

TABLE OF CONTENTS

CASE FILES

★0601

INTRODUCTION

★0602

UNIFORM FMS CASE DOCUMENTATION

CHAPTER 6**CASE FILES**0601 INTRODUCTION

★ 060101. Objective. This chapter establishes guidance regarding those documents to be maintained as part of the foreign military sales (FMS) case file. The guidance is designed to facilitate uniformity of FMS case file maintenance and ensure that necessary documentation is readily available and retrievable by the appropriate activities. It is recognized that FMS case files may be maintained in a decentralized manner by the various activities having responsibility for actions associated with the case. Each activity shall maintain a comprehensive record of relevant correspondence, worksheets, and officially prepared forms that constitute a complete audit trail from the time of case initiation through case closeout or retirement. The use of electronic files (including electronic mail correspondence and CD-ROM) is encouraged, provided such files are complete, secure and readily retrievable. Electronic imaging also is encouraged when necessary to ensure preservation of nonstandard vendor documents, historical documents, and signature pages when retention of the paper originals or copies of such documents is materially expensive but necessary to protect United States Government interests. An FMS case that is closed from an FMS customer perspective may remain open from a DoD accounting perspective. Accordingly, the case manager shall maintain a directory of supporting documentation locations. All supporting documentation shall be reviewed carefully prior to disposal or retirement. The record retention period for FMS documents is 10 years from the date of final case closure (see [Volume 1, Chapter 9](#), of this Regulation). Exceptions, such as records associated with ongoing litigation proceedings and country suspensions, may be issued by the Defense Security Cooperation Agency (DSCA).

060102. Concepts and Requirements

★ A. FMS case files shall be maintained in official folders, be uniformly titled and be filed in the manner discussed in section 0602 of this volume. In those instances when more than one file folder is required, the folders shall be appropriately numbered (e.g., 1 of 2 or 2 of 2). The documents placed in each folder shall be maintained in chronological sequence by tab.

B. Each implementing DoD Component shall identify and direct, from the outset of implementation of an FMS case, which supporting activities are to file, and have on file, required documentation. For example, a copy of the letter of offer and acceptance (LOA) likely would be on file at several activities, whereas the quarterly requisition report (QRR) applicable to that case likely would have a more limited distribution.

★ C. It is recognized that certain records associated with a case may be in the form of voluminous listings that are not conducive for placement in official folders. In such instances, where a reference to such information has been identified in section 0602 of this volume, it is sufficient to annotate on the case cover sheet or within the tab itself, where such

information is located. The purpose of filing such documents, or cross referencing notes to such documents, is to ensure that the integrity of the case audit trail is maintained, and that all applicable information is considered during case execution and at case closure.

D. The uniform FMS case folder, as outlined in section 0602 of this volume, lists those documents considered to be of primary relevance on a Department-wide basis. There also may be additional documents which a Department of Defense (DoD) Component wishes to include as part of the case file. The inclusion of such documents is encouraged, and it is recommended that they be filed in the form of numbered appendices following in sequence after the lettered tabs.

E. The value of the uniform FMS case folder, aside from maintaining a complete and accurate record for audit purposes, is that it ensures a standard and systematic approach to case file maintenance and, with the management support, also may serve as a checklist of planned and completed actions, thereby facilitating the case and closure process. Furthermore, the existence of a comprehensive and well-maintained file facilitates supervisory reviews and brings greater efficiency to the transfer of ongoing FMS case management responsibilities.

060103. Responsibilities. Each DoD Component, including the Defense Finance and Accounting Service, Directorate of Security Assistance, (DFAS-AY/DE) shall be responsible for maintaining its respective portion of the FMS case file in the manner prescribed in section 0602 of this volume.

0602 UNIFORM FMS CASE DOCUMENTATION

060201. Documentation Requirements. The documentation outlined in the following sections represents the minimum required for complete and effective FMS case management.

A. General Information Cover Sheet. Include the following:

1. Case identifier.
2. Cognizant personnel (names, phone numbers and electronic-mail addresses for ease of reference. Include dates of tenure if responsibilities are transferred from one individual to another during the life of the case).
 - a. Case negotiation action officer
 - b. Country/case manager at the following levels
 - ★ (1) Major/Systems Command
 - (2) International Logistics Control Office (ILCO)

- (3) Directorate of Security Assistance (DFAS-AY/DE)
- c. Others (as required)
 - (1) Inventory/Item manager focal point
 - (2) Procurement office focal point.

NOTE: An example of a case master/financial management/logistics management milestone plan that may be used is found in Table 6-1.

B. Letter of Request Information. Include the following:

- ★ data inquiry.
1. Letter of request (LOR) for price and availability (P&A) or LOA
 2. Correspondence and other information relative to any preliminary inquiry.

C. Planning Information. Include the following:

- ★ reflected in the LOA
1. P&A/LOA data--relative to the FMS case
 2. LOA data used to prepare the LOA format
 - a. Tasking letters
 - b. Internal memoranda/worksheets
 - c. Financial analysis and liability reserve data, as applicable
 - d. Methodology for computing the payment schedule
 - e. Pricing data (e.g., Defense Security Assistance Management System (DSAMS) Document Pricing Calculations Report - RP69)
 3. Response(s) to foreign purchaser--if initially presented in a format other than an LOA.
 4. Correspondence related to exceptions or waivers (e.g., nonrecurring cost recovery).

- D. Security Assistance Survey Documentation. Include the following:
1. Defense Requirements Survey Report (or cross-reference to where the report is located)
 2. Site Survey Report (or cross-reference thereto).
- E. FMS Contractual Instruments. Include the following:
- ★
1. Letter of Intent documents
 2. LOA
 3. Amendment(s) to the LOA
 4. Modification(s) of the LOA
 5. Any memoranda of understanding (MOU) or memoranda of agreement (MOA) relating to the contractual instruments listed above
 6. Correspondence relative to internal review(s)/coordination
 - a. Letter of Intent documents, if applicable
 - b. Letter forwarding advance, unsigned LOA to purchaser pending the results of congressional review, if applicable
 - c. Letter of Transmittal of counter-signed LOA, if applicable
 7. Correspondence/letters of transmittal to purchaser and acceptance of the LOA.
- F. Financing Arrangements. Include, as pertinent for FMS case management copies of financing agreements, North Atlantic Treaty Organization (NATO) country-to-country agreements, requests and approvals for special waivers from routine loan conditions, Federal Acquisition Regulation/Defense Federal Acquisition Regulation (FAR/DFAR) exception requests and approvals, and contract administration support (CAS) waiver requests and approvals.
- G. Financial Control Documents. Include the following:
1. Request and Approval of FMS Obligational Authority (DD Form 2060, or automated system equivalent)
 2. FMS Planning Directive (DD Form 2061, or automated system equivalent)

3. Expenditure authorizations
- ★ 4. Documentation concerning DoD Component internal allotments or delegations of obligational and expenditure authorizations
- ★ 5. Final Defense Integrated Financial System (DIFS) Financial Management Worksheet, as applicable

H. Implementation Directives. Include the following:

1. FMS program/case directives, program management plans, implementing project directives and implementation letters
2. Amendments or updates to the above documents.

I. DSAMS and DSCA 1200 System Update Documents. Include copies of worksheets or other evidence that the DSAMS and DSCA1200 System was updated at the appropriate times.

★ J. Execution Documentation. Include the following:

- ★ 1. Documents substantiating annual financial and logistical reconciliation (see subparagraph 070102.H of this volume)
2. Documents substantiating payment schedule revisions (see [chapter 4](#) of this volume), to include customer-requested schedules (and approvals thereto)
3. Purchase requests
4. United States Government contracts with commercial vendor
5. Work requests and project orders
6. Military Interdepartmental Purchase Requests (MIPRs)
7. Internal billing documentation (e.g., Standard Form (SF) 1080, DD Form 250, TDY orders/vouchers)
8. Requisition document control listings (e.g., QRR and the annual consolidation of the QRR)
9. Receipt document from FMS customer or customer's representative, (a freight forwarder) with official customer signature
10. Invitational travel orders.

K. Special Logistics Documents. Include the following:

1. Cooperative Logistics Supply Support Arrangements (CLSSA)--Foreign Military Sales Order (FMSO) I Equity Listing
2. Concurrent Spare Parts (CSP) listing
3. Other (e.g., Air Force Security Assistance Management Integration System (SAMIS) local management reports).

★ L. Accessorial Charges. Include applicable documentation to substantiate the reporting of actual (in lieu of using the estimated percentage) packing, crating, handling and transportation (PCH&T) costs.

M. Government Furnished Materiel. The inclusion of government furnished materiel (GFM) as part of an FMS case requires special attention from a financial standpoint inasmuch as the GFM becomes a part of the major item being procured. Accordingly, unless this information is included as part of another tab, this tab should contain the following documentation:

1. Listing by contract number of contracts under which GFM may be requisitioned by contractors
2. Listing of GFM by requisition or document numbers
- ★ 3. Worksheets/back-up data showing that PCH&T for other than DoD Working Capital Funds items has been added to the base price of GFM.

N. FMS Billing Documentation. The detailed nature and size of this documentation may render inclusion in the case folder impractical. In such instances, it is sufficient to maintain a local record or checklist, showing that the documentation and lists have been reviewed as necessary to monitor progress, detect errors, and perform satisfactory financial oversight.

1. FMS Billing Statement (DD Form 645), and FMS delivery listing and financial forecast attachments. Replies to customer requests for adjustments are filed in a subsequent tab. Include any documents pertaining to Special Billing Arrangements directly associated with the case.
2. The DFAS-AY/DE prepared Command Pay Listing (if and when filed in case file folder).
3. Documentation relating to delivery transactions.

4. The local DFAS-AY/DE worksheets and correspondence in the DFAS-AY/DE maintained case file folder appendices.

★ 5. Correspondence related to authorized exceptions to normal billing procedures.

O. Supply Discrepancy Reports (SDR). Include the following:

1. Supply Discrepancy Reports (SF 364)

2. Correspondence/documentation relative to such discrepancies

3. The DFAS-AY/DE reply to customer requests for listing of adjustments.

P. Reviews. Include the minutes and other correspondence resulting from an FMS implementation review, country program/case review and FMS financial management review.

Q. Case Closure Documentation. Include the following:

1. The DoD Component's case closure certification to the DFAS-AY/DE. The final DD Forms 2060/2061 also should be on file in "Financial Control Documents" tab.

2. Any correspondence with the DFAS-AY/DE or other organizations relative to the above certification.

3. The Final Billing Statement (DD Form 645) (DFAS-AY/DE only).

★ 4. An example of a case closure checklist sheet that may be used is found in [Chapter 2](#) of this Volume in Table 2-23.

5. The case closure notification sent to the DFAS Denver site via email or fax as well as the system generated CII case closure transaction.

6. A directory identifying the location of stored case records.

R. Reopened Case Documentation. This tab is only operative if the case, once closed, must be reopened. Include the following:

1. All correspondence and data pertaining to why the case had to be reopened, including the written authorization(s) approving the reopening
2. The refinalized DD Forms 2060/2061 (filed in "Financial Control Documents" tab)
3. The closure certification
4. The final billing statement (DD Form 645).

★ 060202. Documentation Maintenance and Disposition. The documentation shall be accumulated throughout the life of the case as events occur, up to and including through case closure. Implementing Agencies may retire, but not destroy, closed case file records to document storage areas when the case final closed by the DFAS-AY/DE and cognizant Implementing Agency(ies). The DFAS-AY/DE may retire, but not destroy, closed case file records, including delivery listings, no earlier than one year from the date of the latest case-related correspondence with the customer or final case closure, whichever is later. The DFAS-AY/DE shall maintain an accurate record of the location of all records retired to ensure they can be located as needed. In accordance with section 0601 of this chapter, all case documentation will be retained for the 10-year period following the date of final case closure before disposal.

Table 6-1**EXAMPLE OF KEY CASE MANAGER/FINANCIAL MANAGEMENT/ LOGISTICS
MANAGEMENT PLANNING MILESTONES****NOTE: Other milestone plans as developed by the Implementing Agencies may be used.**

Event	Planned Date of Completion	Actual Date of Completion
LOR acknowledged		
Completed DD Form 2061 or automated equivalent (Defense Security Assistance Management System RP 69)		
★LOA Data completed		
Congressional notifications completed, as necessary		
LOA prepared		
LOA countersigned/mailed to purchaser		
LOA implemented		
★LOA lines delivery complete (delivery transactions with estimated prices submitted)		
001		
002 (etc.)		
★LOA lines financially complete (delivery transactions with actual prices submitted)		
001		
002 (etc.)		
Final DD Form 2060 forwarded to the DFAS-AY/DE		
★Case closure notification forwarded to the DFAS-AY/DE		