Security Cooperation Billing Handbook

The Defense Institute of Security Cooperation Studies

Defense Finance and Accounting Service Center

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Defense Security Cooperation Agency
Department of Defense

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SECURITY COOPERATION BILLING HANDBOOK

Jointly Developed By

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The *Security Cooperation Billing Handbook* is intended to provide an explanation of the financial aspects of the U.S. Security Cooperation (SC) Cases with emphasis on SC case delivery / performance transaction reporting and billing. While the U.S. Department of Defense (DoD) is always receptive to suggestions to improve SC case financial procedures, readers of this publication should observe that many such procedures are followed because of legal requirements contained in U.S. Public Law. As a result, DoD very often has little flexibility in the financial administration of the SC case programs.

This publication does not take precedence over officially published U.S. government regulations, directives, instructions, or manuals and is intended as a guide only. Additionally, this publication goes to press in a time of dynamic changes in the Security Cooperation enterprise. Some changes may even occur while this handbook is being printed.

Any requests for clarification or suggestions for improvement or content should be addressed to the following:

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Table of Contents

PART I - GENERAL OVERVIEW 6

CHAPTER 1 THE SECURITY COOPERATION CASE'S BILLING SYSTEM 6

Purpose 6
The Billing Cycle 6
Inputs to DFAS SCA 6
Payment Schedules 6
Delivery Transactions and Peformance Reporting 7
Cash Accounting 7
Foreign Military Sales Trust Fund 7
Foreign Military Sales Customer Funds 8
Figure 1-1: Sample Cross Leveling Memorandum of Agreement 10
DFAS SCA Reports 10
Foreign Military Sales Billing Statement (DD Form 645) 10
Figure 1-2: The "Four Periods of the DD 645 12
Foreign Military Sales Delivery Listing 12
Foreign Military Sales Reply Listing to Customer Requests for Adjustments 12
Foreign Military Sales Financial Forecast 13
Foreign Military Sales Accelerated Case Closure Suspense Account 13
Holding Account Statement 13
Special Billing Arrangements (SBA) 13
Foreign Military Sales Case Closure 14
Case Closure Procedures 14
Summary 15

CHAPTER 2 DFAS SCA CUSTOMER ASSISTANCE 16

Purpose 16
Visits to DFAS SCA 16
Policy 16
DFAS SCA Visits to Customer Site 16

PART II - BILLING DOCUMENTS 18

CHAPTER 3 THE FOREIGN MILITARY SALES BILLING STATEMENT (DD FORM 645). 18

Purpose 18
Introduction 18
General Information Regarding DD Form 645 18
Function and Content 18
Cycle 19
Explanation of Entries on the DD Form 645 20
Figure 3-1 – DD Form 645 FMS Billing Statement for BN-D-YCY LOA 20
Entries on DD Form 645 21
Summary 27

CHAPTER 4 FMS DELIVERY LISTING 28
Purpose 28
General Information 28
Function and Format 28
Cycle 28
Explanation of Entries on the Foreign Military Sales Delivery Listing 28
Figure 4-1: FMS Delivery Listing for BN-D-YCY Line 006 29
Figure 4-2: FMS Delivery Listing Summary Of Delivery Costs 35
Automated Products 37
Summary 37
Figure 4-3: Data Tape Format for Articles/Service Transaction 38
Figure 4-4: Data Tape Format for Training Transaction 39
Figure 4-5: Data Tape Format for Administrative Transaction 40
Figure 4-6: Data Tape Format for Accessorial/Additional Cost Transaction 41
Figure 4-7: Data CD Format for Articles/Service Transaction 42
Figure 4-8: Data CD Format for Administrative and Accessorial Transactions 43

CHAPTER 5 FOREIGN MILITARY SALES FINANCIAL FORECAST 44
Purpose 44
General Information Function and Format 44
Cycle 44
Figure 5-1: FMS Financial Forecast Example 45
Summary 47

CHAPTER 6 FMS REPLY LISTING TO CUSTOMER REQUEST FOR ADJUSTMENTS 48
Purpose 48
General Information 48
Function And Format 48
Cycle 48
Figure 6-1: FMS Reply Listing To Purchaser Request For Adjustments 49
Summary 50

CHAPTER 7 HOLDING ACCOUNT STATEMENT 52
Purpose 52
General Information 52
Function 52
Cycle 52
Explanation Of Entries On The Holding Account Statement 52
Figure 7-1: Bandaria Holding Account Example 54
Summary 54

CHAPTER 8 ACCELERATED CASE CLOSURE SUSPENSE ACCOUNT STATEMENT 56
General Information 56
Figure 8-1: Accelerated Case Closure Suspense Account 56

APPENDICES 58

Appendix A Delivery Listing and Delivery Cost Total Codes 58

Appendix B Routing Identifier Codes (RIC) 60

Appendix C Price Code (Prc Cd) 66

Appendix D MILSTRIP Document Number (FMS) 68

Appendix E Implementing Agency (IA) Codes 69

Appendix F Delivery Term Codes 70

Appendix G Authorized Charges Table 74

Appendix H Transportation Bill Codes (TBC) 76

Appendix I Transportation based on Transportation Bill Codes (TBCs) for Inventory Items Shipped by DWCF 80

Appendix J Transportation Charges based on TBCs for Inventory Items NOT Shipped by DWCF 84

Appendix K Types Of Assistance (T/A) Codes 88

Appendix L Julian Date Calendar 90
[For Regular Years] 90
[For Leap Years Only] 91

Appendix M Unit Of Issue Codes 92

Appendix N Offer/Release Codes 94

Appendix O Mode Of Shipment (MOS) Codes 95

Appendix P Adjustment Reply Codes (ARC) 98

Appendix Q Delivery Source Codes (DSC) And Accessorial Computation Matrix 102

Appendix R Abbreviations And Acronyms 110

Appendix S Glossary Of Selected Terms 124

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Part I - General Overview

CHAPTER 1
The Security Cooperation Case's Billing System

Purpose

The *Arms Export Control Act* (AECA), as amended, (Sections 21 through 24) provides the legal basis for foreign military sales (FMS) billing policies and procedures. These policies and procedures are further defined and expressed in the *DoD Financial Management Regulation, Security Cooperation Policy* (DoD 7000.14R, Vol. 15), the *Security Assistance Management Manual* (SAMM) (DSCA 5105.38-M), and the United States of America Letter of Offer and Acceptance (LOA) Standard Terms and Conditions. The purpose of this Chapter is to describe the Defense Finance and Accounting Service Security Cooperation Accounting (DFAS SCA) functions in the billing cycle, cash management, and reports/products provided by DFAS SCA to the SC case customers; while also describing the responsibilities of the DoD Implementing Agencies (IAs) to provide the required inputs to DFAS SCA.

The Billing Cycle

DFAS SCA issues quarterly billing statements (DD Form 645) to SC Case customers based upon payment schedules in the LOA by the applicable IA. DFAS SCA bills for costs related to defense articles, services, and training that have been sold pursuant to the Arms Export Control Act (AECA). IAs report SC case deliveries of materiel, services, training, accrued expenditures (work in process), and other related costs to DFAS SCA for the purposes of obtaining reimbursement or reporting performance under an allotment of trust fund budget authority.

Inputs to DFAS SCA

To prepare a proper bill (DD Form 645) for a given FMS case, DFAS SCA must have certain information from IAs. When an LOA is sent to the FMS customer, a copy is also provided to DFAS SCA with its Payment Schedule loaded into Defense Integrated Financial System (DIFS). After the customer accepts the LOA and provides DFAS SCA with signed copies of the LOA and the applicable initial deposit, DFAS SCA updates its system and prepares for case implementation and IA delivery reports. The initial deposit accompanying most SC cases provides sufficient cash advance to cover disbursements from the time the case is accepted until the first billing payment due date.

Payment Schedules

The purpose of the Payment Schedule is to supplement and amplify terms in Section 4 of the LOA Standard Terms and Conditions, and to provide a clear understanding between the United States Government and the purchaser as to the estimated rate and timing of the payments to be made. The Payment Schedule is prepared by implementing agencies. DoD policy essentially fulfills dual objectives:

- Provide the FMS purchaser with sound budgetary information
- Increase probability of the USG receiving required funds in advance of anticipated expenditures

Payment schedules are a consolidated formal presentation to the FMS customer of the estimates of cash requirements and potentially consist of two financial categories:

- An initial deposit, and
- Estimated quarterly billing amounts.

If initial deposits are required upon acceptance of a sales agreement, the amount of the initial deposit should be sufficient to cover all costs and contingencies (e.g., contract holdback, potential termination liability, costs of materials and services planned to be provided, etc.) anticipated to be incurred until the first billing statement can be rendered and monies collected. IAs are expected to closely monitor the accuracy of payment schedules on all cases to ensure that cash is available when the necessity for disbursements arises.

Delivery Transactions and Peformance Reporting

IAs must report the performance and execution (e.g., deliveries from DoD stock and procuremnt, progress payments, etc.) of the SC LOAs to DFAS SCA by use of the Delivery Transactions. IAs shall report accrued expenditures (work in process (WIP)) and physical deliveries to DFAS SCA within 30 days of occurrence (date of shipment or performance) through the billing and reporting procedures. The Delivery Transaction formats and codes are explained in the *DoD Financial Management Regulation, Security Cooperation Policy* (DoD 7000.14R, Vol. 15, Chapter 8). Among other things, the Delivery Transactions reflects the MILSTRIP document number, the stock or part number, quantity, mode of shipment, delivery source code, transportation bill code, and dollar value. For several FMS cases (e.g., FMSO II), thousands of delivery transactions are received by DFAS SCA on a monthly basis. The delivery data transmissions are due to arrive at DFAS SCA by the 16th calendar day of the month following the end of the month being reported. The Delivery Transactions provides the basis for the detailed entries which appear in the FMS Delivery Listing, and further prompts reimbursement / liquidation of transactions reported by the implementing agencies.

Cash Accounting

Foreign Military Sales Trust Fund

The FMS country trust fund is a fund credited with receipts which are earmarked by law and held in trust or in a fiduciary capacity by the United States Government for use in carrying out specific purposes and programs. The FMS trust fund (accounting classification 97-11X8242) represents the aggregation (corpus) of cash received from purchaser countries, international organizations, and the USG that are credited to open SC cases and/or country/program accounts (e.g. funds that are excess to closed FMS case financial requirements, funds held pending implementation of new cases or other agreed financial arrangements, etc.).

DFAS SCA is responsible for recording transactions that impact the FMS trust fund. FMS customer cash deposits for defense articles and services sold under Sections 21 and 22 of the AECA are to be made in advance of delivery, performance, or progress payments to contractors. DD Form 645, Special Billing Arrangements (SBAs), and LOA financial instructions direct that foreign purchasers' payments (initial deposits on basic LOAs, amounts due with LOA amendments, or official billing statement payments) be forwarded by wire transfer (preferred method) to ABA #021030004, U.S. Treasury NYC, Agency Location Code 00003801, Beneficiary DFAS-JAX/IN Agency, or by a check made payable to the U.S. Treasury, mailed to Disbursing Operation Directorate, 3801 Center Collections, DFAS-JAX/IN, P.O. Box 269490, Indianapolis, IN 46226-9490, showing payment from (insert Purchaser) for (insert case identifier).

Wire transfers should be sent to the Department of the Treasury Account at FRBNY, using the standard Federal Reserve Funds Transfer (FRFT) format. [FMR VOL 15, CH 4, Section 040502.A (Wire Transfers)] The Federal Reserve System (FRS) will accept wire transfers only from banks that are members of FRS. Foreign banks must go through a U.S. correspondent bank that is a member of FRS

All payments should properly identify the customer country making the payment, FMS case designator, amounts being paid on each case, and the U.S. service responsible for managing the case(s).

DFAS SCA exercises stringent controls over the FMS trust fund to insure proper visibility and accountability are maintained for all payments made by a customer for every FMS case. There are certain principles of trust fund management to include:

- One FMS customer's trust fund balance cannot be used to finance another customer's programs. In other words, DoD does not view the overall FMS trust fund balance as "one big account" from which any customer-related bills or reimbursements can be paid. The integrity of customer country and security cooperation program funds is strictly observed.
- Cash disbursements are controlled on a country/organization/program basis, although accounting for SC transactions are maintained on an SC case basis. In other words, cash deposits of a given country/organization/program are used to pay U.S. military departments or contractors for costs associated with any of that country's/organization's/program's cases, but the accounting will be maintained and reported on individual cases. All cash disbursements for a purchaser shall not exceed the customer's cash deposits.
- Dollars received into the FMS trust fund are subject to United States Treasury accounting system controls from date of receipt to date of expenditure or refund. DFAS SCA, as the accounting agency, renders periodic reports to the United States Treasury and performs a monthly reconciliation of balances.

Foreign Military Sales Customer Funds

The FMS customer is billed for United States Government requests for payments (initial deposits, quarterly billing statements, or special billing arrangements) and (if applicable) direct commercial contract progress payments. The customer may make payments in the form of United States dollars directly to DFAS SCA or, when authorized, utilize foreign military financing (FMF) funds through the U.S. government. There are presently two types of FMS financing programs authorized by the AECA, as described below.

- **DoD Guaranteed Loans.** (Section 24, AECA). This kind of financing constituted the major portion of the FMF program prior to FY 1985. Under the guaranteed loan concept, DoD (DSCA) submitted a guaranty (against all political and credit risks of nonpayment) for principal and interest installments defaulted by the borrower to the Federal Financing Bank (FFB - an agency of the Treasury Department). The FFB was responsible for signing the loan agreement with the borrowing country and for disbursing loan funds upon receipt of drawdown requests from the borrower. The FMS customer will normally be required to make semi-annual payments of interest and (once the grace period expires) principal. Current loan repayments should be sent directly to the FFB; however, repayments of arrearages on FFB loan installments should be sent to DFAS SCA (since the FFB has already been paid by DFAS SCA under provisions of the guaranty noted above).This form of financing was terminated at the end of FY 1984.
- **DoD Direct Credit.** (Section 23, AECA). With the exception of a few direct credits in the early 1970s, this form of financing commenced in FY 1985. The source of funding to finance this program is appropriated by Congress through annual Foreign Operations legislation. Direct Credit can be provided either in the form of grants (non-repayable) or loans (repayable). A discussion of these funding categories is provided below.
    - **FMF Grants.** FMS grant funds are availed upon apportionment of country-level funds. If a country is authorized to use FMF funds to finance direct commercial purchase, a grant agreement certifying compliance with various requirements must be implemented prior to the utilization of funds for commercial contacts. If countries cannot use FMF for direct commercial purchases, no agreement is required. In this latter instance, DFAS SCA can unilaterally disburse funds for LOAs financed with FMF in accordance with billing procedures for that country.
    - **FMF Loans.** FMF loan funds are availed upon implementation of a bilateral loan agreement, signed by the USG and the borrower. Generally, loan repayment terms are a total of 12 years (7 of which are principal); interest rates are determined by the Department of the Treasury. The FMS customer will normally be required to make semi-annual payments of interest and (once the grace period expires) principal. FMF loan repayments should be sent directly to DFAS SCA.

Once an FMF loan or grant has been established, all requests for disbursement of those funds must be submitted by the borrower to DFAS SCA for processing/approval. For commercial contract disbursements, the requests must be accompanied by relevant invoices, bills of lading, various certificates, and other documentation as prescribed in the Annexes and Attachments to the loan agreement. Regarding FMS cases, the customer also issues a disbursement request for LOA initial deposits or DD Form 645 billing requirements.

Whenever an FMS case has multiple financing, FMF funds are considered to be applied first and cash funds second. If the case is closed and excess funds exist, the excess cash funds would be considered available to the FMS customer absent arrearages or funding shortfalls on other cash cases. Excess FMF funds, however, cannot be refunded to the FMS customer. The FMF funds can be used to pay down arrearages on FMF loan installments; DFAS SCA will normally not initiate this action and must have DSCA authorization prior to doing so.

Cross-Leveling. Cross-leveling is an accounting technique by which DFAS SCA transfers excess funds (i.e., cash receipts) from one FMS case to another FMS case. This transfer permits the FMS purchaser to minimize payments due on a billing by fully utilizing all funds previously paid on FMS cases. For example, if DFAS SCA has collected excess funds on a case or a case has been closed and there are excess funds, these funds may be transferred to other open cases thereby reducing the amount due on the bill.

- There are two methods through which cross-leveling of excess funds may be accomplished. In the first method, the customer conducts a cash analysis and, in a letter (usually with a payment), requests DFAS SCA make specific cash transfers among designated FMS cases. The second method authorizes DFAS SCA to automatically cross-level based on case needs.
- In order for DFAS SCA to perform cross-leveling automatically on a recurring basis, a written Memorandum of Agreement (MOA) must be accomplished between DFAS SCA and the FMS customer. In order to initiate this action, the customer should advise DFAS SCA of an interest in entering into a cross-leveling arrangement and specify the name and office of the individual to sign a Memorandum of Agreement (MOA) on behalf of the FMS customer. DFAS SCA will prepare the agreement in duplicate, sign and forward it for the customer's signature. Upon receipt of the signed agreement, DFAS SCA will begin cross-leveling on the next succeeding billing statement.
- In order to provide the FMS customer with a complete record of cross-leveling transactions, the transfer of excess cash is processed to the country holding account and then withdrawn from the holding account to be applied to a case requiring payment. For example, consider the situation where FMS case ABC is in a $10,000.00 over-payment surplus status but case ABD is underpaid by $10,000.00. Under cross-leveling, DFAS SCA could transfer, via the Holding Account, $10,000.00 from case ABC to ABD. The basic procedure is to record such transfers (as the $10,000.00 amount above) as a withdrawal (debit) transaction to the cash position of the FMS case with a surplus (case ABC) and as a deposit (credit) to the Holding Account. Simultaneously, $10,000.00 is recorded as a deposit (credit) to the underpaid case (ABD) and a withdrawal (debit) is recorded against the Holding Account. In other words, the $10,000.00 is "washed through" the Holding Account for control and reporting purposes.
- See Figure 1-1 for a sample cross-leveling Memorandum of Agreement (MOA). DFAS SCA will also honor individual FMS cross-leveling in lieu of blanket authorizations based on letter or message requests from the FMS customer.

Figure 1-1: Sample Cross Leveling Memorandum of Agreement

Memorandum of Agreement (MOA)

Between

The Government of _____

and

Defense Finance and Accounting Service

Directorate of Security Cooperation Accounting

(Date)

The Government of _____ requests the Defense Finance and Accounting Service to use its best efforts to lessen cash requirements related to _____ foreign military sales (FMS) cases by cross leveling monies on deposit in FMS Trust Fund Account. Cross-leveling shall include the identification of over-payments (cash surpluses) and under-payments (amounts due and payable) and the transfer of such surplus monies to liquidate current amounts due and payable.

DFAS SCA is requested to implement the following specific procedures:

1. Transfer surplus monies among FMS cases and provide a full accounting of such transfers to _____ at least quarterly.

2 Record such transfers as a withdrawal (credit) transaction to cash position of FMS cases with surplus funds and as a deposit (debit) to the cash position of the Holding Account. Simultaneously, record a deposit (debit) to the gaining case and a withdrawal (credit) to the Holding Account.

3. Transfers other than those made by DFAS SCA , or a reversal of transfers made by DFAS SCA , will be made if requested by _____.

DFAS SCA Reports

The basic FMS billing document is the DD Form 645, which is prepared at the end of each calendar quarter. The DD Form 645 serves as both a billing document and a statement of account. Numerous attachments, as applicable, accompany the DD Form 645, to include the “FMS Delivery Listing,” the “FMS Reply Listing to Customer Requests for Adjustments,” the “FMS Financial Forecast,” the “Holding Account Statement", and the "Accelerated Case Closure Suspense Account Statement". Each of those document types are discussed in significant detail in Part II (Billing Documents) chapters 3-8 of this Security Cooperation Billing Handbook. Following though is an executive summary of each of those documents.

Foreign Military Sales Billing Statement (DD Form 645)

DoD billings to Security Cooperation case customers are issued by DFAS SCA. A computer-produced DD Form 645 and/or Special Billing Arangement (SBA) (official claim for payment by the U.S. government) is used in billing the Security Cooperation case customer. In addition, it furnishes an accounting to the Security Cooperation purchaser for all costs incurred under each LOA agreement.

Detail on the face of the billing statement segregates the cost elements in a manner parallel to the presentation of line item detail on the LOA. Physical performance of services or delivery of materiel is shown against the item number of the LOA. Administrative charges, accessorial costs, and work in process are separately listed.

Billing statements are prepared and forwarded to the FMS purchaser on a quarterly basis (i.e., for quarters ending March, June, September, and December). The billing cycle [FMR VOL 15 Chapter 8 section 0802 (FMS Billing Statement) and SAMM C9.T16] is as follows:

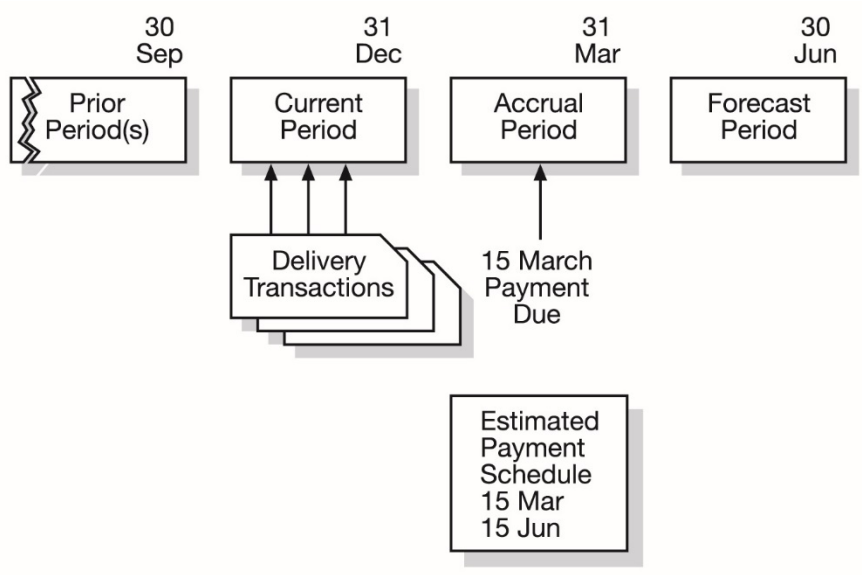
Period Ending	**Approximate Date DD 645 Mailed by DFAS SCA**	**Payment Due at DFAS SCA**	**Forecast Quarter**
31 DEC	15 JAN	15 MAR	APR-JUN
31 MAR	15 APR	15 JUN	JUL-SEP
30 JUN	15 JUL	15 SEP	OCT-DEC
30 SEP	15 OCT	15 DEC	JAN-MAR

For example, the 31 December (period ending) bill reflects physical deliveries and cash collections recorded for the SC case through the December cut-off for entries into the FMS accounting system. It also contains a forecast of estimated advance cash requirements from 01 April through 30 June. This period's bill is mailed on or about January 15, with a due date for payment of March 15. The March, June, and September statements follow the same basic time frames. (Please note that the FMS Delivery Listing will only include delivery data received in DFAS SCA by the end of each quarter, thus military department reporting for March, June, September, and December will appear in the next quarterly billing statements.)

In addition to identifying deliveries (or performance of services) made on the FMS purchaser's behalf, the DD Form 645 also reflects the forecasted costs which relate to a given FMS case. These forecasted costs equate to a number of factors, to include: anticipated progress payments/advances, contractor holdbacks, termination liability reserve, accrued and future deliveries, pro rata share of non-recurring charges, contract administration costs, and administrative/ accessorial costs, as applicable. Previous schedule of payment amounts on requisition-type cases may be replaced by military department reporting of open requisition values on hand or anticipated.

Essentially, the DD Form 645 provides current period (the calendar quarter preceding the period ending date) delivery costs as well as cumulative delivery costs for all prior periods and work in process costs for the period subsequent to the period ending date. The bill normally requests monies to cover the planned deliveries for the forecast quarter (the calendar quarter subsequent to DFAS SCA payment due date). This concept is illustrated in Figure 1-2 (The Four Periods of the DD 645).

Figure 1-2: The "Four Periods of the DD 645



Foreign Military Sales Delivery Listing

This is a listing of the performance reporting of articles, services, Supply Discrepancy Reports (SDRs), etc., taken which have been reported to DFAS SCA by the IAs. An FMS Delivery Listing will be provided if deliveries have been received in DFAS SCA during the Current Quarter Period (column 9) of the DD Form 645.

The FMS Delivery Listing provides delivery information by case and by LOA line item number. Detailed information regarding articles/services transactions, administrative/accessorial transactions and a summary of delivery costs for each item number is provided.

Foreign Military Sales Reply Listing to Customer Requests for Adjustments

This is a listing which reflects all transactions relating to the final disposition/action taken with respect to any Supply Discrepancy Reports (SDRs), and may contain other internal USG billing transactions which also require an Adjustment Reply Code (ARC) and which are being billed the FMS customer. Close review should be made to ascertain that the adjustment does or will satisfy a SDR requirement in the event the SDR number is not present.

In the event a customer review of the DD Form 645 and/or the supporting FMS Delivery Lists identifies the necessity for an adjustment, the FMS customer should submit a formal request for adjustment. Requests for billing and supply adjustments for materiel and service performance should be submitted to the IA. FMS customers should submit all requests for billing and supply adjustments on a Standard Form (SF) 364, clearly indicating the specific adjustment or billing action requested. The form, instructions for completion and definitions are prescribed in *DLM 4000.25, Defense Logistics Management System (DLMS) Volume 2 (Supply Standards and Procedures) Chapter 17 (Supply Discrepancy Reporting),and the related Appendices 2 and 3*. After resolution of SDRs applicable to materiel and services, Implementing Agencies (IAs) report the action which is being taken to DFAS SCA. DFAS SCA will prepare a consolidated listing of the actions taken in response to the SDRs, and this listing will be mailed with the DD Form 645 to the country involved. All responses to SDRs are listed separately for each country, Service, Case, and Item Number. The Reply Listing is prepared in the same basic sequence as the billing statement and FMS Delivery Listing. All SDRs appearing on the FMS Delivery Listing are included in the Reply Listing.

Foreign Military Sales Financial Forecast

This is a listing which reflects future forecast amounts of payments due, by quarter, for the FMS case. It essentially portrays the same information as the LOA payment schedule. The FMS Financial Forecast is provided only at the FMS customer's request.

Foreign Military Sales Accelerated Case Closure Suspense Account

This is a listing which shows FMS cases of participating countries where all ordered goods and services have been provided and only final financial reporting is necessary. It depicts the country, IA, case, and closure date with the previous quarters unliquidated obligations (ULO) and current quarters activity. The balance column represents those outstanding financial obligations yet to be reported by the military department.

Holding Account Statement

As a convenience to the FMS purchaser, procedures are available for the establishment of purchaser holding account(s). The holding account is a sub-account of monies not identified to a specific FMS case, reserved for identified cases, and/or funds not required when a case is closed. The FMS customer may request DFAS SCA to "draw upon" their holding account for transfers to specific cases as the need arises. The holding account balances are not included in the totals of the DD Form 645. A separate statement is provided to the country showing deposits and withdrawals to the holding account and is considered an off-line statement. The following information may appear on the holding account statement:

- Debit or credit transactions affecting FMS closed cases for Calendar year 1992 and prior. This may consist of deliveries not previously reported, and/or adjustments due to approved SDRs. [Effective with the March 1993 billing statement all cases with post closure activity will be reopened for those customers not participating in the DoD accelerated closure program.]
- Recording of funds received prior to implementation of a case.
- Transfer of funds to a newly implemented case that were held in the holding account until the case was implemented.
- Authorized transfers of collections between open cases or refunds requested by the FMS customer.

For those FMS customers receiving holding account statements, the combination of the DD Form 645 and holding account statement will reflect the total activity for the accounting period.

The FMS customer needs to advise DFAS SCA of its requests relative to the controls over holding account transactions. For example, DFAS SCA needs to know if the customer will allow automatic use of the funds for other open FMS cases, if the customer requests automatic refunds, or if the customer wants to request refunds on a case-by-case basis. Please note that funds temporarily held for new case implementation are not available for cross-leveling or refund. DFAS SCA will state the total reserved balance for each account.

Special Billing Arrangements (SBA)

A Special Billing Arrangement (SBA) is an alternative to the FMS Billing Statement (DD Form 645) that otherwise serves as an official USG claim for payment to the FMS purchaser. In much the same manner as cross-leveling, customers may be able to minimize cash flow using collections for all cases and average cash flows on a country (vice case) basis via a process known as special billing. Since requirements and procedures are unique to each country, they are normally established in an agreement between the customer country, DSCA, and the appropriate banking institutions in the U.S. and the purchaser's country. If a purchaser has an SBA, total expenditures for the forthcoming billing period are subtracted from total available cash resources to determine the billing amount. SBAs override Column 14 (Amount Due and Payable) of the DD Form 645. SBAs are issued by either the DSCA (Business Operations Directorate) or DFAS-SCA and are managed at the country level unless an exception has been granted by the DSCA (Business Operations Directorate. As noted, since eachagreement is

unique, DSCA should be contacted if additional information is desired [FMR Volume 15, Chapter 3, Section 030104E (Source Documents and Transactions), FMR Definitions, and SAMM C9.10.2]

Foreign Military Sales Case Closure

A logical follow-on event to a case that has been completely delivered and billed is case closure. FMS customers are encouraged to request status from the IA on undelivered/unbilled items prior to case closure. An Security Cooperation case is considered closed when all material has been delivered and/or all services have been performed, the IA has certified the final delivered cost, all financial transactions (including all collections) have been completed, and the customer has received a Final Statement of Account (i.e., a Final DD Form 645). DFAS SCA is the final determining organization for case closures, however, an IA may consider their records as logistically closed at the time a closure certificate is released to DFAS SCA. After processing, DFAS SCA confirms closure data to the IAs to ensure that records are logistically and financially complete. FMS cases are either closed using standard closure procedures or accelerated closure procedures.

Case Closure Procedures

[SAMM C16.4]

Once a case is SSC, and the requisite verification steps for SSC reconciliation are complete, the case is eligible to be submitted for closure. Case closure is the final phase of the FMS life cycle and is extremely important to the USG and purchaser. Reconciliation for closure involves extensive communication between various logistics, financial and contract organizations to ensure associated closure transactions are completed. It is imperative that case/line reconciliation be initiated upon implementation of the LOA to make the closure process described herein timely and easier. By reconciling during case execution, case closure becomes an event instead of a process. A case is submitted for closure once it is reconciled according to procedures for the appropriate closure method.

Closed cases are identified by an asterisk on the DD Form 645 (Billing Statement) and a separate case level DD Form 645 (Final Statement of Account) is printed for distribution to appropriate parties. Once a case appears with the closed case asterisk, it will be dropped from future DD Forms 645 unless the IA or DFAS SCA has cause to reopen the case.

Closure Types: Two broad categories of closure exist: Accelerated Case Closure Procedures (ACCP) and non-ACCP. ACCP applies to all countries/programs that have cases financed with Foreign Military Financing (FMF) funds, or those countries that elect to participate. For cases under ACCP all commitments and obligations must be completed, however expenditures do not have to be finalized prior to closure. The non-ACCP category exists to accommodate those countries whose FMS programs are completely financed with national funds (cash) and have not elected to participate in ACCP. In addition, Building Partner Capacity (BPC) programs which use various funding where the period of funds availability expires/cancels must utilize non-ACCP. A brief synopsis of ACCP and non-ACCP criteria follows:

- **ACCP:** ACCP is the standard or typical closure process. This type of closure allows a case to be closed after SSC, even if there are outstanding ULOs on the case. Purchaser funds are placed in a Case Closure Suspense Account (CCSA) pending final resolution of the ULOs. This program is voluntary, except for those countries that have FMF-funded cases, which requires mandatory participation in ACCP for all FMS cases regardless of the funding source. Most countries/international organizations participate or are automatically included in the ACCP process. The DSCA (Business Operations Directorate, Financial Policy and Analysis Division) maintains the master list of countries and international organizations that participate in ACCP. A list of ACCP participants is provided in the DSCA Reconcilliation and Closure Guide (RCG), Chapter 3. Under ACC, purchaser funds are placed in a case closure suspense account pending final resolution of the ULOs.

- **Non-ACCP:** Non-ACC procedures are used to accommodate those countries that have not elected to participate in the ACC process and whose FMS programs are completely financed with national funds (vice with FMF). While ACCP case closure always has a higher priority, non-ACCP cases with no supporting contracts should be closed as quickly as possible. BPC program cases are also closed under non-ACCP procedures. Effective fiscal year 1993 (October 1, 1992), cases not utilizing accelerated case closure procedures will be reopened if new activity (disbursements or deliveries) are reported after closure.
    - Cases utilizing accelerated case closure procedures will be reopened only if a major pricing error by the U.S. government or contractor, in the amount of $100,000 or greater is discovered after case closure. DSCA approval is required before reopening an accelerated closed case.

Summary

The FMS Billing System provides a mechanism of complying with the *AECA*. Through the LOA and its included Payment Schedule, the FMS customer is able to determine the required initial deposit and programmed quarterly financial requirements.

DFAS SCA through its FMS Trust Fund management and related cash accounting procedures, is able to collect and track country monies by case. The basic FMS billing document is the DD Form 645, which is prepared at the end of each calendar quarter. The DD Form 645 serves as both a billing document and a statement of account. The “FMS Delivery Listing,” the “Foreign Military Sales Forecast”,the “FMS Reply Listing to Customer Requests for Adjustment,” the “Holding Account Statement”, and the “Accelerated Case Closure Suspense Account” are all documents that can be included with the DD Form 645 when applicable.

Case closure is accomplished once all necessary logistical and financial actions have been completed on the part of both the U.S. government and the foreign purchaser.

CHAPTER 2
DFAS SCA Customer Assistance

Purpose

There are certain initiatives Security Cooperation customers may take which can facilitate their understanding of the financial documents received from DFAS SCA. These initiatives consist of writing or calling DFAS SCA points of contact and visiting the Center. This Chapter provides a the information necessary to arrange for a visit to the Center, or a visit by DFAS SCA to a customer site.

Visits to DFAS SCA

Policy

FMS customers are encouraged to visit DFAS SCA from time to time. A visit may be warranted for any number of reasons, to include:

- To resolve problems or misunderstandings
- To discuss the realignment/redistribution of billing products which are sent to country addresses
- To meet with your country manager and other DFAS SCA officials for orientation purposes

Visits, of course, are most productive when DFAS SCA is afforded sufficient advance notification and time for preparation. Please attempt to furnish advance agenda items on specific problem/subject areas to DFAS SCA for research.

Visit Requests

In order for DFAS SCA to make the proper preparations for a visit, to include building/parking clearances, etc., the following information should be provided to DFAS SCA via the Foreign Visit System (FVS) thirty (30) days in advance of the intended visit. [SAMM C3.4]

- Name, Rank, and Position of Visitor(s). Equivalent rank should be furnished if military rank does not apply
- Desired Visit Dates
- Lodging and Protocol Requirements
- Topics to be Discussed

DFAS SCA Visits to Customer Site

Based on resource availability, DFAS SCA is available to send a representative to a country's embassy/mission in Washington D.C. In circumstances where extensive/extraordinary services or assistance are needed, it may be necessary to have the associated costs directly funded through a "services line" on an FMS case. All in-country visits will be reviewed on a case-by-case basis.

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Part II - Billing Documents

CHAPTER 3
The Foreign Military Sales Billing Statement (DD Form 645)

Purpose

The purpose of this chapter is to introduce the reader to the format of, and the types of information contained in, the Foreign Military Sales (FMS) Billing Statement, DD Form 645.

Introduction

The FMS Billing Statement, DD Form 645, and attachments are produced by DFAS SCA on a quarterly basis. The Defense Integrated Financial System (DIFS) billing subsystem is where those transactions are compiled and the DD Form 645 is created.

Multiple reports are produced in conjunction with the DD Form 645. Five of those reports are listed below.

1. FMS Delivery Listing
2. Foreign Military Sales Financial Forecast
3. FMS Reply Listing to Customer Request for Adjustment
4. Holding Account Statement
5. Accelerated Case Closure Suspense Account Statement

Utilizing the Country Address/Distribution file, customized print packets are generated for specific customer addressees. Their packets contain only the reports or portions of the reports in the number and sort sequence required by a specific country addressee. The select and variable sort sequence parameters used are Bill Code, IA Code, In-Country Service Code, and Report Type. The proper mailing label is also printed for each packet. All report copies printed are originals and the special form required for the DD Form 645 is formatted within the computer system.

General Information Regarding DD Form 645

Function and Content

The DD Form 645, prepared by DFAS SCA, represents the official claim for payment by the U.S. government referred to in the United States of America Letter of Offer and Acceptance (LOA). In addition, it furnishes accounting records to the FMS Purchaser for all costs incurred under each LOA. Details on the DD Form 645 segregate the cost elements in a manner parallel to the presentation of line item number detail on the LOA. Physical performance of services or delivery of materiel is shown against the item number of the LOA. Administrative surcharges, accessorial costs, and a forecast of future performance/deliveries are provided at case, as opposed to line item number level.

Cycle

The DD Form 645 is prepared and forwarded to the FMS Purchaser on a quarterly basis in accordance with the following cycle:

Current Period/Quarter	Projected Mailing Date	Payment Due to **DFAS SCA**	**Forecast Quarter**
01 JAN-31 MAR	15 APR	15 JUN	01 JUL-30 SEP
01 APR-30 JUN	15 JUL	15 SEP	01 OCT-31 DEC
01 JUL-30 SEP	15 OCT	15 DEC	01 JAN-31 MAR
01 OCT-31 DEC	15 JAN	15 MAR	01 APR-30 JUN

Types of Statements

The DD Form 645 has two basic variations:

1. Billing Statement. Block 2, in the first instance, states "This is a Billing Statement based on cash (financial) requirements. Payment is due by: _____." The Billing Statement variation serves as a bill and statement of account for all open FMS cases and those cases which are closed during that quarterly period.
2. Final Statement of Account. Block 2, in the second instance, states: "This is a Final Statement of Account." Each FMS case reflecting a closed status on the quarterly Billing Statement will be accompanied by a Final Statement, the latter of which may be conveniently detached by the FMS Purchaser and filed in any locally maintained case files. A closed case is depicted by an asterisk (*) at the beginning of the case designator in Column 6 of the Billing Statement and Final Statement.

Once a Final Statement has been submitted for an FMS case, no subsequent adjustment of such billings (upward or downward) is authorized, except under the following instances (Note: This information appears in the "Explanatory Notes" at the bottom of a Final Statement):

- Discovery of latent errors, such as obvious errors in addition or multiplication, unauthorized deviations from DoD policy, or computer errors in establishing unit prices.
- To provide charges/credits for Supply Discrepancy Reports (SDR) submitted by the purchaser in accordance with terms and conditions of the LOA.
- Discovery by the United States that it has shipped an item or rendered a service for a case but has failed to submit a bill.
- Discovery by the United States that the final price paid to a U.S. contractor for an item provided in accordance with Section 22 of the *Arms Export Control Act* is different from the final amount billed for that item.

Explanation of Entries on the DD Form 645

Following is an explanation of how to interpret and understand entries on the DD Form 645 Foreign Military Sales (FMF) Billing Statement using Figure 3-1 (DD Form 645 "Billing Statement," Statement Number 12-06DD, for case designator BN-D-YCY) as as an example billing statement document.

Figure 3-1 – DD Form 645 FMS Billing Statement for BN-D-YCY LOA

FOREIGN MILITARY SALES BILLING STATEMENT				UNITED STATES OF AMERICA DEPARTMENT OF DEFENSE/AIR FORCE				
1. TO: BANDARIA ARMY		2. THIS IS A BILLING STATEMENT BASED ON CASH REQUIREMENTS. PAYMENT IS DUE BY 12 SEP 15		3. STATEMENT NUMBER: 12-06DD		4. FOR PERIOD ENDED: 12 JUN 30		5. DATE PREPARED: 12 JUL 15
CASE IDENTIFICATION AND DELIVERY STATUS				FINANCIAL STATUS				
6. CASE & ITM NBR	7. TOTAL VALUE ORDERED	8. CUMULATIVE DELIVERY COSTS END PRIOR PERIOD	9. CURRENT PERIOD DELIVERY COSTS (ATTACHMENT 1)	10. CUMULATIVE DELIVERY COSTS & WORK IN PROCESS	11. FORECASTED REQUIREMENTS (NOTE A)	12. TOTAL FINANCIAL REQUIREMENTS	13. CUMULATIVE PAYMENTS RECEIVED	14. AMOUNT DUE AND PAYABLE
YCY								
001	78,683,170.00	0.00	0.00	0.00				
	HUMDINGER MISSILES							
002	619,300.00	0.00	0.00	0.00				
	LAUNCHERS							
003	488,840.00	0.00	0.00	0.00				
	TRAINING MISSILES							
004	3,017,692.00	0.00	0.00	0.00				
	CNU CONTAINERS							
005	1,563,480.00	27,284.80	5,736.30	33,021.10				
	SUPPORT EQUIPMENT							
006	2,163,402.00	123,785.60	62,557.94	186,343.54				
	CTR SUPPORT							
007	2,017,000.00	0.00	0.00	0.00				
	SPARE PARTS							
008	2,021,000.00	0.00	0.00	0.00				
	COMPONENT PARTS							
009	12,372.00	1,215.30	947.37	2,162.67				
	PUBLICATIONS							
010	1,636,316.00	171,800.00	10,000.00	181,800.00				
	AIRLIFT AMC							
011	181,800.00	0.00	0.00	0.00				
	TECHNICAL DATA							
012	1,008,500.00	0.00	0.00	0.00				
	R+R OTHER							
013	631,250.00	0.00	0.00	0.00				
	R-R MISSLES							
014	2,694,188.00	0.00	0.00	0.00				
	WARRANTY							
700	657,000.00	184,090.91	61,363.64	245,454.55				
	OTHER TECHNICAL							
701	73,338.00	47,859.72	14,270.54	62,130.26				
	SITE SURVEYS							
702	2,514,403.00	48,612.18	0.00	48,612.18				
	OTHER SERVICES							
989	260,000.00	0.00	0.00	0.00				
	TRAINING							
L6A	3,809,236.00	22,976.64	5,885.28	28,861.92				
	ADMINISTRATIVE FEE							
L00	904,427.00	5,256.60	1,602.50	6,859.10				
	ACCESSORIAL COSTS							
WIP	WORK IN PROCESS			2,555,004.68				
CASE TOTAL	104,956,714.00	632,881.75	162,363.57	3,350,250.00	495,860.00	3,846,110.00	3,350,250.00	495,860.00

DD FORM 645 (NOV 87) PREVIOUS EDITIONS ARE OBSOLETE(Q)

Entries on DD Form 645	
Foreign Military Sales Billing Statement	Upper Left-Hand Corner. Title of DD Form 645.
United States Of America **Department Of Defense/Air Force**	Upper Right-Hand Corner. Identifies the U.S. Department of Defense Component acting as the implementing agency (IA) for the cases shown on the statement. In this example, the U.S. Air Force is the IA.
1. To: Bandarian Army	Block 1. Identifies the FMS Purchaser Service who is the recipient of the statement. Reflects full country/activity name followed by Military Service within country or special paying office. In this example, we show the Bandaria Army.
2. This Is A Billing Statement Based On Cash Requirements. Payment Is Due By: 12 SEP 15	Block 2. Identifies the statement as a "Billing Statement based on cash requirements" or a "Final Statement of Account," whichever is applicable. If the statement is a Billing Statement, this block also indicates the date payment is due. The due date is about 60 days after the preparation date in Block 5, but in any event will be the 15th day of the last month of the quarter, e.g., 2012 March 15 in this example.
3. Statement Number 12-06DD	Block 3. Statement number is assigned mechanically and is composed of the numeric year and month representing the period ended followed by an alphabetic management code assigned by DFAS SCA. The management code (also referred to as the "bill code") is used to sort cases for distribution, and normally identifies the paying office. The foreign customer can request and obtain billing sorted in some other manner. In this example, the statement number is "12-06DD" with "12" indicating the calendar year 2012; "06" indicating the 06th month (June); and "DD" standing for the applicable management and/or paying office bill code.
4. For Period Ended 12 JUN 30	Block 4. Contains the last calendar day of the month for which the statement is prepared. It is normally the last day of the month at the end of each calendar quarter, e.g., 2012 June 30th in this example.
5. Date Prepared 12 JUL 15	Block 5. Reflects the actual date on which the statement was prepared/mailed, e.g., 2012 July 15h in this example.
NOTE: In illustrating columns 6 through 14, Case Designator YCY from Figure 3-1 is used.	

Case Identification And Delivery Status	Middle-Left Portion. Descriptor for Columns 6 through 9.
6. **Case & Item Number**: YCY 001 002 003 004 005 006 007 008 009 010 011 012 013 014 700 701 702 989 L6A L00 WIP Case Total	Column 6. Consists of the following information: a. Identifies the FMS *case designator* (YCY in this illustration), and the item number identification (e.g., 001, 002) from the LOA. Immediately below and slightly to the right of each item number (and spilling over into Column 7) is the *abbreviated/short title* of articles/services taken from the *Military Articles and Services List* (MASL) (Reference: DSAMS); an abbreviated title in this illustration would be "HUMDINGER MISSILES" which relates to item number 001 or the major element of the LOA. b. Additionally, this column contains identification of administrative surcharges (Generic Code L6A), accessorial costs (L00), Work In Process (WIP) related to the case, as well as the Case Total. c. As noted earlier, an asterisk (*) preceding the case designator indicates a completed case (closed). A case which has been closed since the previous Billing Statement was issued will appear on the current Billing Statement with an asterisk. Concurrently, a Final Statement of Account is prepared mechanically for the case and presented following the billing statement. Once a case is closed, that case will not appear on a subsequent DD Form 645 unless the case is re-opened.

7.Total Value Ordered: 104,956,714.00	
HUMDINGER MISSILES	78,683,170.00
LAUNCHERS	619,300.00
TRAINING MISSILES	488,840.00
CNU CONTRAINERS	3,017,692.00
SUPPORT EQUIPMENT	1,563,480.00
CTR SUPPORT	2,163,402.00
SPARE PARTS	2,107,000.00
COMPONENT PARTS	2,021,000.00
PUBLICATIONS	12,372.00
AIRLIFT AMC	1,636,316.00
TECHNICAL DATA	181,800.00
R+R OTHER	1,008,500.00
R+R MISSILES	631,250.00
WARRANTY	2,694,188.00
OTHER TECHNICAL	657,000.00
OTHER SERVICES	2,514,403.00
TRAINING	260,000.00
ADMINISTRATIVE FEE	3,809,236.00
ACCESSORIAL COSTS	904,427.00
CASE TOTAL	104,956,714.00

Column 7. Contains the dollar value of articles/services associated with each item number/generic descriptor and the value of the entire case. These dollar values come from the LOA and amendments/ modifications thereto.

8. Cumulative Delivery Cost End Prior Period		Block 8. Dollar value of cumulative delivery costs as of the end of the prior statement period (e.g., deliveries cumulative through 2012 March 31th in this BN-D-YCY example). No value is shown in this column for progress payments applicable to undelivered items.
SUPPORT EQUIPMENT	27,284.80	
CTR SUPPORT	123,785.60	
PUBLICATIONS	1,215.30	
AIRLIFT AMC	171,800.00	
OTHER TECHNICAL	184,090.91	
SITE SURVEYS	47,859.72	
OTHER SERVICES	48,612.18	
ADMINISTRATIVE FEE	22,976.64	
ACCESSORIAL COSTS	5,256.60	
CASE TOTAL	632,881.75	
9. Current Period Delivery Cost (ATTACHMENT 1)		Block 9. Dollar value of delivery costs reported since the end of the prior statement period, i.e., those delivery transactions received in and accepted by DFAS SCA during the current period (April throughJune in this example). Values shown in this column are supported in (transaction) detail by the FMS Delivery Listing (identified in the Column 9 heading as Attachment 1). In Chapter 4, the FMS Delivery Listing for item number 006 which relates to the $62,557.94 figure in Column 9, is illustrated. No value is shown in this column for work in process applicable to undelivered items.
SUPPORT EQUIPMENT	5,736.30	
CTR SUPPORT	62,557.94	
PUBLICATIONS	947.37	
AIRLIFT AMC	10,000.00	
OTHER TECHNICAL	61,363.64	
SITE SURVEYS	14,270.54	
ADMINISTRATIVE FEE	5,885.28	
ACCESSORIAL COSTS	1,602.50	
CASE TOTAL	162,363.57	
Financial Status		Middle-Right Portion. Descriptor for Columns 10 through 14.

10.Cumulative Delivery Cost & Work in Process	
SUPPORT EQUIPMENT	33,021.10
CTR SUPPORT	186,343.54
PUBLICATIONS	2,162.67
AIRLIFT AMC	181,800.00
OTHER TECHNICAL	245,454.55
SITE SURVEYS	62,130.26
OTHER SERVICES	48,612.18
ADMINISTRATIVE FEE	28,861.92
ACCESSORIAL COSTS	6,859.10
WORK IN PROCESS	2,555,004.68
CASE TOTAL	3,350.250.00

Column 10. This column contains the totals of values shown in Columns 8 and 9, plus work in process applicable to undelivered items.

The value in Column 10 for work in process represents accrued costs incurred on behalf of the FMS Purchaser which are not yet supported by physical or constructive deliveries. These costs include contractor holdbacks on work in process made to contractors, potential termination liabilities, and any other applicable authorized charges.

11. Forecasted Requirements (Note A) 495,860.00	Column 11. Contains the forecasted requirements for the case, i.e., the value of potential costs to be incurred during the calendar quarter following the payment due date of the current statement. This value appears on the "Case Total" line only and may be derived from one of two different sources. a. The quarterly deposit identified in the payment schedule for the case which has a due date that coincides with the payment due date of the current statement. In this illustration, the $495,860 figure comes from the payment schedule of the current implemented version (Modification 1) of the BN-D-YCY LOA. b. For all requisition type cases the Defense Component may provide DFAS SCA with a "Committed Values for Requisition Cases" report. This report reflects the current value of on-hand, unfilled requisitions for each case. This report will be submitted to DFAS SCA by automated means. These inputs will be submitted to DFAS SCA by the 15th day of the last month of each calendar quarter reflecting the most recent status for each case. The committed value will be used as the forecasted requirements in Column 11 for the case in lieu of the quarterly deposit in the payment schedule when the committed value is less than the payment schedule quarterly deposit. Forecasted amounts may be adjusted by DFAS SCA based on documented information. The Column 11 heading makes reference to "Note A," which is one of the "Explanatory Notes" at the bottom of the certification page of the Billing Statement.

12. Total Financial Requirements 3,846,110.00	Column 12. A value appears in this column on the “Case Total” line only. It represents the total of the Column 10 and Column 11 values for the case.
13.Cumulative Payments Received 3,350,250.00	Column 13. A value appears in this column on the “Case Total” line only. It represents the total amount of payments received by DFAS SCA in behalf of the FMS customer through the official date of billing in Block 5.
14. Amount Due And Payable 495,860.00	Block 14. A value appears in this column on the “Case Total” line only. It represents a calculation, Column 12 value minus Column 13 value, and is the additional payment which is due from the customer. In the event the calculation shows a negative amount due, the negative amount will not normally be shown. [Excess payments on one case does not reduce or eliminate the requirement to pay on another case, since billing is required on a case-by-case basis.] This is of particular significance for those cases subject to case closure actions.

Summary

The DD Form 645 is prepared and distributed to the FMS Purchaser on a quarterly basis. This document has two variations: a “Billing Statement,” and a “Final Statement of Account” for each closed case.

The DFAS SCA data base relative to LOA provides the basis for the degree of information detail provided on the DD Form 645. Specifically, those item numbers on the LOA are transferred to the DD Form 645, and detailed delivery costs are shown accordingly. For most FMS cases, the Payment Schedule is the source of the forecasted requirements which appear in Column 11 of the DD Form 645.

Chapter 4
FMS Delivery Listing

Purpose

In this chapter, the FMS Delivery Listing (which is an attachment to the DD Form 645), is addressed. The discussion centers on how to read the Delivery Listing and how such Listing relates to the DD Form 645.

General Information

Function and Format

An FMS Delivery Listing (see Figures 4-1 through 4-2 for examples) is prepared in support of entries in Column 9, "Current Period Delivery Costs," of the DD Form 645. The Listing identifies items physically or constructively delivered and services performed that are received and accepted by DFAS SCA during the reporting period. It is cross referenced to specific document numbers and allows FMS customers to validate receipt of the materiel or services. This FMS Delivery Listing also includes DFAS SCA's computations of authorized charges applied by that organization in accordance with established pricing policy. Those performance reporting items rejected back to an IA must be researched by them for determination of errors, correction and/or re-input in subsequent reporting. The FMS delivery list is in item number sequence and delivery source code sequence within item number and subtotaled by delivery source code.

Cycle

The FMS Delivery Listing, being an attachment to the DD Form 645, is prepared and distributed on a quarterly basis.

Explanation of Entries on the Foreign Military Sales Delivery Listing

The FMS Delivery Listing essentially consists of four sections or groupings of information:

1. **Header Information**, e.g., identification of country, service, statement number, case, item number, etc.
2. **Articles/Services Transactions**, which support the Column 9, DD Form 645, entry for the given item number, e.g., Item Number 001, 002, etc.
3. **Administrative/Accessorial Transactions**, which provide a breakout of administrative/accessorial costs by generic code and the accounting date/month.
4. **Summary of Delivery Costs**, reflecting the net total of articles/services costs, the net total of administrative and accessorial costs, and total delivery costs.

Figure 4-1: FMS Delivery Listing for BN-D-YCY Line 006

PCN: UH028A150 **FMS DELIVERY LISTING** PAGE: 1

FOR PERIOD ENDED: 12 JUN 30
DATE PREPARED: 12 JUL 15

COUNTRY: BANDARIA STATEMENT NUMBER: 12-06DD
SERVICE: ARMY CASE: YCY ITM NBR: 006 U.S. DEPT/AGENCY: AIR FORCE

ARTICLE/SERVICES TRANSACTIONS

DOC ID	RIC	PRC CD	STOCK NUMBER	UNIT ISSUE	QUAN SHIP	DOCUMENT NUMBER	DOC SFX	SUPL ADRS	M S	ARC	ACTG DATE	TBC	DSC	DATE SHIP	UNIT PRICE	EXTENDED VALUE
FKB	FGZ	A	D0001BNYCY	EA	6	DBNA5412297003		DA2YCY	F	CB	1204	E	AB	2011	312.26	1,873.56 CR
FKA	FGZ	A	691001021436600	EA	10	DBNA5411437132		DA2YCY	F		1206	H	AB	2139	2,280.00	22,800.00
													ITM NBR/DSC SUBTOTAL:			20,926.44
FKA	FNH	A	CONTRACT ADM	XX	1	DBN00000002310		YCY			1205		BD	2117	331.50	331.50
													ITM NBR/DSC SUBTOTAL:			331.50
FKA	FGZ	E	691001277321000	EA	12	DBNA5411337130		DA2YCY	F		1205	H	DB	2115	3,250.50	39,000.00
FKA	FGZ	E	612501245670000	EA	1	DBNA5411337128		DA2YCY	H		1206	H	DB	2132	2,300.00	2,300.00
													ITM NBR/DSC SUBTOTAL:		2,300.00	41,300.00

ADMINISTRATIVE/ACCESSORIAL TRANSACTIONS

DOC ID	GENERIC CODE	COST DESCRIPTION	DOCUMENT NUMBER	ARC	ACTG DATE	TYPE OF COST	PERCENT FACTOR	TOTAL VALUE APPLIED	ADMIN/ACSRL COST
FKC	L6A	ADMIN COSTS	DBN		1205	COMPUTED	3.80	331.50	12.60
FKC	L6A	ADMIN COSTS	DBN		1205	COMPUTED	3.80	39,000.00	1,482.00
FKC	L6A	ADMIN COSTS	DBN		1206	COMPUTED	3.80	22,800.00	866.40
FKC	L6A	ADMIN COSTS	DBN		1206	COMPUTED	3.80	2,300.00	87.40
FKD	L6A	ADMIN COSTS	DBN		1204	COMPUTED	3.80	1,873.56 CR	71.20 CR
FKE	L2B	AIR TRANS	DBN		1206	COMPUTED	2.50	22,800.00	570.00
FKE	L2B	AIR TRANS	DBN		1205	COMPUTED	2.50	39,000.00	975.00
FKE	L2B	AIR TRANS	DBN		1206	COMPUTED	2.50	2,300.00	57.50

The sections of the FMS Delivery List and associated data fields are discussed below [Reference: Figure 4-1]	
Header Information	
FMS Delivery Listing Statement Number: 12-06DD Case: YCY ITM NBR: 006	Top Center Portion. Identifies the type of listing, the statement number, the case and item (i.e. LOA Line) number.
Page 1 **For Period Ended:** 12 JUN 30 **Date Prepared:** 12 JUL 15 **U.S. Dept/Agency:** Air Force	Top Right-Hand Portion. Identifies the period ended date, the actual date prepared, the U.S. implementing agency (e.g., U.S. Air Force), and the page number of the listing.
Country: Bandaria **Service:** Army	Top Left-Hand Portion. Identifies the FMS recipient country and Service within that country.

ARTICLES/SERVICES TRANSACTIONS [Reference: Figure 4-1]	
DOC ID	Document Identifier (DOC ID). The DOC ID identifies the type of transaction. Refer to Appendix A of this Handbook for additional Delivery Listing Codes details and references. In the "Articles/Services Transactions" section, there are two possibilities: • FKA: Materiel/Service Transaction (Debit). • FKB: Materiel/Service Transaction (Credit). In the event of an FKB, the abbreviation for credit (CR) follows the quantity in the QUAN SHIP column and the dollar amount in the EXTENDED VALUE column.
RIC	Routing Identifier Code (RIC). Three position (alpha/numeric) code which identifies the shipping depot or activity performing services as established in MILSTRIP procedures. FGZ, for example is the Depot Storage Facility at Hill Air Force Base, Utah. Refer to Appendix C of this Handbook for additional Routing Identifier Codes (RICs) details and references.

PRC CD	Price Code (PRC CD). An alpha code which identifies the price as being: • A = An actual price. A blank in the PRC CD field is also treated as an actual price. • E = An estimated price. Used to report physical deliveries at an estimated price. This transaction will eventually be reversed when an actual price (PRC CD "A") is submitted by the implementing agency (IA). • N = Incremental Billings. Used to report incremental billings (such as WIP to contractors or provision of government furnished materiel (GFM) to a contractor). Code "N" may also be considered to be a Contract Administration Service (CAS) computing code under specific rules. Refer to Appendix C of this Handbook for additional Price Code details and references.
Stock Number	Stock Number. Shows stock or part number, training course number, film number, publication number, phrase "SERVICE," etc. In reporting cost of DoD Services, the following cost codes or similar information will be used in the last two positions of the stock number field; 11 - Civilian Personnel Services and Benefits 17 - Military Personnel Services and Benefits 21 - Travel and Transportation of Personnel 22 - Transportation of things 23 - Rent, Communications, and utilities 24 - Printing and Reproduction 24 - Printing and Reproduction 25 - Other Services 26 - Supplies and Materials 31 – Equipment
UNIT ISSUE	**Unit of Issue.** Abbreviation for unit of issue, e.g., "EA" equates to Each. Refer to Appendix M of this Handbook for additional Unit of Issue Abbreviations details and references.
QUAN SHIP	**Quantity Shipped**. Self-explanatory. For FKB transactions, the quantity is followed by the abbreviation "CR" standing for Credit.

<table>
<tr>
<td>DOCUMENT NUMBER</td>
<td>
Document Number. Composed of 14 alpha/numeric characters identifying the transaction. Refer to Appendix D of this Handbook for additional Document Number details and references.

Position 1: Implementing agency code, For example, “D” equates to U.S. Air Force.

Position 2-3: Country or Building Partner Capacity program code, e.g., BN equates to fictitious country of Bandaria.

Position 4: Customer mark-for code. Comes from customer provided information on the first page of the LOA, e.g., code “A” in the BN-D-YCY LOA example.

Position 5: Delivery Term Code as shown in Appendix G, of this Handbook. This is the negotiated/anticipated method of movement of the material.

Position 6: Type of Assistance Code as shown in Appendix K, of this Handbook.

Position 7-10: Four numeric characters representing calendar year and Julian date. For the date 1229: 1 = calendar year 2011; and 229 = the 229th calendar day of 2011, or 17 August 2011 as shown in Appendix L of this Handbook.

Position 11-14: Serial number of the transaction/requisition. In the illustration above, the serial numbers are 7003, 7132, 2310, 7130, and 7128.
</td>
</tr>
<tr>
<td>DOC SFX</td>
<td>
Document Suffix Code (DOC SFX). The code shows partial action by supplier without losing the identity of the original requisition. The codes must be considered in combination with dates and quantities shipped when accounting for split transactions. Block assignment of the suffix codes is: [FMR VOL 15, CH 8, Section 080402.I (Delivery Reporting Codes – Suffix Code]:
<table>
<tr><td>Processing Source</td><td>Assigned Suffix Codes</td></tr>
<tr><td>Initial Source</td><td>A through E</td></tr>
<tr><td>First Secondary Source</td><td>F through H, J, and K</td></tr>
<tr><td>Second Secondary Source</td><td>L, M, Q, T, and U</td></tr>
<tr><td>Third Secondary Source</td><td>V through X</td></tr>
<tr><td>Fourth Secondary Source</td><td>Z through 9</td></tr>
</table>
</td>
</tr>
</table>

SUPL ADRS	**Supplementary Address (SUPL ADRS)** provides additional transportation information and identifies the case designator of the FMS LOA. In the supplementary address DA2YCY, the following information is contained in each position:Position 1: In-country Service Code, e.g., "D" = Bandaria Air Force Position 2: Offer/release code from column (6), LOA, e.g., "A" in this illustration, which advises that "Freight and parcel post shipments will be released automatically by the shipping activity without advance notice (Notice of Availability). Refer to Appendix K of this handbook for additional Offer Release Code details and references. Position 3: Freight Forwarder Code from the LOA, e.g., "2" in these examples. Comes from customer provided information on the first page of the LOA, e.g., code "2" in the BN-D-YCY LOA example. Position 4-6: Case designator, e.g., "YCY" in this example.
M S	**Mode of Shipment (MS)** codes are listed in Appendix O of this Handbook. Code "F," for example, indicates transportation was accomplished by the Air Mobility Command (AMC).
ARC	**Adjustment Reply Code (ARC)** may be used to explain material cost or quantity adjustment, either as the result of a SDR or some other billing adjustment input to DFAS SCA by the shipper. A list of ARCs is contained in Appendix P of this Handbook. Code "CB" indicates that a credit adjustment will be made. Some MILSTRIP adjustments may also be coded that do not directly relate to a SDR; therefore further comparison to the stock number field is recommended to determine the validity.
ACTG DATE	**Accounting Date (ACTG DATE)** indicates calendar year (e.g., "12" = 2012) and month (e.g., 04 = April) that a transaction is processed by DFAS SCA.
TBC	**Transportation Bill Code (TBC)** is an alpha character used by DFAS SCA to recognize the necessity to charge for the transportation of materiel. TBCs are listed in Appendix H of this Handbook. Code "H," for example, indicates that the materiel was moved by "GBL, AMC Channel Airlift, USAF Organizational Airlift, MSC Sealift, and combinations therof, to a CONUS POE, when all arrangements subsequent to loading the vessel are made by the FMS purchaser."

DSC	**Delivery Source Code** DSC is comprised of two alpha characters. Codes in this field provide an audit trail between delivery transactions and Security Cooperation pricing policies. Code is also used by DFAS SCA to recognize the necessity to charge for packing, crating and handling (PC&H) , Transportation, and contract administration on procurement contract disbursements. DSCs are listed in Appendix Q of this Handbook. Code "AB," for example, relates to a Defense Working Capital Funds (DWCF) non excess (including technical data packages and publications) from inventory other than matured FMSO items.
DATE SHIP	**Date Shipped (DATE SHIP)** are four numeric characters with the first being the last digit of the calendar year (e.g., "2" = 2012) followed by the three position Julian Date (e.g., 011 = 11 January) that indicates the date that the material listed was shipped.
UNIT PRICE and EXTENDED VALUE	**Unit Price.** Derived in DFAS SCA by dividing quantity shipped into extended value reported by IA. An asterisk (*) in this Column means that the extended value is "not divisible" (in whole dollars and cents by quantity shipped). **Extended Value.** Quantity times Unit Price.

Administrative/Accessorial Transactions **[Reference: Figure 4-1]**	
DOC ID	**Document Identifier (DOC ID).** The document identifier indicates whether the transaction is a debit or credit of an administrative or accessorial cost. Refer to Appendix A of this Handbook for additional Delivery Listing Codes details and references. FKC - Administrative Costs (Debit). FKD - Administrative Cost Adjustments (Credit). FKE - Accessorial Costs (Debit). FKF - Accessorial Cost Adjustments (Credit).
Generic Code	**Generic Code.** Identifies the cost category. Refer to Appendix G (Authorized Charges Table) for additional details and references on the potential Generic Codes that can be listed.
COST DESCRIPTION	**Cost Description** provides a generic short title of cost. See discussion immediately preceding this block.
Document Number	**Document Number** is comprised of 3 positions which indicates:

	Position 1: U.S. Implementing Agency, e.g., "D" = U.S. Air Force. **Position 2-3:** Country code of recipient, e.g., BN.
Adjustment Reply Code (ARC)	**Adjustment Reply Code (ARC)** has the same meaning as in "Articles/Services Transactions" discussion. Normally, no entries are shown here because this is a summation of many entries in the "ARTICLES/SERVICES TRANSACTIONS" portion of the Delivery Listing. See Appendix P of this Handbook for listing of ARCs.
Actg Date	**Accounting Date (SDR DATE)** has the same meaning as in "Articles/Services Transactions" discussion. Note that all administrative/accessorial costs are summarized in terms of document identifier, generic code(s) relevant to that document identifier, and accounting date/month.
Type Of Cost	**Type of Cost.** Can be of two types: **Computed** - Meaning that the routine percentage charge is used, e.g., 3.00% for general administrative costs. The type of computation is denoted by the word "COMPUTED." **Actual** - Meaning that actual, in lieu of percentage derived, charges are applicable. This type of computation is denoted by the word "ACTUAL."

Figure 4-2: FMS Delivery Listing Summary Of Delivery Costs

PCN: UH028A150 **FMS DELIVERY LISTING** PAGE: 2

FOR PERIOD: 12 JUN 30
DATE PREPARED: 12 JUL 15

COUNTRY: BANDARIA STATEMENT NUMBER: 12-06DD
SERVICE: AIR FORCE CASE: YCY ITM NBR: 006 U.S. DEPT/AGENCY: AIR FORCE
SUMMARY OF DELIVERY COSTS

	ACTUAL COSTS	COMPUTED COSTS	TOTAL COSTS
			TOTAL COSTS
FKA ARTICLES/SERVICE COSTS			64,431.50
FKB ARTICLES/SERVICE COSTS			1,873.56 CR
NET TOTAL OF ARTICLES/SERVICES COSTS			62,557.94
FKC ADMINISTRATIVE COSTS	0.00	2,448.40	2,448.40
FKD ADMINISTRATIVE COSTS	0.00	71.20 CR	71.20 CR
NET TOTAL OF ADMINISTRATIVE COSTS	0.00	2,377.20	2,337.20
FKE ACCESSORAL COSTS			
L2B CONUS PORT HANDLING	0.00	1602.50	1,602.50
NET TOTAL OF ACCESSORIAL COSTS			1,602.50
TOTAL DELIVERY COSTS			66,497.64

Summary Of Delivery Costs **[Reference: Figure 4-2]**	
SUMMARY OF DELIVERY COSTS **NET TOTAL OF ARTICLES/SERVICES COSTS** **NET TOTAL OF ADMINISTRATIVE COSTS** **Net Total Of Accessorial Costs** **Total Delivery Costs**	**Summary of Delivery Costs.** In this portion of the Delivery Listing, the aggregated costs (irrespective of accounting date/month) are identified to their document identifier (e.g., FKA, FKB) and the Net Total is shown. Accessorial costs are further displayed by generic code. "Total Delivery Costs" equal to the net totals of articles/services costs, administrative costs, and accessorial costs.
Cost Information Summary.	**Cost Information Summary** displays the costs in terms of "ACTUAL COST," "COMPUTED COSTS," and "TOTAL COSTS." Note that the "Net Total of Articles/Services Costs" ($62,557.94 in this example) equates to the amount for that FMS case/item number in Column 9 of the DD Form 645 for this LOA Line item (006). The "Net Total of Administrative Costs" ($2,337.20 in this example) represents the LOA line 006's portion the Case's L6A ADMINISTRATIVE FEE figure (i.e., $5,885.28 in Column 9 ("Current Period Delivery Costs") of the DD Form 645 (See Figure 3-3 of this Handbook)..

Automated Products

The customer may request that DFAS SCA provide additional data to support the FMS Delivery Listings. Specific data formats prepared by DFAS SCA based upon Delivery Transactions are shown in Figures 4-3 through 4-8 for the following transactions.

- Articles/Service Transaction (Figure 4-3)
- Training Transaction (Figure 4-4)
- Administrative Transaction (Figure 4-5)
- Accessorial/Additional Cost Transaction (Figure 4-6)
- Articles/ Services Transaction (Figure 4-7)
- Administrative/Accessorial Cost Transactions (Figure 4-8)

Summary

The Security Cooperation Case Delivery Listing is a key attachment to the DD Form 645. Essentially, it contains detailed transaction data to support the entries in Column 9 ("Current Period Delivery Costs") of the DD Form 645. The FMS Purchaser may request data tapes to support the case's Delivery Listings.

Figure 4-3: Data Tape Format for Articles/Service Transaction

Data Tape Format for Articles/Service Transaction[1]	
Transaction Position	Field Contents
1-3	Document Identifier Code[2]
4-6	Routing Identifier Code
7	Price Code
8-22	Stock or Part Number/SDR Response
23-24	Unit of Issue
25-29	Quantity Shipped[3]
30-43	Document Number
44	Suffix Code
45-50	Supplemental Address
51	Mode of Shipment
52-53	Adjustment Reply Code
54-57	Accounting Date (numeric year and month in which processed at DFAS SCADFAS SCA)
58	Transportation Bill Code (second position of original code)
59-60	Delivery Source Code
61-64	Date Shipped
65-73	Extended Value[3,4]
74-80	Unit Price[4]
81-83	Item Number
84	Cost Identification Code
85	In-Country Service

1. The majority of data in this transaction is perpetuated from the Delivery Transaction report.
2. Document identifier code will be FKA for debits, FKB for credits, and FKG for reply to customer requests for adjustments. FKG cards may contain either debit or credit values and are financial information relating to the original FKA/FKB transaction.
3. A credit value is indicated by a CR or - after the value.
4. For items which exceed $99,999.99 in unit price, the extended value and unit price fields contain dollars only.

Figure 4-4: Data Tape Format for Training Transaction

Data Tape Format for Training Transaction	
TransactionPosition	Field Contents
1-3	Document Identifier Code (FKA, FKB)
4-6	Routing Identifier Code
7	Price Code (normally “A”)
8-22	Course Number or Brief Description
23-24	Unit of Issue (normally “XX”)
25-29	Quantity
30-43	Document Number (normally contains zeros in cc 33-35 and ITO date and/or number in cc 36-43)
44	Suffix Code or Blank
45-50	Supplemental Address (normally contains zeros in cc 46-47)
51-53	Blank or Zero
54-57	Accounting Date
58	Normally Blank
59-60	Delivery Source Code
61-64	Course Commencement Date or Blank
65-73	Extended Value (cost involved with training)
74-80	Unit Price (normally same as extended value)
81-83	Item Number
84	Cost Identification Code
85	In-Country Service

Figure 4-5: Data Tape Format for Administrative Transaction

Data Tape Format for Administrative Transaction	
TransactionPosition	Field Contents
1-3	Document Identifier Code (FKC for debits, FKD for credits)
4-6	Routing Identifier Code of activity which reported materiel/services to which administrative costs apply
7	Blank
8-19	Contains constant “ADM COST,” left-justified
20-29	Value to which cost applies, if applicable
30	U.S. IA Code
31-32	FMS Country Code
33-44	Blank
45	FMS Country Service
46-47	Blank
48-50	FMS Case Designator
51	Blank
52-53	Adjustment Reply Code, if applicable
54-57	Accounting Date
58-60	Generic Code (L6A)
61-64	Blank
65-73	Value of Administrative Cost
74-80	Percentage rate used, if applicable
81-83	Item Number
84	Cost Identification Code
85	In-Country Service

Figure 4-6: Data Tape Format for Accessorial/Additional Cost Transaction

Data Tape Format for Accessorial/Additional Cost Transaction	
Transaction Position	Field Contents
1-3	Document Identifier Code (FKE for debits, FKF for credits)
4-6	Routing Identifier Code of activity which reported materiel/services to which accessorial costs apply
7	Blank
8-19	Phrase identifying type of cost, e.g., ”CONUS T,” ”OSEAS T,” ”P POST,” ”PCH,” ”STAGING,” ”MEDICAL,” etc.
20-29	Value to which cost applies, if applicable
30	U.S. IA Code
31-32	FMS Country Code
33-44	Blank
45	FMS Country Service
46-47	Blank
48-50	FMS Case Designator
51	Blank
52-53	Adjustment Reply Code, if applicable
54-57	Accounting Date
58-60	Generic Code for type of cost as prescribed by the *Security Assistance Management Manual* (SAMM)
61-64	Blank
65-73	Value of Accessorial Cost
74-80	Percentage rate used, if applicable
81-83	Item Number
84	Cost Identification Code
85	In-Country Service

Figure 4-7: Data CD Format for Articles/Service Transaction

Data CD Format for Articles/Service Transaction[1]	
Transaction Position	Field Contents
1-3	Document Identifier Code
4-6	Routing Identifier Code
7	Price Code
8-22	Stock or Part Number/SDR Response
23-24	Unit of Issue
25-30	Quantity Shipped
31	Blank
32-45	Document Number
46	Suffix Code
47-52	Supplemental Address
53	Mode of Shipment
54-55	Adjustment Reply Code
56-59	Accounting Date (numeric year and month in which processed at DFAS SCADFAS SCA)
60	Transportation Bill Code (second position of original code)
61-62	Delivery Source Code
63-66	Date Shipped
67-79	Extended Value [2,3]
80-88	Unit Price[2,3,4]
89-91	Item Number
92	Cost Identification Code[5]
93	In-Country Service

1. The majority of data in this transaction is perpetuated from the Delivery Transaction report.

2. The sign positions are ‘0’ for positive and ‘-‘ for negative quantities.

3. For items that exceed $9,999,999.99 in the extended value field, the extended value is expressed as rounded whole dollars only (no cents).

4. For items that exceed $99,999.99 in the unit price field, the extended value and unit price fields contain dollars only.

5. This field always contains an ‘A’ (above the line costs, articles and services).

Figure 4-8: Data CD Format for Administrative and Accessorial Transactions

Data CD Format for Administrative and Accessorial Transactions	
Transaction Position	Field Contents
1-3	Document Identifier Code (DIC)
4-6	Routing Identifier Code of activity which reported materiel/services to which administrative/accessorial costs apply
7	Blank
8-19	Cost Description 1
20-31	Extended Value Total 2,3,4
32	U.S. IA Code
33-34	FMS Country Code
35	Type Cost 5
36-46	Blank
47	FMS Country Service
48-49	Blank
50-52	FMS Case Designator
53	Blank
54-55	Adjustment Reply Code, if applicable
56-59	Accounting Date
60-62	Generic Code (L6A)
63-66	Blank
67-77	Value of Administrative/Accessorial Cost3,4
78-85	Percentage rate used, if applicable4
86-88	Blank
89-91	Item Number
92	Cost Identification Code
93	In-Country Service
If the DIC is FKC or FKD, 'ADMIN-COSTS' should appear this space. If DIC is FKE or FKF, the generic description of the accessorial charges (i.e., CONUS TRANS, PCH, P Post, etc) should appear in this space.	

CHAPTER 5
Foreign Military Sales Financial Forecast

Purpose

The purpose of this chapter is to provide information on how to read and understand the Foreign Military Sales (FMS) Financial Forecast which is an optional attachment to the DD Form 645.

General Information
Function and Format

An FMS Financial Forecast (see Figure 5-1 for example) is prepared to show the anticipated forecast amounts which will eventually be posted to Column 11 (Forecasted Requirements) of the DD Form 645. In theory and most actual practice, the amounts contained in the FMS Financial Forecast are extracted from the most recent amended/modified Payment Schedule. The FMS Financial Forecast, in this instance, is valuable inasmuch as it reflects the latest payment schedule information as received by DFAS SCA. In other instances, such as requisition type, repair part, and FMSO II cases, where a quarterly "Committed Values for Requisition Cases" report is submitted the FMS Financial Forecast reflects the latest outlying forecasts. Also refer to the Payment Schedule for further clarity and understanding.

Cycle

This report is produced quarterly, along with the DD Form 645.

Figure 5-1: FMS Financial Forecast Example

U.S. DEPT/AGENCY: AIR FORCE

FMS FINANCIAL FORECAST

PAGE: 1

FOR PERIOD ENDED: 12 JUN 30
DATE PREPARED: 12 JUL 15

COUNTRY: BANDARIA
SERVICE: ARMY

STATEMENT NUMBER: 12-06DD

CASE	FORECAST BY QUARTER	1ST	2ND	3RD	4TH	5TH	6H	7TH
		8TH	9TH	10TH	11TH	12TH	13TH	14TH
		15TH	16TH	17TH	18TH	19TH		
YCY		482410	495860	617467	934354	1180446	2497919	4224507
		5856179	7787959	10340382	12976014	14527240	14300700	12023499
		8115776	4357168	1492615	0	0		
URK		7000	5000	1725	8000	12000	7500	0
		0	0	0	0	0	0	0
		0	0	0	0	0		
TOTAL STATEMENT		14461365	12645987	12452189	13918368	15719686	16806119	16248006

Explanation Of Entries On The FMS Financial Forecast

The following segmented illustrations are taken from Figure 5-1, which is a FMS Financial Forecast example for Statement Number 12-06DD and relates to FMS case designators YCY and URK each of which reflect future forecast amounts.

The 1st quarterly forecast entry equates to the DD Form 645. Block 2 (Payment Due Date), plus 90 days, e.g., if the DD Form 645, Block 2, date is 12 SEP 15 (September 15 2012), then the 1st quarterly forecast entry on the FMS Financial Forecast will equate to the 12 DEC 15 (December, 15 2012) amount from the payment schedule. The 2nd quarterly forecast entry will be 13 MAR 15 (March 15 2013) in this example, and so on.

Header Information	
U.S. DEPT/Agency: Air Force **Country:** Bandaria **Service:** Army	Upper Left-Hand Portion. Self-explanatory.
FMS Financial Forecast **Statement NR:** 12-06DD	**Upper Center Portion** Statement number is assigned mechanically and is composed of the numeric year and month representing the period ended followed by an alphabetic management code assigned by DFAS SCA. The management code (also referred to as the "bill code") is used to sort cases for distribution, and normally identifies the paying office. The foreign customer can request and obtain billing sorted in some other manner. In this example, the statement number is "12-06DD" with "12" indicating the calendar year 2012; "06" indicating the 06th month (June); and "DD" standing for the applicable management and/or paying office bill code.
For Period Ended: 12 JUN 30 **DATE PREPARED:** 12 JUL 15	Upper Right-Hand Portion. Self-explanatory. The Header Information, illustrated above, follows essentially the same pattern as the FMS Delivery Listing and no further discussion is needed.
Case	Left-Hand Side. Reflects the heading "CASE" (e.g. the cases YCY and URK in this example).
TOTAL STATEMENT	**Total Statement** heading relates to the Statement Number (12-06DD in this example).

FORECAST BY QUARTER	**Forecast by Quarter**. There is space on this report for 19 future quarterly forecasts - normally enough for most cases.

Summary

The FMS Financial Forecast is a rather straightforward report. It reflects anticipated, future payments starting with a payment due date 90 days beyond the date reflected in Block 2 of the DD Form 645.

Chapter 6
FMS Reply Listing To
Customer Request For Adjustments

Purpose

The purpose of this chapter is to provide information on how to read and understand the FMS (Foreign Military Sales) Reply Listing to Customer Requests for Adjustments, hereafter referred to as the Reply Listing. The Reply Listing, like the FMS Delivery Listing (Chapter 4) and the FMS Financial Forecast (Chapter 5), is an optional attachment to the DD Form 645.

General Information

Function And Format

The Reply Listing is a consolidated listing of the actions/dispositions taken in response to Supply Discrepancy Reports (SDRs) Standard Form 364 that are submitted by the purchaser. SDR dispositions are commonly referred to as “FKG transactions” inasmuch as the Document Identifier on the Reply Listing is FKG. Refer to Appendix A (Delivery Listing Codes) for additional details on the Delivery Listing Codes such as FKG.

Each FKG transaction contains many of the same data elements as the FKA/FKB transaction shown on the FMS Delivery Listing. The FKG is a management/non-financial transaction generated from an original FKA/FKB transaction. The Reply Listing is prepared in the same basic sequence as the Billing Statement and the FMS Delivery Listing. If the FMS Purchaser uses mechanized procedures, the FKG data (upon request) may be mailed with the Reply Listing.

The Reply Listing is illustrated in Figure 6-1, which contains a credit transaction to FMS case BN-B-XIL, RSN (i.e. LOA Line Number) 001; and FMS case BN-B-XIU, RSN (i.e. LOA Line Number) 002.

Cycle

The Reply Listing is prepared quarterly along with the DD Form 645.

Figure 6-1: FMS Reply Listing To Purchaser Request For Adjustments

FMS REPLY LISTING TO PURCHASER REQUESTS FOR ADJUSTMENTS

FOR PERIOD ENDED: 10 DEC 31
DATE PREPARED: 11 JAN 05

COUNTRY: BANDARIA
SERVICE: ARMY
STATEMENT NUMBER: 10-12NA
U.S. DEPT/AGENCY: ARMY

DOC ID	RIC	PRC CD	ROID SERIAL NUMBER	UNIT ISSUE	QUAN SHIP	DOCUMENT NUMBER	DOC SFX	SUPL ADRS	M S	ARC	ACCT DATE	TBC	DSC	UNIT PRICE	EXTENDED VALUE
						CASE: XIL RSN:001									
FKG	BY7	A	WZ001500Y616586	EA	4CR	BBDK443361A426		BZ2XIL		CB	1012	D	AB	70.43	281.72CR
						CASE: XIU RSN:002									
FKG	591	A	534001016767100	EA	800CR	BBDK443361B158		BZ2XIU		CB	1010	D	AB	1.50	1200.00CR

Explanation Of Entries On The Reply Listing [Reference: Figure 6-1]	
Header Information	The header information as shown in the Figure 6-1 example is essentially the same types of information that is documented (and previously explained in Chapter 4 of this Handbook) as the FMS Delivery Listing and no additional explanation is provided.
Country: Bandaria **Service:** Army	Upper Left-Hand Portion. Self-explanatory.
Statement Number: 10-12NA	Statement number that documents the year and month that the statement was prepared. In this example, the statement number (10-12NA) indicates that the report was prepared in the 12th month (December) of the year 2010. The "NA" indicates the applicable management and/or paying office bill code.
For Period Ended: 10 DEC 31 **Date Prepared:** 11 JAN 05	Upper Right-Hand Portion. Self-explanatory.

U.S. Dept/Agency: Army	
CASE	**Case.** Identifies the FMS case that the subsequent SDRs were submitted on.
RSN NBR	**RSN NBR.** Identifies the FMS LOA line number (for the case previously identified) that the subsequent SDRs were submitted on.
DOC ID **RIC** **PRC**	**DOC ID RIC PRC.** Refers to the Document ID, Routing Identification Code (RIC), and Price Code (PRC) that was previously discussed in Chapter 4 of this Handbook.
ROID Serial Number	**ROID.** Report of Item Discrepancy (ROID) is an obsolete term (which is now officially refered to as as a Supply Discrepancy Report (SDR), but the "ROID" term still appears on the "FMS REPLY LISTING TO CUSTOMER REQUEST FOR ADJUSTMENT" forms. It documents and refers to the specific SDR that the customer submited that is referred to on that line entry.
Unit Issue **Quan Ship** **Document Number** **DOC SFX** **SUPL ADRS** **MS** **ARC** **ACTG DATE** **TBC** **DSC** **UNIT PRICE** **EXTENDED VALUE**	Refers to the terms that were previously discussed in Chapter 4 of this Handbook. See Appendix P for a listing and additional details and references for Adjust Reply Codes (ARCs).

Summary

The FMS Reply Listing to Customer Requests for Adjustments (commonly referred to as the Reply Listing) is a consolidated listing of the actions taken in response to SDRs. SDR debit/credit transactions will appear both on the FMS Delivery Listing (as an FKA/FKB transaction) and the Reply Listing (as an FKG information transaction).

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Chapter 7
Holding Account Statement

Purpose

The purpose of this chapter is to provide information on how to read and understand the Holding Account Statements.

General Information
Function

Cash payments are often received, for an individual FMS case, which are determined to be in excess of the final value of that particular case at time of closure. Also, there are instances where Purchaser funds are received prior to receipt of an accepted letter of offer and acceptance (LOA) or other identifying documentation. Since these funds must be promptly deposited/recorded to the U.S. Treasury account for control purposes, they are deposited to the country's Holding Account pending identification. Unreserved funds in this account may be retained, applied to other FMS cases, or refunded at the purchaser's request, provided there are no collection delinquencies for other FMS cases.

Cycle

Transactions which effect a purchaser's holding account will be recorded on a Holding Account Statement and forwarded with the DD Form 645, during the period in which the charge/credit occurred.

Explanation Of Entries On The Holding Account Statement

Referring to Figure 7-1, the following comments are applicable:

- If no transactions are processed during a given quarter, a Holding Account Statement is prepared stating: "NO ACTIVITY DURING BILLING CYCLE."
- There is at least one Holding Accounts for the country, and perhaps for each Military Service of the Purchaser country. The Holding Account numbering system is explained below.
- Holding Account transactions are recorded by date, detail, and amount of deposit/withdrawal. A Holding Account Statement is required on a calendar quarter basis and also reflects the opening and closing balances. (Funds reserved for specific purposes/cases are not available for redistribution by the FMS customer.)
- A pseudo designator is assigned by DFAS SCA for each holding account. This **three-position designator** is structured as follows:
    - The first position (numeric) describes the type of funds in the Holding account. See the table on the next page of this Handbook for reference on the holding account designations.
    - The second position (alpha) identifies the applicable U.S. Implementing Agency (IA). In some instances, DFAS SCA may code the second position "Q" (or some other alpha) to either reduce the number of accounts (e.g. to consolidate that category of holding account funds at the country level), or to satisfy some other customer country request. For a complete understanding of the coding of a specific Holding account, the customer should contact DFAS SCA country manager.
    - The third position (alpha) identifies the applicable purchaser's in-country service.

Numeric	Type of Funds
0	Federal Reserve Bank (FRB) Interest bearing account
1	Regular FMS payments by purchaser
2	Military Assistance Program (MAP) funds (MAP is non-refundable to FMS Customer)
3	Third country recoupments
4	Buybacks
5	Credit FMS funds (non-refundable to FMS Customer)
6	World-Wide Redistribution Services (WWRS)
7	ULO (Participating Countries) refundable to customer
8	Supply Discrepancy Report (SDR) Transportation Reimbursement
9	Commercial Bank Account (CBA)

Example: Holding Account "BN-B-1BB" illustrated in Figure 7-1, indicates regular FMS payments by Purchaser (numeric "1") applicable to a U.S. Army program/case (Alpha "B") and the purchaser's Army (Alpha "B").

Figure 7-1: Bandaria Holding Account Example

BANDARIA HOLDING ACCOUNT: BN-B-1BB FOR QUARTER ENDING: DECEMBER 31, 2008 CASH ACCOUNT FOR SALES TO BANDARIA ARMY				
DATE	DETAIL	DEPOSITS	WITHDRAWALS	BALANCE
30-Sep-08	BALANCE BROUGHT FORWARD			$3,000.00
25-Oct-08	Funds transferred to BN-B-1BD Holding Account		$200.00	
14-Nov-08	Excess funds from closed case P-JAC	$90.00		
29-Dec-08	Cross-leveling transactions per letter, Embassy of Bandaria, 15 SEP 06 from cases:			
	B-KAA	$50.00		
	D-KAB	$75.00		
29-Dec-08	Cross-leveling transactions per letter, Embassy of Bandaria, 15 SEP 06 to cases:			
	D-KBU		$100.00	
	D-KAW		$25.00	
31-Dec-08	ENDING BALANCE			$2,890.00

Summary

The Holding Account Statement(s) is rendered on a quarterly basis. The Holding Account concept provides a simplified method for accounting for funds awaiting further disposition instructions. Each military service within a Purchaser country can potentially have at least one, maybe more, Holding Accounts.

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Chapter 8
Accelerated Case Closure Suspense Account Statement

General Information

The Accelerated Case Closure Suspense Account statement depicts closed Foreign Military Sales (FMS) cases of participating countries as designed in SAMM C4 Table 2. Participation is mandatory for countries and organizations receiving Foreign Military Financing (FMF), and optional for other countries. These "Interim Closed (IC)" cases documented in this report have had all required ordered goods and services delivered and/or provided (i.e. "SSC" – Logistically complete), and only final financial reporting is necessary (i.e. logistically complete but NOT financially complete) to final close the case(s).

Entries and information of the statement is basically self explanatory indicating the FMS Country, U.S. IA, case designator, and date the case was closed. Financial information by case is indicated in the last three columns. Reported financial obligations in the Current Quarter Activity column will adjust the Current Quarter Balance. The Current Quarter Balance then represents those outstanding financial obligations that are yet to be reported by the IA.

Figure 8-1: Accelerated Case Closure Suspense Account

CC	IA	CASE	STATUS CHANGE	DT-CLSR	PREV QTR BAL (1409)	CURR QTR ACTIVITY	CURR QTR BAL (1412)
BN	B	BGG		94150	1,480.00	0.00	1,480.00
BN	B	ZPK		98211	14,862.48	0.00	14,862.48
Subtotal By IA					16,342.48	0.00	16,342.48

CC	IA	CASE	STATUS CHANGE	DT-CLSR	PREV QTR BAL (1409)	CURR QTR ACTIVITY	CURR QTR BAL (1412)
BN	D	GEX		98181	163,356.13	0.00	163,356.13
BN	D	GFU	*	99340	0.00	312.56	312.56
BN	D	NCO		98138	2,135.26-	0.00	2,135.26-
Subtotal By IA					161,220.87	312.56	161,533.43

CC	IA	CASE	STATUS CHANGE	DT-CLSR	PREV QTR BAL (1409)	CURR QTR ACTIVITY	CURR QTR BAL (1412)
BN	P	AQA		95263	7,771.27	7,463.57-	307.70
BN	P	BBK		98090	219,887.44	216,900.44	436,787.88
BN	P	GCC		95181	73,981.06	75,583.36-	1,602.30-
Subtotal By IA					301,639.77	133,853.51	435,493.28

Notes:

1. An asterisk (*) in Status Change column means the case was closed in the current quarter. An R in the Status Change column means the case was reopened in the current quarter.
2. The "1409" under the PREV QTR BAL indicates the year and month of the previous quarter. (In this example, the previous quarter was September 2014).
3. The next column indicates the net balance of all activity in the current quarter.
4. The last column then indicates the balance, again by case, as of the end of the current quarter ("1412" = December, 2014 in this example).

Appendices

Appendix A
Delivery Listing and Delivery Cost Total Codes

[FMR VOL 15 Chapter 8 Table 8-3 (Delivery Listing Codes)]

[FMR VOL 15 Chapter 8 Table 8-4 (Delivery Cost Total Codes)]

General Description

Codes are assigned by DFAS SCA to identify the Delivery Listing transactions and whether the transaction is a debit or credit. [FMR VOL 15, Chapter 8, Section 080204.C (FMS Delivery Listing)] Following is a listing of the codes that can be used, along with additional explanations of how they are used and how to interpret their meaning:

Code	Title	Debit or Credit
FKA	Articles/Service Transactions	Debit
FKB	Articles/Service Transactions Adjustment	Credit
FKC	Administrative Costs	Debit
FKD	Administrative Cost Adjustment	Credit
FKE	Accessorial Costs	Debit
FKF	Accessorial Cost Adjustments	Credit
FKG	Reply to Purchaser Request for Adjustments	Debit or Credit

- FKA and FKB Entries:
    - “FKA Articles/Services Cost” represents the total of detail FKA (Debit) transactions.
    - “FKB Articles/Services Cost” represents the charge reversals (of FKAs) providing the total of detail FKB (Credit) adjustment transactions.
    - “Net Total of Articles/Services Cost” provides the total of all FKB (Credits) subtracted from total FKA (Debits).

- FKC Administrative Costs and FKD Administrative Costs Administrative Cost Adjustments.
    - If DFAS SCA computes the cost, the value against which the percentage factor is applied, the percentage factor used, and the applied charge (under ADMIN/ACSRL COST) are shown. The charge is shown as a debit (FKC) or credit (FKD) amount.
    - If actual costs have been applied, the words “ACTUAL CHARGE” are shown as Type of Cost. FKC transactions are applied against FKA transactions. FKD (credit Administrative Cost Adjustments) transactions are applied against FKB transactions.
- FKE Accessorial Costs and FKF Accessorial Costs and KFK Accessorial Cost Adjustment:
    - FKE transactions are applied against FKA (Articles/Services debit) transactions.
    - FKF transactions are applied against FKB (Articles/Services credit) transactions.
    - Each “below-the-line” accessorial cost applied is identified by Generic Code and description of cost below the FKE and FKF headings. For example:
        - L1A Inland Transport CONUS
        - L1B Ocean Transportation
    - Net Total of Administrative Costs. All FKC (debit) and FKD (credit) transactions equal the net total of administrative costs.
    - Net Total of Accessorial Costs. All FKE (debit) and FKF (credit) transactions equal the net total of accessorial costs.
    - Total Delivery Costs. The sum of net totals for article/service costs, FMS administrative surcharge, and accessorial costs equals total delivered costs.

Appendix B
Routing Identifier Codes (RIC)

The Routing Identifier Code (RIC) identifies the item manager, the supply depot or vendor from which the materiel is issued, or the ILCO. In FEDLog, PubLog or WebFLIS, the RIC is reflected as the Source of Supply (SOS). All sources of supply have RICs, but not all RICs are sources of supply. Supply transactions may contain more than one RIC to identify the implementing agency, the item manager, or the depot from which the materiel is released. (These are only a sample of available RICs extracted from DLM 4000.25-1, *Military Standard Requisitioning and Issue Procedures*. If a RIC appears in the supply requisition that is not identified here, you may look it up online at **https://www.transactionservices.dla.mil/DAASINQ**.

RIC (RP 4-6)	**Explanation**
AKZ	U.S. Army Tank, Automotive and Armaments Command (TACOM-W), Warren, Michigan.
AQ5	DLA Distribution Depot, San Joaquin, California (DDJC)
AN5	DLA Distribution Depot, Susquehanna, Pennsylvania (DDSP)
AXF	U.S. Army Security Assistance Training Field Activity (SATFA), Fort Monroe, Virginia.
A12	U.S. Army Soldier Systems Command, Natick, Massachusetts.
BAM	U.S. Army Simulation, Training & Instrumentation (PEO-STRI), Orlando, Florida.
BY7	U.S. Army Security Assistance Command (USASAC), New Cumberland, Pennsylvania.
B14, BKZ	U.S. Army Joint Munitions Command (JMC), Rock Island, Arsenal, Illinois.
B16	U.S. Army Communications-Electronics Command (CECOM), Aberdeen Proving Ground, Maryland.
B17	U.S. Army Aviation and Missile Command (AMCOM), Redstone Arsenal, Alabama (Aviation Equipment).
B56	National Security Agency (NSA) COMSEC Logistics, Tobyhanna, Pennsylvania.
B64	U.S. Army Aviation and Missile Command (AMCOM), Redstone Arsenal, Alabama (Missile Equipment).
B69	U.S. Army Medical Materiel Agency (USAMMA), Fort Detrick, Maryland.

RIC (RP 4-6)	Explanation
CAT, M31	Caterpillar Inc. Defense and Federal Products Division, Moosville, Illinois.
CLC	Thales-Raytheon Systems Co., El Segundo, California.
F01	Lockheed-Martin Aeronautical Systems, Marietta, Georgia.
F06	Lockheed-Martin Aeronautical Systems, Keesler AFB, Mississippi.
F13	Pratt & Whitney Corp. West Palm Beach, Florida.
F16	Rolls-Royce Corp. Indianapolis, Indiana.
F28	The Boeing Company, Fort Walton Beach, Florida.
F50	The Boeing Company C-130 Avionics Modification Program, St. Louis, Missouri.
F78	Northrop-Grumman, San Diego, California.
F85	ITT Industries, Patrick AFB, Florida.
DN6	Aviation Maintenance and Recoverability Group (AMARG), Tucson, Arizona.
DPO	Used by U.S. Army when USASAC transfers funds to another agency via a Military Interdepartmental Purchase Request (MIPR).
FGZ, FG5	Ogden Air Logistics Complex, Hill AFB, Ogden, Utah.
FHZ	Oklahoma Air Logistics Complex, Tinker AFB, Oklahoma City, Oklahoma.
FJ0	U.S. Air Force Security Assistance Training Squadron (AFSAT), Randolph AFB, Texas.
FLZ	Warner Robins Air Logistics Complex, Robins AFB, Georgia.
FNH	U.S. Air Force Security Assistance and Cooperation Directorate (AFSAC), Wright- Patterson AFB, Ohio.
FPD	Cryptologic Systems Group (CPSG),San Antonio, Texas.
FWW	World Wide Warehouse Redistribution Services (WWRS), Wright-Patterson AFB, Ohio.

RIC (RP 4-6)	Explanation
FXC	Air Force Parts and Repair Ordering System (PROS IV).
GSA	General Services Administration (GSA), Washington DC.
HB1	Missile Defense Agency (MDA), Washington DC.
HGD	Honeywell Federal Manufacturing & Technologies, Kansas City, Missouri
HM8	DLA Distribution Mapping Activity, Richmond, Virginia.
JCD	Local Purchase.
L05, M05	BAE Systems Marine, LTD. Barrow-in-Furness, Cumbria, UK.
LA9, MA9	Oshkosh Truck Corp. Oshkosh, Wisconsin.
LB4	Navistar International Corp. Springfield, Ohio.
LC5	General Dynamics Amphibious Systems, Woodbridge, Virginia.
LC6, M00	Raytheon Company, McKinney, Texas.
LC7, M20	United Defense Ground Systems, York, Pennsylvania.
LC9, MA8	AM General, Mishawaka, Indiana.
LD6	Harris Corp. GCSD, Palm Bay, Florida.
MBB	Materiel Division, Marine Corps Logistics Base, Barstow, California.
MPB	ILS Directorate, Marine Corps Logistics Base, Albany, Georgia.
N21	Naval Air Systems Command (NAVAIR), Washington, DC.
N23, N24	Naval Sea Systems Command (NAVSEA), Washington, DC.
N32	Naval Supply System Command-Weapon System Support- Philadelphia (NAVSUP-WSS-P).

RIC (RP 4-6)	Explanation
N35	Naval Supply System Command-Weapon System Support-Mechanicsburg (NAVSUP-WSS-M).
N36	Naval Education & Training Security Assistance Field Activity (NETSAFA), Pensacola, Florida.
N47	Navy Fleet Material Support Office, Mechanicsburg, Pennsylvania.
N65	Naval Supply System Command-Weapon System Support, International Programs Directorate (NAVSUP-WSS-N52), Philadelphia, Pennsylvania.
N77	Space and Naval Warfare Systems Command (SPAWAR), San Diego, California.
NCB	Naval Ordnance Center, Mechanicsburg, Pennsylvania.
NFZ	Naval Publications and Forms Center (NPFC), Philadelphia, Pennsylvania.
NRP	Naval Supply System Command-Weapon System Support, (NAVSUP-WSS), Philadelphia, Pennsylvania.
P64	Crane Division Naval Surface Warfare Center, Code 1121, Crane, Indiana.
S9G	DLA Aviation, Richmond, Virginia.
S9C, S9E	DLA Land and Maritime, Columbus, Ohio.
S9F	DLA Energy, Ft. Belvoir, Virginia.
S9M, S9P, S9T, S9I,	DLA Troop Support, Philadelphia, Pennsylvania.
S9D	DLA Disposition Services, Battle Creek, Michigan
S6J	Defense Contract Management Agency (DCMA), Fort Belvoir, Virginia.
S9L	DLA Logistics Information Service, Battle Creek, Michigan.
SCJ	DLA Distribution Depot, Pearl Harbor, Hawaii (DDPH)
SDA	DLA Distribution Depot, Albany, Georgia (DDAG)

RIC (RP 4-6)	Explanation
SDA	DLA Distribution Depot, Albany, Georgia (DDAG)
SDB	DLA Distribution Depot, Anniston, Alabama (DDAA)
SDC	DLA Distribution Depot, Tobyhanna, Pennsylvania (DDTP)
SDD	DLA Distribution Depot, Warner Robins, Georgia (DDWG)
SDF	DLA Distribution Depot, Norfolk, Virginia (DDNV)
SDH	DLA Distribution Depot, Cherry Point, North Carolina (DDCN)
SDM	DLA Distribution Depot, Jacksonville, Florida (DDJF)
SDN	DLA Distribution Depot, Red River, Texas (DDRT)
SDS	DLA Distribution Depot, Corpus Christi, Texas (DDCT)
SDT	DLA Distribution Depot, Hill Air Force Base, Utah (DDHU)
SDU	DLA Distribution Depot, Oklahoma City, Oklahoma (DDOO)
SDX	DLA Distribution Depot, San Diego, California (DDDC)
SEB	DLA Distribution Depot, Puget Sound, Washington (DDPW)
SG2	DLA Distribution Depot, Barstow, California (DDBC)
SGA	DLA Transaction Services, Wright-Patterson AFB, Ohio.
SMS	DLA Enterprise Business Systems (EBS).
SRR	DLA Distribution Depot, Richmond, Virginia (DDRV)
ZIC	U.S. Coast Guard Supply Center, Curtis Bay, Baltimore, Maryland.

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Appendix C
Price Code (Prc Cd)

[FMR VOL 15, Chapter 8, Section 080402.D (Delivery Reporting Codes – Price Code)]

This field contains an alpha code that identifies the report as a charge to WIP or a physical delivery or performance of requested DoD services. Three codes are authorized:

Code Meaning

- **Code "A"** is used to report physical delivery of items or performance of DoD services at actual costs. If correcting a previously reported actual cost, use code "A" with a credit value to reverse the previously submitted actual cost report; then enter a separate actual cost report with the corrected actual informationActual price.

- **Code "E"** is used to report physical delivery of items at an estimated price. The use of an "E" price code in reporting the deliveries of major end items is allowed if an actual price code is not available within 30 days of date of shipment. Furthermore, "E" price code usage is required in reporting the deliveries of major end items if an actual price is not available within 90 days of date of shipment. Use of the estimated price code is encouraged to expedite physical delivery reporting.
    - When updating estimated information, use "E" with a credit value to reverse a previously submitted estimated "E" report, and then enter a separate "E" report with the updated estimated information.
    - The reversal of "E" prices and replacement with "A" prices should be done as soon as the actual prices are known.

- **Code "N"** is used to report incremental billings (such as Work in Progress (WIP) to contractors or provision of government furnished materiel (GFM) to a contractor). Code "N" may also be considered to be a Contract Administration Service (CAS) computing code under the following rules:
    - Contractor progress payments must be reported with DSC "DE" or "DK" only using price code "N" if CAS is applicable. The reimbursement code must be a code other than "N" when CAS is not applicable. This rule applies to all services.
    - All IAs and applicable DFAS activities will report physical deliveries with any "delivery" DSC, an "N" reimbursement code, and price code of "E" (estimated) or "A" (actual).
    - When contracts require no progress payment reports, such as might be the case on small contracts, use a DSC "DA" through "DD," "BB" or "ED," and if CAS is to be computed, use an "N" price code. The "N" price code will not be reflected in the delivery listing.
    - An "N" price code reported in any transaction with an "N" reimbursement code will reject.

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Appendix D
MILSTRIP Document Number (FMS)

[FMR VOL 15, Chapter 8, Section 080402.H (Delivery Reporting Codes – Document Number)]

[Additional reference and instructional tool is the DISCS "MILSTRIP for FMS Customers" Handbook Chapter 2 (Preparing Requisitions, Modifications, and Follow-Ups) which can be accessed and downloaded at the DISCS Publications website (http://www.discs.dsca.mil/pages/pubs/default.aspx)]

PURPOSE: To provide a document record under which order, performance, and billing can be traced (by means of a standard 14-digit number). The document number should be traceable from the country's requirement to the billing transaction on the Delivery Listing attached to the DD Form 645.

Position	Description of Data	Number of Digits	MILSTRIP C/C
1	**Implementing Agency (IA) Code**	1	30
2 and 3	**Applicable Security Cooperation (SC) customer and regional code as prescribed in SAMM**	2	31-32
4	**Mark For Code**	1	33
5	**Delivery Term Code**	1	34
6	**Type of Assistance Code**	1	35
7 thru 10	**Requisition Date (Julian Date - YDDD)**	4	36-39
11 thru 14	**Serial Number of Requisition**	4	40-43

Appendix E
Implementing Agency (IA) Codes

[SAMM C5.T2 (IA's Authorized to Receive LORs)]

Implementing Agency (IA) Code	**Implementing Agency (IA)**
B	U.S. ARMY (USA)
P	U.S. DEPARTMENT OF THE NAVY (USN / USMC / USCG)
D	U.S. AIR FORCE (USAF)
F	DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA)
C	DEFENSE INFORMATION SYSTEMS AGENCY (DISA)
R	DEFENSE LOGISTICS AGENCY (DLA)
Q	DEFENSE SECURITY COOPERATION AGENCY (DSCA)
Z	DEFENSE THREAT REDUCTION AGENCY (DTRA)
I	MISSILE DEFENSE AGENCY (MDA)
U	NATIONAL GEOPSPATIAL-INTELLIGENCE AGENCY (NGA)
M	NATIONAL SECURITY AGENCY (NSA)

Appendix F
Delivery Term Codes

[FMR VOL 15, Chapter 8, Section 080402.H.4 (Delivery Reporting Codes – Document Number DTC)]

[SAMM C9 Table T4a (DTCs and Percentage)

[DIFS Table 23 (Generic Surcharge) and Table 29 (DTC Component)]

DTC GENERIC CODE(S)	PERCENTAGE	DESCRIPTION
2 L1A	0.00% / 3.75%	DoD/USG delivers to a CONUS inland point (or overseas inland point when a shipment's origin and destination are within the same geographic area). Recipient country is responsible for unloading at named point and subsequent arrangements and costs..
4	0.00% / 0.00%	Delivery at origin. Material is made available to the FMS purchaser country at the point of origin (i.e., a depot's or vendor's loading dock). The FMS purchaser is responsible for taking title as well as custody at that point.
5 L1A	0.00% / 3.75%	Delivery to a CONUS-located freight forwarder, FMS purchaser country facility or commercial port. DoD is responsible for transportation to the POE. The FMS purchaser is responsible for unloading the material from the inland carrier's equipment at the port of debarkation (POD), delivery alongside the vessel/aircraft, and all subsequent onward movement.
8 L1A L2B	2.50% / 6.25%	DoD delivery on board an FMS purchaser country controlled ship or aircraft at a DoD-controlled POE. DoD is responsible for transportation from the point of origin to an FMS purchaser country controlled ship or aircraft at a DoD-controlled POE, including unloading material from the inland carrier, port handling, and storage aboard FMS purchaser country controlled ship or aircraft. The FMS purchaser country is responsible for all subsequent movement.
9 L1A L2B L1B L2C	7.50% / 11.25% (1) 15.5% / 19.25% (2)	DoD delivery to the overseas air or ocean POD closest to the purchaser's country. This POD may or may not be in the purchaser's country. The shipment can originate from a U.S. or overseas source and may be made either by using DoD assets or DoD contracted commercial carriers. The purchaser is responsible for all handling and onward movement of the material from the POD.

DTC GENERIC CODE(S)	PERCENTAGE	DESCRIPTION
7 L1A L2B L1B L2C L1F	10.50% / 14.25% (1) 18.50% / 22.25% (2)	DoD delivery through DTS to a delivery address designated by the FMS purchaser. The shipment can originate from a U.S. or overseas source and may be made either by using DoD assets or DoD contracted commercial carriers. The shipment will be delivered to a specified location in the FMS purchaser country. Upon arrival at the specified location in country, the FMS purchaser may be responsible for the reception and staging of the shipment and is responsible for onward movement.
0	N/A	Zero (0) is not a DTC. It is assigned to all non-FMS Security Cooperation Program (SCP) procedure shipments to fill the DTC position. DoD responsibility for all non-FMS SCP type shipments is equivalent to DTC 9.
A	Note #4	DoD is responsible for transportation from designated overseas POE to a CONUS destination and subsequent return to a designated overseas POD. The FMS purchaser is responsible for overseas inland transportation of materiel to or from the overseas POE or POD and overseas port handling.
B	Note #4	DoD is responsible for transportation from a designated overseas POE to a CONUS destination, return to a CONUS POE and CONUS port handling. The FMS purchaser country is responsible for overseas inland transportation to the overseas POE, overseas port loading, and all return transportation from the CONUS POE to ultimate destination.
C	Note #4	DoD is responsible for CONUS port unloading from the FMS purchaser arranged carrier, transportation to and from a designated CONUS destination, and CONUS port loading of FMS purchaser arranged carrier. The FMS purchaser is responsible for movement of materiel to and from the CONUS POD or POE.
E	Note #4	The FMS purchaser is responsible for all transportation from overseas point of origin to CONUS destination and return to an overseas destination. Delivery is to a CONUS-located freight forwarder, FMS purchaser country facility or commercial port.

DTC GENERIC CODE(S)	PERCENTAGE	DESCRIPTION
F	Note #4	DoD is responsible for transportation from an overseas inland location to an overseas POE, overseas port handling, transportation to a CONUS POD, CONUS port handling, inland transportation to a designated CONUS destination, and return to an overseas destination.
G	Note #4	DoD is responsible for overseas port handling through an overseas POE, transportation to a CONUS POD, CONUS port handling, inland transportation to a CONUS destination, return to an overseas POD and overseas port handling. The FMS purchaser country is responsible for overseas inland transportation to and from the overseas POE or POD.
H	Note #4	The FMS purchaser country is responsible for all transportation from overseas point of origin to the CONUS repair facility. DoD/USG is responsible for transportation from CONUS repair facility to CONUS POE. The FMS purchaser country is responsible for CONUS POE port handling and all further movement to overseas destination.
J	Note #4	The FMS purchaser country is responsible for all transportation from overseas point of origin to CONUS repair facility. DoD/USG is responsible for all transportation from CONUS repair facility to the overseas inland destination.

NOTES:

1. Rate Area #1

2. Rate Area #2

3. Percentage to the right of the slash ("/") is applicable for "Other than DWCF" (Defense Working Capitol Fund - DWCF) materiel

4. Not listed in FMR or SAMM. FMR VOL 15 Chapter 8, Section 080402.H.4.b. states “Normally, the return of repaired materiel will be reported using transportation bill code (TBC) “L”, and Section 080402.Q states “Report the return of repaired materiel using TBC “L””

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Appendix G
Authorized Charges Table

[FMR VOL 15, Chapter 8, Table 8-5]

[DIFS Table 23 (Generic Surcharge) and Table 29 (DTC Component)]

Generic Code (Notes Generic 1,2,4&5)	**Generic Long Title**	**Generic Short Title**	**Percent**
L1A	INLAND TRANSPORT CONUS	CONUS TRANS	3.75
L1B	OCEAN TRANSPORTATION	OCEAN TRANS	4.00 / 12.00 (Note 3)
L1C	AIR TRANSPORTATION	AIR TRANS	4.00 / 6.00 (Note 3)
L1D	PARCEL POST	PARCEL POST	3.75
L1E	COMMERCIAL PKG CARRIERS	COMM PKG	3.75
L1F	INLAND TRANSPORT OVERSEAS	OS INLAND	3.00
L1O	TRANSPORTATION COSTS	TRANS COSTS	0.00
L2A	PACKING, CRATING, & HANDLE (PC&H)	PCH	3.5% of unit cost up to $50,000 per unit cost and then 1.0% for the remaining unit cost that exceeds $50,000
L2B	CONUS PORT HANDLING	CONUS PORT	2.50
L2C	OVERSEAS PORT HANDLING	OS PORT	1.00
L4A	STORAGE (FMSO II ONLY)	STORAGE	1.50 Actual Cost
L4B	STORAGE (ALL OTHER STORAGE)	STORAGE	Actual Cost
L4O	STAGING	STAGING	3.00

Generic Code (Notes Generic 1,2,4&5)	**Generic Long Title**	**Generic Short Title**	**Percent**
L6A	ADMINISTRATIVE COSTS	ADMIN COSTS	3.5 current rate,
N7E	MEDICAL	MEDICAL	0.00
N7F	QUARTERS	QUARTERS	Actual Cost
R9D	TDP ROYALTY FEE	TDP ROYALTY	0.00
R9H	ASSET USE CHARGE	ASSET USE	1.00 (on inventory issues)
U1O	NORMAL INVENTORY LOSS	INV LOSS	Actual Cost

Notes:

1. The above authorized charges appear in the FMS Delivery Listing.

2. Generic Code LOO, which appears on the face of the DD Form 645 (in column 6), represents the summation (or roll-up) of the above L1_, L2_, and L4_ authorized charges for a given FMS Case. Generic Code L6A appears on both the face of the DD Form 645 and the FMS Delivery Listing.

3. When two percents are shown, the first percent relates to Delivery Rate Area 1 and the second percent to Delivery Rate Area 2. Each FMS country is designated as either Delivery Rate Area 1 or 2; considering such factors as the distance/accessibility from the U.S. for shipment purposes.

    a. Rate Area 1 includes Europe, Hawaii, Latin America (Central America and Caribbean Basin), and Mediterranean ports

    b. Rate Area 2 includes Newfoundland, Labrador, Thule, Iceland, South America (East and West Coasts), Far East, African ports (other than Mediterranean), and Near East

4. Standard PCH rates of 3.5/1.0 percent apply unless RIC begins with “G,” then rate provided by GSA applies.

5. DWCF Pricing Policy changed the computation of generic code L1A for CONUS transportation and generic code L2A for Packaging Creating and Handling. The following logic is now in place: Effective October 1, 1990, if Delivery Source Code equals AA, AB, AC, AD, AH, AJ, AK, CA, EF, or EG and the ship date is greater than or equal to October 1, 1990, bypass generic code L1A and generic code L2A.

6. Effective October 1, 1991, if Delivery Source Code equals AA, AB, AC, AD, AH, AJ, AK, CA, EF, or EG and the ship date is greater than or equal to October 1, 1991, bypass generic code L1D and generic code L1E.

Appendix H
Transportation Bill Codes (TBC)

[FMR VOL 15, CH 8, Section 080402.Q (Delivery Reporting Codes - TBC)]

[FMR Table 8-48 (Transportaiton Bill Codes)]

[FMR VOL 15, CH 8, Section 080404.C (DFAS SCA Computations – Transportation Charges)]

This field is one alpha character. Transportation Bill Codes (TBCs) are used to bill FMS purchasers for "below-the-line" transportation costs, if the actual method of transportation is different than that identified by the DTC. A "below-the-line" charge is applied based on the DTC within the delivery transaction. However, if the delivery transaction includes an optional TBC, the TBC will supersede the DTC in determining the transportation to be assessed. Also, if the delivery transaction contains a DTC of "8" or "9", the transportation cost look-up table rate will be used if the item is included within the transportation cost look-up table. Normally, the return of repaired materiel was reported through the use of TBC "L." Applicable codes follow:

TBC	Description
A	Materiel moved by parcel post to an inland CONUS/Canada (except Newfoundland and Labrador) destination or freight forwarder, or to an overseas destination through the APO or international mail. The FMS purchaser makes all subsequent arrangements.
B	Materiel moved by commercial package carrier to an inland CONUS/Canada (except Newfoundland and Labrador) destination or freight forwarder, when all subsequent arrangements are made by the FMS purchaser. However, see TBC "Z.".
C	Materiel moved by GBL, AMC channel airlift, Air Force organizational airlift, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two, including overseas carrier discharge. The FMS purchaser makes all subsequent arrangements.
D	Any form of materiel for which the FMS purchaser is totally responsible, such as materiel moved by a collect commercial bill of lading to an inland CONUS destination, free alongside ship (FAS), an overseas carrier at a CONUS POE, freight forwarder, a CONUS POE, or an inland overseas destination. Also used, if transportation costs are not applicable.
E	Materiel moved by GBL, AMC channel airlift, Air Force organizational airlift, MSC sealift, and combinations thereof, to an inland CONUS destination, FAS an overseas carrier at a CONUS POE, a freight forwarder, or a CONUS POE when all subsequent arrangements are made by the FMS purchaser.
F	Materiel moved by GBL, AMC channel airlift, Air Force organizational airlift, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two, when overseas carrier discharge and all subsequent arrangements are made by the FMS purchaser.
G	Materiel moved by GBL, AMC channel airlift, Air Force organizational airlift, MSC sealift, DCS, MOM, Weapons System Pouch Service, and combinations thereof, to the ultimate FMS consignee at an overseas inland destination in rate area one or two.
H	Materiel moved by GBL, AMC channel airlift, USAF organizational airlift, MSC sealift, and combinations thereof, to a CONUS POE when all arrangements subsequent to loading the vessel are made by the FMS purchaser.

TBC	Description
J	Materiel moved by AMC channel airlift to an overseas aerial port of debarkation (APOD) in rate area one or two when the use of inland CONUS transportation is not required in effecting delivery to the CONUS POE. The FMS purchaser makes all arrangements subsequent to carrier discharge.
K	Materiel moved by AMC SAAM within CONUS to an overseas APOD or inland FMS consignee base within an overseas area or between overseas areas. The FMS purchaser makes any arrangements subsequent to carrier discharge.
L	Substitute for any other standard codes whenever actual transportation costs will be reported in accordance with Volume 15, Chapter 7.
M	Materiel moved by FMS country-owned aircraft from a U.S. /DoD staging area.
N	Materiel moved by GBL or other CONUS inland mode to a CONUS staging or aggregation area, staging or aggregation of the materiel; and onward movement of the materiel to a freight forwarder by a collect commercial bill of lading or country-owned or provided aircraft, or by AMC or by commercial SAAM.
P	Materiel moved by GBL or other CONUS inland mode to a CONUS staging or aggregation area, staging or aggregation of the materiel; and onward movement of materiel by GBL or other prepaid (reimbursable) CONUS transportation to an aerial or water POE, FAS an overseas carrier at a CONUS POE, or arrangements are made by the FMS purchaser.
Q	Materiel moved by GBL or other CONUS inland mode to a CONUS staging or aggregation area, staging or aggregation of the materiel; out movement of the materiel from the staging area by GBL, or other prepaid (reimbursable) CONUS transportation to an aerial or water POE; port handling of the materiel, and onward movement by GBL, AMC channel airlift, Air Force organizational aircraft, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two, when overseas carrier discharge and all subsequent arrangements are made by the FMS purchaser.
R	Materiel moved by GBL or other CONUS inland mode to a CONUS staging or aggregation area, staging or aggregation of the materiel; out movement of the materiel from the staging area by GBL or other prepaid (reimbursable) CONUS transportation to an aerial or water POE; port handling of the materiel, and onward movement by GBL, AMC channel airlift, Air Force organizational aircraft, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two; overseas port handling of the materiel; and onward overseas inland movement to the ultimate FMS consignee at an overseas, inland destination rate area one or two.
S	Materiel moved by GBL or other CONUS inland mode to a CONUS staging or aggregation area, staging or aggregation of the materiel; out movement of the material from the staging area by GBL or other prepaid (reimbursable) CONUS transportation to an aerial or water POE; and loading of the materiel aboard a country-owned or provided aircraft or vessel, when all arrangements subsequent to loading the aircraft or vessel are made by the FMS purchaser.
U	Materiel moved by parcel post or commercial package carrier to CONUS POD when all arrangements subsequent to loading the vessel are made by the FMS purchaser. (Mode of shipment determines whether parcel post or commercial package carrier is used.)

TBC	Description
V	Materiel moved by parcel post or commercial package carrier to an overseas POD in rate areas one or two, including overseas carrier discharge, when arrangements subsequent to loading the vessel are made by the FMS purchaser. (The mode of shipment determines whether parcel post or a commercial package carrier is used.)
W	Materiel movement charged according to rates listed in the transportation cost look-up table (see section 0805).
X	Materiel moved by parcel post or commercial package carrier to an overseas POD in rate areas one or two, when the FMS purchaser makes overseas carrier discharge and subsequent arrangements. (The mode of shipment determines whether parcel post or commercial package carrier is used.)
Y	Materiel moved by parcel post or commercial package carrier to the ultimate FMS consignee at an overseas inland destination in rate areas one or two. (The mode of shipment determines whether parcel post or commercial package carrier is used.)
Z	Materiel moved within the CONUS by commercial carrier with a published maximum rate of $25.00 (for example, as published by United Parcel Service).

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Appendix I
Transportation based on Transportation Bill Codes (TBCs) for Inventory Items Shipped by DWCF

[FMR VOL 15, Chapter 8, Table 8-49)]

Transportation Bill Code	Transportation Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
A	L1D Parcel Post	0.0 [1,2]	0.0
B	L1E Commercial Package Carriers	0.0 [1,2]	0.0
C	L1A CONUS	0.0 [2]	7.5, 15.5 / 7.5, 9.5
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air)	4.0, 12.0 [4] / 4.0, 6.0 [5]	
	L2C Overseas Port Handling	1.0	
D	N/A	0.0	0.0
E	L1A CONUS	0.0 [2]	0.0
F	L1A CONUS	0.0 [2]	6.5, 14.5 / 6.5, 8.5
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air)	4.0, 12.0 [4] / 4.0, 6.0 [5]	
G	L1A CONUS	0.0 [2]	10.5, 18.5 / 10.5, 12.5
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air)	4.0, 12.0 [4] / 4.0, 6.0 [5]	
	L2C Overseas Port Handling	1.0	

Transportation Bill Code	Transportation Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
	L1F OSEAS	3.0	
H	L1A CONUS	0.0 [2]	2.5
	L2B Port Handling	2.5	
J	L2B Port Handling	2.5	7.5 / 9.5
	L1C Air Transportation	4.0 / 6.0 [5]	
	L2C Overseas Port Handling	1.0	
K	L1C Air Transportation	N/A	Actual amount billed by AMC
L	As Applicable	N/A	Actual amount computed by shipper
M	L40 Staging	3.0 [1]	3.0
N	L1A CONUS	0.0 [2]	3.0
	L40 Staging	3.0 [1]	
P	L1A CONUS	0.0 [2]	6.75
	L40 Staging	3.0 [1]	
	L1A CONUS	3.75 [2]	
Q	L1A CONUS	0.0 [2]	13.25, 21.25 / 13/25, 15.25
	L40 Staging	3.0 [1]	
	L1A CONUS	3.75 [2]	
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air)	4.0, 12.0 [4] / 4.0, 6.0 [5]	
	L1A CONUS	0.0 [2]	17.25, 25.25 / 17.25, 19.25

Transportation Bill Code	Transportation Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
R	L40 Staging	3.0 [1]	
	L1A CONUS	3.75 [2]	
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air)	4.0, 12.0 [4] / 4.0, 6.0 [5]	
	L2C Overseas Port Handling	1.0	
	L1F OSEAS	3.0	
S	L1A CONUS	0.0 [2]	9.25
	L40 Staging	3.0 [1]	
	L1A CONUS	3.75 [2]	
	L2B CONUS Port Handling	2.5	
U	L1D Parcel Post	0.0 [1, 2]	2.5
	L2B CONUS Port Handling	2.5	
V	L1D Parcel Post	0.0 [1, 2]	7.5, 15.5 / 7.5, 9.5
	L2B CONUS Port Handling	2.5	
	L1B (Ocean) / L1C (Air)	4.0, 12.0 [4] / 4.0, 6.0 [5]	
	L2C Overseas Port Handling	1.0	
W	L1O Transportation Costs	N/A	Transportation Cost Look-Up Table

Transportation Bill Code	Transportation Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
X	L1D Parcel Post	0.0 [1, 2]	6.5, 14.5 / 6.5, 8.5
	L2B CONUS Port Handling	2.5	
	L1B (Ocean) / L1C (Air)	4.0, 12.0 [4] / 4.0, 6.0 [5]	
Y	L1D Parcel Post	0.0 [1, 2]	10.5, 18.5 / 10.5, 12.5
	L2B CONUS Port Handling	2.5	
	L1B (Ocean) / L1C (Air)	4.0, 12.0 [4] / 4.0, 6.0 [5]	
	L2C Overseas Port Handling	1.0	
	L1F OSEAS	3.0	

Notes:

1. The costs of L1D (Parcel Post), L1E (Commercial Package Carriers), and L40 (Staging) are included in the DWCF item price.

2. The L1A (Inland CONUS) transportation charge of 3.75 percent does not apply to DWCF shipments with shipping dates after September 30, 1990. Computation for generic codes L1D and L1E for DWCF items was discontinued on items with shipping dates after September 30, 1991.

3. Wherever “L1B/L1C” appears, if the Port of Embarkation (POE) code is “A” L1C is computed; otherwise L1B is computed.

4. L1B is computed at 4.0 percent for rate area one or 12.0 percent for rate area two. See FMRVolume 15, Chapter 7.

5. L1C is computed at 4.0 percent for rate area one or 6.0 percent for rate area two. See FMR Volume 15, Chapter 7.

Appendix J
Transportation Charges based on TBCs for Inventory Items NOT Shipped by DWCF

[FMR VOL 15, Chapter 8, Table 8-50)]

Transportation Bill Code	Transportation Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
A	L1D Parcel Post	3.75 [1]	3.75
B	L1E Commercial Package Carriers	3.75 [1]	3.75
C	L1A CONUS	3.75	11.25, 19.25 [3] / 11.25, 13.25 [4]
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air) [2]	4.0, 12.0 [3] / 4.0, 6.0 [4]	
	L2C Overseas Port Handling	1.0	
D	N/A	0.0	0.0
E	L1A CONUS	3.75	3.75
F	L1A CONUS	3.75	10.25, 18.25 [3] / 10.25, 12.25 [4]
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air) [2]	4.0, 12.0 [3] / 4.0, 6.0 [4]	
G	L1A CONUS	3.75	14.25, 22.25 [3] / 14.25, 16.25 [4]
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air) [2]	4.0, 12.0 [3] / 4.0, 6.0 [4]	
	L2C Overseas Port Handling	1.0	
	L1F OSEAS	3.0	
	L1A CONUS	3.75	6.25

Transportation Bill Code	Transportation Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
H	L2B Port Handling	2.5	
J	L2B Port Handling	2.5	7.5 / 9.5
	L1C Air Transportation	4.0 / 6.0 [2]	
	L2C Overseas Port Handling	1.0	
K	L1C Air Transportation	N/A	Actual amount billed by AMC
L	As Applicable	N/A	Actual amount computed by shipper
M	L40 Staging	3.0 [1]	3.0
N	L1A CONUS	3.75	6.75
	L40 Staging	3.0 [1]	
P	L1A CONUS	3.75	10.50
	L40 Staging	3.0 [1]	
	L1A CONUS	3.75 [2]	
Q	L1A CONUS	3.75	17.0, 25.0 [3] / 17.0, 19.0 [4]
	L40 Staging	3.0 [1]	
	L1A CONUS	3.75	
	L2B CONUS Port Handling	2.5	
	L1B (Ocean) / L1C (Air) [2]	4.0, 12.0 [3] / 4.0, 6.0 [4]	
R	L1A CONUS	3.75	21.0, 29.0 [3] / 21.0, 23.0 [4]
	L40 Staging	3.0 [1]	

Transportation Bill Code	Transportation Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
	L1A CONUS	3.75	
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air)	4.0, 12.0 [3]/ 4.0, 6.0 [4]	
	L2C Overseas Port Handling	1.0	
	L1F OSEAS	3.0	
S	L1A CONUS	3.75	13.0
	L40 Staging	3.0 [1]	
	L1A CONUS	3.75	
	L2B CONUS Port Handling	2.5	
U	L1D Parcel Post	3.75	6.25
	L2B CONUS Port Handling	2.5	
V	L1D Parcel Post	3.75 [1]	11.25, 19.25 [3] / 11.25, 13.25 [4]
	L2B Port Handling	2.5	
	L1B (Ocean) / L1C (Air) [2]	4.0, 12.0 [3] / 4.0, 6.0 [4]	
	L2C Overseas Port Handling	1.0	
W	L1O Transporation Costs	N/A	Transportation Cost Look-Up Table
	L1D Parcel Post	3.75 [1]	10.25, 18.25 [3] / 10.25, 12.25 [4]

Transportation Bill Code	Transportation Generic Code	Percentage of Item Priced by Generic Code	Total Percentage
X	L2B CONUS Port Handling	2.5	
	L1B (Ocean) / L1C (Air) [2]	4.0, 12.0 [3] / 4.0, 6.0 [4]	
Y	L1D Parcel Post	3.75 [1]	14.25, 22.25 [3] / 14.25, 16.25 [4]
	L2B CONUS Port Handling	2.5	
	L1B (Ocean) / L1C (Air) [2]	4.0, 12.0 [3] / 4.0, 6.0 [4]	
	L2C Overseas Port Handling	1.0	
	L1F OSEAS	3.0	
Z	L1A CONUS	3.75	(Charge may not exceed $25.00)

Notes:

1. Amounts collected for L1D (Parcel Post), L1E (Commercial Package Carriers), and L40 (Staging) shall be reimbursed to the shipping depot shown in the delivery transaction. SF Form 1080 billings for actual costs are not required.

2. Wherever "L1B/L1C" appears, if the Port of Embarkation (POE) code is "A" L1C is computed; otherwise L1B is computed.

3. L1B is computed at 4.0 percent for rate area one or 12.0 percent for rate area two. See FMR Volume 15, Chapter 7.

4. L1C is computed at 4.0 percent for rate area one or 6.0 percent for rate area two. See FMR Volume 15, Chapter 7.

Appendix K
Types Of Assistance (T/A) Codes

[FMR VOL 15, CH 8, Section 080402.H.5 (Delivery Reporting Codes – Type of Assistance Codes)]

[SAMM Chapter 5, Figure C5.F5 (LOA Information)]

[DLM 4000.25-1-M]

T/A CODES	MEANING
3	Source Code S, R, or E; Cash Sale from Stock with Payment in Advance, based on Arms Export Control Act (AECA) Section 21(b). (Sale of DoD inventory or services. Cash to be deposited by FMS purchaser in advance of delivery or performance).
4	Source Code X; Source Undetermined with Payment in Advance, AECA Sections 21(b), 22(a), 29. (Source of supply not determined. Cash to be deposited by FMS purchaser in advance of delivery or performance.)
5	Source Code P; Cash Sale from Procurement with Payment in Advance, AECA Section 22(a). (Cash sale from procurement. Cash to be deposited by FMS purchaser in advance to meet contract payment requirements.)
6	Source Code S, R, or E, Payment on Delivery; AECA Section 21(d). (Sale of DoD inventory or services. Cash to be deposited by FMS purchaser upon delivery. Requires a written statutory determination by the Director, DSCA. Reimbursement to the DoD Components is made after FMS purchaser payment received.)
7	Source Code P, Dependable Undertaking with 120 days Payment after Delivery; AECA Section 22(b). (Cash sale from procurement. Payment from FMS purchaser is due 120 days after delivery. Payments to contractors are financed by special emergency appropriation.)
8	Source Code S, R, or E, Stock Sales with 120 days Payment after Delivery; AECA Section 21(d). (Sale of DoD inventory or services. Payment from FMS purchaser is due 120 days after delivery. Payments to the DoD Components are financed by special emergency appropriation.)
A	FAA Excess Defense Articles - non-reimbursable, provided under the authority of Section 516 of the Foreign Assistance Act (FAA) of 1961, as amended.

T/A CODES	MEANING
M	MAP Merger/USG Grant; FAA Section 503(a)(3). (FMS funded by Military Assistance Program.)
N	FMS Credit (Nonrepayable); AECA Sections 23 or 24. (Source of supply not determined; FMS non-repayable credit, AECA sections 23 and 24.)
U	Source Code P; Cooperative Logistics Supply Support Arrangement (CLSSA) Foreign Military Sales Order (FMSO) I. (FMSO I Purchase of equity in
1	SDAF (Special Defense Acquisition Fund)

Appendix L
Julian Date Calendar

[For Regular Years]

(use in 2013-2015, 2017-2019, 2021-2023, etc.)

[http://landweb.nascom.nasa.gov/browse/calendar.html]

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	DAY
1	001	032	060	091	121	152	182	213	244	274	305	335	1
2	002	033	061	092	122	153	183	214	245	275	306	336	2
3	003	034	062	093	123	154	184	215	246	276	307	337	3
4	004	035	063	094	124	155	185	216	247	277	308	338	4
5	005	036	064	095	125	156	186	217	248	278	309	339	5
6	006	037	065	096	126	157	187	218	249	279	310	340	6
7	007	038	066	097	127	158	188	219	250	280	311	341	7
8	008	039	067	098	128	159	189	220	251	281	312	342	8
9	009	040	068	099	129	160	190	221	252	282	313	343	9
10	010	041	069	100	130	161	191	222	253	283	314	344	10
11	011	042	070	101	131	162	192	223	254	284	315	345	11
12	012	043	071	102	132	163	193	224	255	285	316	346	12
13	013	044	072	103	133	164	194	225	256	286	317	347	13
14	014	045	073	104	134	165	195	226	257	287	318	348	14
15	015	046	074	105	135	166	196	227	258	288	319	349	15
16	016	047	075	106	136	167	197	228	259	289	320	350	16
17	017	048	076	107	137	168	198	229	260	290	321	351	17
18	018	049	077	108	138	169	199	230	261	291	322	352	18
19	019	050	078	109	139	170	200	231	262	292	323	353	19
20	020	051	079	110	140	171	201	232	263	293	324	354	20
21	021	052	080	111	141	172	202	233	264	294	325	355	21
22	022	053	081	112	142	173	203	234	265	295	326	356	22
23	023	054	082	113	143	174	204	235	266	296	327	357	23
24	024	055	083	114	144	175	205	236	267	297	328	358	24
25	025	056	084	115	145	176	206	237	268	298	329	359	25
26	026	057	085	116	146	177	207	238	269	299	330	360	26
27	027	058	086	117	147	178	208	239	270	300	331	361	27
28	028	059	087	118	148	179	209	240	271	301	332	362	28
29	029		088	119	149	180	210	241	272	302	333	363	29
30	030		089	120	150	181	211	242	273	303	334	364	30
31	031		090		151		212	243		304		365	31

Julian Date Calendar

[For Leap Years Only]

(use in 2016, 2020, 2024, etc.)

[http://landweb.nascom.nasa.gov/browse/calendar.html]

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	DAY
1	001	032	061	092	122	153	183	214	245	275	306	336	**1**
2	002	033	062	093	123	154	184	215	246	276	307	337	**2**
3	003	034	063	094	124	155	185	216	247	277	308	338	**3**
4	004	035	064	095	125	156	186	217	248	278	309	339	**4**
5	005	036	065	096	126	157	187	218	249	279	310	340	**5**
6	006	037	066	097	127	158	188	219	250	280	311	341	**6**
7	007	038	067	098	128	159	189	220	251	281	312	342	**7**
8	008	039	068	099	129	160	190	221	252	282	313	343	**8**
9	009	040	069	100	130	161	191	222	253	283	314	344	**9**
10	010	041	070	101	131	162	192	223	254	284	315	345	**10**
11	011	042	071	102	132	163	193	224	255	285	316	346	**11**
12	012	043	072	103	133	164	194	225	256	286	317	347	**12**
13	013	044	073	104	134	165	195	226	257	287	318	348	**13**
14	014	045	074	105	135	166	196	227	258	288	319	349	**14**
15	015	046	075	106	136	167	197	228	259	289	320	350	**15**
16	016	047	076	107	137	168	198	229	260	290	321	351	**16**
17	017	048	077	108	138	169	199	230	261	291	322	352	**17**
18	018	049	078	109	139	170	200	231	262	292	323	353	**18**
19	019	050	079	110	140	171	201	232	263	293	324	354	**19**
20	020	051	080	111	141	172	202	233	264	294	325	355	**20**
21	021	052	081	112	142	173	203	234	265	295	326	356	**21**
22	022	053	082	113	143	174	204	235	266	296	327	357	**22**
23	023	054	083	114	144	175	205	236	267	297	328	358	**23**
24	024	055	084	115	145	176	206	237	268	298	329	359	**24**
25	025	056	085	116	146	177	207	238	269	299	330	360	**25**
26	026	057	086	117	147	178	208	239	270	300	331	361	**26**
27	027	058	087	118	148	179	209	240	271	301	332	362	**27**
28	028	059	088	119	149	180	210	241	272	302	333	363	**28**
29	029	060	089	120	150	181	211	242	273	303	334	364	**29**
30	030		090	121	151	182	212	243	274	304	335	365	**30**
31	031		091		152		213	244		305		366	**31**

Appendix M
Unit Of Issue Codes

[FMR VOL 15, Chapter 8, Section 080402.G (Delivery Reporting Codes)]

[DoD 4100.39-M, Vol 10, (Federal Logistics Information System (FLIS) Procedures Manual, updated March 2014]

This field contains a two alpha code. Applicable Unit of Issue (Unit of Measure) abbreviations are:

Code	Description	Code	Description	Code	Description
AM	Ampule	FT	Foot	PR	Pair
AT	Assortment	FV	Five	PT	Pint
AY	Assembly	FY	Fifty	PZ	Packet
BA	Ball	GL	Gallon	QT	Quart
BD	Bundle	GP	Group	RA	Ration
BE	Bale	GR	Gross	RL	Reel
BF	Board Foot	HD	Hundred	RM	Ream
BG	Bag	HK	Hank	RO	Roll
BK	Book	IN	Inch	SD	Skid
BL	Barrel	JR	Jar	SE	Set
BO	Bolt	KG	Kilogram	SF	Square Foot
BR	Bar	KP	Kilowatt Hour (KWH)	SH	Sheet
BT	Bottle	KT	Kit	SK	Skein
BX	Box	KW	Kilowatt	SL	Spool

Code	Description	Code	Description	Code	Description
CA	Cartridge	L5	Liters at 15C Degrees	SO	Shot
CB	Carboy	LB	Pound	SP	Strip
CD	Cubic Yard	LG	Length	SV	Service
CE	Cone	LI	Liter	SX	Stick
CF	Cubic Foot	LT	Lot	SY	Square Yard
CL	Coil	MC	Thousand Cubic Feet	TD	Twenty-Four
CM	Centimeter	ME	Meal	TE	Ten
CN	Can	MR	Meter	TF	Twenty-Five
CO	Container	MW	Megawatt-Hour (MWH)	TN	Ton
CY	Cylinder	MX	Thousand	TO	Troy Ounce
CZ	Cubic Meter	OT	Outfit	TS	Thirty-Six
DH	Dekatherm (DTH)	OZ	Ounce	TU	Tube
DR	Drum	PD	Pad	VI	Vial
DZ	Dozen	PG	Package	YD	Yard
EA	Each	PM	Plate		

Appendix N
Offer/Release Codes

[FMR VOL 15, Chapter 8, Section 080402.J.2 (Delivery Reporting Codes – Offer Release codes)],

[SAMM Chapter 5, Figure C5.F5 (LOA Information)]

Based upon agreement between the DoD component and the FMS purchaser, offer/release codes are used for each line involving defense articles, as follows. The Offer/Release Code appears in Field # "(6)" of the Letter of Offer and Acceptance and record position#46 of the DD Form 1348 (MILSTRIP) requisition.

Offer Release Code	**Definition**
A	Freight and parcel post shipments will be released automatically by the shipping activity without advance notice of availability.
Y	Advance notice is required before release of shipment, but shipment can be released automatically if release instructions are not received by shipping activity within 15 calendar days. Parcel post shipments will be automatically released.
Z	Advance notice is required, before release of shipment. Shipping activity will follow up on the notice of availability until release instructions are furnished. Parcel post shipments will be automatically released.
X	The IA and country representative have agreed that the: • IA will sponsor the shipment to a country address. Under this agreement, the Freight Forwarder Code must also contain "X" and a Customer-within-country (CC) Code must be entered in the Mark For Code on the front page of the LOA. The MAPAD must contain the CC Code and addresses for each type of shipment (parcel post or freight). • Shipments are to be made to an assembly point or staging area as indicated by clear instructions on exception requisitions. Under this agreement, the Freight Forwarder Code must contain "W". A Mark For Code may be entered in the Mark For Code space on the front page of the LOA, and the MAPAD must contain the Mark For Code if the Mark For Address is to be used on the shipment to the assembly point or staging area.

Appendix O
Mode Of Shipment (MOS) Codes

[FMR VOL 15, Chapter 8, Section 080402.L (Delivery Reporting Codes)]

This field is a one alpha or numeric code showing the mode of shipment provided for in the LOA. This position is left blank when reporting actual accessorial costs. The codes are:

MOS Code	Initial Method of Movement by Shipper
A	Motor, truckload
B	Motor, less truckload
C	Van (unpacked, or uncrated personal or government property)
D	Drive-away, truck-away, tow-away
E	Bus
F	Air Mobility Command (Channel and Special Assignment Airlift Mission)
G	Surface, parcel post
H	Air, parcel post
I	Government truck for shipments outside local delivery area
J	Air, small package carrier
K	Rail, carload includes trailer or container-on-flatcar (excluding SEA VAN)
L	Rail, less than carload includes trailer or container-on-flatcar (including SEA VAN)
M	Surface, Freight Forwarder
O	Organic military air (includes aircraft of foreign governments)
P	Through government bill of lading (TGBL)

MOS Code	Initial Method of Movement by Shipper
Q	Commercial air freight; includes regular and expedited service (provided by major airlines), also ncludes charters and air taxi
R	European Distribution System (EDS)/or Pacific Distribution System (PDS)
S	Scheduled Truck Service (applies to contract carriage, guaranteed traffic routings, or scheduled ervice)
T	Air freight forwarder
U	Quick Response Transportation System (QUICKTRANS)
V	SEA – VAN Service
W	Water, river, lake, or coastal (commercial)
X	Bearer walk through (FMS purchaser pickup of materials)
Y	Military intra-theater airlift services
Z	Military Sealift Command (MSC) (controlled/contract/arranged space)
2	Government watercraft, barge/lighter
3	Roll-on or roll-off (RORO) service
4	Defense Courier Service (DCS)
5	Surface, small package carrier
6	Military ordinary mail (MOM)
7	Express mail
8	Pipeline
9	Local delivery by government or commercial truck including deliveries between air or water terminals and adjacent activities.

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Appendix P
Adjustment Reply Codes (ARC)

[FMR VOL 15, Chapter 8, Section 080302 (Adjustment Reply Codes - ARC)]

[FMR VOL 15, Chapter 8, Table 8-10 (ARC: Denial)]

[Table 8-11 (ARC: Reason Request Granted and Instructions for Disposition of Any Material shipped in Error)]

[FMR VOL 15, Chapter 8, Table 8-12 (ARC: Advisory Codes That Do Not Require Billing or Supply Action)]

[FMR VOL 15, Chapter 8, Table 8-13 (ARC: To Request Additional Data from Country)]

[FMR VOL 15, Chapter 8, Table 8-14 (ARC: USG reimbursement to Foreign Countries to Recover Transportation Costs those Countries Incurred to Return Items to USG)]

This field is a two alpha code and is used only when an SDR has been reported. This field is left blank for normal delivery reporting of articles and services.

Adjustment Reply Codes (ARC): Denial

Code	Description
AA	Duplicate billing and/or shipment resulted from receipt of duplicate requisition and duplicate supply action
AB	Bill reflected correct unit or extended price of materiel shipped
AE	Supplier adjusted to unit pack since requisition did not prohibit this action; or shipment made in accordance with instructions in requisitions
AF	Authorized substitute in latest supply manual. Requisitions did not prohibit substitutions
AG	Claims less than $200, loss or gain are to be absorbed by FMS purchaser
AI	Local records indicate prior reversal of duplicate credit or charge in bill number cited
AJ	Credit was granted as a result of prior request and processing in billing
AK	Shipment made via commercial bill of lading; USG not responsible for damaged shipments
AL	Copies of shipping document evidencing proof of shipment/acceptance are attached
AM	Exhibit analysis completed - SDR denied
AN	Claim less than $25, loss or gain to be absorbed by FMS purchaser
AO	Request cannot be granted because discrepancy report was not received within allowable timeframe

AP	Request cannot be granted because item was procured specifically for FMS purchaser. Section 6 of the LOA, "Warranties" applies (see SAMM, Figure C5.F4, LOA Information)

Adjustment Reply Codes (ARC): Reason Request Granted and Instructions for Disposition of Any Materiel Shipped in Error

Code	Description
BA	Materiel subject to local disposal
BB	Materiel to be returned to activity designated in the shipping depot field for subsequent credit
BC	Hold unacceptable shipment quantity pending disposition instructions to be submitted via separate communication
BD	Materiel to be returned to a Defense Reutilization and Marketing Office for disposal
BE	Materiel to be sent to nearest U.S. turn-in point for redistribution
BF	Materiel to be returned to contractor facility
BR	Materiel to be returned to USG facility for repair or replacement
BV	Materiel to be returned to contractor facility for repair or replacement
BX	Materiel to be returned for evaluation as an exhibit
BY	Exhibit analysis completed - asset repaired or replaced
BZ	Exhibit analysis completed – credit adjustment will be processed
CA	Requested debit adjustment will be made and bill issued
CB	Requested credit adjustment will be made and amended bill issued
CF	Request granted for financial adjustment not directly related to materiel shipments, e.g., repair costs
CW	Credit adjustment granted on accessorial charges – only FKF transactions
CX	Credit adjustment granted on administrative charges – only FKD transactions
CY	Debit adjustment granted on administrative charges – only FKC transactions
CZ	Debit adjustment granted on accessorial charges – only FKE transactions

Adjustment Reply Codes (ARC): Advisory Codes That Do Not Require Billing or Supply Action

Code	Description
DA	Request previously processed and credit granted
DB	Request previously processed and credit not granted
DD	Billing previously rendered
DG	Duplicate billing will be furnished
DI	Letter of explanation follows
DJ	No record of previous request. Resubmit
DK	Copies of shipping documents evidencing proof of shipment and acceptance are attached
DM	Reply delayed 30 days. Matter is being investigated
DX	Request for SDR cancellation approved

Adjustment Reply Codes (ARC) Codes: To Request Additional Data from Country

Code	Description
EB	Document number incomplete. Resubmit
EC	Bill number incomplete/missing. Resubmit
EF	Records do not indicate duplicate shipment and/or billing on bill number cited. If duplication occurred on another bill, resubmit citing both bill numbers
EI	Claim should be supported by appropriate documentation. Resubmit
EJ	Claim should be supported by confirmation of cancellation. Resubmit

Adjustment Reply Codes (ARC): USG reimbursement to Foreign Countries to Recover Transportation Costs those Countries Incurred to Return Items to USG

Code	Description
FA	Transportation reimbursement from freight forwarder to FMS purchaser final destination on shipment of discrepant materiel (5 percent of discrepant materiel billed value)
FB	Transportation reimbursement from CONUS POE via DTS to final destination on shipment of discrepant materiel (reversal of accessorial costs)

Code	Description
FC	Transportation reimbursement from FMS purchaser final destination to turn-in point for discrepant returns (3 percent of discrepant materiel billed value)
FD	Transportation reimbursement for local disposal of discrepant materiel (5 percent of discrepant materiel billed value for inland transportation and disposal costs)
FE	Transportation reimbursement for return of discrepant item or items to be repaired (5 percent of discrepant materiel billed value)
FF	PC&H reimbursement for discrepant materiel returns (3.75 percent of discrepant materiel billed value)
FG	Transportation reimbursement from freight forwarder to FMS purchaser final destination on shipment of discrepant materiel (5 percent of discrepant materiel billed value); and PC&H reimbursement for discrepant materiel returns (3.75 percent of discrepant materiel billed value)
FH	Transportation reimbursement from CONUS POE via DTS to final destination on shipment of discrepant materiel (reversal of accessorial costs); and PC&H reimbursement for discrepant materiel returns (3.75 percent of discrepant materiel billed value)
FI	Transportation reimbursement from freight forwarder to FMS purchaser final destination on shipment of discrepant materiel (5 percent of discrepant materiel billed value); transportation reimbursement from FMS purchaser final destination to turn-in point for discrepant returns (3 percent of discrepant materiel billed value); and PC&H reimbursement for discrepant materiel returns (3.75 percent of discrepant materiel billed value)
FJ	Transportation reimbursement from CONUS POE via DTS to final destination on shipment of discrepant materiel (reversal of accessorial costs); transportation reimbursement from FMS purchaser final destination to turn-in point for discrepant returns (3 percent of discrepant materiel billed value); and PC&H reimbursement for discrepant materiel returns (3.75 percent of discrepant materiel billed value)
FK	Transportation reimbursement for return of discrepant item or items to be repaired or replaced (5 percent of discrepant materiel billed value); and PC&H reimbursement for discrepant materiel returns (3.75 percent of discrepant materiel billed value)
FL	Actual Transportation reimbursement (actual charge)
FM	Reversal of transportation reimbursement transaction previously processed (percentage dependent on transaction being reversed)

Appendix Q
Delivery Source Codes (DSC) And Accessorial Computation Matrix

[FMR VOL 15, Chapter 8, Section 080402.N (Delivery Reporting Codes – DSC)]

[FMR VOL 15, Chapter 8, Table 8-41 (DSC: Sale of Articles Under AECA Section 21)]

[FMR VOL 15, Chapter 8, Table 8-42 (DSC: Performance of DoD Services Under AECA Section 21 or 22)]

[FMR VOL 15, Chapter 8, Table 8-43 (DSC: Unique FMSO Charges)]

[FMR VOL 15, Chapter 8, Table 8-44 (DSC: Procurement for FMS Purchasers Under AECA Section 22)]

[FMR VOL 15, Chapter 8, Table 8-45 (DSC: Miscellaneouis Charges)]

[FMR VOL 15, Chapter 8, Table 8-46 (DSC: Special Defense Acquisition Fund - SDAF)]

[FMR VOL 15, Chapter 8, Table 8-40 (DSC: Surcharge Matrix)]

This field is a two alpha code. Codes in the field provide an audit trail between performance and the pricing requirements. The code is used by DFAS SCA to recognize earnings for; therefore, it is imperative that the correct codes be used. An incorrect code could result in the FMS purchaser being over or under-charged.

The full list of all the current authorized (per the FMR) Delivery Source Codes (DSC) along with their associated charges in the "Accessorial Computation Matrix" are listed on the following pages for your reference.

Delivery Source Code: Sale of Articles Under AECA Section 21

DSC	Description
AA	DWCF, non-excess items, including technical data package (TDP) and publications, from inventory for a matured FMSO.
AB	DWCF, non-excess items, including TDP and publications, from inventory for other than a matured FMSO.
AC	DWCF non-excess items diverted from procurement initiated to maintain stock inventory for a matured FMSO.
AD	DWCF non-excess items diverted from procurement initiated to maintain stock inventory for other than a matured FMSO.
AE	Procurement funded item, including TDP and publications from inventory, which requires replacement.
AG	Procurement funded item, including TDPs and publications from inventory, which does not require replacement.
AH	Excess DWCF for a matured FMSO.
AJ	Excess DWCF for other than a matured FMSO.

DSC	Description
AK	Excess Procurement Funded Item from Inventory (applicable PC&H computed on original acquisition cost of item and included in price of item).
AL	Use of this code eliminated beginning FY 2001. Items (other than DWCF item) sold from inventory that are not subject to normal PC&H charge. This code must only be used when the case has a transportation line, a PC&H line, or a pricing exception granted by OUSD(C).

Delivery Source Code: Performance of DoD Services Under AECA Section 21 or 22

DSC	Description
BA	DoD provided training course.
BB	Contractor provided training course.
BC	Repair or replace FMS purchaser equipment. IAs must include actual PC&H and transportation for materiel consumed in overhaul in reported cost.
BD	Other DoD services. Does not include “above-the-line” transportation or “above-the-line” packing, crating, handling and transportation (PCH&T) associated with repair or modification of consumer owned equipment that is included in repair cost report using code “BC.”
BE	Storage charge (for other than FMSO cases).
BF	Depreciation associated with leases.
BG	LOA sales of articles and services in connection with lease, prior to, during, or after lease period (includes transportation PC&H refurbishment).
BH	Actual PC&H charge. This report must accompany delivery transactions for items sold from inventory with DSC “AK” and “AL.”
BK	DWCF activity services.
BT	“Above-the-line” transportation to FMS purchasers that is included in the case. This code includes “high-flight” or special airlift. It does not include the “above-the-line” transportation cost that is included in the selling price of an item or service.

Delivery Service Codes: Unique FMSO Charges

DSC	Description
CA	FMSO I materiel used to support a system obsolete to DoD use (buy out of unique repair parts to support obsolete end items).

DSC	Description
CB	Annual inventory maintenance and storage cost. Charge annually on current FMSO II cases. The FMSO I case manager must input the FMS detail delivery transaction. There is no annual charge for cooperative logistics supply support arrangements (CLSSAs) on DWCF items since the DWCF standard (stabilized) price recoups all costs.
CC	Normal inventory loss on procurement appropriation funded secondary items (physical inventory gain or loss, expiring shelf life, and damage of stored parts). Charge assessed annually on current FMSO II cases. The FMSO I case manager must input the delivery transactions. There is no annual charge for CLSSAs on DWCF items since the DWCF standard (stabilized) price recoups all costs.
CD	Cash advances for on-hand portion of FMSO I cases.

Delivery Source Codes: Procurement for FMS Purchasers Under AECA Section 22

DSC	Description
DA	Contractor services (other than training).
DB	DWCF item, TDP, or publications from contractor.
DC	Procurement appropriation funded secondary item from contractor.
DD	Procurement funded principal or major item from contractor.
DE[1]	Progress payment to contractor.
DF[1]	DoD services in support of procurement. This code was previously applied to actual CAS hours prior to establishment of the charge. It now applies to other than CAS services.
DG[1]	Nonrecurring Cost (NC) Recoupment Charges (Research and Development and Production). Identifies amount of NC financed by the FMS purchaser and may be used in calculating the Special NC.
DJ[1]	GFM shipped from inventory.
DK[1]	GFM shipped from another contractor.
DL[1]	PCH&T applicable to procurement appropriation funded GFM.
DX	Contractor efforts in overseas locations that are supported by FMS management lines rather than through normal CAS effort.

NOTE:

1. DSCs DE through DL represent WIP transactions. The breakdown of these charges assures audit trail visibility for pricing purposes. DFAS SCA must treat them as progress payments and report them as such to the FMS purchaser. These charges must be liquidated by one of the contract delivery codes "DA" through "DD" in combination with reimbursement code "N."

Delivery Source Code: Miscellaneous Charges

DSC	Description
EE	Royalty charge - USG TDP.
EF	Other Federal agency shipment from stock.
EG	Other Federal agency shipment from contractor.
EH	North Atlantic Treaty Organization Petroleum, Oil, and Lubricants.
EJ	Redistributable Military Assistance Program property.
EK	Collection of special nonrecurring production charge or license fee for a third country.
EL	Prepositioning costs.
EM	Interest on arrearage computed in accordance with Volume 15, Chapter 5. This code is restricted to use by DFAS SCA.
EN	NC recoupment charge for sales from procurement or inventory.

Delivery Source Code: Special Defense Acquisition Fund

DSC	Description
SA	SDAF sales of items originally purchased from DWCF inventories.
SB	SDAF sales of items originally purchased from DoD inventories other than DWCF.
SD	SDAF sales of items procured from contractors for the fund.

Delivery Source Codes (DSC) Surcharge Matrix

DSC	Contract Administration [1]	PC&H [2]	Admin [3]	Transportation [4, 5, 6] Parcel Post
AA	N	N	Y	A
AB	N	N	Y	A

DSC	Contract Administration [1]	PC&H [2]	Admin [3]	Transportation [4, 5, 6] Parcel Post
AC	N	N	Y	A
AD	N	N	Y	A
AE	N	Y	Y	B
AG	N	Y	Y	B
AH	N	N	Y	A
AJ	N	N	Y	A
AK	N	N	Y	B
AL	N	N	Y	B
BA	N	N	Y	N
BB	Y	N	Y	N
BC	N	N [7]	Y	N [7]
BD	N	N	Y	N
BE	N	N	Y	N
BF	N	N	N	N
BG	N	N	Y	N
BH	N	N	Y	N
BK	N	N	Y	N
BT	N	N	Y	N
CA	N	N	N	N
CB	N	N	Y	N
CC	N	N	Y	N
CD	N	N	N	N
DA	N	N	Y	N
DB	N	N	Y	A

DSC	Contract Administration [1]	PC&H [2]	Admin [3]	Transportation [4, 5, 6] Parcel Post
DC	N	N	Y	B
DD	N	N	Y	N
DE	Y	N	Y	N
DF	N	N	Y	N
DG	N	N	Y	N
DJ	N	N	Y	N
DK	Y	N	Y	N
DL	N	N	Y	N
DX	N	N	Y	N
EE	N	N	Y	N
EF	N	Y [8]	Y	B [9]
EG	N	N	Y	B [9]
EH	N	N	Y	N
EJ	N	Y	Y	Y
EK	N	N	Y	N
EL	N	N	N	N
EM	N	N	N	N
EN	N	N	Y	N
SA	N	N	Y	A
SB	N	Y	Y	B
SD	N	Y	Y	B
SE	N	N	Y	B

NOTES

1. DFAS SCA will compute CAS if price code is “N” and reimbursement code is other than “N” unless statutory waiver of contract administration has been made. See paragraphs 080402.D and 080402.P.

2. PC&H does not apply to DWCF items with ship dates after September 30, 1990.

3. Administrative costs will be computed unless administrative costs have been waived pursuant to statute.

4. The Inland CONUS transportation charge of 3.75 percent does not apply to DWCF shipments with shipping dates after September 30, 1990. Computation for generic codes L1D and L1E for DWCF items was discontinued on items with shipping dates after September 30, 1991.

5. In this column, A refers to items furnished from DWCF. B refers to inventory items that are not shipped from DWCF. Transportation for inventory items furnished from DWCF to freight forwarders or Canada (except Newfoundland and Labrador) is included in the price. Shipments beyond that point are computed according to Table 8-49. Costs for items that are not furnished from DWCFs are also computed according to Volume 15, Chapter 7 and Table 8-50.

6. Transportation costs are computed using the TBC of the transaction. However, if this position is blank, transportation costs are computed using the DTC. If a DTC is not on the DTC Table, reject the transaction.

7. Included in actual or estimated actual repair cost.

8. Computed standard PC&H except if RIC begins with “G.” RIC that begins with “G” will not have PC&H computed.

9. For DSC “EF” and “EG” when transportation is by GSA (RIC begins with “G”) and the TBC is not blank or where the TBC is blank and the DTC is other than “4”, the CONUS transportation add-on (generic codes L1A, L1D, and L1E) is not computed. GSA includes CONUS transportation in the price of the item

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Appendix R
Abbreviations And Acronyms

A

ACCP	Accelerated Case Closure Procedures
ACRL	Accessorial Cost
ADM	Administrative Surcharge
AECA	Arms Export Control Act
AOD	Anticipated Offer Date
ARC	Adjustment Reply Code
ASFF	Afghanistan Security Forces Fund (DoD)

B

BAC	Billing Advice Code
BAH	Basic Allowance for Housing
B/L	Bill of Lading
BO	Back Order (Supply) / Blanket Order (FMS Case)
BOE	Blanket Open End (FMS Case)
BPC	Building Partner Capacity

C

CA	Contract Authority / Competent Authority
CAC	Common Access Card/Cancellation Administrative Charges
CAS	Contract Administrative Services / Cost Accounting Standard
CBA	Commercial Bank Account/Capabilities Based Analysis
CBJ	Congressional Budget Justification
CCBL	Collect Commercial Bill of Lading
CCM	Central Case Manager (Army) / Command Country Manager

CCSA	Case Closure Suspense Account
CDM	Case Development Module (DSAMS)
CDRL	Contract Data Requirements List
CEMIS	Case Execution Management Information System (DoD)
CI	Case Identifier / Counterintelligence
CLIN	Contract Line Item Number
CLO	Country Liaison Officer (Foreign Country Representative) / Community
CLSSA	Cooperative Logistics Supply Support Arrangement
CM	Configuration Management / Case Manager / Country Manager
CMCS	Case Management Control System (USAF)
CMO	Contract Management Office
CNET	Chief of Naval Education and Training
CNO	Chief of Naval Operations
CO	Contracting Officer / Change Order / Commanding Officer
COE	U.S. Army Corps of Engineers
COLA	Cost of Living Allowance
COM	Chief of Mission (U.S. Ambassador)
CONUS	Continental United States
COR	Contracting Officer's Representative
COTS	Commercial Off-the-Shelf
CP	Country Plan / Control Plan
CPM	Country Program Manager
CR	Cost Reimbursement / Continuing Resolution
CRA	Continuing Resolution Authority
CRS	Congressional Research Service
CWD	Case Writing Division (DSCA)

CY	Calendar Year / Current Year

D

DAMES	DLA Automated Message Exchange System
DCAA	Defense Contract Audit Agency
DCMA	Defense Contract Management Agency
DCN	Document Control Number / Design Change Notice
DD Form 645	Department of Defense FMS Quarterly Billing Statement
DFAS	Defense Finance and Accounting Service
DFAS SCA	Defense Finance and Accounting ServiceSecurity Cooperation Accountingr
DGR	Designated Government Representative
DIFS	Defense Integrated Financial System
DLIS	Defense Logistics Information Service (DLA)
DO	Defined Order (FMS Case)
DOC	Department of Commerce
DoD	Department of Defense
DoDD	DoD Directive
DoDESB	Department of Defense Explosives Safety Board
DoDI	DoD Instruction
DON	Department of the Navy
DOS	Department of State
DRP	Direct Requisitioning Procedure (USN)
DSADC	Defense Security Assistance Development Center
DSAMS	Defense Security Assistance Management System
DSC	Delivery Source Code
DSCA	Defense Security Cooperation Agency
DTC	Delivery Term Code

DTS	Defense Transportation System / Defense Travel System
DWCF	Defense Working Capital Fund (see WCF)

E

EA	Expenditure Authority / Each
EFT	Electronic Funds Transfer

F

FAA	Foreign Assistance Act of 1961
FICS	FMS Integrated Control System / Financial Integrated Control System
FMF	Foreign Military Financing (Program)
FMFP	Foreign Military Financing Program
FMR	Financial Management Review / Financial Management Regulation
FMS	Foreign Military Sales
FMSA	Foreign Military Sales Act of 1968 (now AECA)
FMSCR	Foreign Military Sales Credit (also FMFP)
FMSO I	Foreign Military Sales Order No. I (stock level case)
FMSO II	Foreign Military Sales Order No. II (requisition case)
FOAA	Foreign Ops, Export Financing, & Related Pgms Appropriations Act
FOUO	For Official Use Only
FRB	Federal Reserve Bank, New York
FY	Fiscal Year
FYDP	Future Years Defense Program

G

GAO	Government Accountability Office
GBL	Government Bill of Lading
GCC	Geographic Combatant Command / Gulf Cooperation Council

H

HAC	House Appropriations Committee
HASC	House Armed Services Committee
HFAC	House Foreign Affairs Committee
HNS	Host Nation Support

I

IA	Implementing Agency
IBA	Interest Bearing Account
IPC	Indirect Pricing Components (DSAMS)
ISFF	Iraq Security Forces Fund (DoD)

J

JCS	Joint Chiefs of Staff (Joint Staff)
JER	Joint Ethics Regulation
JMC	Joint Munitions Command

L

LCMC	Life Cycle Management Command (Army)
LE Staff	Locally Employed Staff
LES	Leave and Earning Statement
LOA	Letter of Offer and Acceptance (DoD) / Lines of Activity
LOAD	Letter of Offer and Acceptance Data
LOR	Letter of Request

M

MARAD	U.S. Maritime Administration (DOT)
MARCORSYSCOM	U.S. Marine Corps Systems Command
MASL	Military Articles and Services List(s) (for materiel and training)
MCSCG	Marine Corps Security Cooperation Group

MDE	Major Defense Equipment
MET	Mobile Education Team
MILDEP	Military Department
MILPERS	Military Personnel
MILSBILLS	Military Standard Billing System
MILSTRIP	Military Standard Requisitioning and Issue Procedures
MILSVC	Military Service
MIPR	Military Interdepartmental Purchase Request
MIRR	Material Inspection and Receiving Report (DD Form 250)
MISIL	Management Information System for International Logistics (USN)
MOA	Memorandum of Agreement
MOD	Ministry of Defense (international equivalent of U.S. DoD)
MOR	Memorandum of Request (Security Cooperation)
MOU	Memorandum of Understanding
MSC	Military Sealift Command (USN) / Medical Services Corps
MTDS	Manpower Travel Data Sheet

N

NAF	Non-Appropriated Fund(s)
NAMSA	NATO Maintenance and Supply Agency
NAMSO	NATO Maintenance and Supply Organization
NATO	North Atlantic Treaty Organization
NAVAIR	Naval Air Systems Command
NAVSEA	Naval Sea Systems Command
NAVSUP	Naval Supply Systems Command
NAVSUP	WSS Naval Supply Systems Command Weapon Systems Support
NAVY IPO	Navy International Programs Office

NC	Nonrecurring Cost (also NRC)
NCS	NATO Codification System
NDAA	National Defense Authorization Act
NECTC	Naval Education and Training Command
NETSAFA	Naval Education and Training Security Assistance Field Activity
NGA	National Geospatial-Intelligence Agency
NIIN	National Item Identification Number
NOA	Notice of Availability
NORTHCOM	U.S. Northern Command
NPS	Naval Post Graduate School
NRC	Nonrecurring Cost (also NC) / Non-Repayable Credits
NSA	National Security Agency
NSC	National Security Council
NSN	National Stock Number / NATO Stock Number
NVD	Night Vision Device
NWC	National War College / Naval War College

O

O&M	Operations and Maintenance (DoD Funding)
OA/FCA	Obligation Authority / Fund Certification Authorization (SAARMS)
OAC	Operating Agency Code
OBL	Ocean Bill of Lading
OCONUS	Outside the Continental United States
ODC	Office of Defense Cooperation
OED	Offer Expiration Date (LOA)
OEM	Original Equipment Manufacturer
OGC	Office of General Counsel

OHA	Overseas Housing Allowance
OMA	Operations and Maintenance (Army)
OMB	Office of Management and Budget
OSC	Office of Security Cooperation
OSD	Office of the Secretary of Defense
OSP	Offshore Procurement

P

P&A	Price and Availability Data
PACOM	U.S. Pacific Command
PBAS	Program, Budget, & Accounting System (Army)
PC&H	Packaging, Crating, and Handling
PCH&T	Packaging, Crating, Handling, and Transportation
PCO	Procurement Contracting Officer
PEO	Program Executive Officer
PEO-STRI	Program Executive Office for Simulation, Training & Instrumentation (Army)
PL	Public Law
PMR	Program Management Review
PN	Part Number / Partner Nation
POD	Port of Debarkation
POE	Port of Embarkation / Port of Entry
POTUS	President of the United States
PPBES	Planning, Programming, Budgeting, and Execution System
PR	Purchase Request
PROS	Parts and Repair Ordering System
PSVR	Payment Schedule Variance Report

Q

QDR	Quality Deficiency Report

R

R&D	Research & Development
R&R	Repair and Return / Repair and Replace
RCN	Record Control Number
RIRO	Repairable Item Replacement Option (USN)
ROM	Rough Order of Magnitude
ROR	Repair of Repairable or Reparables
RSN	Record Serial Number
RSAT	Office of Regional Security and Arms Transfer (DOS)

S

S/FOAA	State/Foreign Operations Appropriations Acts
SA	Security Assistance
SAAF	Security Assistance Administrative Funds
SAAM	Special Assignment Airlift Mission
SAC	Senate Appropriations Committee
SAF/AQ	Assistant Secretary of the Air Force for Acquisition
SAF/IA	Deputy Under Secretary of the Air Force for International Affairs
SAFR	Security Assistance Foreign Representative [located within CONUS (USN)]
SALO	Security Assistance Liaison Officer (Army)
SAMD	Security Assistance Management Directorate (Army)
SAMIS	Security Assistance Management Information System (USAF)
SAMM	Security Assistance Management Manual (DSCA Manual 5105.38-M)
SAMR	Security Assistance Management Review

SAMRS	Security Assistance Manpower Requirements System (USAF)
SAN	Security Assistance Network
SAO	Security Assistance Organization (or Office or Officer)
SAP	Security Assistance Program / Simplified Acquisition Procedures
SAPM	Security Assistance Program Manager (USAF)
SASC	Senate Armed Services Committee
SAT	Security Assistance Team / Survey Assessment Team
SATP	Security Assistance Training Program
SATFA	Security Assistance Training Field Activity (Army)
SATMO	Security Assistance Training Management Organization (Army)
SATODS	Security Assistance Technical Order Program (USAF)
SBLC	Stand By Letter of Credit
SC	Security Cooperation
SC-	TMS Security Cooperation-Training Management System
SCES	Security Cooperation Enterprise System
SCIP	Security Cooperation Information Portal
SCML	Small Case Management Line
SCO	Security Cooperation Office / Officer
SDAF	Special Defense Acquisition Fund
SDDC	Surface Deployment and Distribution Command (Army)
SDO/DATT	Senior Defense Official/Defense Attaché
SDR	Supply Discrepancy Report, SF 364
SECDEF	Secretary of Defense
SECNAV	Secretary of the Navy
SECSTATE	Secretary of State
SF 361	Standard Form 361, Transportation Discrepancy Report (TDR)

SF 364	Standard Form 364, Report of Discrepancy [SDR (ROD)]
SFA	Security Force Assistance
SFRC	Senate Foreign Relations Committee
SLC	Shelf Life Code
SLS	Standard Level of Service
SMC	Space and Missile Systems Center (USAF)
SME	Significant Military Equipment
SNAP	Simplified Nonstandard Acquisition Process (Army)
SOP	Standard Operating Procedure
SOUTHCOM	U.S. Southern Command
SOW	Statement of Work
SPAWAR	Space & Naval Warfare Systems Command (USN)
SPO	System Program Office (USAF)
SPP	State Partnership Program
SSC	Supply and Services Complete
STARR/PC	Supply Tracking and Repairable Return / Personal Computer
SYSCOM	Systems Command (USN)

T

TA	Type of Assistance (or Finance) / Technology Assessment
TAC	Type of Address Code / Type of Assistance Code
TACOM	Tank, Automotive, and Armaments Command (Army)
TBC	Transportation Bill Code
TDR	Transportation Discrepancy Report, SF 361
TL	Termination Liability
TLA	Temporary Living Allowance / Travel and Living Allowance
TMS	Training Management System

TPA	Total Package Approach (also TPC)
TRADOC	Training and Doctrine Command (Army)
TRANSCOM	U.S. Transportation Command

U

UFR	Unfunded Requirement
ULO	Unliquidated Obligation
UMMIPS	Uniform Materiel Movement and Issue Priority System
UND	Urgency of Need Designator
USA	U.S. Army
USAF	U.S. Air Force
USASAC	U.S. Army Security Assistance Command
USASATMO	U.S. Army Security Assistance Training Management
USC	U.S. Code (as in law)
USCENTCOM	U.S. Central Command
USCG	U.S. Coast Guard
USD (AT&L)	Under Secretary of Defense for Acquisition, Technology and Logistics
USD (C)	Under Secretary of Defense (Comptroller)
USD (I)	Under Secretary of Defense for Intelligence
USD (P)	Under Secretary of Defense for Policy
USDOT	U.S. Department of Transportation
USEUCOM	U.S. European Command
USG	U.S. Government
USMC	U.S. Marine Corps
USMTM	U.S. Military Training Mission (SAO in Saudi Arabia)
USN	U.S. Navy
USNORTHCOM	U.S. Northern Command

USPACOM	U.S. Pacific Command
USSOCOM	U.S. Special Operations Command
USSOUTHCOM	U.S. Southern Command

V

VT	Voting Trust

W

WCN	Worksheet Control Number
WIP	Work in Progress
WWRS	Worldwide Warehouse Redistribution Service (USAF)

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Appendix S
Glossary Of Selected Terms

A

Above-the-line-cost. Costs and the related material/services that are summarized on the LOA filed #8 (Net Estimated Cost) which are primarily the responsibility of the cognizant implementing agency during execution of an FMS and /or BPC case.

Acceptance date. The date that appears on the acceptance portion of the LOA and indicates the calendar date on which a foreign buyer agrees to accept the items and conditions contained in the FMS offer portion.

Accessorial cost. The cost of packing, crating, and handling (PC&H), and transportation which are incidental to issues, sales, and transfers of materiel and are not included in the standard price or contract cost of materiel. An exception to this is working capital fund (WCF) items.

Accrued costs. The financial value of delivered articles and services and incurred costs reported to DFAS–IN via Delivery Transactions. Incurred costs represent disbursements for which no physical deliveries have yet occurred. Examples are: progress payments to contractors, GFM/GFE provided to contractors, and nonrecurring costs.

Act. The term for legislation once it has passed both houses of Congress and has been signed (enacted) by the president or passed over his veto, thus becoming law.

Actual cost. A cost sustained in fact, on the basis of costs incurred, as distinguished from forecasted or estimated costs.

Adjustment reply code (ARC). A code that identifies the type of action being taken in reply to the FMS customer supply discrepancy report [SDR (ROD)]. ARCs are transmitted to DFAS–IN by an FMS case Implementing Agency in FMS Delivery/Performance Reports.

Administrative contracting officer (ACO). The U.S. government contracting officer who is assigned the responsibility for the administration of U.S. government contracts.

Administrative cost. The value of costs associated with the administration of the FMS program. The prescribed administrative percentage cost for a case appears in the LOA. This percentage is applied against the case. Expenses charged directly to the FMS case (as prescribed by the LOA) are not included.

Allocation. An authorization by a designated official of a DoD component making funds available within a prescribed amount to an operating agency for the purpose of making funding allotments (i.e., the first subdivision of an apportionment of funds).

Allotment. An authorization granted within and pursuant to an allocation for the purpose of incurring commitments, obligations, and expenditures in the accomplishment of an approved budget. Therefore, an allotment is a subdivision of an appropriation that provides the funding authority for an official to accomplish a specific function or mission.

Amendment. An amendment of an FMS case constitutes a scope change to an existing LOA.

Apportionment. A determination made by the Office of Management and Budget which limits the amount of obligations or expenditures which may be incurred during a specified time period. An apportionment may limit all obligations to be incurred during the specified period or it may limit obligations to be incurred for a specific activity, function, project, or a combination thereof.

Appropriation. A part of an Appropriation Act providing a specified amount of funds to be used for designated purposes. Each appropriation has a finite period of time for incurring obligations.

Appropriations act. Legislation initiated by the House and Senate Appropriations Committees, that provides authority for Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes.

An appropriation act is the most common means of providing budget authority. There are thirteen regular appropriation acts for each fiscal year.

Arms Export Control Act (AECA). The basic U.S. law providing the authority and general rules for the conduct of foreign military sales and commercial sales of defense articles, defense services, and training. The AECA came into existence with the passage of the Foreign Military Sales Act (FMSA) of 1968. An amendment in the International Security Assistance and Arms Export Control Act of 1976 changed the name of FMSA to the AECA. Published as 22 USC Sec. 2751 et seq.

Audit. The systematic examination of records and documents to determine:

a. The adequacy and effectiveness of budgeting, accounting, financial, and related policies and procedures

b. Compliance with applicable statutes, regulations, policies, and prescribed procedures

c. The reliability, accuracy, and completeness of financial and administrative records and reports

d. The extent to which funds and other resources are properly protected and effectively used

Auditor [procurement]. A term used to represent the cognizant audit office designated by the Defense Contract Audit Agency (DCAA) or military service audit activities for conducting audit reviews of the contractor's accounting system policies and procedures for compliance with the criteria.

Authorization act. Basic, substantive, legislation that establishes or continues the legal operation of a federal program or agency, either indefinitely or for a specific period of time, or which sanctions a particular type of obligation or expenditure.

B

Bandaria. The imaginary country used by DISCS when making an example security assistance situation. This country is not located in any real region of the world nor is it modeled after any real country. For security assistance purposes, Bandaria's country code is BN.

Base year (BY). A reference period that determines a fixed price level for comparison in economic escalation calculations and cost estimates. The price level index for the base year is 1.000.

Below-the-line-costs. Costs identified on the LOA fields #9 (Packing, Crating, and Handling), #10 (Administrative Charge), #11 (Transportation), and #12 (Other). Normally, DFAS SCA and DSCA retains the obligational authority necessary to execute those applicable costs.

Bill. A legislative proposal originating in either the House or Senate, which, if passed in identical form by both houses and signed by the president, becomes an enacted law. Bills are designated by "HR" in the House of Representatives or "S" in the Senate, according to the house in which they originate, plus a number assigned in the order in which they are introduced during the two-year period of a Congressional term. Appropriations bills always originate in the House.

Bill (or billing) code. This is a DFAS SCA country assigned code that divides FMS customer country billings into management levels lower than a U.S. Implementing Agency or in-country service. This code often correlates to an FMS customer paying office. It appears in Block 3 of the DD Form 645. Basic alpha codes are derived from the LOA. The FMS customer should ensure that the proper bill code is indicated upon acceptance of an LOA.

Billing statement. The DD Form 645 Billing Statement represents the official claim for payment by the U.S. government referred to in Letters of Offer and Acceptance. It also furnishes an accounting to the FMS purchaser for all costs incurred on his behalf under each agreement.

Blanket order case. An agreement between a foreign customer and the U.S. government for a specific category of items or services (including training) with no definitive listing of items or quantities. The case specifies a dollar ceiling against which orders may be placed.

Budget authority. The authority Congress gives to government agencies, permitting them to enter into obligations that will result in immediate or future outlays (expenditures). Such budget authority does not include the authority to ensure the repayment of loans held by another person or government.

Budget year. The fiscal year following the current fiscal year, and for which the new budget estimate is prepared.

C

Canceled case. An FMS case which was not accepted or funded within prescribed time limitations, or was accepted and subsequently canceled by the requesting country or the U.S. government. In the latter case, the U.S. government or purchaser electing to cancel all (or part) of a case prior to the delivery of defense articles or the performance of services shall be responsible for all (or associated) termination costs.

Case. An FMS contractual sales agreement between the U.S. and an eligible foreign country or international organization documented by a DD Form 1513 or an LOA. An FMS case identifier is assigned for the purpose of identification, accounting, and data processing for each offer.

Case description. A short title specifically prepared for each FMS case by the implementing agency.

Case designator. A unique designator assigned by the implementing agency to each FMS case. The designator originates with the offer of a sale, identifies the case through all subsequent transactions, and is generally a three-letter designation, comprising the last element of the Case Identifier.

Case identifier. A unique six-digit identifier assigned to an FMS case for the purpose of identification, accounting, and data processing of each LOA. The case identifier consists of the two-letter country code, a one-letter designator for the implementing agency, and a three-letter case designator.

Case modification. Modification of a case documented by an LOA modification, which constitutes an administrative or price change to an existing LOA, without revising the scope of the case.

Cash prior to delivery. A term of sale in which the U.S. government collects cash in advance of the delivery of defense articles and/or the performance of defense services from DoD resources.

Cash with acceptance. A term of sale in which U.S. dollar currency, check, or other negotiable instrument is submitted by the customer concurrent with acceptance of an FMS sales offer for the full amount shown as the estimated total cost on the LOA.

Closed case. An FMS case for which all materiel has been delivered, all services have been performed, all financial transactions, including all collections, have been completed, and the customer has received a final statement of account.

Collections. Receipts in U.S. dollars, checks, or other negotiable instruments from a purchasing country to pay for defense articles, services, or military training based on accepted FMS cases.

Commitment [financial]. A firm administrative reservation of funds based upon firm procurement directives, orders, requisitions, authorizations to issue travel orders, or requests which authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The act of entering into a commitment is usually the first step in the process of spending available funds.

Completed case. An FMS case for which all deliveries and collections have been completed, but for which a final accounting statement (DD Form 645) has not been furnished to the purchaser.

Concurrent resolution. A concurrent resolution must be adopted by both houses, but it is not sent to the president for his signature and therefore does not have the force of law. A concurrent resolution, for example, is used as the vehicle for expressing the sense of Congress on various foreign policy and domestic issues.

Concurrent resolution on the budget. A resolution passed by both Houses of Congress but not requiring the signature of the president, setting forth, reaffirming, or revising specified congressional budget totals for the federal government for a fiscal year.

Congressional Budget Justification for Foreign Operations. The document presented annually by the Executive Branch to Congress describing the proposed annual Military Assistance, Foreign Military Sales programs, and related security assistance programs along with other foreign assistance programs for the next fiscal year (i.e., the budget year) for which Congressional authorizations and appropriations are requested. The document is jointly produced by DoD (DSCA) and DOS (PM) and serves as a supporting document and justification for the president's annual budget request for foreign assistance. In the past, referred to as the Congressional Presentation Document (CPD).

Congressional committee. A division of the House or Senate that prepares legislation for action by the parent chamber or makes investigations as directed by the parent chamber. Most standing committees are divided into subcommittees, which study specific types of legislation, hold hearings, and report bills, with or without amendments, to a full committee. Only a full committee can report legislation to the House or Senate.

Constant year dollars. A method of relating dollar values for various years by removing the annual effects of inflation and showing all dollars at the value they would have had in a selected base year. See also current year dollars.

Constructive delivery [FMS]. Completion of delivery of materiel to a carrier for transportation to a consignee, or delivery to a U.S. post office for shipment to a consignee. Delivery is evidenced by completed shipping documents or listings of delivery at the U.S. post office. The delivery of materiel to the customer or the customer's designated freight forwarder at a point of production, testing, or storage at dockside, at staging areas, or at airports constitutes actual delivery. Also referred to as physical delivery.

Continental United States (CONUS). United States territory, including the adjacent territorial waters, located within the North American Continent between Canada and Mexico. Does not include Hawaii or Alaska.

Continuing resolution (CR). Appropriations legislation enacted by Congress to provide temporary budget authority for Federal agencies to keep them in operation when their regular appropriations bill has not been enacted by the start of the fiscal year.

Continuing resolution authority (CRA). The authority to obligate funds against the FMFP, IMET, ESF, or other related security assistance appropriation for the new fiscal year under a CR granted by Congress in a Joint Resolution making temporary appropriations prior to passage of the regular appropriations act, or in lieu of such an act. Normally, however, the CRA is for a designated period less than a fiscal year, and such a CRA does not usually allow funding for the start of any new programs.

Contract. An agreement between two or more persons who are legally capable of making a binding agreement, which involves: a promise (or set of promises); a consideration (i.e., something of value promised or given); a reasonable amount of understanding between the persons as to what the agreement means; and a legal means for resolving any breach of the agreement.

Contract administration. All the activities associated with the performance of a contract, from pre-award to closeout.

Contract administration services. All those actions accomplished in or near a contractor's plant for the benefit of the U.S. government which are necessary to the performance of a contract or in support of the buying offices, system/project managers, and other organizations, including quality assurance, engineering support, production surveillance, pre-award surveys, mobilization planning, contract administration, property administration, industrial security, and safety.

Contract administration services (CAS) charge. A surcharge applied to all FMS and BPC purchases from procurement to cover the cost of contract administration, quality assurance and inspection, and contract audit. The surcharge percentage depends upon any contract administrative reciprocal agreements with a particular purchasing country.

Contract authority. Budget authority contained in an authorization bill that permits an agency of the federal government to enter into contracts or other obligations for future payments from funds not yet appropriated by Congress. The assumption is that the necessary funds will be made available for payment in a subsequent appropriations act.

Contract award. This occurs when a contracting officer has signed and distributed a contract to a contractor.

Contract field services (CFS). These are services performed for the USG by commercial or industrial companies. These services provide instruction and training on the installation, operation, and maintenance of DoD weapons, equipment, and systems.

Contract requirements. In addition to specified performance requirements, contract requirements include those defined in the statement of work; specifications, standards, and related documents; the contract data requirements list; management systems; and contract terms and conditions.

Contract termination. Cessation or cancellation, in whole or in part, of work under a prime contract, or a subcontract there under, for the convenience of, or at the option of, the government, or a foreign purchaser (FMS), or due to failure of the contractor to perform in accordance with the terms of the contract.

Contracting officer (CO). A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the CO acting within the limits of their authority as delegated by the CO.

Cooperative logistics supply support arrangements (CLSSA). Military logistics support arrangements designed to provide responsive and continuous supply support at the depot level for U.S.-made military materiel possessed by foreign countries and international organizations. The CLSSA is normally the most effective means for providing common repair parts and secondary item support for equipment of U.S. origin that is in allied and friendly country inventories.

Coordinating Authority. A commander or individual assigned responsibility for coordinating specific functions or activities involving forces of two or more military departments, two or more joint force components, or two or more forces of the same service. The commander or individual has the authority to require consultation between the agencies involved, but does not have the authority to compel agreement. In the event that essential agreement cannot be obtained, the matter shall be referred to the next senior in the reporting chain. This authority is given to the Senior Defense Official or the Defense Attaché (SDO/DATT) by DoDD 5105.75, Department of Defense Operations at U.S. Embassies, December 21, 2007.

Cost contract. A contract that provides for payment to the contractor of allowable costs, to the extent prescribed in the contract, incurred in performance of the contract.

Country Liaison Officer (CLO). An officer or non-commissioned officer (NCO) of a foreign military establishment selected by his or her government and attached to a MILDEP or DoD agency for the primary purpose of helping administer IMS from his or her home country. For administrative purposes, the CLO is considered in a student status. In State Department terms, the CLO is the Community Liaison Officer, similar to an MWR officer in the military.

Country team. Senior members of U.S. government agencies assigned to a U.S. diplomatic mission overseas, and subject to the direction and supervision of the Chief, U.S. Mission (Ambassador). Normally, such members meet regularly (i.e., weekly) to coordinate USG political, economic, and military activities and policies in the host country.

Credit case (FMS). The use of U.S. government appropriated funds from the FMFP account to finance a foreign country's FMS purchases of U.S. defense articles or services. Credit funds may be in the form of repayable loans or non-repayable grants.

Credit guaranty. A guaranty to any individual corporation, partnership, or other judicial entity doing business in the United States (excluding USG agencies other than the Federal Financing Bank) against political and credit risks of nonpayment arising out of their financing of credit sales of defense articles and defense services to eligible countries and international organizations.

Current fiscal year. The fiscal year in progress but not yet completed; e.g. between and including 01 October and 30 September for the United States.

Current year. The fiscal year in progress. See also budget year.

Current-year dollars. Dollar values of a given year that include the effects of inflation or escalation for that year, or which reflect the price levels expected to prevail during the year at issue. Also referred to as escalated dollars or then-year dollars.

D

Defense article. As defined in section 644(d), FAA and section 47(3), AECA, includes any weapon, weapons system, munitions, aircraft, vessel, boat, or other implement of war; any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance or making military sales; any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any other defense article or any component or part of any articles listed above, but shall not include merchant vessels, or as defined by the Atomic Energy Act of 1954, as amended (42 U.S. Code 2011), source material, byproduct material, special nuclear material, production facilities, utilization facilities, or atomic weapons or articles involving Restricted Data.

Defense Contract Management Agency (DCMA). An agency under the direction of the Under Secretary of Defense for Acquisition, Technology and Logistics [USD (AT&L)], which provides unified contract administration services to DoD components and NASA, for all contracts except those specifically exempted.

Defense Logistics Agency. A DoD inventory management agency responsible for approximately 95 percent of consumable items and approximately 85 percent of all spare parts in the DoD supply system.

DLA Disposition Services. An organization within DLA that provides redistribution and disposal services for DoD. FMS is one of the many programs qualified to receive DLA Disposition Services property.

DLA Logistics Information Service. An organization within DLA that serves as the U.S. National Codification Bureau (NCB) and also provides cataloging services in support of allied defense ministries.

Defense Security Cooperation Agency (DSCA). The agency that performs administrative management, program planning, and operations functions for U.S. military assistance programs at the DoD level under the policy direction of the Assistant Secretary of Defense (International Security Affairs).

Defense service. As defined in section 644(f), FAA and section 47(4), AECA, the term defense service includes any service, test, inspection, repair, training, publication, technical or other assistance, or defense information used for the purpose of furnishing military assistance or FMS, but does not include military education and training activities or design and construction services under section 29, AECA.

Defense stock. The term defense stock includes defense articles on hand which are available for prompt delivery. It also includes defense articles under contract and on order that would be available for delivery within a reasonable time from the date of order by an eligible foreign government or international organization without increasing outstanding contracts or entering into new contracts.

Defense Transportation System (DTS). The collection of transportation activities and carriers belonging to or under contract to the DoD. The DTS includes commercial and organic aircraft and ships, and commercial small package services under contract to the DoD, as well as the operation of U.S. military air and ocean terminals in and outside of the U.S.

Defined order case. These are FMS cases characterized by orders for specific defense articles and services that are separately identified line items on the LOA.

Definitization. The process of tailoring a standard DoD system to the international partner's operational requirements, by making adjustments to the item configuration, the type and quantity of spare parts, and the logistics support package.

Delivery. Includes constructive or actual delivery of defense articles; also, includes the performance of defense services for the customer or requisitioner, as well as accessorial services, when they are normally recorded in the billing and collection cycle immediately following performance.

Delivery forecasts. Periodic estimates of contract production deliveries used as a measure of the effectiveness of production and supply availability scheduling and as a guide to corrective actions to resolve procurement or production bottlenecks. These forecasts provide estimates of deliveries under obligation against procurement from appropriated or other funds.

Delivery Term Code (DTC). A single character code that represents how far the USG is responsible for arranging transportation of defense articles going to an international customer.

Dependable undertaking [FMS]. An excepted term and condition within the FMS case (or LOA). A firm commitment by a foreign government or international organization to pay the full amount of a contract for new production or for the performance of defense services which will assure the U.S. against any loss on such contract and to make funds available in such amounts and at such times as may be required by the contract, or for any damages and costs that may accrue from the cancellation of such a contract, provided that in the judgment of the DoD there is sufficient likelihood that the foreign government or international organization will have the economic resources to fulfill the commitment.

Depot level maintenance. Maintenance performed on material requiring a major overhaul or a complete rebuilding of parts, assemblies, subassemblies, and end items, including the manufacture of parts, modification, testing, and reclamation as required. Provides more extensive shop facilities and equipment and personnel of higher technical skill than are normally available at the lower levels of maintenance, i.e., organizational and intermediate level maintenance.

Designated government representative (DGR). A person or persons duly authorized by a foreign government to act on behalf of that government to negotiate, commit, sign contractual agreements, and/or accept delivery of materiel.

Direct cite. Citation of the FMS Trust Fund [Account 97-11X8242] as the financing source on documents leaving the DoD system, as well as contracts with commercial firms, the General Services Administration, the Department of Transportation, etc. The term "direct cite" is not valid if any DoD organization establishes a reimbursable order to a DoD appropriation account, stock fund, or industrial fund.

Direct cost. Any cost that is specifically identified with a particular final cost objective. Such costs are not necessarily limited to items that are incorporated into the end product as labor or material.

Direct offset. A general type of industrial or commercial compensation practice required of a contractor by a purchasing government as a condition for the purchase of defense articles/services. The form of compensation, which generally offsets a specific percentage of the cost of the purchase, is directly associated with the items purchased, such as the production of components in the purchasing country for installation in the purchased end-item.

Disbursements [gross and net]. In budgetary usage, gross disbursements represent the amount of checks issued, cash, or other payments made, less refunds received. Net disbursements represent gross disbursements less income collected and credited to the appropriate fund account, such as amounts received for goods and services provided. See also outlays.

DoD components. These include all of the following: the Office of the Secretary of Defense (OSD); the military departments; the Joint Chiefs of Staff (JCS or Joint Staff); the combatant commands; the Office of the Inspector General, Department of Defense (DoDIG); the Defense agencies, to include the Missile Defense Agency (MDA); and DoD field activities.

E

Earmarks [appropriations]. Minimum mandatory funding levels for countries/programs established by Congress in annual foreign assistance authorization and appropriations bills. Earmarks provide Congress a means for establishing its priorities in the allocation of U.S. foreign assistance resources.

Economic order quantity (EOQ). The most economical quantity of parts to order at one time to support a defined production rate, considering the applicable procurement and inventory costs.

End item (EI). A final combination of end products, component parts, and/or materials which is ready for its intended use, e.g., aircraft, ship, tank, mobile machine shop.

Estimated actual charges. A systematic and documented estimate of actual costs. The procedure is used in the absence of an established cost accounting system and the procedure is sometimes referred to as a cost finding technique.

Excess defense articles (EDA). Defense articles owned by the United States government which are neither procured in anticipation of military assistance or sales requirements, nor procured pursuant to a military assistance or sales order. EDA are items (except construction equipment) that are in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations.

Execution. The operation of carrying out a program as contained in the approved budget. Often referred to as budget execution.

Expenditure authority (EA, as used in FMS). A document or authority from DFAS SCA to an FMS case implementing DoD component that allows expenditures against obligations previously recorded against an FMS case. The disbursing activity must ensure that cash is available prior to processing the disbursement.

Expenditures. The actual spending of money as distinguished from the appropriation of funds. Expenditures are made by the executive branch; appropriations are made only by Congress. The two rarely are identical in any fiscal year. In addition to some current budget authority, expenditures may represent prior budget authority made available one, two, or more years earlier. See also disbursements.

F

Federal budget. The federal government's budget for a particular fiscal year transmitted in January (first Monday after January 3rd) to the Congress by the president in accordance with the Budget and Accounting Act of 1921. Includes funding requests for all agencies and activities of the executive, legislative, and judicial branches. Also termed president's budget.

Fences. Explicit limitations (ceilings and floors) established by Congress on the use of funds provided in an appropriations act. See also earmarks.

Fiscal year [FY]. Accounting period beginning 01 October and ending 30 September of the following year for the United States. The fiscal year is designated by the calendar year in which it ends (e.g. Fiscal Year 1995 begins on 01 October 1994 and ends 30 September 1995).

Fixed costs. Costs that do not vary with the volume of business, such as property taxes, insurance, depreciation, security, and minimum water and utility fees.

Fixed price type contract. A type of contract that generally provides for a firm price or, under appropriate circumstances, may provide for an adjustable price for the supplies or services being procured. Fixed price contracts are of several types, and are so designed as to facilitate proper pricing under varying circumstances.

Foreign Assistance Act (FAA) of 1961. The basic law providing the authority and the general rules for the conduct of foreign assistance grant activities/programs by the USG. Published as 22 USC Sec. 2151 et seq.

Foreign exchange. Foreign exchange refers to a system whereby the national currency of one country may be exchanged for the currency of another country, thereby facilitating trade between countries.

Foreign liaison officer (FLO). An official representative, either military or civilian, of a foreign government or international organization stationed in the United States normally for the purpose of managing or monitoring security assistance programs.

Foreign military sales (FMS). That portion of U.S. security assistance authorized by the AECA, and conducted on the basis of formal contracts or agreements between the United States government and an authorized recipient government or international organization. FMS includes government-to-government sales of defense articles or defense services, from DoD stocks or through new procurements under DoD-managed contracts, regardless of the source of financing.

Foreign military sales (FMS) case. A United States of America Letter of Offer and Acceptance (LOA) or a "United States Department of Defense Offer and Acceptance," which has been accepted by a foreign country.

Financial Management Regulation (FMR) [DoD 7000.14-R, volume 15, Security Assistance Policy and Procedures]. A manual published by the Defense Finance and Accounting Service under the authority of DoDI 7000.14. It establishes basic financial procedures for security assistance activities involving management, fiscal matters, accounting, pricing, budgeting for reimbursements to DoD appropriations accounts and revolving funds, auditing, international balance of payments, and matters affecting the DoD budget.

Foreign Military Sales Forecast Report. A companion document to the Javits Report, this report provides a two-year projection by fiscal year (vice one calendar year for Javits) but only addresses potential FMS sales.

Foreign Military Sales Order (FMSO). A term used to describe DD Forms 1513 or LOAs that implement Cooperative Logistics Supply Support Arrangements. Two DD Forms 1513/LOAs are written: a FMSO I and a FMSO II.

Foreign Military Sales Order I (FMSO I). Provides for the pipeline capitalization of a cooperative logistics support arrangement, which consists of stocks on hand and replenishment of stocks on order in which the participating country buys equity in the U.S. supply system for the support of a specific weapons system. Even though stocks are not moved to a foreign country, delivery (equity) does in effect take place when the country pays for the case.

Foreign Military Sales Order II (FMSO II). Provides for the replenishment of withdrawals of consumption-type items (repair parts, primarily) from the DoD supply system to include charges for accessorial costs and a systems service charge.

Freight Forwarder. A commercial import/export company under contract to the FMS customer who arranges transportation of materiel from a point specified in the LOA to the final destination.

Future years defense program (FYDP). The official program summarizing the Secretary of Defense approved plans and programs for the Department of Defense.

G

Government Accountability Office (GAO). An agency of the legislative branch, responsible solely to the Congress, which functions to audit all negotiated government contracts and investigate all matters relating to the receipt, disbursement, and application of public funds.

Government furnished equipment (GFE). Items in the possession of, or acquired by the USG, and delivered to or otherwise made available to a contractor.

Government furnished material (GFM). U.S. government property which may be incorporated into, or attached to an end item to be delivered under a contract or which may be consumed in the performance of a contract. It includes, but is not limited to, raw and processed material, parts, components, assemblies, small tools, and supplies.

Grant. A form of assistance involving a gift of funds, equipment, and/or services which is furnished by the U.S. government to selected recipient nations on a free, non-repayable basis.

Grant aid (GA). Military assistance rendered under the authority of the FAA for which the United States receives no dollar reimbursement. Such assistance currently consists of the international military education and training program (IMET), and pre-1990 MAP funding.

H

Holding account. An account established for each FMS country/international organization for the purpose of recording and safeguarding unidentified and certain earmarked funds for future use.

I

Implementation date [FMS]. The date when supply action on an FMS case is initiated or directed by an implementing agency.

Implementing agency (IA). The military department or defense agency responsible for the execution of military assistance programs. With respect to FMS, the military department or defense agency assigned responsibility by the Defense Security Cooperation Agency to prepare an LOA and to implement an FMS case. The implementing agency is responsible for the overall management of the actions that will result in delivery of the materials or services set forth in the Letter of Offer and Acceptance that was accepted by a foreign country or international organization.

Impoundment. Any executive action to withhold or delay spending appropriated funds as intended by the Congress. There are two kinds of impoundments: deferrals and rescissions.

Indirect cost. Costs which are incurred for common or joint objectives, and which are not as readily subject to treatment as direct costs. See also direct costs.

Indirect offset. A general type of industrial or commercial compensation practice required of a contractor by a purchasing government as a condition for the purchase of defense articles/services. The form of compensation, which generally offsets a specific percentage of the cost of the purchase, is unrelated to the items purchased, and may include contractor purchases of commodities and manufactured goods produced in the purchasing country.

Initial deposit [FMS]. Money transferred to the credit of the Treasurer of the United States or other authorized officer at the time of acceptance of an LOA as full or partial payment for defense articles, services, or training contracted for by an eligible foreign country.

Interfund billing system (IBS). Under IBS, a selling activity will credit the appropriation or fund which owns the materiel and/or finances the accessorial charges at the time of billing the ordering activity, and will charge the appropriations/funds of the ordering activity. IBS normally encompasses all supply system sales and purchases of materiel, including perishable substances, bulk petroleum, oil, lubricants, and aviation fuel. Reimbursable sales will be billed at the time items are dropped from inventory except that billings for sales under FMS and MAP will be based on constructive delivery [DoDI 7420.12].

International cooperative administrative support services (ICASS). The purpose of ICASS is to provide, on a reimbursable basis, needed administrative services to USG offices located overseas. The administrative support services are provided by ICASS personnel of the DOS stationed at overseas U.S. embassies, consulates, etc. Normally, such personnel perform a variety of services including: personnel, budget and fiscal, general services, communications, security and guard, and management services. The specific services required are the basis of an agreement between DOS and the requesting agency. Charges are based on the amount of services received, with each agency, including DOS, paying its share. The ICAAS system provides

an equitable method of sharing the costs of providing "common type" administrative support to the SCO and other agencies at the post.

Item identification number. A seven-character identifier assigned to each line of training in the MASL. The first character is a letter that identifies the MILDEP offering the training (B Army, P-Navy, D-Air Force). The following six characters are numbers that identify the specific item of training. The identification number is used in all FMS and IMET training programs and implementation documents.

J

Javits report. The President's estimate to the Congress of potential or proposed arms transfers during a given calendar year.

Joint resolution. A legislative resolution, designated H J Res (House) or S J Res (Senate) which requires the approval of both houses and the signature of the president, just as a bill does, and which has the force of law if approved. There is no practical difference between a bill and a joint resolution. A joint resolution generally is used to deal with a limited matter such as a single appropriation. Congressional rejection of a proposed arms transfer, lease, third country transfer, or a proposed international cooperative project takes the form of a joint resolution of disapproval.

L

Letter of offer and acceptance (LOA). U.S. Department of Defense letter by which the U.S. government offers to sell to a foreign government or international organization U.S. defense articles and defense services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of sale; it also provides for the signature of an appropriate foreign government official to indicate acceptance.

Letter of request (LOR). The term used to identify a request from an eligible FMS participant country for the purchase of U.S. defense articles and services. The request may be in message or letter format.

Life cycle cost. The total costs to the government of acquisition and ownership of a system over its useful life. It includes the costs of development, acquisition, support, and, where applicable, disposal.

Line item number. A three-digit alpha/numeric code that identifies a detail line item on the LOA. This code is perpetuated on the customer's bill.

Loan. An agreement for the temporary transfer of the right of possession and use of a defense article or articles not acquired with military assistance funds to a foreign government or international organization, at no rental charge to the transferee, with the transferring U.S. military department being reimbursed from MAP funds, subject to and under authority of section 503, FAA. Also, applies to loans to a NATO or major non-NATO ally of materials, supplies, or equipment for the purpose of carrying out a program of cooperative research, development, testing, or evaluation subject to and under the authority of section 65, AECA.

Locally employed staff. The general term used for Foreign Service nationals, as well as some U.S. citizens, who ordinarily reside in the host country and are thus subject to its labor law. LE staff are employed at a U.S. mission, or at an office of the American Institute in Taiwan by the U.S. Government under the authority of the COM and are normally paid under the local compensation plan.

Logistics. The science of planning and carrying out the movement and maintenance of forces. In its most comprehensive sense, involves those aspects of military operations which deal with:

a. Design and development, acquisition storage, movement, distribution, maintenance, evacuation, and disposition of materials

b. Movement, evacuation, and hospitalization of personnel

c. Acquisition or construction, maintenance, operation, and disposition of facilities

d. Acquisitioning or furnishing of services

Long-lead items/long-lead time materials. Those components of a system or piece of equipment for which the times to design and fabricate are the longest, and therefore, to which an early commitment of funds may be desirable in order to meet the earliest possible date of system completion.

M

Maintenance. The upkeep of property, necessitated by wear and tear, which neither adds to the permanent value of the property nor appreciably prolongs its intended life, but keeps it in efficient operating condition. The term "preventive maintenance" involves deterring something from going wrong; the term "corrective maintenance" involves restoring something to its proper condition.

Maintenance concept/plan. A description of maintenance considerations and constraints for system/equipment under development. A preliminary maintenance concept is developed and submitted by the operating command as part of the preliminary system operational concept for each alternative solution candidate; the implementing and supporting commands provide inputs to the concept/plan.

Major defense equipment (MDE). Any item of significant military equipment on the United States Munitions List having a nonrecurring research and development cost of more than $50 million or a total production cost of more than $200 million. Also defined in section 47 (6), AECA.

Major line item. A program line for which the requirement is expressed quantitatively as well as in dollars. These lines are identified in the military articles and services list(s) (MASL) by a unit of issue (XX) other than dollars.

Major non-NATO allies. Designated as Argentina, Australia, Bahrain, Egypt, Israel, Japan, Jordan, Kuwait, Morocco, New Zealand, Pakistan, Philippines, Republic of Korea, Taiwan, and Thailand [Sec. 517, FAA].

Memorandum of agreement (MOA) or memorandum of understanding (MOU). A written agreement between governments or a government and international organization signed by authorized representatives and signifying an intent to be legally bound.

Military articles and services list (MASL). A catalogue of materiel, services, and training used in the planning and programming of Military Assistance Program (MAP), International Military Education and Training (IMET), and Foreign Military Sales (FMS). Separate MASLs are maintained for IMET and FMS training that provides data on course identification, course availability, price, and duration of training.

Military assistance program (MAP). That portion of the United States security assistance program authorized by the Foreign Assistance Act of 1961, as amended, which provides defense articles and services to recipients on a nonreimbursable (grant) basis. Funding for MAP was consolidated under the Foreign Military Financing (FMF) Program beginning in fiscal year 1990.

Military Department (MILDEP). One of the departments within the Department of Defense created by the National Security Act of 1947, as amended. The Military Departments are: the Department of the Air Force, the Department of the Army, and the Department of the Navy.

Military Service (MILSVC). A branch of the Armed Forces of the United States, established by act of Congress, in which persons are appointed, enlisted, or inducted for military service, and which operates and is administered within a military or executive department. The Military Services are: the United States Army, the United States Navy, the United States Air Force, the United States Marine Corps, and the United States Coast Guard.

Military standard billing system (MILSBILLS). This system provides data elements, codes, standard mechanized procedures, and formats for use by DoD components for billing, collecting and related accounting for sales from system stocks, including direct deliveries. The mechanized procedures apply to MAP and FMS as outlined in DoDI 7420.12 (regarding Interfund Billing System).

Military standard requisitioning and issue procedures (MILSTRIP). A uniform procedure established by the Department of Defense to govern the requisition and issue of materiel within standardized priorities.

Mobile education team (MET). A team of U.S. DoD personnel on temporary duty in a foreign country for the purpose of educating foreign personnel in resource management. Such teams are normally funded from Expanded IMET Program funds.

Mobile training team (MTT). A team of U.S. DoD personnel on temporary duty in a foreign country for the purpose of training foreign personnel in the operation, maintenance, or other support of weapon systems and support equipment, as well as training for general military operations. MTTs may be funded from either FMS or IMET Programs.

Modification. Modification of a case constitutes and administrative or price change to an existing LOA, without revising the scope of the case.

Munitions List. The U.S. Munitions List is an enumeration of defense articles and defense services and is published in the Department of State's International Traffic in Arms Regulations.

N

National stock number. A thirteen-digit stock number consisting of a four-digit federal supply classification and a nine- digit national item identification number.

NATO Codification System (NCS). A supply codification system developed by the U.S. and adopted by NATO and non- NATO partners. The NCS standardizes item identification processes to permit item interchangeability between international partners and contributes to systems interoperability.

Net case value. Total amount of the cost reflected on line 21 of the DD Form 1513 or line 8 of the LOA.

Nonrecurring costs (NRC or NC). Those costs funded by an RDT&E appropriation to develop or improve a product or technology either through contract or in-house effort. Also, those one-time costs incurred in support of previous production of a specified model and those costs incurred in support of a total projected production run.

Nonrepayable credits/loans. Grant funds appropriated by Congress for use in the Foreign Military Financing Program to selected countries for their use in financing FMS acquisitions of defense articles, defense services, and training under the authority of section 23, AECA. Additionally, certain countries may be authorized these grant funds to finance direct commercial sales.

Nonstandard article. For FMS purposes, a nonstandard article is one that the DoD does not manage, either because an applicable end item has been retired or because it was never purchased for DoD components.

Nonstandard service. For FMS purposes a nonstandard service is a service that the DoD does not routinely provide for itself or for purchase.

Notice of Availability (NOA). A written notification that material requiring special handling is ready to be shipped. The NOA is sent by the shipper to the purchaser or freight forwarder for oversized, hazardous, explosive, classified or perishable material, and requires a response from the recipient with delivery instructions.

O

Obligation. A duty to make a future payment of money. The duty is incurred as soon as an order is placed, or a contract is awarded for the delivery of goods and the performance of services. An obligation legally encumbers a specified sum of money which will require an outlay or expenditure in the future.

Obligational authority (OA, as used in FMS). A document or authority passed from DFAS–IN to an implementing DoD component that allows obligations to be incurred against a given FMS case in an amount not to exceed the value specified in the obligational authority.

Offer date. The date which appears on the offer portion of an LOA and which indicates the date on which an FMS offer is made to a foreign buyer.

Offset agreement. An agreement, arrangement, or understanding between a U.S. supplier of defense articles or services and a foreign country under which the supplier agrees to purchase or acquire, to promote the purchase or acquisition by other U.S. persons, of goods or services produced, manufactured, grown, or extracted, in whole or in part, in that foreign country in consideration for the purchase by the country of defense articles or services from the supplier [Sec. 39A(d)(1), AECA]. See also direct offset and indirect offset.

Operation & maintenance (O&M) costs. Costs associated with equipment, supplies, and services required to train, operate, and maintain forces in a recipient country, including the cost of spare parts other than concurrent spares and initial stockages, ammunition and missiles used in training or replacements for such items expended in training or operations, rebuild and overhaul costs (excluding modernization) of equipment subsequent to initial issue, training and other services that do not constitute investment costs, and administrative costs associated with overall program management and administration.

Ordering activity. An activity that originates a requisition or order for procurement, production, or performance of work or service by another activity.

Ordnance. Explosives, chemicals, pyrotechnic and similar stores, e.g., bombs, guns, ammunition, flares, smoke, and napalm.

Outlays. Actual expenditures. Checks issued, interest occurred on the public debt, or other payments. Total budget outlays consist of the sum of the outlays from appropriations and other funds in the budget, less receipts (i.e., refunds and reimbursements).

Outside CONUS. All geographic areas not within the territorial boundaries of the continental United States. OCONUS includes Hawaii and Alaska.

P

Packing, crating, handling, & transportation (PCH&T). The resources, processes, procedures, design considerations, and methods to ensure that all system, equipment, and support items are preserved, packaged, handled, and transported properly, including: environmental considerations, equipment preservation requirements for short-and-long-term storage, and transportability. One of the principal elements of integrated logistics support (ILS).

Payment on delivery [FMS]. An FMS term of sale in which the U.S. government issues a bill to the FMS purchaser at the time of delivery of defense articles or the rendering of defense services from DoD resources. This term may only be used pursuant to a written statutory determination by the Director, DSCA, who may find it in the national interest to authorize such payment. Based on presidential action, this term may also be modified to read "Payment 120 Days After Delivery."

Payment schedule. List of dollar amounts and when they are due from the foreign customer. The payment schedule supplements the Letter of Offer and Acceptance (LOA) presented to the customer. After acceptance of the LOA, the payment schedule generally serves as the basis for billing to the customer. Changes in the estimated costs of an FMS case may require changes in the accompanying payment schedule.

Performing activity. An activity which is responsible for performing work or service, including the production of material and/or the procurement of goods and services from other contractors and activities.

Performance-Based Logistics. The DoD strategy of purchasing support in terms of systems readiness and performance outcome, rather than simply acquiring and stocking material on demand. DoD contracts with a manufacturer who is responsible for ensuring optimum system performance by providing complete logistics support to the customer.

Planning, programming, and budgeting system (PPBS). An integrated system for the establishment, maintenance, and revision of the Future Years Defense Program (FYDP) and the DoD budget.

Port of Debarkation (POD). A military or commercial air or ocean port at which materiel is offloaded. Also referred to as the Port of Discharge.

Port of Embarkation (POE). A military or commercial air or ocean port at which a carrier begins the journey to deliver materiel to the consignee. This is also referred to as the Port of Exit.

Price and availability (P&A) data. Prepared by the MILDEPs, DSAA, and other DoD components in response to a foreign government's request for preliminary data for the possible purchase of a defense article or service. P&A data are not considered valid for the preparation of an LOA. Furnishing of this data does not constitute a commitment for the USG to offer for sale the articles and services for which the data are provided.

Procurement lead time. The interval in months between the initiation of procurement action and receipt into the supply system of the production model (excluding prototypes) purchased as the result of such actions; procurement lead time is composed of two elements, production lead time, and administrative lead time.

Procuring contracting officer (PCO). The individual authorized to enter into contracts for supplies and services on behalf of the government by detailed bids or negotiations and who is responsible for overall procurement under such contracts.

Production lead time. The time interval between the placement of a contract and receipt into the supply system of materiel purchased.

Program management review (PMR). A management level review held by a Systems Program Office or Systems Program Manager for the purpose of determining the status of an assigned system. PMRs are designed as tools to identify problems, if any, and to develop appropriate follow-up actions as required.

Progress payments. Those payments made to contractors or DoD industrial fund activities as work progresses under a contract; payments are made on the basis of cost incurred or percentage of work completed, or of a particular stage of completion accomplished prior to actual delivery and acceptance of contract items.

Q

Quadrennial Defense Review. Existing legislation requires the Secretary of Defense to conduct a QDR and to submit a report on the QDR to Congress every four years. The QDR articulates a national defense strategy consistent with the most recent NSS by defining force structure, modernization plans, and a budget plan allowing the military to successfully execute the full range of missions within that strategy (JP 5-0).

Quality assurance (QA). A planned and systematic pattern of all actions necessary to provide confidence that adequate technical requirements are established, that products and services conform to established technical requirements, and that satisfactory performance is achieved.

R

Reapportionment. A revision of an annual apportionment of funds either upwards or downwards, accomplished within the fiscal year for which the original apportionment applied.

Reappropriation. The congressional carrying over of funds unused in one year to the following year. For example, ESF or IMET funds which at the end of the fiscal year are not reserved or obligated, are customarily made available by the Congress for use in the subsequent fiscal year.

Reciprocal defense procurement. Procurement actions which are implemented under memoranda of understanding/ memoranda of agreement (MOU/MOA) between the U.S. and various participating nations whereby the participants agree to effect complementary acquisitions of defense articles from each other's country.

Recoupments. Adjustments or cancellations of outstanding MAP orders in prior year program accounts that generate additional funds for the current year operations.

Reimbursable expenditure. An expenditure made for another agency, fund, appropriation, or for a private individual, firm or corporation, which subsequently will be recovered.

Reimbursements. Amounts received by an activity for the cost of material, work, or services furnished to others, for credit to an appropriation or their fund account.

Repair and replace [FMS]. Programs by which eligible customers return repairable carcasses to the U.S. and receive a serviceable item without awaiting the normal repair cycle time frame.

Repair and return. Programs by which eligible foreign countries return unserviceable repairable items for entry into the U.S. military department repair cycle. Upon completion of repairs, the same item is returned to the country and the actual cost of the repair is billed to the country.

Reparable item. An item that can be reconditioned or economically repaired for reuse when it becomes unserviceable

Replenishment spare parts. Items and equipment, both repairable and consumable, purchased as spares by inventory control points and which are required to replenish stocks for use in the maintenance, overhaul, and repair of equipment, such as ships, tanks, guns, aircraft, engines, etc.

Reprogramming. The transfer of funds between program elements or line items within an appropriation.

Rescission of budget authority. The permanent cancellation of budget authority prior to the time when the authority officially terminates. The rescission process begins when the president proposes a Rescission to the Congress for fiscal or policy reasons. Unlike the deferral of budget authority, which occurs unless Congress acts to disapprove the deferral, rescission of budget authority occurs only if both Houses of Congress approve the rescission, by simple majority, within forty-five days of continuous session.

Research and development. Those program costs primarily associated with research and development efforts, including the development of a new or improved capability to the point where it is ready for operational use.

Resolution. A "simple" Congressional resolution, designated H. Res (House) or S. Res (Senate), deals with matters entirely within the prerogatives of one house or the other. It requires neither passage by the other chamber nor approval by the president, and it does not have the force of law. Most such resolutions deal with the rules or procedures of one house. They also are used to express the sentiments of a single house, such as condolence to the family of a deceased member, or to comment on foreign policy or executive business. A simple resolution is the vehicle for a "rule" from the House Rules Committee. See also Concurrent Resolution and Joint Resolution.

Revolving fund. A fund established to finance a cycle of operations to which reimbursements and collections are returned for reuse in a manner that will maintain the principal of the fund; e.g., working capital funds and industrial funds.

S

Security assistance (SA). A group of programs authorized by the Foreign Assistance Act (FAA) of 1961, as amended, and the Arms Export Control Act (AECA) of 1976, as amended, or other related statutes by which the United States provides defense articles, military training, and other defense related services, by grant, loan, cash sale, or lease, in furtherance of national policies and objectives [Joint Pub 1-02, as amended through 14 April 2006]. Table C1.T1, SAMM, provides a listing of twelve major security assistance programs, of which seven are administered by DoD and five are administered by DOS. The seven programs managed by DoD are included in the DoD-defined security cooperation program.

Security Assistance Management Manual (SAMM) [DSCA 5105.38M]. A manual published by the Defense Security Cooperation Agency. It sets forth the responsibilities, policies, and procedures governing the administration of security assistance within the Department of Defense [available online: http://www.dsca.mil/samm/].

Security assistance management review (SAMR). A management review led by a security assistance organization, for the purpose of determining the status of one or more specific programs. Such reviews may include the entire range of a purchaser's security assistance program.

Security cooperation. Activities undertaken by the DoD to encourage and enable international partners to work with the U.S. to achieve strategic objectives. It includes all DoD interactions with foreign defense and security establishments, including all DoD-administered security assistance programs, that: build defense and security relationships that promote specific U.S. security interests, including all international armaments cooperation activities and security assistance activities; develop allied and friendly military capabilities for self-defense and multinational operations; and provide U.S. forces with peacetime and contingency access to host nations.

Security Cooperation Information Portal (SCIP). A DoD managed web-based system that provides access to FMS and security cooperation case-related data extracts as well as numerous other capabilities.

Security cooperation organization (SCO). Those DoD organizations permanently located in a foreign country and assigned responsibilities for carrying out of security cooperation management functions under section 515 of the Foreign Assistance Act and under Joint Publication 1-02, regardless of the actual name given to such DoD Component. The generic term SCO replaces the former term security assistance office (SAO).

Security Cooperation Officer Token Administrator. The individual designated, in writing, by the security cooperation office Chief to oversee and maintain the custody of each SCIP token within the security cooperation office.

Security force assistance (SFA). DoD activities that contribute to the unified action by the USG to support the development of the capacity and capability of foreign security forces (FSF) and their supporting institutions. (DoDI 5000.68, Oct 2010)

Senior Defense Official (SDO) and Defense Attaché (DATT). Principal DoD official in a U.S. embassy, as designated by the Secretary of Defense. The SDO or DATT is the Chief of Mission's principal military advisor on defense and national security issues, the senior diplomatically accredited DoD military officer assigned to a diplomatic mission, and the single point of contact for all DoD matters involving the embassy or DoD elements assigned to or working from the embassy. The SDO or DATT is considered the dual-hatted chief of both the security cooperation organization (SCO) and defense attaché office (DAO) in the embassy. This position was established by DoDD 5105.75, Department of Defense Operations at U.S. Embassies, December 21, 2007. The same document gives coordinating authority (see glossary definition) to the SDO or DATT for the purpose of ensuring that all DoD elements in a country are working in consonance with each other and under the guidance of the Chief of Mission. The SDO or DATT program replaces the now defunct U.S. Defense Representative (USDR) model.

Sequestration. Refers to the issuance of a presidential order canceling budgetary spending in order to reduce the deficit by the required amount for that year.

Services. Includes any service, test, inspection, repair, training, publication, technical or other assistance, or defense information furnished as military assistance under the FAA, or furnished through FMS under the AECA.

Significant military equipment (SME). Defense articles for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability. These items are identified on the United States Munitions List in the *International Traffic in Arms Regulations* (ITAR) by an asterisk preceding the item category listing.

Special Assignment Airlift Mission (SAAM). A dedicated U.S. military aircraft, chartered to deliver sensitive, classified or explosive defense articles to a specific customer location, when no commercial delivery capability exists.

Staging cost. The cost incurred by the Department of Defense in consolidation of materiel before shipment to an FMS customer. Includes costs incident to storage and control of inventory, consolidation of incoming articles into a single shipment, and a break in CONUS transportation.

Standardization agreement [NATO]. The record of an agreement among several or all of the members nations of NATO to adopt like or similar military equipment, ammunition, supplies and stores; and operational, logistics, and administrative procedures. National acceptance of a NATO allied publication issued by the Military Agency for Standardization may be recorded as a Standardization agreement.

Standardized training list (STL). List of all the Security Cooperation training courses that a country has requested from DoD and the status of the courses.

Supplemental appropriations. An act appropriating funds in addition to those provided for in the annual appropriations acts. Supplemental appropriations provide additional budget authority beyond the original estimates for programs or activities (including new programs authorized after the date of the original appropriations act) in cases where the need for funds is too urgent to be postponed until enactment of the next regular appropriations bill.

Supply Discrepancy Report (SDR). A process for international customers to file a complaint with the DoD for product loss, quality deficiencies, damage, and various other problems associated with the delivery of material under the FMS program.

Surface Deployment and Distribution Command (SDDC). A U.S. Army organization serving as the single DoD manager for military traffic, land transportation, and common-user ocean terminals. The SDDC provides transportation planning and support for the surface movement of passengers and cargo within the Defense Transportation System, including within CONUS.

Systems acquisition process. The sequence of acquisition activities starting from an agency's reconciliation of its mission needs with its capabilities, priorities, and resources, and extending through the introduction of a system into operational use or the otherwise successful achievement of program objectives.

T

Technical data package (TDP). Normally includes technical design and manufacturing information sufficient to enable the construction or manufacture of a defense item component modification, or to enable the performance of certain maintenance or production processes. It may include blueprints, drawings, plans, or instructions that can be used or adapted for use in the design, production, manufacture, or maintenance of defense items or technology.

Technical manual. A publication containing instructions designed to meet the needs of personnel responsible for (or being trained in) the operation, maintenance, service, overhaul, installation, and inspection of specific items of equipment and materiel.

Total obligational authority (TOA). TOA is the total amount of funds available for programming in a given year, regardless of the year the funds are appropriated, obligated, or expended. TOA includes new obligational authority, unprogrammed, or reprogrammed obligational authority from prior years, reimbursements not used for replacements of inventory in kind, advanced funding for programs to be financed in the future, and unobligated balances transferred from other appropriations.

Total package approach (TPA). A means of ensuring that FMS customers are aware of and are given the opportunity to plan for and obtain needed support items, training, and services from the U.S. government contractors, or from within the foreign country's resources which are required to introduce and operationally sustain major items of equipment or systems.

Training management system (TMS). A MS Access computer program developed by DISCS for use in the SCO to manage the SA training program. TMS uses STL and MASL data downloaded from the SA Network to produce IMET and FMS management reports, invitational travel orders, and other training management documents. Versions of TMS are also available for use by international military student offices at training activities and at the annual training program management review.

Training/training support. Formal or informal instruction of IMSs in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational or information publications and media of all kinds, training aids, orientations, training exercises, and military advice to foreign military units and forces. [Sec. 47(5), AECA]

Tranche. A portion of an appropriation to be allocated to a foreign country. At times, Congress will direct that security assistance funds for a particular country or program be allocated in two or more portions (i.e., tranches), and will generally specify the timing of such allocations as well as the conditions which must be met before the sequential tranches may be allocated.

Travel and living allowance (TLA). Those costs associated with transportation, excess baggage, and living allowances (per diem) of IMSs which are authorized for payment under the IMET Program.

Trust fund. A fund credited with receipts which are earmarked by law and held in trust, or in a fiduciary capacity, by the government for use in carrying out specific purposes and programs in accordance with an agreement.

Type of assistance code. A code used to reflect the type of assistance (if any) and/or the planned source of supply for items/ services identified on the Letter of Offer and Acceptance. Also known as a type of finance code.

U

Unaccepted case. An FMS letter of offer that was not accepted or funded within the prescribed time shown on the LOA.

U.S. Army Corps of Engineers (USACE). The U.S. Army's principal engineering design, construction, research and development organization. USACE is an implementing agency responsible for accepting Letters of Request and developing Letters of Offer and Acceptance.

United States Code (U.S.C.). A consolidation and codification of the general and permanent laws of the United States arranged according to subject matter under fifty title headings. The U.S.C. sets out the current status of the laws, as amended. It presents the laws in a concise and usable form without requiring recourse to the many volumes of the Statutes at Large containing the individual amendments.

V

Veto. Disapproval by the president of a bill or joint resolution (other than one proposing an amendment to the Constitution). When Congress is in session, the president must veto a bill within ten days (excluding Sundays) of receiving it; otherwise, the bill becomes law without the president's signature. When the president vetoes a bill, it must be returned to the house of origin with a message stating the president's objections.

W

Worldwide Warehouse Redistribution Service (WWRS). A tri-service program that redistributes excess spare parts and support equipment acquired by foreign military sales customers.

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