



DEFENSE SECURITY COOPERATION AGENCY

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In Reply Refer to:
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MEMORANDUM FOR SEE DISTRIBUTION LIST

SUBJECT: Preparation of Payment Schedules for Letter of Offer and Acceptance (LOA) Documents (DSCA 07-44, SAMM E-Change 96)

Recent reviews and discussions have highlighted the need to update and clarify policy regarding the preparation of payment schedules and related information for LOA documents. The implementation of the consolidated Case Writing Division (CWD) within DSCA also necessitates some changes to these policies and responsibilities as currently defined in the Security Assistance Management Manual (SAMM). The attached SAMM change is provided to update these policies and ensure more consistent application and understanding.

If you have any questions or need additional information regarding these changes, please contact Beth Baker, DSCA/DBO/FPA, (703) 601-3839, e-mail: beth.baker@dsca.mil.


Ann Cataldo
Principal Director
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Attachment
SAMM Change

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DoD 5105.38-M, Security Assistance Management Manual (SAMM) Changes Related to Payment Schedule Preparation

1. Chapter 9, Paragraph C9.9. Delete the existing paragraph in its entirety and substitute the following: “PAYMENT SCHEDULES. Payment schedules provide forecasted financial requirements for an FMS case and project the timing and/or amounts of purchaser deposits needed to meet the requirements. Payment schedules for LOA documents are prepared by DSCA (Operations Directorate, Case Writing Division (CWD)) during the case development process.”
2. Chapter 9, Paragraph C9.9.1.3. Change the last sentence of this paragraph to read as follows: “This information is needed at the line-level and must be provided by the Implementing Agency to DSCA (Operations Directorate, CWD) for payment schedule preparation.”
3. Chapter 9, Paragraph C9.9.1.5.2. Delete the third sentence (“Payment schedule curves are. . . findings.”) in its entirety without replacement.
4. Chapter 9, Paragraph C9.9.1.5.2.6. Delete the existing paragraph in its entirety and substitute the following: “Training. Payment schedule distributions for defined order training are based on estimated entry into the training courses. Payment schedule distributions for blanket order training require an Initial Deposit of 25 percent when the case exceeds \$25,000. If no other information is available regarding course schedules, blanket order training payment schedules should reflect equal payments for the estimated period (just like any other blanket order case).”
5. Chapter 9, Paragraph C9.9.1.5.4.3. Delete the existing paragraph in its entirety and substitute the following: “DSCA (Business Operations Directorate) notifies the Implementing Agency and the Case Writing Division when an SBLC is implemented. The notification includes a list of cases (or indicates that it applies to all cases) governed by the SBLC. DSCA (Operations Directorate, CWD) and the Implementing Agency ensure the TL is not included in the payment schedules for any of these cases. If an SBLC is terminated the payment schedule is revised to include TL as appropriate. DSCA (Business Operations Directorate) also notifies DFAS and the purchaser.”
6. Chapter 9, Paragraphs C9.9.2.1. and C9.9.2.2. Delete the existing paragraphs in their entirety and substitute the following:

“C9.9.2.1. Purchaser requests for specific payment schedules are reviewed by the Implementing Agency prior to submission of the LOA package to DSCA (Operations Directorate, CWD) for case preparation. A copy of the purchaser’s request is included in the case preparation request. The Implementing Agency will approve the schedule as part of the LOA document coordination/countersignature process.

“C9.9.2.2. DSCA (Operations Directorate, CWD) constructs the standard payment schedule (to include any contract termination costs) and compares it to the purchaser’s requested schedule. DSCA (Operations Directorate, CWD) analyzes the purchaser’s proposed schedule to determine if it provides sufficient funds to meet projected requirements identified on the standard

payment schedule. If the purchaser's requested schedule is sufficient to cover the USG's forecasted requirements, DSCA (Operations Directorate, CWD) will proceed with the request. If DSCA (Operations Directorate, CWD) determines that the purchaser's requested schedule will not meet forecasted requirements, DSCA (Operations Directorate, CWD) will notify the Implementing Agency (with an information copy to DSCA (Business Operations Directorate, Country Finance Director (CFD))) and return the case document to the Implementing Agency for further action. The Implementing Agency may consult with the DSCA (Business Operations Directorate, CFD) to deny the purchaser's request or may work with the purchaser to re-define the requirements. Part of the payment schedule comparison and analysis includes developing the Termination Liability Worksheet (TLW). The TLW should first be based on the USG-developed payment schedule (to include contractor termination costs); the TLW should then be recalculated using the purchaser-requested schedule, if approved."