



Security Cooperation Accounting (SCA) Overview

Defense Finance and Accounting Service

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April 17, 2019





■ Security Cooperation Accounting (SCA)

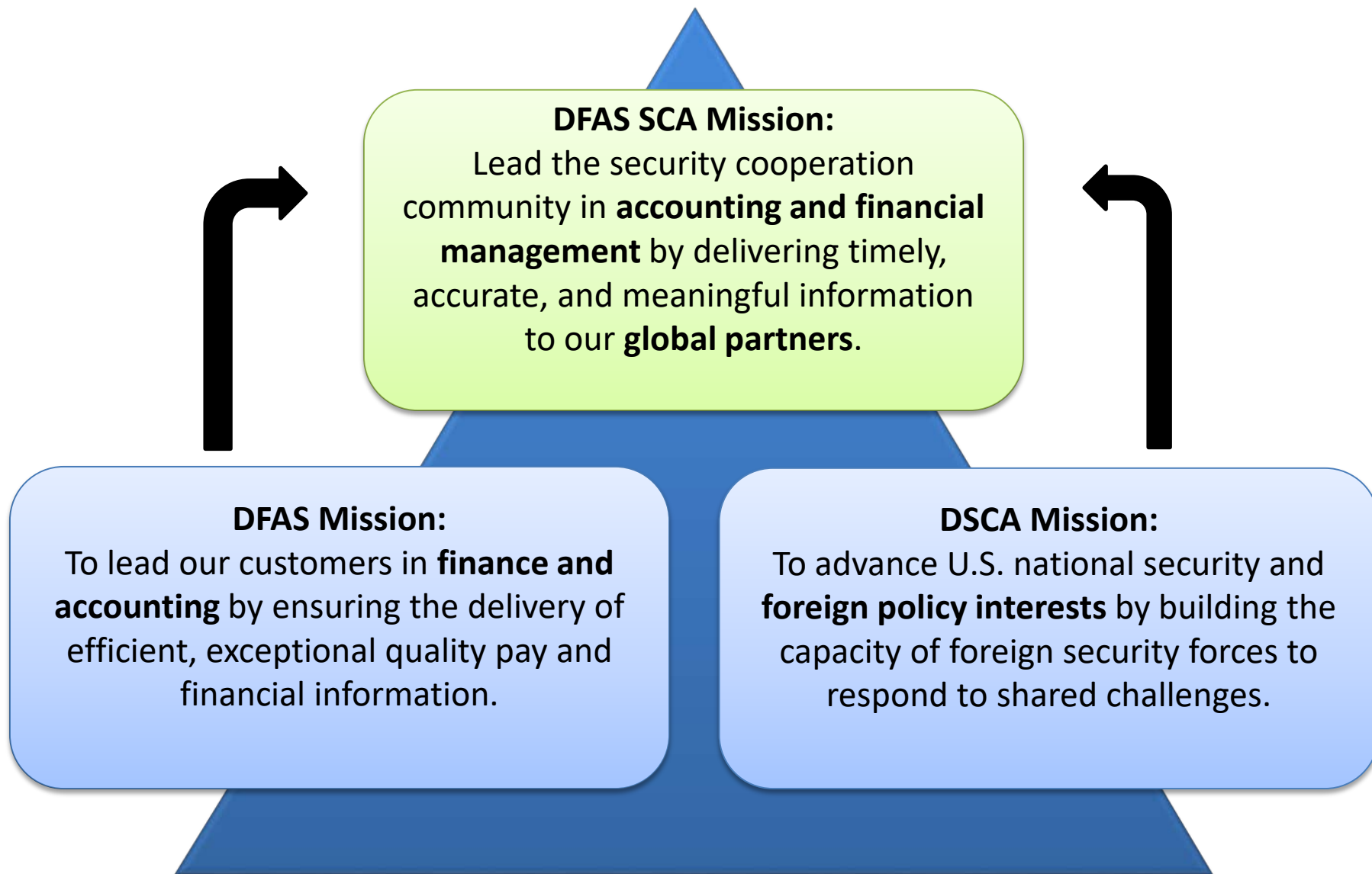
- ✓ Mission, Client, Partners
- ✓ Organization Structure
- ✓ Functions

■ Foreign Military Sales (FMS)

- ✓ End to End Process Overview
- ✓ SCA's Role in FMS Case Management

■ FMS Cash Availability

- ✓ FMS Cash Flow
- ✓ FRB Drawdown Process and Calculations



Defense Security Cooperation Agency (DSCA)



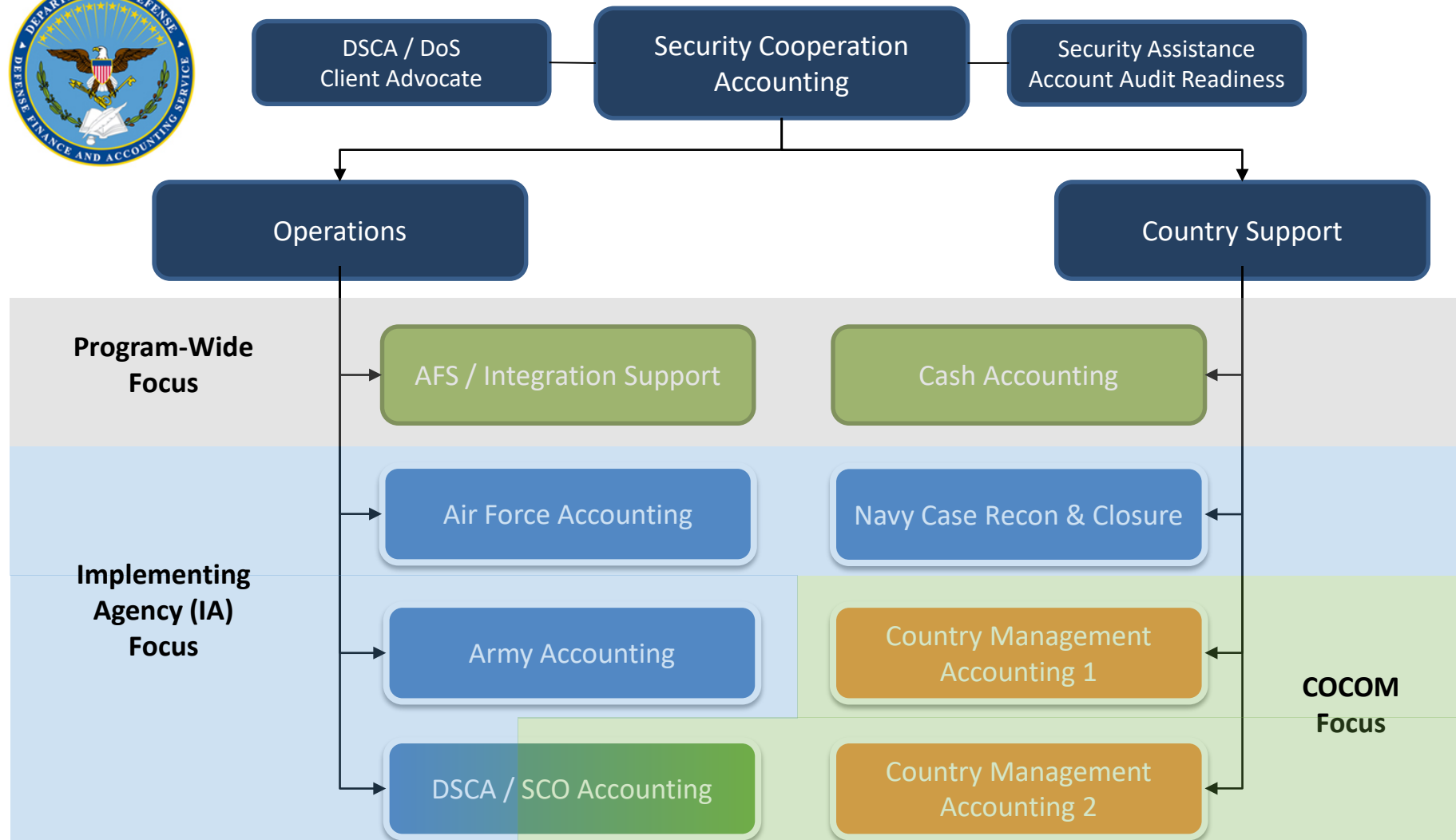
- Department of State
- Department of Treasury
- Combatant Commands / Security Cooperation Offices
- Implementing Agencies

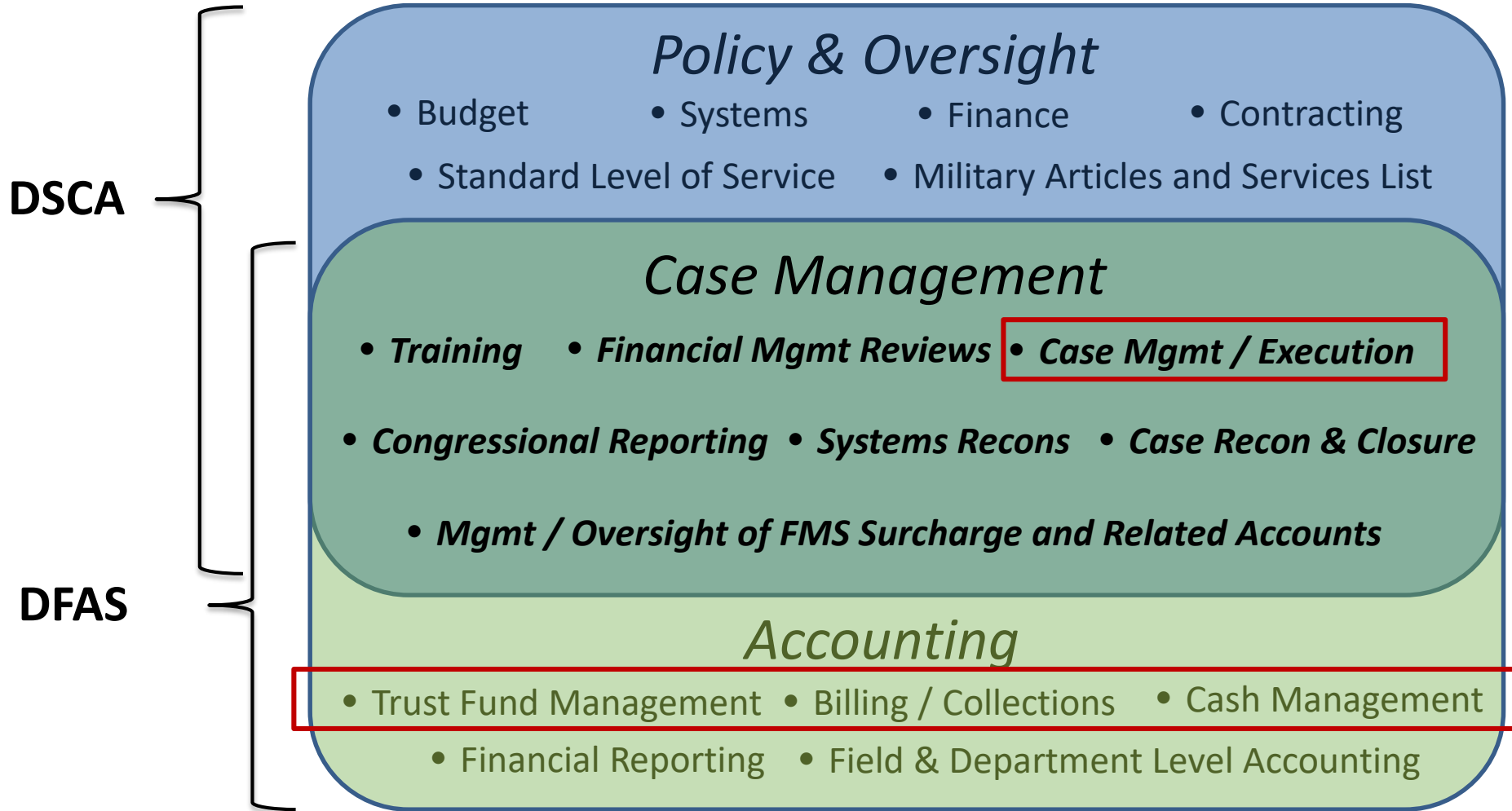
- | | |
|---------------|--------|
| • Army | • DLA |
| • Navy / USMC | • DTRA |
| • Air Force | • MDA |
| • DCMA | • NGA |
| • DISA | • NSA |

- 288 foreign governments and international organizations

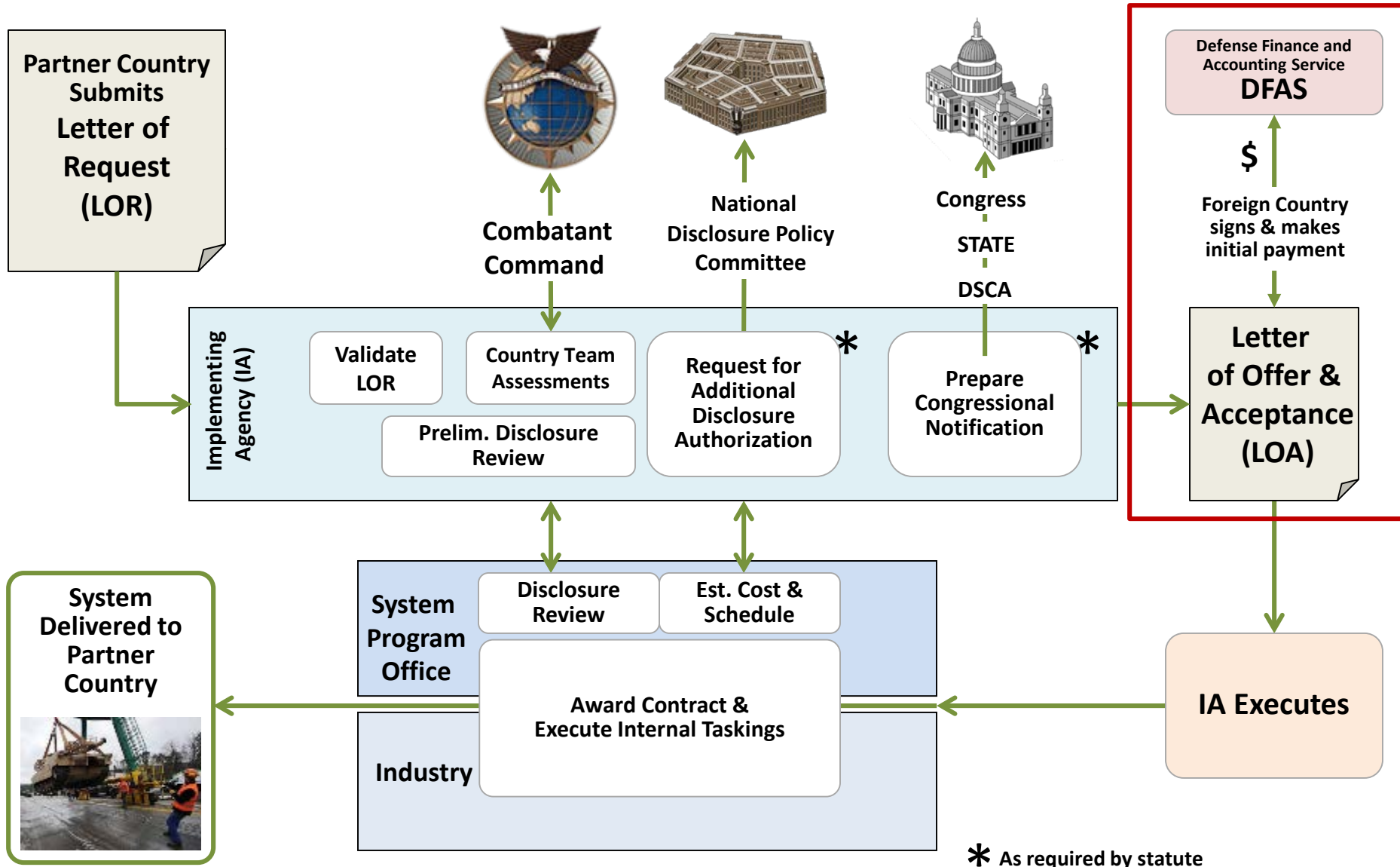


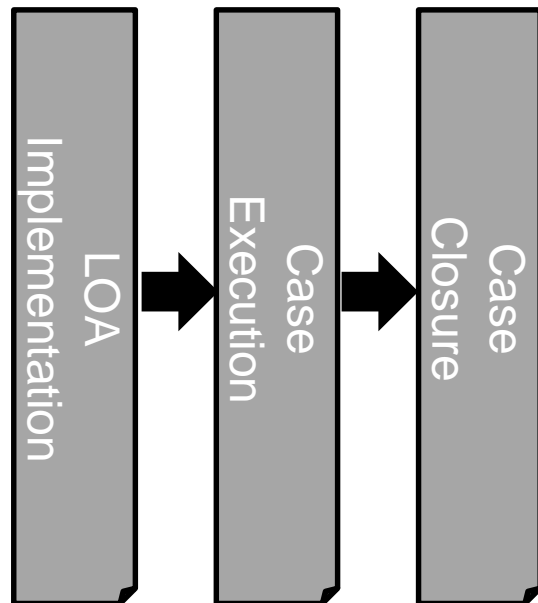
SCA Organization Structure





FMS Process Overview





LOA Implementation

- ✓ Track Milestones in DSAMS
- ✓ Request / Receive Initial Deposits or Process Grants / Loans
- ✓ Implement LOA in DIFS and DSAMS

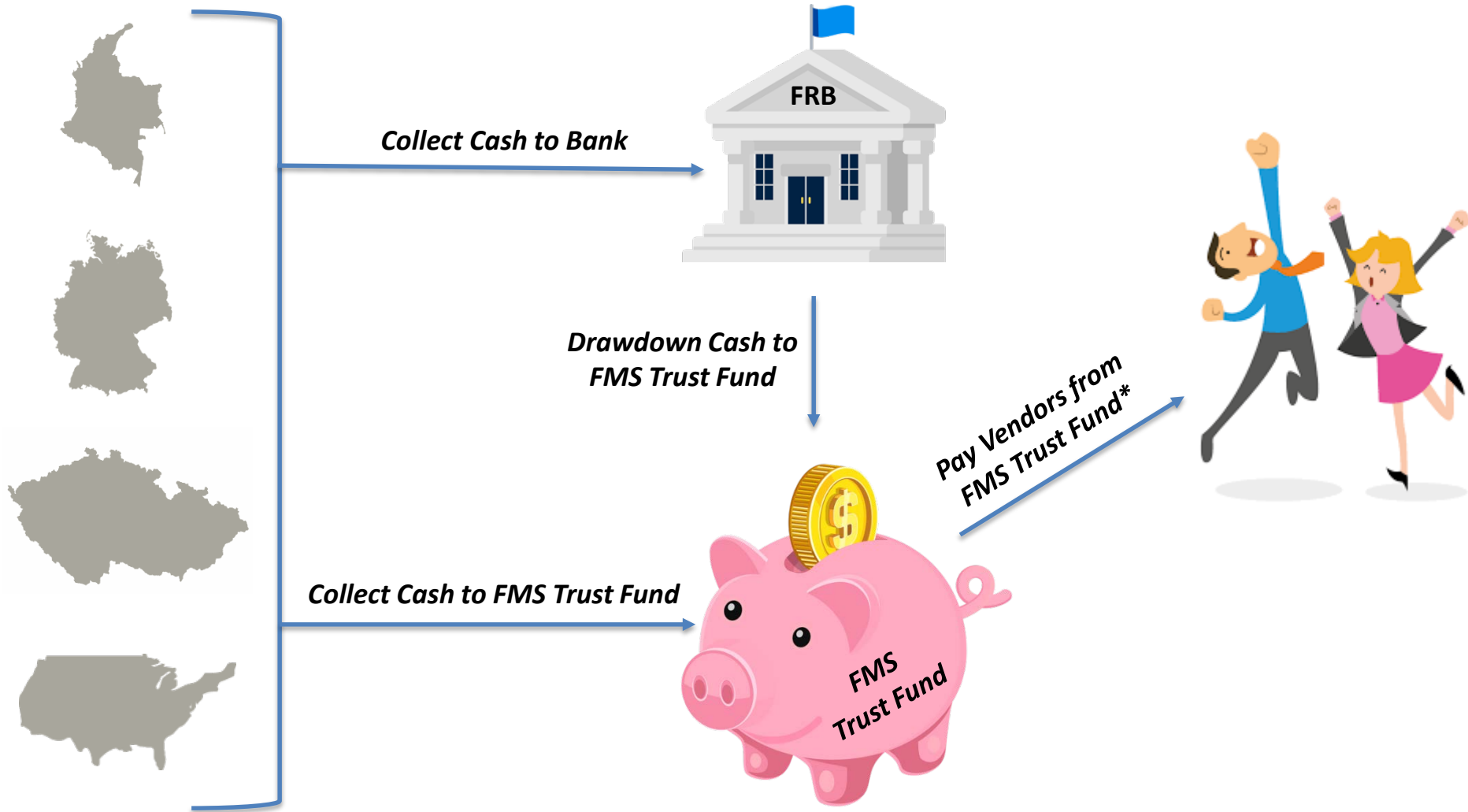
Case Execution

- ✓ Manage Case Level Mods, Amendments, Payments / Refunds, Collections in DIFS
- ✓ Manage Customer Holding Accounts
- ✓ Create Standard & Special Customer Bills (Quarterly)
- ✓ Perform Bank Drawdowns to the FMS Trust Fund (Monthly)

Case Closure

- ✓ Reconcile DIFS Case Values
- ✓ Refund Excess Collections

FMS Cash Flow



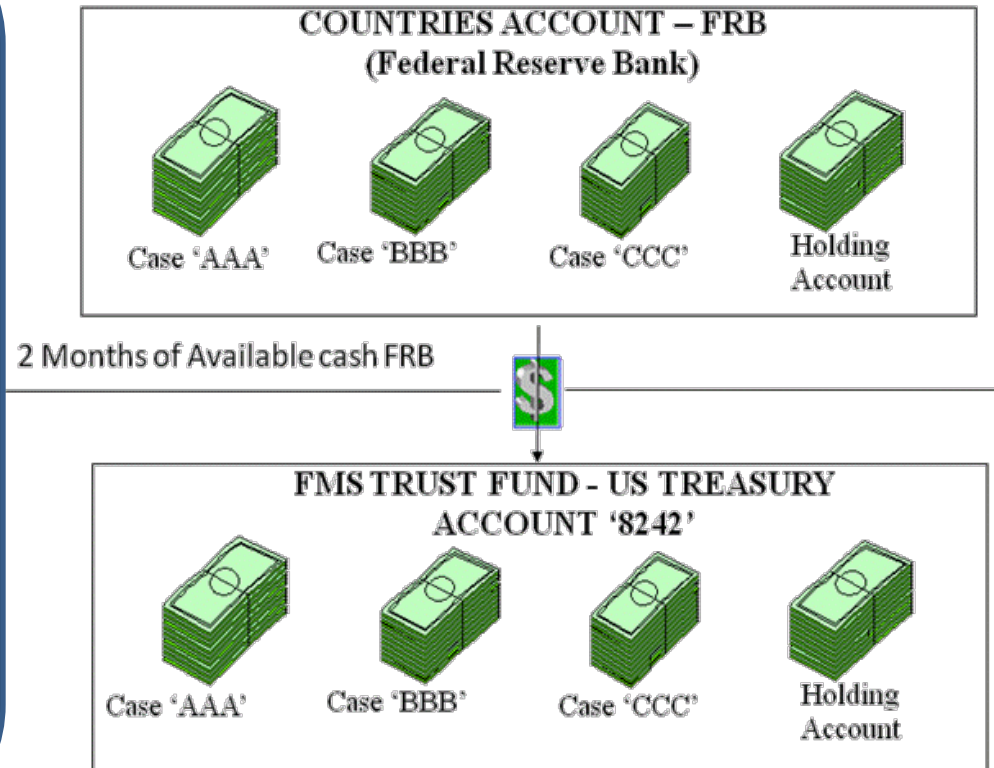
** Payments cannot be made if insufficient cash is available **in the country's FMS Trust Fund Account***



Monthly Drawdown Process



- ✓ At mid-month, SCA calculates the FRB drawdown
- ✓ The drawdown calculation ensures that 2 months of average disbursements are available in the FMS Trust Fund at the beginning of each month
- ✓ SCA notifies the FRB of the drawdown amounts for each foreign partner
- ✓ At the beginning of the month, FRB transfers the requested funds to the FMS Trust Fund



Monthly Drawdown Process (cont.)



FEDERAL RESERVE BANK DRAWDOWN			
Apr 1, 2017			
Date of Drawdown Compute:		Mar 23 2017	
FMS Country/Program:		Bandaria	
Country Code:		BN	
Current Resources:		Basic Requirements:	
Trust Fund Available Cash (GL 1001):	\$1,008,225.08	Average Monthly Disbursements:	
FRB Balance:	\$1,753,645.70	3 mos. Avg:	\$532,115.22
Termination Liability Requirement:		6 mos. Avg:	\$499,265.00
FRB TL Reserve:	\$4,083.91	Larger of 3 mos. or 6 mos. Avg:	\$532,115.22
GL 1003 TL Reserve:	\$0.00	(Justify in notes if another ave. is used)	
Available for Drawdown	\$1,749,561.79	Month Requirements: 2.5%	\$1,330,288.05
		(Justify in notes if another reqmt. is used)	
		Additional Requirements:	
		HA Refunds:	\$0.00
		Case Closures:	\$0.00
		Other (Explain in Notes Section:	\$0.00
Total Cash Requirements:		\$1,330,288.05	<div style="border: 1px solid black; padding: 5px;"> Forecasted Requirements </div>
Less Current 1001 Balance:		\$1,008,225.08	
Cash Draw Needed:	\$322,062.97		
Recommended Cash Drawdown (Rnd to nearest reasonable amount):		\$330,000.00	
CM Approve:		KRS	

- FRB Balance Less FRB Termination Liability is the Available for Drawdown
- 2.5 Months x higher of 3 or 6 month average Disbursements equals Forecasted Requirements
- Forecasted Requirements less Current Trust Fund 1001 Balance is Cash Draw Required
- Recommended cash draw is rounded based on country or reduced if insufficient funds.





Let us know if...

- ▶ Large FMS invoice is being submitted out of the norm for a specific Country
- ▶ Large first invoice on a new contract that is out of the normal billing cycle
- ▶ Abnormal FMS billing that is more than a monthly billing





FMS Voids Progress

Defense Finance and Accounting Service

Travis May
Accounts Payable MOCAS

April 17, 2019





► ENVPD – Potential FMS Insufficient Funds Balance

Import Date	FMS CC	1001 Account	Preval Amount	% of Balance	Total Transactions
4/16/2019	Ohio *	\$4,000,000.00	\$1,000,000.00	25%	10
4/16/2019	Kentucky *	\$1,000,000.00	\$700,000.00	70%	7

- Percentage determines if immediate action needs taken – invoke an emergency drawdown
- 1-3 business days on drawdown – slowing of payments/upfront check

* Is not a real CC

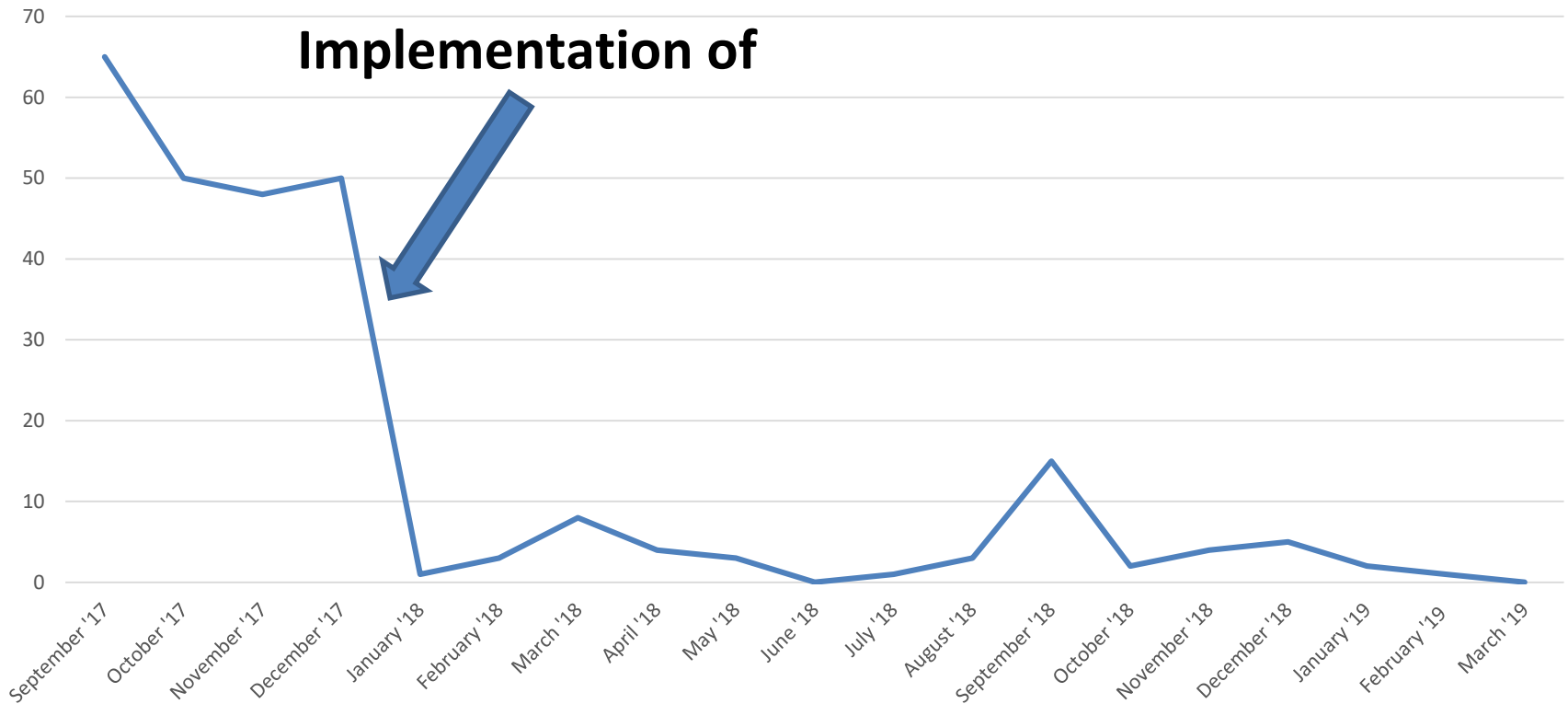


Void Chart September '17 – March '19



FMS

Implementation of



MAP-ENVPD – Quick Overview



- ▶ EFT Rejects Prevention
- ▶ Credit Checks Prevention
- ▶ Invalid FMS Country Code/Case Prevention

7COLORS Debug Edition
Version: 3.5.12.0 (Shell: 3.5.13.0)

FOUO//NO CAVEAT
Entitlements Void Prevention Database
STEPHEN_NICKLAS; Office: ALL; Group: Dev

Main Reports Page 1 Manage Users Profile Settings Admin

EFT Rejects Prevention:

EFT Rejects Last Run: 1/27/2017 Run New Report

Most Recent CEFT Import: 3/28/2017 Export and E-Mail

?

EFT Rejects Prevention E-Mail Settings:

To Line: travis.lmay5.civ@mail.mil Modify

Cc Line: michael.w.jusick.civ@mail.mil Save

Note: Separate E-Mail Addresses with a semi-colon. (Example: potus@mail.mil; flotus@mail.mil; dod@mail.mil)

Credit Checks Prevention:

Credit Checks Last Run: 4/3/2017 Run New Report

Export and E-Mail

?

Credit Checks Prevention E-Mail Settings:

To Line: travis.lmay5.civ@mail.mil Modify

Cc Line: michael.w.jusick.civ@mail.mil Save

Note: Separate E-Mail Addresses with a semi-colon. (Example: potus@mail.mil; flotus@mail.mil; dod@mail.mil)

Invalid FMS Country Code/Case Prevention:

FMS Ctry/Case Last Run: 4/3/2017 Run New Report

Export and E-Mail

SDW Required

?

Invalid FMS Country Code/Case Prevention E-Mail Settings:

To Line: travis.lmay5.civ@mail.mil; mark.s.miller122.civ@mail.mil Modify

Cc Line: michael.w.jusick.civ@mail.mil; deborah.a.peachey.civ@mail.mil Save

Note: Separate E-Mail Addresses with a semi-colon. (Example: potus@mail.mil; flotus@mail.mil; dod@mail.mil)



