MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Enterprise Standard Line of Accounting (SLOA)/Accounting Classification

References: 

The Secretary of Defense memorandum, reference (a), has asked for an “all hands” effort across the Department to improve our business practices – ensuring that we are operating in a common sense, accountable and modern business environment. The direction in this memo is an effort towards improving financial information and achieving audit readiness.

Each Component and functional area uses different structures and mechanisms to represent the Line of Accounting (LOA). The LOA is used to identify the funding source associated with an organization’s budget and ensure accurate accounting transactions. The Standard Financial Information Structure (SFIS), reference (b), was established to create a common business language within the Department; however, systems have established their own sequence and data element content within the LOA construct. Interoperability between systems, for transactional data exchange, remains a problem for the Enterprise because the sequence and contents of an Enterprise Standard LOA (SLOA) has not been previously established. Therefore, Interim and Target business systems must immediately plan to convert to the SLOA represented in Attachment A.
Procurement and Financial Management communities developed the Financial Data in Procurement (FDIP) concept which linked Financial Data to Contract Documents, reference (c). This newly revised SLOA puts a plan in place to establish the expansion of the FDIP concept to all business areas which generate general ledger information. This SLOA will assist, at the line-item level, in identifying the funding source for accurate payment, the proper accounting for transactions, and reduce unsupported accounting adjustments.

No later than September 2012, all Legacy, Interim and Target system owners must update interface files to the SLOA sequence and available contents via an eCommerce/electronic data interchange system, e.g., Global Exchange Service (GEX), Defense Automatic Addressing System (DAAS). System owners and Service Providers must also ensure that their systems are interoperable with their trading partners’ or customers’ systems with respect to this requirement.

The Office of the Deputy Chief Management Office and the Office of the Under Secretary of Defense (Comptroller) Deputy Chief Financial Officer will work together to incorporate these requirements in the Business Enterprise Architecture and SFIS Implementation Plans. Components have expressed the necessity to include the “Sub-Allocation” data element (formerly known as “Limit”) for financial statement reporting purposes. The “Sub-Allocation” data element is used solely to track the sub-allocation of funds in the SLOA. Further, to address the enterprise requirements to collect costs across the department for the purchasing of products and services, the Product Service Code is added as a financial management requirement. The SLOA will also enable linkage between budget and expenditure data, a long sought after capability previously achieved via manual means. The SFIS Governance Board will determine the specific SFIS business rules which will address system configuration for these requirements.

In the current systems environment, Legacy, Interim and Target systems are either configured or cross-walked to SFIS for external reporting purposes, in accordance with the Section 3512, 31 United States Code, Section 803(a) and the Federal Financial Management Information Act of 1996. In addition, these systems must be able to cross-walk trial balance data to the Defense Departmental Reporting System (DDRS). Investment Review Boards (IRBs) will weigh investment decisions based on SFIS SLOA implementation progress and delay investment decisions for systems not complying with this policy. System owners must provide a SLOA implementation status to the IRBs for their Fiscal Year (FY) 2013 certification/re-certification of funds. The status update needs to address how Target systems will send, receive, capture, store, and maintain this standard SLOA data constructed as discrete data, in accordance with their SFIS Implementation Plan. The plan also needs to address the status of interfaces having financial accounting impacts, to include procurement, logistics, travel, human resource systems, etc.

Questions regarding this guidance may be directed to Ms. Micky Chopra, Office of the Under Secretary of Defense (Comptroller) Deputy Chief Financial Officer, and/or Mr. Raymond Bombac, Office of the Deputy Chief Management Office. Ms. Chopra can be reached at
(703) 614-7253 or micky.chopra@osd.mil. Mr. Bombac can be reached at (571) 372-3092 or raymond.bombac@osd.mil.

Elizabeth A. McGrath
Deputy Chief Management Officer

Robert F. Hale
Under Secretary of Defense (Comptroller)

Attachment:
As stated
Attachment A: Sequence of the Standard Line of Accounting (SLOA)/Accounting Classification

Data Element Name (Length); SFIS reference (http://dcmo.defense.gov/products-and-services/standard-financial-information-structure/); Examples

- **Department Regular (3):** A1 in SFIS; e.g., 021 Army, 017 Navy, 057 Air Force; 097 ODOs
- **Department Transfer (3):** A2 in SFIS; A transfer of obligation authority from DOE, e.g., 089
- **Main Account (4):** A3 in SFIS; Synonymous with Basic Symbol, Appropriation Symbol, e.g., 4930
- **Sub Account (3):** A4 in SFIS; Indicates the relationship to the Main Account, e.g., 002
- **Sub Class (2):** A7 in SFIS; Grouping of a transaction type, e.g., 46 Payments from Current Appropriations for Obligations of Closed Accounts
- **Availability Type† (1):** A24 in SFIS; e.g., X = No-year TAS
- **Business Event Type Code† (8):** T20 in SFIS; Replaces Transaction Codes, e.g., DISB - Disbursement
- **Beginning Period of Availability Fiscal Year Date (4);** A27 in SFIS, e.g., 2012
- **Ending Period of Availability Fiscal Year Date (4);** A28 in SFIS, e.g., 2012
- **Sub-Allocation (formerly known as “Limit”) (4);** Use of this data element is exclusive to sub-allocation purposes, useful for Financial Reporting; e.g., 2504
- **Reimbursable Flag (1);** A9 in SFIS; Examples: Direct, Reimbursable Code, e.g., D or R
- **Budget Line Item (16);** For MilPers, value will be Budget Sub-Activity (BSA) plus Budget Line Item (BLI). B4 in SFIS; Further sub-divides the Treasury Account Fund Symbol below sub-activity, e.g., 111
- **Object Class (6);** B6 in SFIS; Will initially be implemented at the three-digit level as in SFIS with room to expand to six, e.g., 252
- **FMS Customer Code (2);** T21 in SFIS; Foreign Military Sales (FMS); The country receiving the product/service, e.g., EI IRELAND
- **FMS Case Identifier (3);** T22 in SFIS; Identifies the FMS contractual sales agreement between countries, e.g., 346
- **FMS Case Line Item Identifier (3);** T23 in SFIS; Identifies a detailed line-item requirement, e.g., 001
- **Agency Disbursing Identifier Code (8);** O2 in SFIS; Synonymous with Treasury DSSN definitions for each disbursing office, e.g., 1700
• **Cost Object 1 (16);** CA section in SFIS; e.g., Oracle = Project; SAP = Funding Center Identifier
• **Cost Object 2 (16);** CA section in SFIS; e.g., Oracle = Funding Center, SAP = Functional Area
• **Cost Object 3 (16);** CA section in SFIS; Oracle = Cost Element Code, SAP = Cost Center
• **Cost Object 4 (25);** CA section in SFIS; Oracle = Activity; SAP = WBS
• **Agency Accounting Identifier (6);** O3 in SFIS; Fiscal Station Number; Comptroller defined; Identifies the accounting system responsible for the accounting event e.g., 021001 – DFAS Indianapolis (GFEBS)

This is the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) 2014 requirement in the Business Enterprise Architecture (BEA) 9.0

The data elements in italics will have SFIS Business Rules established in an update to the BEA.

**Frequently Asked Question, Responses:**

• The DoD IT Portfolio Repository (DITPR) is the Department’s authoritative inventories of IT systems. The DoD Enterprise Transition Plan defines Interim systems as existing systems being modernized to support the Department for a given capability during a limited period of time. Interim/Core (Target) systems, those expected to become the Department's solution for a given capability or capabilities.

• The SLOA will be a requirement in the overall SFIS Implementation Plan. The configuration and storing of separate data elements is already an SFIS requirement.

• The SLOA should not affect the Legacy System configurations, unless the system is a fundamental enterprise system affecting auditability or it is a Component owned system which the Component deems necessary to upgrade to meet the SLOA requirement.

• If a Target to Legacy interface is deemed necessary, there may be no change to the current interface specification. GEX can convert the SLOA for a Legacy system that cannot handle the delineated exchange of data (“^”). In determining the SLOA Implementation Plan, system owners may identify which systems cannot utilize the “^” and determine it necessary to utilize the GEX to translate the data elements into a string.
• Not all data elements are to be populated for all transactions. The exact set is conditional based on the function, accounting system's software package and specific configuration, and Component.

• When communicating outside of the system, the SLOA data elements must be ordered in sequence as listed in Attachment A. In situations where data cannot be exchanged using discrete data elements, a delineated data exchange may be used. In these cases, the beginning and ending of each data element must be represented by a “^”, for system to system exchange. Specifically, if the beginning of the SLOA is 097, null, 0100, & 000; then it must be represented as ^097^0100^000^. The sequential “^”, in the preceding example, represents the Department Transfer’s value of null.

• The sequencing layout above is meant only for the outbound/inbound data exchange. It is not required internal to a system. The enterprise sequencing facilitates standard edits and easier location of data. This is especially true if the SLOA is exchanged using a delineated data exchange (utilizing “^”). The SFIS elements from a configuration e.g., Accounting Flex Field (AFF) perspective are already defined.

• The fields are variable lengths with carrots “^” designating starts and stops. Specifically, a six character value length in an eight character field is represented by ^xxxxxx^. An example for the object class would be ^252^ even though the length is 6 characters above.

• Specific information on Cost Objects: The Cost Object fields, in the SLOA are meant to accommodate the use of seven different SFIS Cost Accounting data elements. In SFIS, there are seven data elements that are considered cost objects: Funding Center, Cost Center, Project, Activity, Cost Element Code, Work Order Number, and Functional Area (Planned Addition). These seven SFIS data elements will be used in the four Cost Object fields depending on the software package, specific configuration, and Component specific cost structure.
  o Oracle applications will carry the POET structure in these four fields. POET is an acronym for Project, Organization, Expenditure Type and Task. Project, Organization, Expenditure Type and Task map to the SFIS data elements Project, Funding Center, Cost Element Code, and Activity, respectively.
  o SAP has various ways to set up a cost structure. However, for SAP-based systems Funding Center and Functional Area will be carried in the LOA. In
addition to Funding Center and Functional Area, one or two of the other Cost Objects will be carried.

- Other Interim and Target software packages or GOTS-based systems that are still required to be SFIS Compliant and need to have the applicable SFIS data elements configured in the system. These systems will need to at least carry a Funding Center and one other SFIS Cost Object.

- If Fund(ing) Center is used in a transaction, it will be in the Cost Object 1 field for SAP-based systems and Cost Object 2 for Oracle-based systems. The SFIS Business Rules will be updated to specify that Fund Center must be used for accounting classification.

- A Referential Data structure, within a system, may be used as long as a system is capable of exchanging the SLOA directly with its business partner systems. The relationships between the SLOA component data elements as reflected in the accounting systems must be maintained and the system’s referential data structure should leverage this to the highest extent possible.

- The SLOA is applicable to all Interim and Target system configurations carrying LOA information including short-keys, such as the Fund Code to reference Treasury Account Symbol (TAS) data. For mission critical events, a transaction would happen in the field and later entered into the business system. At the time of entry into the business system, controls should be put in place to capture the necessary SLOA data.

- DoD business functional communities must provide updates to exchange standards, such as ANSI X12, that are needed to accommodate this memo.

- The Trading Partner (TP) Indicator is the Trading Partner’s Department Regular code. Department Regular is in the SLOA. Federal/Non-Federal indicator can be derived off of Vendor data.

- Capturing TP data elements for reimbursable transactions with other Federal agencies/DoD Components will be found in incoming SLOAs. The SFIS Trading Partner (TP): Federal/Non-Federal Indicator (TP1), Trading Partner Indicator Code (TP2), Business Partner Number (TP3), and Trading Partner Main Account (TP4) data elements are implicitly included in the SLOA. The seller MUST provide its SLOA to the buyer. This will assist in inter/intra governmental reconciliations and departmental reporting. In addition, TP data elements will be required to ensure that the DoD quarterly trial balances submitted to Treasury, via DDRS, contain the trading partner information needed for GTAS reporting.
  - Trading Partner Indicator Code (TP2) is equal to Department Regular (A1). Depending on what side of the transaction you are looking at, TP2 is in the SLOA
it is the Department Regular (A1). TP2 and A1 are the same data element on a transaction (though different for trial balance reporting). Whether it is TP2 or A1, depends on what side of the transaction an organization is.

- TP1 can be derived off of a value for TP2, at the time of reporting. TP1 is the federal “F”/Non-federal “N” indicator. TP2 is the Department Regular Code of the other federal entity involved in the transaction.
- TP3, the Business Partner Number, useful for intra-governmental transactions, must be associated with the transaction. This is the Data Universal Numbering System (DUNS) number at the federal level or “DOD” + DoDAAC for DoD organizations.
- Trading Partner Main Account (TP4) is equal to Main Account (A3). Depending on what side of the transaction you are looking at, TP4 is in the SLOA it is the Main Account (A3). TP4 and A3 are the same data element on a transaction (though different for trial balance reporting). Whether it is TP4 or A3, depends on what side of the transaction an organization is.

- Federal interfaces and/or interfaces with other federal agencies should be evaluated on a case by case basis to address SLOA interoperability and audit readiness requirements.

- Enterprise systems, such as Mechanization of Contract Administration Services (MOCAS), Centralized Master Edit Table (CMET), Automated Disbursing System (ADS), Defense Cash Accountability System (DCAS), etc. are required to update LOA maps to the SLOA format for applicable systems. DCAS will require one supplemental data screen to accommodate the supplemental data in the SLOA for cross-disbursements.

- For Transactions by Others; Transactions for Others, multiple pay offices will be identified by a breakout of Agencies Disbursing Identifier with each breakout indicating the specific pay office associated with the responsible Components.

- This memo requires the updating of PDS to meet this requirement. For PDS, there will be new XML data tags for each of the SFIS data elements found in this SLOA.

- Product Service Code (PSC) is added as a financial management requirement.

- Document Numbers e.g., PO, PO/ Contract Numbers are header level information; the SLOA is line-item level information. There is not a need to repeat the same document number / contract number for each line item. Those types of data elements will be included in the larger standard transaction set.

- The recommended ERP configuration guidance it will be incorporated in to the SAP and Oracle SFIS Configuration Guides, the development of transitions plans will be part of
the IRB process, and it will be discussed and validated as part of the SFIS Validation process.

- Besides for the MilPers appropriation, Budget Sub-Activity and Budget Activity information can be derived from the BLI level.

- For the Military Personnel Appropriation, the Budget Line Item field, for exchange, should include both the value for Budget Sub-Activity and Budget Line Item. For the system’s base configuration of the Budget Sub-Activity and Budget Line Item should still be separate fields as defined in the SFIS Business Rules.

- The Enterprise Funds Distribution System (EFD) must be used for validating the values for the following data elements:
  - Main Account
  - Beginning Period of Availability FY
  - Ending Period of Availability FY
  - Budget Subactivity Code
  - Budget Line Item

*EFD nomenclature is available at https://guidanceweb.ousdc.osd.mil/efd.aspx

**Note: EFD deploying incrementally; as such not all accounts are currently represented within EFD.

- No fields need to be zero filled, unless stated as an allowable value for the field or by the SFIS business rules.

- The Defense Departmental Reporting System (DDRS) only receives Trial Balance data, not the SLOA.