



OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-1 100

8/5/2020

MEMORANDUM FOR CHIEF MANAGEMENT OFFICER OF THE DEPARTMENT OF
DEFENSE
SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE FOR RESEARCH AND
ENGINEERING
UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND
SUSTAINMENT
UNDER SECRETARY OF DEFENSE FOR POLICY
UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND
READINESS
UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE AND
SECURITY
DIRECTOR OF COST ASSESSMENT AND PROGRAM
EVALUATION
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
CHIEF INFORMATION OFFICER OF THE DEPARTMENT OF
DEFENSE
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Business Systems Financial Interoperability and the Standard Line of Accounting

References: a) Under Secretary of Defense (Comptroller)/Chief Financial Officer and Deputy
Chief Management Officer Joint Memo, "Department of Defense Standard Line
of Accounting/Accounting Classification," September 14, 2012
b) Department of Defense Financial Management Regulation, Volume 1, Chapter 4,
"Standard Financial Information Structure," March 2019

Joint interoperability between forces is a pillar in our warfighting doctrine. It translates to success on the battlefield and can help save lives. Similarly, financial and business interoperability gives us decision making agility and cost savings. In September 2012, Reference A required system owners to implement DoD Standard Line of Accounting (SLOA) plans to improve financial information, improve business systems interoperability, and provide better end-to-end traceability and linkage between budget and expenditures. That was eight years ago and more concerted progress is needed. Therefore, I am mandating full Department-wide implementation of SLOA by October 1, 2022.

As a subset of the Standard Financial Information Structure (SFIS), SLOA is the DoD standard required by policy (Reference B) and the Business Enterprise Architecture. Full SLOA implementation improves systems interoperability and, as a result, financial data quality, funds traceability, and compliance with Office of Management and Budget, Department of the


Treasury, and DoD financial statement audit requirements. Legacy systems integral to audit are included in this requirement on a case-by-case basis.

Components must implement SLOA following Reference B policy, which articulates SLOA requirements for financial systems and financial feeder systems to send, receive, capture, store, and maintain SLOA data elements. SLOA data element values are located at the SFIS Resources website at <https://comptroller.defense.gov/ODCFO/sfis.aspx>.

SLOA implementation is a critical path enabler for several widely accepted enterprise financial management initiatives, including Treasury-Direct Disbursing for daily reporting, G-Invoicing for intragovernmental transactions, and Procure-to-Pay data exchanges. We need SLOA's interoperability to reap the value of each of these efforts. Taken together, they translate to reduced manual intervention and back office costs, allowing precious resources to be applied to the highest National Defense Strategy priorities.

To reach full SLOA implementation, within 60 days of this memo components will provide their SLOA implementation plans for each of their financial systems in use. Plans shall detail all financial and feeder systems status, implementation milestones with dates, and limiting factors along with specific system change requests needed to achieve full SLOA implementation. Indicate what your fiscal year (FY) 2021 and 2022 resource requirements are and whether they are in the FY 2021 President's Budget and FY 2022 Program Objective Memorandum. Articulate all unfunded requirements using the attached template. Constant communication, emphasis, and collaboration to overcome implementation hurdles are needed to achieve SLOA compliance no later than the end of FY 2022.

Submit your plans, unfunded requirements, and any questions to Mr. Michael Gallant (michael.p.gallant.civ@mail.mil or 571-372-8197).



Thomas W. Harker
Performing the Duties of the
Under Secretary of Defense (Comptroller)/
Chief Financial Officer

Attachment:
As stated

cc:
Inspector General of the Department of Defense

Standard Line of Accounting Implementation - Unfunded Requirements (\$ in Millions)

**Component,
Agency:
Component or
Agency Level Focal
Point:**

Army, DLA, etc

Name, email, and phone

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