

**VOLUME 1, CHAPTER 4: “STANDARD FINANCIAL INFORMATION
STRUCTURE (SFIS)”**

SUMMARY OF MAJOR CHANGES

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated September 2008 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Various	Updated hyperlinks to include the link to the Compliance Checklist for the Standard Financial Information Structure (SFIS).	Update
0406	Generalized Office of the Under Secretary of Defense (Comptroller) roles and responsibilities.	Update
0407	Deleted the Demand Unique Identifier (DUID) data element and the associated business rules from the Checklist for the SFIS. The DUID concept is being replaced by the Financial Data In Procurement (FDIP) initiative based upon policy in the Office of the Under Secretary of Defense memorandum of March 18, 2009, titled “Linking Financial Data to Contract Documents”.	Update
0408	Updated information included on the SFIS Resource Page.	Update

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CHAPTER 4

STANDARD FINANCIAL INFORMATION STRUCTURE

0401 PURPOSE

This chapter prescribes the requirements of the Standard Financial Information Structure (SFIS) as a common business language that enables budgeting, performance-based management, and the generation of financial statements. The SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs across the Department of Defense (DoD) enterprise.

The SFIS standardizes financial reporting across the DoD and allows revenues and expenses to be reported by programs that align with major goals, rather than basing reporting primarily on appropriation categories. It also enables decision-makers to efficiently compare programs and their associated activities and costs across DoD and provides a basis for common valuation of DoD programs, assets, and liabilities.

The initial development phase (Phase I) identified and defined data elements needed to support the generation of financial statements and external reporting. SFIS Phases II and III address enterprise-wide code accounting requirements to provide the DoD with a better valuation of the total cost of business.

0402 AUTHORITATIVE GUIDANCE

040201. Statutory

A. Section 2222(d)(1) of Title 10, United States Code (U.S.C.), requires that the DoD Business Enterprise Architecture (BEA) include an information infrastructure that, at a minimum, would enable the DoD to:

1. Comply with all Federal accounting, financial management, and reporting requirements;
2. Routinely produce timely, accurate, and reliable financial management information;
3. Integrate budget, accounting, and program information and systems; and
4. Provide for the systematic measurement of performance to include the ability to produce timely, relevant, and reliable cost information.

B. Section 2222(d)(2) of Title 10, U.S.C., requires establishment of policies, procedures, data standards, and system interface requirements that are to apply uniformly throughout the DoD.

C. Section 902a.3 of the [Chief Financial Officers Act](#) requires an agency to develop and maintain an integrated agency accounting and financial management system, including financial reporting and internal controls, which:

1. Complies with applicable accounting principles standards and requirements, and internal control standards;

2. Complies with such policies and requirements as may be prescribed by the Director of the Office of Management and Budget;

3. Complies with any other requirements applicable to such systems; and

4. Provides for:

a. Complete, reliable, consistent, and timely information which is prepared on a uniform basis and which is responsive to the financial information needs of agency management;

b. Development and reporting of cost information;

c. The integration of accounting and budgeting information; and

d. Systematic measurement of performance.

D. The [Federal Financial Management Improvement Act of 1996](#) requires agencies to incorporate accounting standards and reporting objectives established for the Federal Government into their financial management systems so that all the assets and liabilities, revenues, expenditures or expenses, and the full costs of programs and activities of the Federal Government can be consistently and accurately recorded, monitored, and uniformly reported throughout the Federal Government.

E. The [Government Performance and Results Act of 1993](#) requires annual performance reporting that links performance planned to performance achieved.

040202. Office of Management and Budget (OMB)

A. The [OMB Circular No. A-127](#) requires agencies' financial management systems to reflect an agency-wide financial information classification structure that is consistent with the United States Standard General Ledger (USSGL).

B. The [OMB, Office of Federal Financial Management](#) requires, within each department or agency, accounting classification elements and definitions to be standardized to ensure uniform and efficient accounting treatment, classification, and reporting.

0403 DEFINITIONS

040301. Standard Data

Standard data relates to information that is transmitted, processed, maintained, and/or accessed in a standard format. It is a structured communication medium that is to be exchanged between and within entities and other groups for business transactions. The standards describe structures that emulate documents. For example, purchase orders to automate purchasing. The standard data is also used to refer to the implementation and operation of systems and processes for creating, transmitting, and receiving information. It simplifies the aggregation of data, limiting crosswalks and mapping procedures.

040302. Business Enterprise Architecture

The Business Enterprise Architecture (BEA):

- A. Is the enterprise architecture for the DoD Business Mission Area.
- B. Defines the DoD business transformation priorities, the business capabilities required to support those priorities, and the combinations of enterprise systems and initiatives that enable those capabilities.
- C. Uses a set of integrated DoD Architecture Framework (DoDAF) products, to include All View (AV), Operational View (OV), Systems and Services View (SV), and Technical Standards View (TV) products to develop its overall structure/framework.
- D. Includes activities, processes, data, information exchanges, business rules, system functions, system data exchanges, terms, and linkages to laws, regulations, and policies.

0404 APPLICABILITY AND SCOPE

The SFIS is required for all target systems and legacy business feeder systems that will interface with a target system, as identified in the [Enterprise Transition Plan \(ETP\)](#) that support financial transactions.

The SFIS provides an enterprise-wide standard for categorizing financial information along several dimensions to support financial management and financial reporting functions; enable decision makers to efficiently compare similar programs and activities across DoD; and provide a level of detail required for information retrieval and auditability.

0405 SFIS RELATIONSHIPS

The SFIS contains a USSGL transaction library. For additional information on the SFIS relationship to the USSGL refer to Volume 1, Chapter 7, paragraph 070405.

The SFIS is the BEA financial data standard and is integrated into the BEA. SFIS changes will be updated with subsequent BEA releases.

*0406 ROLES AND RESPONSIBILITIES

040601. Office of the Under Secretary of Defense (Comptroller)

A. Serves in a leadership role relative to facilitating and providing oversight for the development of DoD-Wide enterprise business and financial systems to include process solutions supporting the implementation of the SFIS.

B. Serves as primary member of the SFIS Governance Board, is responsible for providing stewardship for SFIS financial data elements, and serves as a primary representative on the Defense Business System Management Committee (DBSMC) and Investment Review Boards (IRB) (reference paragraph 040605).

C. Provides business and financial system insight on all issues presented at committee/board meetings and serves as the primary office of responsibility for actions stemming from the DBSMC and the IRB.

040602. The Business Transformation Agency (BTA)

The BTA facilitates the governance of the SFIS Board, but is not a voting member. The mission of the BTA is to guide the transformation of business operations throughout DoD and to deliver Enterprise-level capabilities that align to warfighter needs. Primarily, the BTA is responsible for developing the BEA (reference paragraph 040302) and ensuring that decisions made by the SFIS Governance Board are reflected in the BEA.

040603. The SFIS Governance Board

The SFIS Governance Board is a cross-agency, functional working group responsible for approving all changes to the SFIS. All changes must be vetted with the board before the SFIS can be updated. Voting members of the SFIS Governance Board include but are not limited to the following Defense Components:

A. Office of the Under Secretary of Defense (OUSD):

1. Comptroller, Program/Budget
2. Comptroller, Deputy Chief Financial Officer
3. Acquisition, Technology, and Logistics (AT&L), Installations and Environments
4. AT&L, Materiel Readiness and Maintenance Policy

5. AT&L, Resources and Analysis
 6. Directorate for Program Analysis and Evaluation
 7. Directorate for Personnel and Readiness (P&R)
- B. Other Defense Organizations (ODOs):
1. Defense Finance and Accounting Service
 2. Defense Logistics Agency
 3. Missile Defense Agency
- C. Military Departments (MILDEPs):
1. The Department of the Army
 2. The Department of the Navy
 3. United States Marine Corps
 4. The Department of the Air Force
- D. Special Operations Command (SOCOM)
040604. DoD Components

The Military Departments and the Defense Agencies are responsible for implementing SFIS for all applicable target systems, asserting compliance with SFIS by using the Compliance Checklist for SFIS and maintaining their systems consistent with SFIS requirements.

040605. Investment Review Process

A. The DoD has implemented a business systems investment review process (referred to as the IRB process) led by the Deputy Secretary of Defense. The Deputy Secretary of Defense chairs the Defense Business Systems Management Committee (DBSMC), established pursuant to [section 186 of Title 10, U.S.C.](#), with membership consisting of the Under Secretary of Defense (USD) for AT&L, USD for P&R, USD (Comptroller) (USD(C)), Assistant Secretary of Defense (ASD) for Networks and Information Integration (NII), Secretaries of the Military Departments, and the heads of the Defense Agencies under [section 2222 of Title 10, U.S.C.](#).

B. Investment Review Boards have been established under the responsibility of USD(AT&L), USD(P&R), USD(C), and ASD(NII), who exercise investment responsibility under [section 2222\(f\) of Title 10, U.S.C.](#) A primary goal of the IRB process is to facilitate development and implementation of integrated [business systems](#) across DoD business functions

and capabilities to provide a framework for effective investment decision-making, thereby, enabling the DoD's senior leadership to guide investments to maximize the impact to the warfighter. Ultimately, through effective application of the IRB process, the IRBs operate to define and levy SFIS conditions.

*0407 INVESTMENT REVIEW BOARD SFIS REQUIREMENTS

040701. SFIS Compliance

The FM IRB requires:

A. All systems receiving either a Target Accounting or Target Business Feeder System complete a Compliance Checklist for SFIS and obtain approval for systems implementation from the BTA.

B. The Compliance Checklist for SFIS is to be completed in accordance with the comprehensive instructions detailed within the Compliance Checklist for SFIS under the section titled *How to Use this Checklist*.

040702. SFIS Implementation Plan

A. A system Implementation Plan must be submitted for all system development initiatives (in addition to the Compliance Checklist for SFIS that is consistent with the ETP).

B. The extent of the Implementation Plan varies with the SFIS condition levied on the system by the IRB. Once a system comes through one of the IRBs, it will be notified of the condition and what is required as a response. The response must be complete and all dates must be provided in Month/Year format for the condition to be considered closed.

*0408 SFIS RESOURCE PAGE

The [SFIS](#) resource page displays [the following](#) SFIS tools for use by system implementers and users.

A. Matrix (SFIS data elements, definitions, examples, business rules, syntaxes, primary stewards, authoritative sources, required reports, and Extensible Markup Language Schemas);

B. [Compliance Checklist](#);

C. [USSGL Transaction Library and Case Studies](#);

D. Values Library [Services](#);

E. [Chart of Accounts Implementation Guidance](#);

- F. Implementation Master Schedule;
- G. Enterprise Resource Planning (ERP) Standard Configurations;
- H. Online Tutorial; and
- I. Frequently asked Questions.