



Defense Finance and Accounting Service

DFAS 7900.4-M

Financial Management Systems Requirements Manual
Volume 18, Foreign Military Sales (Security Assistance)

August 2014

Strategy, Policy and Requirements

SUBJECT: Financial Management Systems Requirements
Volume 18, Foreign Military Sales (Security Assistance)

1. PURPOSE

a. This Volume presents the financial management system design and implementation requirements for Department of Defense (DoD) military components' and agencies' financial management systems. This Volume is part of the publication which reissues Defense Finance and Accounting Service (DFAS) 7900.4-M, "Financial Management Systems Requirements Manual," commonly known as the "Blue Book." This manual is a compilation of the Foreign Military Sales specific Federal and Department of Defense (DoD) systems requirements. Any system reviews need to consider all DFAS 7900.4-M volumes and requirements in addition to these Foreign Military Sales specific items contained in this volume.

b. The Blue Book serves as a "roadmap" to Federal and DoD financial management system requirements by major financial management functional areas and their authoritative sources, and will assist managers who are responsible for financial management systems in planning, designing, enhancing, modifying, and implementing financial management systems. Managers are ultimately responsible for being knowledgeable of and complying with the various authoritative sources of financial requirements (both legislative and regulatory). Guidance and procedures are contained in several volumes located on the DFAS Reference Library at <http://www.dfas.mil/dfasffmia/bluebook.html>. Appendix 4 of the manual includes links to where authoritative sources of requirements may be accessed.

c. Adherence to these requirements and all other applicable DFAS 7900.4-M requirements will enable DoD military components and agencies to meet Federal mandates and will help facilitate DFAS to progress toward reaching its strategic goal of providing services faster, better, and cheaper. The objective of this Volume is to promulgate the Foreign Military Sales specific financial management systems requirements for system and program managers' use in developing Foreign Military Sales functionality.

2. APPLICABILITY:

Requirements contained within this document are applicable to accounting and finance systems operated and maintained by DoD.

3. POLICY:

a. This Volume provides a synopsis of Federal and DoD financial system requirements, mandated by policy, for Foreign Military Sales financial management systems. It is a

comprehensive compilation of financial management systems requirements mandated by Public Law 104-208, “Federal Financial Management Improvement Act of 1996” September 30, 1996.

b. This Volume incorporates revisions to existing financial system requirements from the authoritative sources **via highlighting the appropriate text in bolded blue font**. See description of requirement changes for a complete listing and description of the financial systems requirements changes, deletions, and additions, for this volume.

c. Users of this Volume may forward questions, comments and suggested changes to:

Defense Finance and Accounting Service
Strategy, Policy and Requirements
Attn: Financial Management Systems and Requirements Branch
8899 East 56th Street
Indianapolis, IN 46249-0002

E-mail questions, comments, and suggestions to: ffmiarequirements@dfas.mil

4. ORGANIZATIONAL RESPONSIBILITIES FOR FFMIA COMPLIANCE

a. Within DoD, various organizations operate financial management systems. In an overall scheme, many of these systems should be linked in an integrated network. However, these systems frequently “stand-alone” or are “stovepipe” systems that are not logically integrated with other related systems. Critical financial data, instead of being transferred electronically between systems through well-controlled interfaces, are often transferred manually by means of journal vouchers, hardcopy spreadsheets, “data calls,” or other inefficient and error-prone methods.

b. DFAS functions as the primary Departmental entity responsible for producing a Trial Balance from the ERP general ledger and preparing the financial reports for the DoD. Much of the data used by DFAS to carry out the DoD’s accounting and financial reporting functions—such as property and inventory values—originate in non-DFAS organizations or systems. Therefore, other organizations, primarily the military services and Defense Agencies, should be held responsible for the compliance of their financial management systems with all applicable Federal requirements. Appendix 5 of DFAS 7900.4-M contains Federal and DoD guidance on FFMIA compliance, evaluation, and reporting.

5. PROCEDURES:

Procedures are presented in each Volume of this Manual as appropriate.

6. RELEASABILITY:

UNLIMITED. This Volume as part of DFAS 7900.4-M is approved for public release and may be accessed at <http://www.dfas.mil/dfasffmia.html>

7. EFFECTIVE DATE: This Volume is effective immediately.

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FOREIGN MILITARY SALES (SECURITY ASSISTANCE) INTRODUCTION

The Department of Defense (DoD) has launched a major effort to reform the current foreign military sales (FMS) system and to ensure that this valuable program remains viable into the next millennium. This reform effort will focus on improving the FMS system's performance and adopting better business practices wherever possible.

The FMS program is the government-to-government method for selling United States (U.S.) defense equipment, services, and training. Responsible arms sales further national security and foreign policy objectives by strengthening bilateral defense relations, supporting coalition building, and enhancing interoperability between U.S. forces and militaries of friends and allies. These sales also contribute to American prosperity by improving the U.S. balance of trade position, sustaining highly skilled jobs in the defense industrial base, and extending production lines and lowering unit costs for key weapon systems.

The FMS Program is that part of Security Assistance authorized by the Arms Export Control Act (AECA) and conducted using formal contracts or agreements between the United States Government (USG) and an authorized foreign purchaser. These contracts, called Letters of Offer and Acceptance (LOAs), are signed by both the USG and the purchasing Government or international organization; and provide for the sale of defense articles and/or defense services (to include training) usually from DoD stocks or through purchase under DoD managed contracts. As with all Security Assistance, the FMS program supports U.S. foreign policy and national security. This volume and other DFAS 7900.4-M volumes may be applicable to your system.

FOREIGN MILITARY SALES (SECURITY ASSISTANCE) REQUIREMENTS

DFAS 7900.4-M, Vol. 18

Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Foreign Military Sales (Security Assistance)	18.01.001		The system shall retain Foreign Military Sales (FMS) documents for a period of 10 years from the date of final case closure. Exceptions, such as records associated with ongoing litigation proceedings and country suspensions, may be issued by the Defense Security Cooperation Agency (DSCA).	Source: DoDFMRVol15,Ch6,Sub0601; Source Date: 7/1/2013	1.3.2.2_Making Federal Financial Information Accessible_P	Provide Federal financial information of official record, in accordance with published rules and consistent with OMB Circular No. A-130, to persons properly and directly concerned, except financial information held confidential for good cause.	Foreign_Military_Sales_001
Foreign Military Sales (Security Assistance)	18.01.003		The system shall be able to automatically request Expenditure Authority (EA) prior to processing the disbursements against the contract authority.	Source: DoDFMRVol15,Ch3,Sub0304; Source Date: 2/1/2012	2.1.2.1_Recording Budget Obligations and Outlays_P	Execute administrative control of funds consistent with OMB Circular No. A-11 to restrict obligation and expenditure from each account to the lower of the amount apportioned by OMB or the amount available for obligation and/or expenditure.	Foreign_Military_Sales_002

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Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Foreign Military Sales (Security Assistance)	18.01.004		The system shall place a disbursement on hold if the country does not have enough cash or Expenditure Authority (EA) is not approved.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_014
Foreign Military Sales (Security Assistance)	18.01.005		To support the billing and reimbursement process, the system shall be able to automatically bill foreign governments and international organizations (Customers) for costs related to defense articles and services that have been sold pursuant to the Arms Export Control Act (AECA) and automatically create payment schedules attached to the Letter of Offer and Acceptance (LOA).	Source: DoDFMRVol15,Ch8,Sub0801; Source Date: 5/1/2012	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Foreign_Military_Sales_003

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Foreign Military Sales (Security Assistance)	18.01.006		To support the billing and reimbursement process, the system shall allow users to report Foreign Military Sales (FMS) deliveries of materiel and services, contractor progress payments, and other related costs for the purpose of obtaining reimbursement or reporting performance under an allotment of Trust Fund budget authority.	Source: DoDFMRVol15,Ch8,Sub0801; Source Date: 5/1/2012	1.2.1.3_Determining Costs_DO	Provide cost management data required to post GL transactions consistent with USSGL attributes (for example, program indicator), transaction codes, transaction categories (for example, accruals/nonbudgetary transfers other than disbursements and collections), transaction subcategories (for example, accrual, depreciation, amortization, and depletion) as defined in the TFM.	Foreign_Military_Sales_004
Foreign Military Sales (Security Assistance)	18.01.007		To support the billing and reimbursement process, the system shall be able to automatically request reimbursement from other DoD Components for costs associated with inter-service support of Foreign Military Sales (FMS) cases.	Source: DoDFMRVol15,Ch8,Sub0801; Source Date: 5/1/2012	2.2.4.3_Establishing Receivables_DO	Provide receivable data required to post GL transactions consistent with USSGL transaction codes, transaction categories (for example, collections and receivables), and transaction subcategories (for example, receivables/accrued revenue) as defined in the TFM.	Foreign_Military_Sales_005

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Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Foreign Military Sales (Security Assistance)	18.01.008		The system shall be able to manage cash at country level to ensure sufficient funds are available to meet expenditure requirements and to determine arrearages of a country's dependable undertaking. Cumulative summary accounts reflecting budget authority, commitments, obligations, accounts payable, accounts receivable, and accrued expenditures are required in order to complete required budget execution reports on the FMS Trust Fund Account.	Source: DoDFMRVol15,Ch3,Sub0301; Source Date: 2/1/2012	1.1.5.1_Managing Revenues and Other Financing Sources_DI	Capture Federal Government revenue or other financing type (for example, exchange revenues, nonexchange revenues, budgetary resources), category (for example, taxes, duties, fines, user fees, and sale of goods and services), and subcategory (for example, income tax, excise tax, and donations) consistent with the FASAB Handbook.	Foreign_Military_Sales_006
Foreign Military Sales (Security Assistance)	18.01.009		The system shall allow the user to summarize all Case Level accounts at the Trust Fund Level.	Source: DoDFMRVol15,Ch3,Sub0301; Source Date: 2/1/2012	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_024

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Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Foreign Military Sales (Security Assistance)	18.01.011		The system shall allow the user to charge interest on direct loans at a single fixed rate determined by the Department of the Treasury.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	2.2.2.2_Making Payments_P	Determine disbursement terms and amounts in accordance with the terms of the contract or agreement, and based on determination of invoice term, payment date, interest or penalty applicable, and amount as specified in the CFR.	Foreign_Military_Sales_015
Foreign Military Sales (Security Assistance)	18.01.012		The system shall allow user to prepare a quarterly MILSTRIP requisition status report for each purchaser.	Source: DSCA5105.38-M,Ch9;Source Date: 9/1/2009	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_016

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Foreign Military Sales (Security Assistance)	18.01.013		The system shall allow a case to be closed after supply or services completion even if there are outstanding unliquidated obligations (ULOs) on the case.	Source: DSCA 5105.38-M,Ch6;Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_017

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Foreign Military Sales (Security Assistance)	18.01.015		The system shall allow the user to identify Modifications in an 'implemented' status.	Source: DSCA5105.38-M,Ch6; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_019

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Foreign Military Sales (Security Assistance)	18.01.016		Pseudo or generic Military Articles and Services List (MASL) lines shall be used within the system to prevent classified items from being disclosed.	Source: DoD5105.38-M,Ch5; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_020

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Foreign Military Sales (Security Assistance)	18.01.017		The system shall have the capability to support the case development (planning) process by recording the Letter of Offer and Request (LOR), whether provided through formal correspondence, requests for proposal (RFPs), or via discussions, electronic mail (e- mail), letters, or messages.	Source: DoD5105.38-M,Ch5; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_021
Foreign Military Sales (Security Assistance)	18.01.018		The system shall have the capability to support the Foreign Military Sales (FMS) Budget Authority (BA) Process.	Source: DoDFMRVol15,Ch1,Sub0102; Source Date: 7/1/2011	2.1.1.1_Recording Budget Authority_DI	Provide budgetary resource reporting attributes (for example, Treasury Account Fund Symbol, expired, and unexpired) consistent with the budget execution activities as defined in OMB Circular No. A- 11.	Foreign_Military_Sales_008

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Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Foreign Military Sales (Security Assistance)	18.01.019		To support the budget authority process, the system shall have the capability to process a United States of America Letter of Offer and Acceptance (LOA) or its equivalent when a deviation has been authorized by the Defense Security Cooperation Agency (DSCA).	Source: DoDFMRVol15 Ch2,,Sub0202; Source Date: 2/1/2012	2.1.1.1_Recording Budget Authority_DI	Provide budgetary resource reporting attributes (for example, Treasury Account Fund Symbol, expired, and unexpired) consistent with the budget execution activities as defined in OMB Circular No. A- 11.	Foreign_Military_Sales_009
Foreign Military Sales (Security Assistance)	18.01.020		To support the budget authority process, the system shall have the capability to process a DD Form 2061, Foreign Military Sales (FMS) Planning Directive or its automated equivalent. (Note this document identifies cost elements, time phase plan of execution upon customer acceptance, and identifies the appropriations/funds that will be used to finance new procurement or realize earned reimbursements through delivery of items from inventory or provision of DoD in-house services).	Source: DoDFMRVol15, Ch,6,Sub0602; Source Date: 6/1/2011	2.1.1.1_Recording Budget Authority_DI	Provide budgetary resource reporting attributes (for example, Treasury Account Fund Symbol, expired, and unexpired) consistent with the budget execution activities as defined in OMB Circular No. A- 11.	Foreign_Military_Sales_011
Foreign Military Sales (Security Assistance)	18.01.021		To support the budget authorization process, the system shall have the capability to process the United States of America Modification to Letter of Offer and Acceptance (LOA). (Note: The modification is a notification document to alert Foreign Military Sales (FMS) customers of within-scope cost increases, cost decreases, or other minor changes to the program).	Source: DoDFMRVol5, Ch2,Sub0202; Source Date: 2/1/2012	2.1.1.1_Recording Budget Authority_DI	Provide budgetary resource reporting attributes (for example, Treasury Account Fund Symbol, expired, and unexpired) consistent with the budget execution activities as defined in OMB Circular No. A- 11.	Foreign_Military_Sales_010

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Foreign Military Sales (Security Assistance)	18.01.022		The system shall have an integrated accounting and financial control system that will record all financial transactions related to an Foreign Military Sales (FMS) and/or FMS-like case from the time it is accepted until it is completed.	Source: F qFHOTXqn37.Ch3,Sub0303; Source Date: 2/1/2012	1.1.2.2_Posting GL Transactions_P	Post GL proprietary, budgetary, and memorandum account transactions consistent with USSGL account attributes, account transaction codes, account transaction categories, and account transaction subcategories as defined in the TFM.	Foreign_Military_Sales_012
Foreign Military Sales (Security Assistance)	18.01.023		The system shall have the capability to process the following information where applicable and available: (a). Foreign Military Sales (FMS) Case Identifier; FMS Country Code; and FMS Case Identifier Line Item. These elements must be used when available for financial reporting, budgetary control, and funds control.	Source: DoDFMRVol15,Ch3,Sub0301; Source Date: 2/1/2012	2.1.3.1_Reporting Budgetary Resources and Budget Execution_DO	Provide budgetary resource and budget execution data as specified in the TFM to support the budget reporting activities defined in OMB Circular No. A-11, OMB Circular No. A-136, and the FASAB Handbook.	Foreign_Military_Sales_022

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Foreign Military Sales (Security Assistance)	18.01.024		The system shall have the capability to maintain Foreign Military Sales (FMS) Trust Fund budget execution records.	Source: DoDFMRVol15,Ch2,Sub0201; Source Date: 2/1/2012	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_023

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Foreign Military Sales (Security Assistance)	18.01.025		The system shall have the capability to maintain general ledgers and submit re-occurring monthly and annual reports.	Source: DSCA5105.38-M,Ch9;Source Date: 9/1/2009	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_032

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Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Foreign Military Sales (Security Assistance)	18.01.026		The core system shall have the capability to uniformly support the Foreign Military Sales (FMS) case file with automated customer data, financial/order data and logistics data as outlined in the DODFMR Volume 15, Chapter 6, Section 0602.	Source: DoDFMRVol15,Ch6,Sub0602; Source Date: 7/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_025

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Foreign Military Sales (Security Assistance)	18.01.027		The system shall ensure that goods and services provided to Foreign Military Sales (FMS) customers are priced in accordance with DoDFMR Volume 15, Chapter 7. (Note: DoD Components shall uniformly and consistently recoup current period costs and reasonable contribution of sunken investment costs).	Source: DoDFMRVol15,Ch7,Sub0701; Source Date: 6/1/2012	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_026

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Foreign Military Sales (Security Assistance)	18.01.028		The core system shall have the capability to support the pricing and costing criteria for Foreign Military Sales (FMS) sales of defense articles and defense services (including training) and construction services furnished to friendly foreign governments and international organizations under authority of the Arms Export Control Act (AECA) and Foreign Assistance Framework (FAA), as amended.	Source: DoDFMRVol15,Ch1,Sub0101; Source Date: 7/1/2011	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_027

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Foreign Military Sales (Security Assistance)	18.01.029		The system shall ensure Foreign Military Sales (FMS) transactions follow DoD accounting guidance contained in the DoDFMR unless exempted by or supplemented by another approved source. (Note: Since this applies - accounts payable, accounts receivable, funds control, financial reporting, cost accounting, and general ledger requirements will not be duplicated unless specified or emphasized in Volume 15 of the DoDFMR. Those requirements unique to the FMS process will be the emphasis of this portion of the repository).	Source: DoDFMRVol15,Ch1,Sub0101; Source Date: 7/1/2011	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_028

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Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Foreign Military Sales (Security Assistance)	18.01.030		The system shall have the capability to support Reimbursable Financing for Foreign Military Sales (FMS) orders. (Note: Sales under section 21 of the Arms Export Control Act (AECA) , and those sales under section 22 of the AECA for which the President has determined that it is in the national interest to bill for defense articles and services on or after delivery (deferred payment), shall be accomplished using reimbursable financing.	Source: DoDFMRVol15,Ch1,S ub0103; Source Date: 7/1/2011	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_029
Foreign Military Sales (Security Assistance)	18.01.031		The system shall support the Direct Cite Financing of Foreign Military Sales (FMS) Cases. (Note: New procurements initiated as a result of FMS orders under sections 22 and 29 of the Arms Export Control Act (AECA) (except as exempted in DoD FMR paragraph 010302) should be accomplished to the maximum extent feasible and appropriate through direct citation of the FMS Trust Fund (97-11 X 8242) on applicable contractual documents).	Source: DoDFMRVol15,Ch1,S ub0103; Source Date: 7/1/2011	1.1.5.1_Managing Revenues and Other Financing Sources_DI	Capture Federal Government revenue or other financing type (for example, exchange revenues, nonexchange revenues, budgetary resources), category (for example, taxes, duties, fines, user fees, and sale of goods and services), and subcategory (for example, income tax, excise tax, and donations) consistent with the FASAB Handbook.	Foreign_Military_Sales_030

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Foreign Military Sales (Security Assistance)	18.01.032		To support the purchase process, the system shall have the capability to electronically submit Letters of Offer and Request (LORs) to the proper U.S. Implementing Agency with a list of authorized signers and senders. The system shall also generate information copies of electronic LOR submissions to the Department of State Program Manager and Defense Security Cooperation Agency (DSCA) Regional Program Director.	Source: DoD5105.38-M,Ch5; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_033

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Foreign Military Sales (Security Assistance)	18.01.033		The core system shall have the capability to only allow countries and organizations designated as eligible to purchase articles and services through the Foreign Military Sales (FMS) system.	Source: DSCA5105.38-M,Ch4;Source Date: 9/1/2009	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_034

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Foreign Military Sales (Security Assistance)	18.01.034		The core system shall have the capability to ensure administration charges, to include the Small Case Management Line (SCML) are properly applied, and billed.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_035

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Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Foreign Military Sales (Security Assistance)	18.01.035		The core system shall have the capability to ensure nonrecurring cost (NC) recoupment charges, are properly applied, reported, billed, and collected when appropriate.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_036

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Chapter	Req Id	Change Type	Requirement	Sources	Treasury's Federal Financial Management Systems Function Guidance (See Appendix A-5)	Treasury's Federal Financial Management Systems Requirement (See Appendix A-5)	DFMIG Rule Name
Foreign Military Sales (Security Assistance)	18.01.036		The system shall provide the capability for specific Terms of Sale in support of Foreign Military Sales (FMS) cases.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_037
Foreign Military Sales (Security Assistance)	18.01.037		The system shall have the capability to support the payment schedule of each approved case. (Note: Typically, the payment schedule projects quarterly payments due by the 15th day of March, June, September, and December unless the Terms of Sale are Cash with Acceptance, fully funded with Foreign Military Sales (FMS) Credit [Non-payable], and or Military Award Program (MAP) Merger, the case value is less than \$5M, and the country is not authorized cash flow financing. In these instances, the Initial Deposit covers the entire case value).	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	2.2.2.1_Making Payments_DI	Capture Federal Government unique invoice prompt payment information (for example, invoice receipt date, discount, applicable interest rate determined per Government formula, and accelerated payment) to support payment of invoices as specified in the CFR.	Foreign_Military_Sales_038

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Foreign Military Sales (Security Assistance)	18.01.038		The system shall have the capability to support the initial deposit to cover the outlays and/or deliveries anticipated until the first quarterly payment is received.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	2.2.2.2_Making Payments_P	Determine disbursement terms and amounts in accordance with the terms of the contract or agreement, and based on determination of invoice term, payment date, interest or penalty applicable, and amount as specified in the CFR.	Foreign_Military_Sales_039
Foreign Military Sales (Security Assistance)	18.01.039		The system shall have the capability to support administrative costs, administrative surcharge, and accessorial charges based on the terms of the approved case.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	2.2.1.4_Establishing Payables_DO	Provide payable data required to post GL transactions consistent with USSGL transaction codes, transaction categories (for example, disbursements and payables), and transaction subcategories (for example, payments/purchases) as defined in the TFM.	Foreign_Military_Sales_040
Foreign Military Sales (Security Assistance)	18.01.040		The system shall provide the capability to process the cost associated with Termination Liability if a Foreign Military Sales (FMS) case is terminated prior to completion.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	2.2.1.4_Establishing Payables_DO	Provide payable data required to post GL transactions consistent with USSGL transaction codes, transaction categories (for example, disbursements and payables), and transaction subcategories (for example, payments/purchases) as defined in the TFM.	Foreign_Military_Sales_041

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Foreign Military Sales (Security Assistance)	18.01.041		The system shall provide the capability to process a Standby Letter of Credit (SBLC) instead of Termination Liability to guarantee termination payments.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	2.2.1.1_Establishing Payables_DI	Capture Federal Government unique recipient information (for example, Federal vendor registration attributes, such as Data Universal Numbering System (DUNS) and the type of relationship with the U.S. Federal Government, grant recipient information) consistent with that required to support the payment management and invoice processing activities defined in 5 CFR 1315, the Federal Acquisitions Regulation (FAR), and the TFM.	Foreign_Military_Sales_042
Foreign Military Sales (Security Assistance)	18.01.042		To support the case reconciliation process, the system shall provide the capability to review each Foreign Military Sales (FMS) case annually to determine if revisions to the payment schedule are necessary. (Note: Payment schedule revisions are normally needed when there are revisions to the delivery schedules, scope changes, pricing updates, actual contract award dates, contract amendments, contract modifications, or payment milestone revisions).	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	2.3.1.1_Reconciling Fund Balance With Treasury_DI	Capture Treasury's GL account balance and transaction data for the agency as specified in the TFM.	Foreign_Military_Sales_043

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Foreign Military Sales (Security Assistance)	18.01.043		The system shall have the capability to bill the Foreign Military Sales (FMS) purchaser quarterly based on the published FMS case billing timeline. (Note: This billing is currently done by the Defense Finance and Accounting Service (DFAS) using DD Form 645).	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	2.2.4.1_Establishing Receivables_DI	Capture Federal Government receivable information (for example, receivable type and customer information) to support agency management of and reporting on receivables to Treasury consistent with the TFM and as required by OMB Circular No.A-129 and the CFR.	Foreign_Military_Sales_044
Foreign Military Sales (Security Assistance)	18.01.044		The system shall have the capability to hold implementation of the Letter of Offer and Acceptance (LOA) or Amendment if the Initial Deposit has not been received.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_045

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Foreign Military Sales (Security Assistance)	18.01.045		The system shall have the capability to record accrued expenditures/work-in-progress and physical deliveries within 30 days of the date of shipment or performance.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_046

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Foreign Military Sales (Security Assistance)	18.01.046		The system shall ensure timely reporting of performance data to the Foreign Military Sales (FMS) purchaser no later than 30 days of the shipment or delivery.	Source: DoD5105.38-M,Ch9; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_047

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Foreign Military Sales (Security Assistance)	18.01.048		The system shall allow a user to process multiple requisition requests against an open Foreign Military Sales (FMS) case.	Source: DoD5105.38-M,Ch5; Source Date: 10/1/2013	1.4.1.1_Defining Federal Funding Attributes to Align Financial Management Information With Performance Goals_DI	Provide Federal funding attributes (for example, program, activity, and cost object) that align funding requests, funding allocations, fund obligations, fund expenditures, and costs with agency performance goals, as required by the Chief Financial Officer (CFO) Act as well as the Government Performance and Results Act and consistent with the FASAB Handbook, OMB Circular No. A-11, and OMB Circular No. A-136.	Foreign_Military_Sales_048
Foreign Military Sales (Security Assistance)	18.01.052		The system shall provide safeguards to prohibit the use of one country's cash to pay for another country's bills, except when authorized by the country providing the cash.	Source: DoDFMRVol15,Ch4,Sub0401; Source Date: 1/1/2014	2.2.2.1_Making Payments_DI	Capture Federal Government unique invoice prompt payment information (for example, invoice receipt date, discount, applicable interest rate determined per Government formula, and accelerated payment) to support payment of invoices as specified in the CFR.	Foreign_Military_Sales_031

ACRONYMS

AECA	Arms Export Control Act
BA	Budget Authority
DoD	Department of Defense
DoDFMR	DoD Financial Management Regulation
DSCA	Defense Security Cooperation Agency
EA	Expenditure Authority
FFMIA	Federal Financial Management Improvement Act
FMS	Foreign Military Sales
LOA	Letter of Offer and Acceptance
LOR	Letter of Offer and Request
MASL	Military Articles and Services List
MILSTRIP	Military Standard Requisitioning Issue Procedures
RFP	Requests for Proposal
ULO	Unliquidated Obligations