



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON VA 22202-5408

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MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
DEFENSE EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
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AND ACCOUNTING SERVICE – INDIANAPOLIS OPERATIONS
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DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, NATIONAL GEOSPATIAL INTELLIGENCE AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

SUBJECT: Guidance Concerning Closure of Foreign Military Sales (FMS) Cases with Open Contracts (Defense Security Cooperation Agency (DSCA) Policy 12-36)

Reference: Department of Defense Manual 5105.65-M, "FMS Case Reconciliation and Closure Manual (RCM)" August 11, 2004

This memorandum revises current guidance for the closure of FMS cases that do not follow the accelerated case closure procedures (ACCP). Current guidance states, "all underlying contracts must be physically completed, final billed, audited, and closed out for the case to close" (RCM Section C1.7.2).

FMS cases for countries not participating in ACCP may now be closed when underlying open contracts with no Unliquidated Obligations (ULOs) exist for the Accounting Classification Reference Numbers (ACRNs) on the contract that cites the FMS case. All other requirements must continue to be met to close non-ACCP cases as outlined in chapters 3 and 4 of the RCM.

Existing guidance for cases that follow the ACCP remain in effect, which allows for the direct final closure of a case when no ULO exists yet the contract remains open (as specified in the RCM Section C3.3.1.1.6).

It may be necessary to reopen an FMS case, in accordance with existing policy, if there is accounting activity that must be transacted against it related to the associated open contracts.



Should this occur, requests to reopen FMS cases providing sufficient detail of the action should be sent to DSCA DBO/FPA for review and approval.

Should you have any questions, please contact, Brad Bittinger, DSCA DBO/FPA, at (703) 602-1360, or brad.bittinger@dscamil.



William E. Landay III
Vice Admiral, USN
Director

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