

**VOLUME 16, CHAPTER 6: “DEBT OWED TO THE DEPARTMENT OF DEFENSE
(DoD) BY FOREIGN ENTITIES”**

SUMMARY OF MAJOR CHANGES

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

Substantive revisions are denoted by an asterisk (*) 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 **June 2016** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated formatting to comply with current administrative instructions.	Revision
060101, 060102, 060103, 060201, 060202, 060203, and 060301	Reinstated requirements that were erroneously removed for the collection of non-Foreign Military Sales (FMS) debt related to Acquisition and Cross-Servicing Agreements.	Addition
060201.A-B (previous)	Deleted information related to FMS cash management that is not debt-related and is already covered in Volume 15, Chapter 4.	Deletion
Figure 6-1	Added a sample demand letter from Accounts Receivable Offices for non-FMS, foreign debts.	Addition
Figure 6-2	Added a sample demand letter from the Foreign Debt Management Office for non-FMS, foreign debts.	Addition

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CHAPTER 6

DEBT OWED TO THE DEPARTMENT OF DEFENSE (DOD) BY FOREIGN ENTITIES

0601 GENERAL

*060101. Overview

A. The DoD policy is to conduct timely and aggressive debt collection action, with follow-up efforts as necessary, to ensure that debt owed to the DoD by a foreign entity is collected and held to the absolute minimum. Further, all collection activities related to foreign-entity indebtedness, including all Acquisition and Cross-Servicing Agreement (ACSA) debt, will be done in compliance with the provisions of the applicable agreement or treaty with the foreign entity.

B. For purposes of this chapter, a foreign entity does not include foreign individuals or foreign vendors and will only refer to the following definitions:

1. Any government of a foreign country, and any subdivision, agency, or instrumentality thereof, including all foreign “official” institutions, even those located in the United States;

2. Any private relief, philanthropic, or other organization of a multinational or regional character with headquarters abroad; and

3. Any official multinational organization, defined as any international or regional organization (or affiliated agency thereof), created by treaty or convention between sovereign states.

C. Foreign-entity indebtedness means financial obligations owed to the U.S. Government by a foreign entity, as defined for purposes of this chapter. Foreign-entity indebtedness includes Foreign Military Sales (FMS) arrearages, accounts receivable for goods and/or services provided, and erroneous payments made to foreign entities. Foreign-entity indebtedness does not include principal payments or interest on short-term and long-term loans and credits.

*060102. Purpose

This chapter establishes policy for the DoD Components for identifying, billing, collecting, and managing foreign-entity indebtedness, including FMS and non-FMS.

*060103. Authoritative Guidance

DoD must pursue and report all foreign indebtedness in accordance with the following:

- A. The *Arms Export Control Act (AECA)* for FMS arrearages
- B. *Title 31, United States Code (U.S.C.), Section 3719*; and
- C. Title 10, U.S.C., Chapter 138, Subchapter I, §§ *2341-2350*.

0602 RESPONSIBILITIES

*060201. DoD Components are responsible for:

- A. Providing documentation to the Accounts Receivable Office (ARO) to establish the foreign-entity accounts receivable in the accounting records. Documentation must include applicable line(s) of accounting;
- B. Providing collection information to the ARO if a collection for a foreign-entity accounts debt is received by the DoD Component fund holder;
- C. Assisting in notifying the appropriate foreign entity of the delinquent debt and working with the foreign entity to resolve disputed amounts;
- D. Working with appropriate DoD and/or U.S. Government activities (e.g., the Defense Security Cooperation Agency (DSCA), the Military Departments, the Joint Chiefs of Staff, the Combatant Commands, the Department of State, and the U.S. Embassy's Office of Defense Cooperation) to collect the delinquent, foreign-entity debt;
- E. Assisting the ARO to obtain necessary documentation, and point of contact information, to collect delinquent, foreign-entity debt;
- F. Ensuring that foreign-entity debts (FMS arrearages and non-FMS debts) are reviewed during the Triannual Reviews of commitments, obligations, accounts payable, and accounts receivable in accordance with Volume 3, Chapter 8;
- G. Recommending, coordinating, and/or approving recommendations to aggressively pursue delinquent, foreign debt pursuant to the law and applicable agreement with foreign entities; and
- H. Completing other actions pertaining to FMS arrearages and non-FMS, foreign-entity debts, as specified throughout this chapter.

*060202. ARO Responsibilities

The ARO is responsible for:

A. Preparing and sending the initial bill to the foreign entity and performing follow-up actions on non-FMS debts, to include sending a written, follow-up demand letter if a debt remains unpaid (31 days after the date of the initial demand letter);

B. Ensuring that collection of foreign-entity debt is completed in compliance with the law and applicable agreements with foreign entities;

C. Ensuring that the foreign-entity debt is valid. See Volume 4, Chapter 3 for accounting procedures when it is determined that a debt is not valid;

D. Processing all accounting transactions related to foreign-entity accounts receivable. This includes, but is not limited to:

1. Establishing and maintaining the accounts receivable in the applicable accounting system;

2. Crediting collections to the applicable line of accounting;

3. Aging delinquent, foreign-entity accounts receivable (refer to subparagraph 060301.A); and

4. Preparing and submitting accounts receivable reports to the appropriate offices (e.g., Defense Finance and Accounting Service (DFAS) Departmental Accounting, DSCA, Department of State, U.S. Department of Treasury (Treasury), or Department of Commerce). See section 0608;

E. Working with the DoD Component fund holder to resolve disputed, foreign-entity debt;

F. Coordinating with the DoD Component fund holder on other actions, as needed, to resolve foreign-entity debt;

G. Retaining required supporting documentation related to accounts receivable in accordance with Volume 4, Chapter 3;

H. Referring valid and legally enforceable, delinquent, non-FMS, foreign-entity debt (e.g., ACSA-related debt), along with substantiating documentation, to the Foreign Debt Management Office (FDMO); and

I. Notifying the FDMO of collections received after the delinquent, non-FMS, foreign-entity debt was referred to FDMO.

*060203. DFAS FDMO Responsibilities

The FDMO is responsible for:

- A. Assisting AROs in the centralized management of delinquent, non-FMS, foreign-entity debts;
- B. Coordinating with key stakeholders, such as the ARO, DoD Component fund holder, Combatant Command, and the Department of State to pursue collection of delinquent, non-FMS foreign-entity debts; and
- C. Reporting the collection of a debt and returning the debt package to the respective ARO when the debt is collected.

060204. DSCA Responsibilities

DSCA is the principal DoD Component responsible for:

- A. Completing actions concerning FMS arrearages and indebtedness. For purchasers who have delinquent payments due, or **who** have accrued costs that exceed available cash, DSCA will evaluate the purchaser's entire program to determine whether or not a letter to the purchaser requesting payment is justified. If so, then DSCA will issue a written notification to the purchaser within 30 days of the end of the preceding quarter. If no response is received, then additional written follow-ups will be made at succeeding 30-day intervals;
- B. Approving FMS feeder arrearage reports prepared by DFAS, Security Cooperation Accounting (SCA) Division, in accordance with this chapter and the Treasury Financial Manual (TFM), [Volume 1, Chapter 4100, Debt Management Reports](#);
- C. Working with the purchaser, the responsible DoD Component, and DFAS SCA to identify the specific issue and remedy (e.g., adjustments to ordered values, delivery timeframes, ordered quantity, collection of additional funds, or other alternative financial arrangements) when insufficient funds are available for DoD to meet the collective cash requirements for an FMS purchaser;
- D. Administering and managing FMS long-term loan and credit programs authorized under the AECA, or other authorities, and identifying delinquent amounts associated with these programs; and
- E. Completing other actions as necessary, to include required reporting to the Department of State and others.

060205. DFAS SCA Responsibilities

DFAS SCA is responsible for:

- A. Preparing FMS feeder arrearage reports in accordance with this chapter and the TFM, and submitting the reports to Treasury after coordination and approval by DSCA;
- B. Utilizing updated FMS payment schedules, and other financial performance criteria, to bill foreign governments and international organizations on the quarterly DoD (DD) Form 645, FMS Billing Statement, and/or special billing statements approved by DSCA;
- C. Coordinating with DSCA to identify, report, and collect FMS arrearages and other delinquent amounts; and
- D. Providing quarterly reports to DSCA to identify those FMS purchasers who are delinquent in payment from the previous quarter, as well as daily reports to identify purchasers' average disbursement rates and estimated number of months of cash on hand.

0603 BILLING AND FOLLOW-UP ACTIONS

*060301. Non-FMS, Foreign-Entity Debt

A. Due Date. All non-FMS, foreign-entity debt will be due 30 days from the date of the bill/demand letter, unless otherwise stated in the bill, contract, or agreement between the DoD Component and the foreign entity. The bill/demand letter will include a 60-day grace period. This means the debt becomes delinquent 91 days from the date of the bill/demand letter.

B. Initial Billing

1. The ARO will prepare and send initial billings for goods and/or services for all non-FMS, foreign-entity debt. AROs will include the information listed in subparagraph 060301.B.2 in the initial debt notification.

2. The ARO will prepare and send the initial demand letter for non-FMS, foreign-entity debts that are the result of erroneous payments. See Figure 6-1 for a sample demand letter. The demand letter will include, at a minimum, the following information:

- a. The basis for and amount of the indebtedness;
- b. The date by which payment must be made in full;
- c. The address where payment should be sent or information regarding submission of electronic payment;

d. The name, address, and telephone number of a point of contact in the ARO who can discuss alternative methods of payment; and

e. Any available documentation that substantiates the debt.

* C. Follow-up Actions

1. ARO. The ARO will perform follow-up actions on all non-FMS, foreign-entity debts. If the foreign entity does not provide payment by the due date, or other date specified in the agreement between the DoD Component and the foreign entity, then the ARO will immediately send a written, follow-up demand letter. Include the information listed in subparagraph 060301.B.2 if not included in the initial billing/demand letter. One follow-up letter is required prior to referring the delinquent debt to the FDMO. The ARO will not refer delinquent, foreign-entity debts to Treasury for cross-servicing, or for participation in the Treasury Offset Program (TOP), because these debts are exempt from referral. Unpaid debts related to replacement in kind or foreign direct bills should be elevated through the Defense Logistics Agency.

2. FDMO. The FDMO will send one final demand letter for any delinquent, non-FMS, foreign debts referred by the ARO. See Figure 6-2 for a sample demand letter from the FDMO. If there is no collection or communication following the demand letter, FDMO is to utilize the elevation process outlined in the DFAS Enterprise Solutions and Standards FDMO ACSA Standard Operating Procedure.

060302. FMS Accounts Receivable

A. Legal Requirements

1. For sales from stock, AECA, Section 21(b), codified as 22 U.S.C. § 2761 requires DoD to collect payments from foreign purchasers in advance or, if the President determines it to be in the national interest, upon the delivery of a defense article or the rendering of a defense service. After a determination by the President that it is in the national interest to bill upon the delivery of a defense article or the rendering of a defense service, interest will be charged in accordance with AECA, Section 21(d), 22 U.S.C. § 2761(d), on any net amount due and payable which is not paid within 60 days after the date of such billing.

2. The President delegated the authority to determine if billing upon delivery is in the national interest in Executive Order 13637; and the Secretary of Defense further delegated the authority to the Director, DSCA, in DoD Directive 5105.65. The President may extend the period to 120 days if he determines that emergency requirements of the purchaser will exceed the ready availability of purchaser funds to the U.S. Government within the 60 days. In this case, the President submits a determination with a special emergency request for authorization and appropriation of additional funds to finance such purchases under the AECA.

3. For sales from procurements (items sent directly from the source, and not from DoD inventories), when the country is authorized a dependable undertaking, AECA,

Section 22(a), [22 U.S.C. § 2762\(a\)](#), requires DoD to collect payments from foreign purchasers in time to meet contractual payments, including any damages and costs that may accrue from the cancellation of such contracts. The AECA, Section 22(a), requires interest to be charged on any net amount by which a foreign purchaser is in arrears, taking into consideration all of its outstanding unliquidated dependable undertakings.

B. Due Date. Refer to Volume 15, Chapter 8 for policy regarding FMS billing due dates.

C. Initial Billing. DFAS SCA is responsible for issuing FMS billing documents. Billings for financial requirements will be initiated by using the DD 645, or the special billing statement approved by DSCA. These billings must, at a minimum, identify the financial requirements, amount paid, and amount due. Specific policy on FMS billings is in Volume 15, Chapter 8.

D. FMS Arrearages

1. When the amount due per the DoD billing statement is not paid by the due date, that amount is considered delinquent, but that does not necessarily constitute an arrearage.

2. For FMS cases authorized to include a term of sale of “Payment on Delivery,” the billings may be dated and issued upon delivery of the defense article or performance of the defense service. An arrearage occurs when the billed amount is not received by the payment due date (60 days from the date of the bill, or 120 days if authorized by the President).

3. For FMS purchasers authorized “dependable undertaking” terms of sale, an arrearage occurs when the FMS purchaser’s total cash resources on deposit with the [U.S. Government](#) are insufficient to cover all its outstanding, unliquidated dependable undertakings, considered collectively.

E. Follow-up Actions

1. FMS purchasers are required to pay in advance of performance unless the President determines it to be in the national interest to collect upon delivery of the defense article or the rendering of the defense service. Refer to 22 U.S.C. § 2761. Therefore, in the FMS program, an arrearage is an unusual event.

2. If required, written notification to the purchaser will normally be sent within 30 days of the end of the preceding quarter. If no response is received, then additional written follow-up must be made at succeeding 30-day intervals. Delinquent FMS arrearages must not be referred to Treasury for cross-servicing or participation in [TOP](#).

0604 INTEREST, ADMINISTRATIVE CHARGES, AND PENALTIES FOR FMS ARREARAGES

060401. General

In accordance with 22 U.S.C. § 2761(d) and 22 U.S.C. § 2762(a), interest will be charged on FMS arrearages. The rate of interest will not be less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding short-term obligations of the [U.S. Government](#) as of the last day of the month preceding the billing, or the net arrearage, respectively. For the interest rate due on FMS delinquent payments, see [TreasuryDirect](#). Once there, select the applicable month and “Table 5 - Department of Defense Arms Export Control Act.” [For the proper disposition of interest funds collected, refer to Volume 4, Chapter 3, Annex I.](#)

060402. Term of Sale of “Payment on Delivery”

Interest assessed on arrearages resulting from FMS cases with a term of sale of “Payment on Delivery” must be computed from the date of the billing. Figure 6-3 provides an illustration of the applicability of interest in these cases.

060403. Insufficient Case Resources

Interest assessed on arrearages resulting from a purchaser’s total cash resources on deposit being insufficient to cover its outstanding, unliquidated dependable undertakings is computed from the date on which the net arrearage occurs. Net arrearage occurs on the date that DFAS SCA determines that the accrued costs exceed available cash.

0605 REFERRAL OF FMS INDEBTEDNESS

060501. Authority to Refer FMS Indebtedness

DSCA will determine if an FMS arrearage will be forwarded to [Department of Justice \(DOJ\)](#) for litigation.

060502. Preservation of Evidence

The [FDMO](#) within DFAS SCA, the DoD Component, and DSCA must retain all files and records that may be needed by DOJ to prove the case in court.

0606 COMPROMISE, SUSPENSION, OR TERMINATION OF COLLECTION ACTIONS FOR FMS ARREARAGES

DFAS SCA, in cooperation with the DoD Component, must coordinate proposals to compromise, suspend, or terminate collection actions on FMS arrearages with DSCA. Refer to Chapter 2 for policy on compromise, suspension, or termination of collection actions.

0607 WRITE OFF AND CLOSE OUT OF FMS ARREARAGES

DSCA is responsible for initiating and coordinating all actions necessary to [write off and close out FMS arrearages](#). [Refer to Volume 4, Chapter 3 for write-off and close-out requirements](#).

0608 REPORTING FOREIGN INDEBTEDNESS

060801. Reporting

Foreign indebtedness must be uniformly and accurately reported through appropriate reporting channels to Treasury and Department of Commerce.

060802. Required Reports

A. Grants, Loans, Credits, and Contingent Liabilities Involving Foreigners. The [TFM, Volume I, Part 2, Chapter 4500](#) requires the electronic submission of several reports pertaining to foreign obligors to Treasury by the 45th day following the end of the reporting quarter, if applicable. These reports are prepared and submitted by DFAS SCA. The data for these reports is extracted from the DSCA FMS Credit System. The TFM, Volume I, Part 2, Chapter 4500 provides detailed guidance, formats for the reports, and instructions for completing and submitting the reports.

B. Data Editing. DFAS SCA must complete the quarterly data editing and approval process using Treasury's Foreign Credit Reporting System (FCRS) within 2 weeks after receiving notification that the reporting period data is available for editing. The "FCRS Web Site Overview and Data Editing Guide for Agency Users," which is available only to authorized users on the FCRS [web site](#), contains instructions for the quarterly data editing and approval process. The required reports are:

1. Direct Long-Term Credits History,
2. Guarantees and Insurance of Long-Term Credits History,
3. Direct Long-Term Credits Status,
4. Guarantees and Insurance of Long-Term Credits Status,
5. Direct Long-Term Credits Scheduled Payments, and
6. Guarantees and Insurance of Long-Term Credits Scheduled Payments.

C. Report of Current Status Accounts Receivable (Original Maturity of Less Than 90 Days) From Foreign Obligor. DFAS SCA is responsible for preparing and submitting this report to the Department of Commerce, Economics and Statistics Administration, and Bureau of Economic Analysis. Refer to paragraph 060803 for instructions on how to complete the report.

D. Treasury Report on Receivables (TROR). DFAS and DoD Component accounting offices must ensure that the TROR includes foreign indebtedness as required by Volume 4, Chapter 3, section 0306.

060803. Instructions for Preparing the Report of Current Status of Accounts Receivable (Original Maturity of Less Than 90 Days From Foreign Obligor)

All foreign accounts receivable not collected within 90 days from the due date must be included in this report. Amounts reported for FMS in columns 3 through 6 of Figure 6-4 will be determined by analyzing unpaid bills using the following steps:

A. Report an amount in column 3 for a purchaser, if the amount recorded in column 10 of the DD 645 exceeds either the total in column 13 of the DD 645 on a net purchaser basis (adjusted for over-collected cases) plus the purchaser's cash resources (including holding accounts, interest-bearing accounts, and undisbursed foreign military financing (FMF)) or the total of the amount paid on the DSCA supplementary bill (e.g., special bill, additional request for funding, or "Do Not Pay" letters) plus the country's cash resources (including holding accounts, interest-bearing accounts, and undisbursed FMF).

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

C. DSCA will review the reports to determine the values to report in column 3 of Figure 6-4.

D. Report in column 5 of Figure 6-4 the amounts reported for the previous quarter, less collections received during the current period.

E. Use the following instructions to complete Figure 6-4:

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

- a. 9700 – DSCA,
- b. 9710 – Air Force,
- c. 9720 – Army, and

d. 9730 – Navy.

2. Current Status As Of. Enter the ending date of the calendar quarter for which the report is prepared. For example, the first and second quarter of calendar year 2017 will be identified as 171 and 172, respectively. Enter in the open space the actual ending date of the quarter.

3. Country/Program (Columns 1, 7, and 8)

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

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

4. Currency Indicator (Column 2). Foreign currency obligations will be reported in dollar equivalents (FC\$) computed at the appropriate reporting rate. Enter the following codes:

a. \$ – Repayable in U.S. dollars;

b. MO\$ – U.S. dollar equivalents of obligations to pay foreign currency amounts, calculated at the reporting rate existing for that country at the time of payment (with maintenance of dollar value); and

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

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

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

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

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

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

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

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

060804. Preliminary Case Analysis Report (PCAR) of FMS Arrearages

The National Advisory Council (NAC) monitors major foreign arrearages. For this purpose, a major foreign arrearage is any country program arrearage that involves the sum of \$250,000 or more. Periodically, DSCA will request a PCAR from DFAS to satisfy NAC requirements. The PCAR will be submitted directly to DSCA by DFAS in email message form. The report will reflect any foreign arrearages so that a determination can be made on whether interest should be charged.

060805. Collecting and Reporting Foreign Debts Under Long-Term Loans and Debts

DSCA is responsible for administering FMS long-term loans and credit programs authorized by Section 23 of the AECA, as amended, and determining foreign arrearages against these programs.

*Figure 6-1. Sample ARO Demand Letter

EMA CPCO
 14 RUE SAINT DOMINIQ UE
 75007 PARIS
 FRANCE

The attached bill for articles/services provided to your government under the following Acquisition Cross-Servicing Agreement (ACSA) order is forwarded to your office for payment.

ACSA Invoice	Bill Month	Amount
--------------	------------	--------

Payment in U.S. Dollars is due within 30 days from the date of this letter, and may be made by:

CHECK Make payable to: United States Treasury
 Mail to:

DFAS-IN Central Disbursing Directorate
 Collections Branch· ALC 5570
 8899 E 56th St.
 Indianapolis, IN 46249 USA;

FEDWIRE Transfers in U.S. Dollars

Bank Name/Account Name: TREAS
 NYC, NEW YORK, NY US Address:
 33 Liberty St, New York, NY 10045
 Fed Routing #: 02103000
 Account Name: TREAS NYC, NEW YORK, NY US
 Account #: 800005570006 (12-digit Credit Gateway account #/
 Collections Information Repository ID); or

SWIFT Transfers in U.S. Dollars

Bank Name/Account Name; TREAS
 NYC, NEW YORK, NY US Address:
 33 Liberty St., New York, NY 10045
 Fed Routing #: //FW021030004
 Account Name. TREAS NYC, NEW YORK, NY US
 Account#: 800005570006 (12-digit Credit Gateway account #/Collections Information Repository ID).

Payment Details:

Wire transfer fees and other shortages are the responsibility of the remitter.

Thank you for your attention to this matter. When paying, please reference DFAS Rome, the customer and bill number(s) with your remittance. For billing or collection questions, please contact <Name> at <phone number> or <email>.

<Name>
 Director, Accounts Receivable Directorate

*Figure 6-2. Sample FDMO Demand Letter

Addresses

Date

This is the final follow-up letter concerning outstanding past due debts. If action is not taken to liquidate these outstanding balances, notification will be sent to the respective Combatant Command ACSA program manager. Our records indicate that as of the date of this letter, we have not received payment for your past due Acquisition Cross-Servicing Agreement (ACSA) account.

<u>Aged Category</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Amount Due</u>
1 to 4 years	\$0.00	\$0.00	\$0.00
		Total	\$0.00

Please review your records. If any of these invoices have been paid, please provide us with the payment date, amount, reference or identification number, and financial institution for our research. For your review, the enclosed invoice list reflects a summary billing number and the amount paid and the balance due.

Payments for outstanding billings can be made in one of the three following ways:

- FEDWIRE- through any US Bank using the following information:
United States Treasury
New York, New York
ABA (Bank Routing) Number: 021 000 089
Account Number: 36838868
Agency Name: DFAS-JAXAA/IN
Agency Location Code: 00003801
- SWIFT Transfer in US Dollars:
Funding Location: CITIBANK NA (NEW YORK) SWIFT/BIC
Identifier Code: CITIUS33
Bank Account: 36838868
Account Name: FEDERAL RESERVE BANK OF NEW YORK / ITS
Bank Address: 388 Greenwich St. New York, NY 10013
**Line 70 Information ALC Number: 0000 3801
**Line 71 Information: OUR
Agency Name: DFAS-JAXAA/IN
Reference: ACSA Bills
- CHECK – made payable to United States Treasury – Send to:
Defense Finance and Accounting Service
ATTN: Disbursing Operations - FMS Processing Col 135D
8899 E. 56th St.
Indianapolis, IN 46249

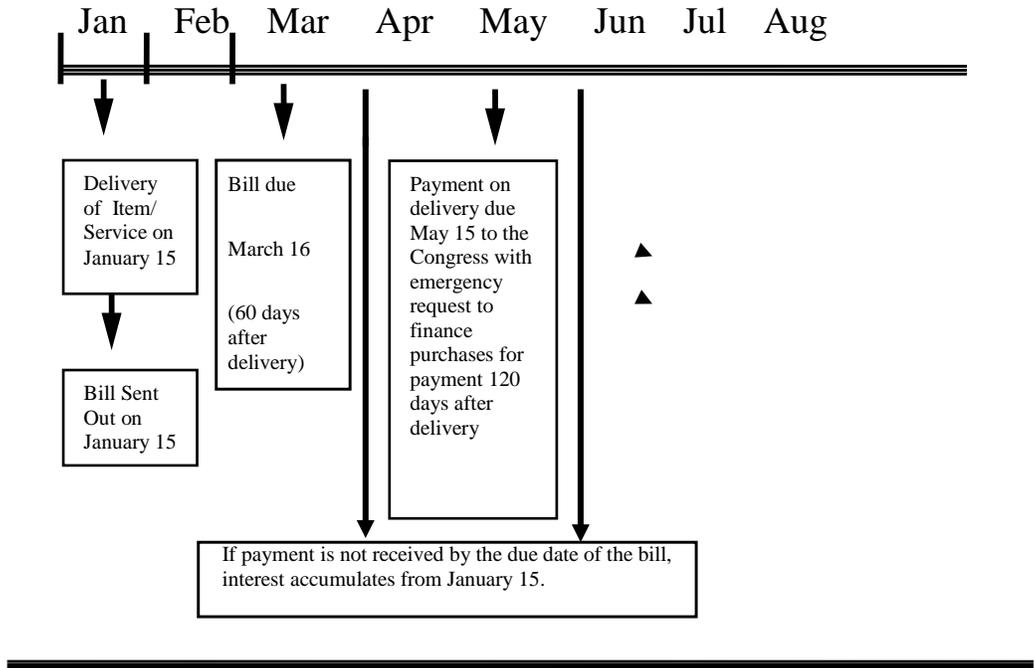
Wire transfer fees, banking fees, shortages due to foreign currency exchange rates, or any other shortages are the responsibility of the remitter. When paying, please reference the invoice number(s) so your remittance can be posted accurately.

Thank you for your attention to this matter. If you have further questions, you may contact <Name> at <Phone Number> or by e-mail at <e-mail address>.

Sincerely,

<Name>,
Chief AFS/Integration Support
Security Cooperation Accounting

Figure 6-3. Illustration of the Applicability of Interest (Pertains To AECA Section 21(D) Only)



Refer to Table 8-23 in Volume 15, Chapter 8 for delivery transactions pertaining to recoupment of interest penalties and interest on arrearages.

