

**VOLUME 15, CHAPTER 6: “CASE FILES”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

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

The previous version dated September 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Reworded and reformatted chapter for clarity.	Update
All	Replaced Defense Finance and Accounting Service (DFAS) SAA with DFAS Security Cooperation Accounting (SCA) to reflect current organization name.	Update
060201.E.1	Added “Congressional notification documentation” to the list of minimum Foreign Military Sales Contractual Instruments included in an FMS case file.	Add

Table of Contents

VOLUME 15, CHAPTER 6: “CASE FILES”.....**Error! Bookmark not defined.**

0601 OVERVIEW..... 3

    060101. Purpose..... 3

    060102. General ..... 3

    060103. Concepts and Requirements..... 3

    060104. Responsibilities ..... 4

0602 UNIFORM FMS CASE DOCUMENTATION ..... 4

    \*060201. Documentation Requirements ..... 4

    060202. Documentation Maintenance and Disposition ..... 10

Table 6-1. Example of Key Case Manager/Financial Management/Logistics Management  
Planning Milestones ..... 11

## CHAPTER 6

### CASE FILES

#### 0601 OVERVIEW

##### 060101. Purpose

This chapter establishes guidance on maintaining documents for 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.

##### 060102. General

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. Reference to the Defense Security Assistance Management System (DSAMS) and other electronic files (including e-mail correspondence and CD-ROM) is encouraged, provided such files are complete, secure, and readily retrievable. Electronic imaging also is encouraged when necessary to preserve nonstandard vendor documents, historical documents, and signature pages when retention of the paper originals or copies of such documents is materially expensive but necessary to protect United States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 (USG) interests. An FMS case that is closed from an FMS purchaser perspective may remain open from a Department of Defense (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. The Defense Security Cooperation Agency (DSCA) may issue exceptions to this retention period, e.g., for records associated with ongoing litigation proceedings and country suspensions.

##### 060103. Concepts and Requirements

A. FMS case files shall be maintained in official folders, uniformly titled, and filed as discussed in section 0602 of this chapter. 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. When an FMS case is implemented, each implementing DoD Component shall identify and direct which supporting activities are to maintain the required documentation on file. For example, a copy of the letter of offer and acceptance (LOA) may be on file at several activities, while the quarterly requisition report (QRR) applicable to that case would have a more limited distribution.

C. Certain records associated with a case may be voluminous listings that are [too large to be printed and placed](#) in official folders. Instead of filing the listing in the folder (as required in section 0602 of this chapter), 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 [maintain](#) the integrity of the case audit trail, and to [consider](#) all applicable information during case execution and at case closure.

D. The uniform FMS case folder, as outlined in section 0602 of this chapter, lists those documents considered to be of primary relevance on a DoD-wide basis. A DoD Component may also [wish](#) to include additional documents 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 is in maintaining a complete and accurate record for audit purposes and ensuring a standard and systematic approach to case file maintenance. With management support, it 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.

#### [060104.](#) Responsibilities

Each DoD Component, including the Defense Finance and Accounting Service, Security [Cooperation](#) Accounting, (DFAS [SCA](#)), shall be responsible for maintaining its respective portion of the FMS case file [as required](#) in section 0602 of this chapter.

### 0602 UNIFORM FMS CASE DOCUMENTATION

#### \*060201. Documentation Requirements

The minimum required documentation for complete and effective FMS case management [is](#) outlined in the following [paragraphs](#).

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.
- (3) Security Cooperation Accounting (DFAS SCA).
- c. Others (as required):
  - (1) Inventory/Item manager focal point.
  - (2) Procurement office focal point.

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:
  1. Letter of Request (LOR) for price and availability (P&A) or LOA data.
  2. Correspondence and other information relative to any preliminary inquiry.
- C. Planning Information. Include the following:
  1. P&A/LOA data relative to the FMS case.
  2. LOA data used to prepare the LOA format:
    - a. Tasking direction.
    - b. Internal memoranda/worksheets.
    - c. Financial analysis and termination liability reserve data, as applicable.
    - d. Methodology for computing the payment schedule reflected in the LOA.
    - e. Pricing data (e.g., DSAMS Document Pricing Calculations Report – RP069).
  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. [Congressional notification documentation](#).
  2. LOA.
  3. Amendment(s) to the LOA.
  4. Modification(s) of the LOA.
  5. Any memoranda of understanding or memoranda of agreement relating to the LOA, amendments or modifications.
  6. Correspondence relative to internal review(s)/coordination:
    - a. Letter forwarding an advanced copy of (unsigned) LOA to purchaser pending the results of congressional review, if applicable.
    - b. Letter of Transmittal of countersigned 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:
1. Financing agreements.
  2. North Atlantic Treaty Organization country-to-country agreements.
  3. Requests and approvals for special waivers from routine loan conditions.
  4. Federal Acquisition Regulation/Defense Federal Acquisition Regulation Supplement exception requests and approvals.
  5. Contract administration support waiver requests and approvals.
- G. Financial Control Documents. Include the following:

1. Request and Approval of FMS Obligational Authority (Department of Defense (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 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 these documents.

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

J. Execution Documentation. Include the following:

1. Documents substantiating annual financial and logistical reconciliation (see Chapter 7, subparagraph 070102.H of this volume).
2. Documents substantiating payment schedule revisions (see Chapter 4, [Section 0402](#) of this volume) to include purchaser-requested schedules (and approvals).
3. Purchase requests.
4. USG contracts with commercial vendor.
5. Work requests and project orders.
6. Military Interdepartmental Purchase Requests.
7. Internal billing documentation (e.g., Voucher for Transfers between Appropriations and/or Funds (Standard Form (SF) 1080), Materiel Inspection and Receiving Report (DD Form 250), Temporary Duty orders/vouchers).

8. Requisition document control listings (e.g., QRR and the annual consolidation of the QRR).

9. Receipt document from FMS purchaser or purchaser's representative, (a freight forwarder) with official purchaser signature.

10. Invitational travel orders.

K. Special Logistics Documents. Include the following:

1. Cooperative Logistics Supply Support Arrangements Foreign Military Sales Order I Equity Listing.

2. Concurrent Spare Parts listing.

3. Other (e.g., Air Force Security Assistance Management Integration System local management reports).

L. Accessorial Charges. Include applicable documentation to substantiate the reporting of actual (instead of 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 since the GFM becomes a part of the major item being procured. Unless this information is included as part of another tab, this tab should have 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/backup data showing that PCH&T for other than Defense 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 purchaser requests for adjustments are filed in a subsequent tab. Include any documents pertaining to Special Billing Arrangements directly associated with the case.

2. DFAS [SCA](#) prepared Command Pay Listing (if filed in case file folder).

3. Documentation relating to delivery transactions.

4. DFAS [SCA](#) worksheets and correspondence maintained in the 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. DFAS [SCA](#) reply to purchaser 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 DFAS [SCA](#). The final DD Forms 2060/2061 should be on file in the "Financial Control Documents" tab.

2. Any correspondence with DFAS [SCA](#) or other organizations relative to the case closure certification.

3. The Final Billing Statement (DD Form 645) (DFAS [SCA](#) only).

4. The case closure checklist. A [sample](#) case closure checklist that may be used is found in Chapter 2, Table 2-7 of this volume.

5. The case closure notification sent to DFAS [SCA](#) via e-mail 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 about why the case had to be reopened, including the written authorization(s) approving the reopening.

Documents” tab).

2. The refinalized DD Forms 2060/2061 (filed in “Financial Control

3. The closure certification.

4. The final billing DD Form 645.

060202. Documentation Maintenance and Disposition

The documentation shall be accumulated throughout the life of the case from inception through case closure. Implementing Agencies (IAs) may retire, but not destroy, closed case file records to document storage areas upon final case closure by DFAS SCA and responsible IAs. DFAS SCA may retire, but not destroy, closed case file records, including delivery listings, no earlier than 1 year from the date of the latest case-related correspondence with the purchaser or final case closure, whichever is later. DFAS SCA shall maintain an accurate record of the location of all retired records 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.

Table 6-1. Example of Key Case Manager/Financial Management/Logistics Management Planning Milestones

Event	Planned Date of Completion	Actual Date of Completion
LOR acknowledged		
Completed DD Form 2061 or automated equivalent (DSAMS RP069)		
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		
Additional lines as needed		
LOA lines financially complete (delivery transactions with actual prices submitted)		
001		
002		
Additional lines as needed		
Final DD Form 2060 forwarded to DFAS SCA		
Case closure notification forwarded to DFAS SCA		

\* Other milestone plans as developed by the Implementing Agencies may be used.