



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

14 JUL 1999

In reply refer to:
I-06055/99

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE ARMY
(INTERNATIONAL AFFAIRS)
ATTN: SAUS-IA-DSZ
DEPARTMENT OF THE ARMY

DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE
DEPARTMENT OF THE NAVY

DEPUTY UNDER SECRETARY OF THE AIR FORCE
(INTERNATIONAL AFFAIRS)
DEPARTMENT OF THE AIR FORCE

DIRECTOR, DEFENSE LOGISTICS AGENCY
ATTN: INTERNATIONAL PROGRAMS

NATIONAL IMAGING AND MAPPING AGENCY
GEOSPATIAL INFORMATION SERVICES (GIOS)

DEPUTY DIRECTOR FOR SECURITY ASSISTANCE
DEFENSE FINANCE AND ACCOUNTING SERVICES -
DENVER CENTER

SUBJECT: Terms of Sale on Letters of Offer and Acceptance

Based on a recent review of Letter of Offer and Acceptance (LOA) Terms of Sale (TOS) as they exist in the Security Assistance Management Manual (SAMM) and the Defense Security Assistance Management System (DSAMS), the following policy is provided regarding the validity and use of these terms.

a. The following Terms of Sale are currently authorized for use:

- A – Cash with Acceptance
- B – Cash Prior to Delivery
- C – Dependable Undertaking
- D – Payment on Delivery
- H – Payment 120 Days after Delivery
- K – Cash with Acceptance/Balance as Billed [for FMSO I and WWRS]
- M – MAP Merger
- N – FMS Credit (Non-Repayable)
- Z – FMS Credit

- b. The following terms that exist in DSAMS, but not in the SAMM have been inactivated in DSAMS and are not authorized for further use:

E – Cash Prior to Delivery/Dependable Undertaking
J – Combination of Terms of Sale (TOS)
S – Case is Financially Dependent upon SI-B-ZAC
T – Third Country
Y – FMS Credit (Bio-Diversity)

In place of the “E” TOS, which is a combination of two existing terms, organizations preparing LOAs, Amendments and Modifications should cite each term separately. There are sufficient entries in DSAMS to support the listing of all necessary terms on documents. Therefore, the “J” TOS is no longer necessary. For cases that are financially dependent upon SI-B-ZAC, the appropriate cash terms should be cited on the document. The public law field in the document tab on the case detail window in DSAMS will be filled with “Dependent on SI-B-ZAC” to annotate the dependency. If third country financing is being used to fund the FMS case, then the appropriate cash terms will be listed on the document and the funding source or program should be stated in the public law field in DSAMS. The “N” TOS should be used in place of the “Y” TOS when amending or modifying cases that currently cite this TOS. Again, the public law field in DSAMS should be used to annotate the funds as “Bio-Diversity”.


Recently legislated Enhanced International Peacekeeping Capabilities (EIPC) initiative FMF funding should cite a “N” TOS and Type of Assistance (TA) code. The public law field in DSAMS should be used to annotate the funds as “EIPC”.

All FMSO I and World Wide Redistribution Service (WWRS) cases should only cite the “K” TOS when cash funding is involved. If FMS Credit and/or MAP Merger funds are being used to fund these types of cases, then the corresponding term of sale (“M”, “N” and/or “Z”) should be used.

Dollar values associated with terms of sale should only be provided where a combination of FMS Credit and MAP funds (TOS of “M”, “N”, or “Z”) is cited and only for these terms. For example, if FMS Credit, MAP Merger, Cash Prior to Delivery and Dependable Undertaking were cited on a document, only the FMS Credit and MAP Merger terms should have an associated dollar value.

The management of terms of sale is a DSCA Comptroller function. All requests to create, change or delete terms of sale in the SAMM or DSAMS should be directed to DSCA/COMPT-FM.

Please contact Ms. Lisa Gold at (703) 601-3850 or Mr. Brad Bittinger at (703) 601-3736 if you have any questions.



James A. McQuality
Comptroller

cc: DSADC
DISAM
DSCA/PSDPMD
DSAMS PMO