25 MAY 2021

MEMORANDUM FOR THE 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
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE
AND ACCOUNTING SERVICE - INDIANAPOLIS OPERATIONS
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE REUTILIZATION AND MARKETING
SERVICE
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, NATIONAL GEOSPATIAL INTELLIGENCE
AGENCY
DIRECTOR OF CYBERSECURITY DIRECTORATE AND DEPUTY
NATIONAL MANAGER FOR NATIONAL SECURITY SYSTEMS,
NATIONAL SECURITY AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY

SUBJECT: Requirement of the Standard Financial Information Structure (SFIS)
Implementation, DSCA Policy 21-07, SAMM E-Change 532

REFERENCES:

a) Security Assistance Account (SAA) Period of Performance (POP)1_Notice of Finding
and Recommendation (NFR) 2020-02 Recommendation (R) 02 Corrective Action Plan
(CAP) 2-1
b) Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) Memorandum,
Department of Defense Standard Line of Accounting (SLOA)/Accounting Classification,
dated September 14, 2012
c) DoD 7000.14-R, Financial Management Regulation (FMR), Volume 1, Chapter 4,
Standard Financial Information Structure
d) Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) Memorandum,
Standard Financial Information Structure (SFIS) 11.2 Matrix Update, dated February 5,
2020
e) Circular No. A-123, Compliance with the Federal Financial Management Improvement
Act of 1996, Section 7, "FFMIA Compliance."

This memorandum establishes policy directing the Security Cooperation community to use Standard Financial Information Structure (SFIS) compliant systems executing Security Assistance Accounts (SAA) financial transactions. The SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting across the Department of Defense (DoD) enterprise. As identified in Reference (a), the SAA does not currently capture all financial transactions in SFIS-compliant accounting systems.

Guidance from the OUSD(C) (Reference (b)) states "Each Component and functional area uses different structures to represent the Lines of Accounting (LOA). The LOA is used to identify the funding source associated with an organization's budget and to ensure accurate accounting transactions. The SFIS was established and implemented to create a common business language within the Department." This requirement and the SFIS structure are identified in the Financial Management Regulation (Reference (c)), and the details of this requirement are identified in NFR Corrective Action Plan (Reference (a)).

To ensure compliance with the DoD FMR and OUSD(C) guidance, DSCA requires the Implementing Agencies (IA) to capture all financial transactions and reporting for Security Assistance Accounts to be recorded in a SFIS compliant system by using SFIS Matrix 11.2. This Matrix identifies changes reflecting the most current Treasury and DoD requirements. Due to the audit findings, all IAs not using a SFIS compliant systems to execute SAA funds must submit their SFIS Implementation Plan to DSCA by 30 Sep 2021.

For any questions regarding this policy, please contact Mr. Lucas Rose at lucas.j.rose1.civ@mail.mil or (202) 853-5693.

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Date: 2021.05.25 11:41:38 -04'00'

Jacqueline Leonard
Acting Assistant Director
Directorate for Business Operations

Attachment:

- Attachment 1 - SAMM E-Change 532
- Attachment 2 - OUSD(C) SFIS Implementation Policy
- Attachment 3 - OUSD(C) SFIS 11.2 Matrix Update

Attachment 1: Security Assistance Management Manual (SAMM), E-Change 532

Requirement of the Standard Financial Information Structure

ADD:

C14.3. Standard Financial Information Structure

DSCA's responsibility for synchronizing security assistance financial management guidance within the DoD includes the requirement for the Security Assistance community to follow OUSD(C)'s Standard Financial Information Structure (SFIS). The SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting across the DoD enterprise. The OUSD(C) policy memorandum dated April 02, 2019, requires systems containing financial information provide the ability to capture and transmit the SFIS data or demonstrate a cross-walking capability to the SFIS Version 11.1 Matrix.

C14.3.1. Requirement of the Standard Financial Information Structure (SFIS). Implementing Agencies are required to capture all financial transactions and reporting for Security Assistance Accounts in the SFIS compliant systems.
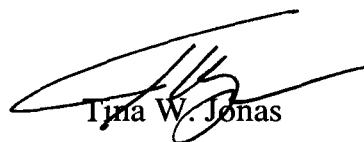
MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Standard Financial Information Structure (SFIS) Implementation Policy

This memorandum establishes policy directing implementation of the Standard Financial Information Structure (SFIS). The SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting across the DoD enterprise. Current SFIS data elements are focused on information needed to support the generation of the DoD financial statements. SFIS is a key initiative that supports DoD Business Enterprise Priorities (BEP).

The SFIS is a requirement for all systems supporting financial transactions as it provides an enterprise-wide standard for categorizing financial information along several dimensions to support financial management and reporting functions. The SFIS enables decision makers to efficiently compare similar programs and activities across DoD and provides the level of detail they require for information retrieval and auditability.

This policy requires systems containing financial information to provide the ability to capture and transmit the SFIS data or demonstrate a cross-walking capability to the SFIS format. This ability must be demonstrated as part of a certification process. Three SFIS implementation approaches and associated timelines are defined in Attachment A.

This memorandum is effective for planning and coordination upon receipt. SFIS and BEP information is at http://www.dod.mil/comptroller/bmmp/pages/index.html. If you have any questions, please contact Ms. Christine Wenrich or Mr. Raymond Bombac by e-mail at (Christine.Wenrich@osd.mil or Raymond.Bombac@osd.mil) or by telephone at 703-602-6988.

Tina W. Jonas

Attachment:
As stated

DISTRIBUTION:
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Attachment A.

The three SFIS implementation approaches are:

1) The Legacy Accounting System approach will utilize a centralized SFIS cross walk capability which is being developed as part of the Business Enterprise Information Services (BEIS). This approach focuses primarily on legacy accounting systems in use throughout DoD today, but also encompasses cash and funding systems whose information is required to facilitate calculation of undistributed amounts within BEIS. These systems will be required to submit detail level accounting transactions to BEIS for conversion to SFIS equivalent data elements and subsequent posting to a USSGL compliant DoD corporate general ledger.

   This portion of the SFIS implementation initiative will commence in July 2005, with a scheduled completion date of January 2007.

2) The Business Feeder System approach will require incorporation of SFIS elements within business systems which source create business transactions within DoD. This approach applies to systems which create transactions such as travel orders, contracts, contract modifications and certain types of invoices. This approach may also encompass certain entitlement and disbursing systems in use throughout the department today which receive source transaction data from the previously mentioned feeder systems, perform entitlement matching functionality and generate associated payments.

   Certification of this approach will be varied. Systems in a development cycle, must submit a plan for SFIS compliance by September 30, 2005. Systems in sustainment must submit compliance mappings by August 31, 2005. Major Acquisition Information Systems (MAIS) systems must incorporate SFIS requirements in their Test and Evaluation Master Plan (TEMP) and complete successful testing prior to approval of Full Operational Capability (FOC).

3) The Target Accounting System approach encompasses emerging environments, including new Enterprise Resource Planning (ERP) systems. These systems are Federal Financial Management Improvement Act (FFMIA) compliant and configured to post transactions to an internal USSGL compliant general ledger.

   This approach requires certification of the ability to receive SFIS data as part of source   transactions and derive the appropriate budgetary and/or proprietary general ledger entries in accordance with the USSGL transaction library. The USSGL transaction library will be included in their testing documentation (i.e., TEMP) and successfully tested prior to Milestone C. In those cases where the system has entered Limited Deployment, successful testing will be completed prior to approval for FOC.

Phase 1 SFIS Elements

Appropriation Account Information	Transactional Information	Trading Partner Information
		Budget Program Information
		Cost Accounting Information
	Organizational Information	
	Organization Unique Identifier	
	Agency Disbursing Identifier	
	Agency Accounting Identifier	

SFIS Version 11.2 - SUMMARY OF CHANGES

Change #	Change	Reason For Change	Change Date
1	Removed BR #183008 "If the funding source is other than no year, the Year of Budget Authority Indicator is not allowed." It no longer applies	Change in the USSGL	
2	Updated BR #1005187 to be specific to Accounting Classification	Clearer requirement	
3	Updated Authoritative Source for Security Cooperation Customer Code.	Change in Authoritative Source	
4	Updated BR #190077 to be "up to."	Error correction	
5	Updated BR #720603 to be numeric	Error correction	
5	Updated BR #720610 to be numeric	Error correction	
6	Updated Receipt Indicator Business Rules to remove them from Financial Reporting	SFIS Attribute Alignment File does not require it.	
7	Updated Department Regular and Department Transfer Definitions for Treasury Changes	Treasury Change	
8	Added the A32 Disaster Emergency Fund Code and associated business rules	New USSGL Attribute	
9	Deleted BR# 183003	USSGL Allows for Borrowing Source to be blank when the Authority Type is B.	
10	Updated Agency Disbursing Identifier business rules to reflect ALC TDD Structure.	To faciliate transition to TDD.	
11	Moved Asset UID from the Cost Accounting section to the Transaction Information section.	Asset UID aligns better with Transactional Information.	
12	Updated the Business Rules for Sub-Allocation Holder Identifier (SAHI)	In accordance with the OUSD(C) SAHI Memo	
13	Added Disaster Emergency Fund Code	Change in the USSGL	
14	Added missing BETC Business Rule which identifies it as part of the Accounting Classification	Error correction	
15	Corrected T30 business rule alignment, previously aligned as CA12 business rules	Error correction	1/10/2020
16	Updated BR #185631 to be alphanumeric	To allow for alpha values for B2	12/10/2020
17	Updated Covered/Uncovered Values	To match the SFIS Values Library	2/5/2021
END			