pricing Elements	(13) Financing Approp.	(14) Estimated Cost	(15) Direct Cite/ Obliq Auth Rec'd to Date ()	(16) Funding Required to Date ()			(17) Current FY () Funding Plan	(18) Remaining Program Value	(19) Budget Year () Funding Plan
							Obligations Incurred	Unobligatd Commitmts	Items from Stock Total			

DD Form 2061
1 MAR 79

Figure 2-4. DD FORM 2061 FMS Planning Directive

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) <u>Appropriation Title</u> (18) <u>Account Symbol</u>									
						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
(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 designate (A) in column 11 but not to exceed the amounts specified by case.				
_____ <i>Name of Accepting/Requesting Official</i>					_____ <i>Name of Offering/Approving Official</i>				
					(23) Approval Control No. _____				

DD FORM 2060, MAR 79

Reset

Figure 2-5. DD FORM 2060 FMS Obligational Authority

GENERATION OF BUDGET AUTHORITY (NEW CASES)

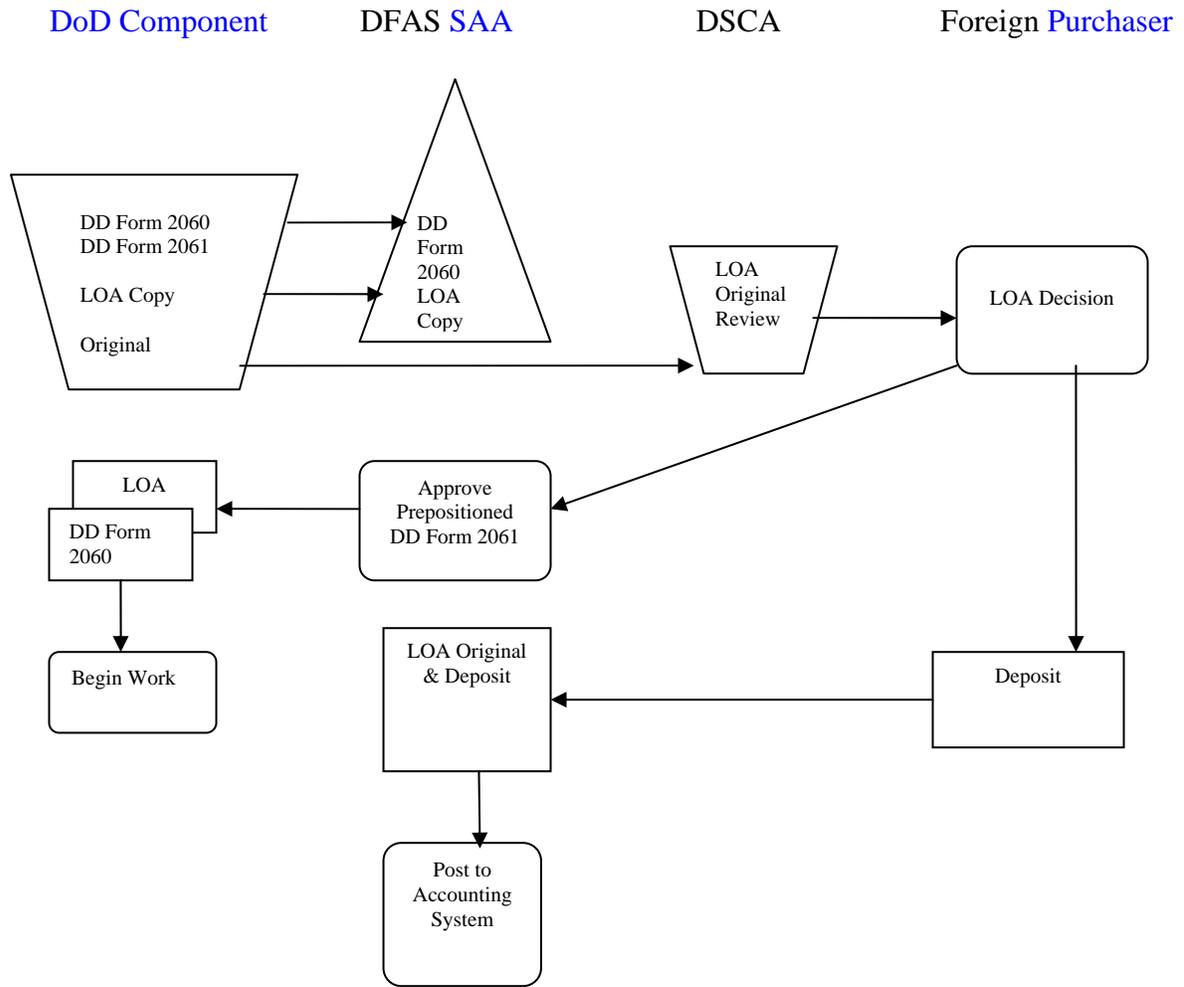


Figure 2-6. Generation of Budget Authority (New Cases)

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 Purchaser's Request: YES _____ NO _____				
If YES, also reference the FMS purchaser's request document and attach the DSCA approval. If NO, proceed immediately to item 5.				
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.				
And				
B. [Check one that applies]				
_____ The contracts awarded in connection with the FMS case are logistically and financially complete and included in line 5 (case closed). Or				
_____ 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 can be identified.				
And				
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 DFAS SAA have been credited to the financing appropriation or Miscellaneous Receipt Account 3041, as applicable.				
And				
D. _____ All estimated deliveries were converted to actual deliveries.				
And				
E. [Check one that applies]				
_____ Constructive delivery transactions "C1" have been reported for all major end items with a unit of issue "each" for lines containing generic codes shown in the <u>SAMM Table C9.T15</u> .				
_____ Constructive delivery reporting does not apply to this case.				
And				

★Figure 2-7 FMS Case Closure Certificate
FMS CASE CLOSURE CERTIFICATE

F. All outstanding discrepancy reports against the case were processed.

And

G. _____ Performance Reporting and Cash Disbursements were reconciled with Implementing Agency accounting records and are equal in value.

And

H. _____ 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, phone number (commercial and DSN), and e-mail address]

9. Unliquidated obligation documentation attached: Yes _____ No _____
Documentation is required for all interim closures.

Remarks/Comments as appropriate:

★Figure 2-7. FMS Case Closure Certificate (Continued)