

**SUMMARY OF MAJOR CHANGES TO  
DoD 7000.14-R, VOLUME 1, CHAPTER 4  
“STANDARD FINANCIAL INFORMATION STRUCTURE (SFIS)”**

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

**Substantive revisions are denoted by a ★ preceding the section,  
paragraph, table, or figure that includes the revision**

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

<b>PARA</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
<b>ALL</b>	<b>Reworded and formatted chapter for clarity and ease of reading. Added references and electronic links.</b>	<b>Revision</b>
<b>ALL</b>	<b>Changed title of chapter from Financial Coding Structure to Standard Financial Information Structure in compliance with authoritative guidance (i.e., NDA 2005, OUSD(C) policy memorandums) and DoD modernization initiatives.</b>	<b>Revision</b>
<b>0401</b>	<b>Identifies SFIS as the DoD accounting classification structure and highlights its intended use within the DoD.</b>	<b>Addition</b>
<b>0402</b>	<b>Added authoritative guidance supporting SFIS and DoD financial management modernization initiatives.</b>	<b>Addition</b>
<b>0403</b>	<b>Added definitions to better define SFIS requirements and concepts relative the new financial management structure.</b>	<b>Addition</b>
<b>0404</b>	<b>Added applicability and scope associated with the implementation of SFIS within DoD.</b>	<b>Addition</b>
<b>0405</b>	<b>Added SFIS relationships relative to the United States Standard General Ledger (USSGL) and the Business Enterprise Architecture.</b>	<b>Addition</b>
<b>0406</b>	<b>Added roles and responsibilities relative to the governance, development, and implementation of the SFIS financial management structure and systems requirements within the DoD.</b>	<b>Addition</b>
<b>0407</b>	<b>Added the SFIS Investment Review Board requirements.</b>	<b>Addition</b>
<b>0408</b>	<b>Added information describing the SFIS Resources Page and associated references for system implementers and users.</b>	<b>Addition</b>

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## CHAPTER 4

★STANDARD FINANCIAL INFORMATION STRUCTURE (SFIS)★0401 PURPOSE

040101. 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 DoD enterprise.

040102. The SFIS standardizes financial reporting across the Department of Defense (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 as well as, provides a basis for common valuation of DoD programs, assets, and liabilities.

040103. The initial SFIS development phase (Phase I) identified and defined data elements needed to support the generation of financial statements and external reporting. SFIS Phases II & 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. [Subsection 2222\(d\)\(1\) of Title 10, United States Code](#), enacted by subsection 332(a) of the [National Defense Authorization Act \(NDAA\), 2005 Public Law 108-375](#), October 28, 2004, requires that the defense business enterprise architecture include an information infrastructure that, at a minimum would enable the DoD to:

- A. Comply with all Federal accounting, financial management, and reporting requirements;
- B. Routinely produce timely, accurate, and reliable financial management information;
- C. Integrate budget, accounting, and program information and systems; and
- D. Provide for the systematic measurement of performance to include the ability to produce timely, relevant, and reliable costs information.

040202. [Title 10, United States Code, subsection 2222 \(d\) \(2\)](#) requires establishment

of policies, procedures, data standards, and system interface requirements that are to apply uniformly throughout the DoD.

040203. [The CFO Act of 1990](#) requires an agency to develop and maintain an integrated agency accounting and financial management system, including financial reporting and internal controls, which—

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

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

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

D. Provides for—

(1). 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;

(2). Development and reporting of cost information; the integration of accounting and budgeting information; and

(3). Systematic measurement of performance.

040204. [Office of Management and Budget \(OMB\) Circular No. A-127](#) requires agencies' financial management systems to reflect an agency-wide financial information classification structure that is consistent with the U.S. Standard General Ledger (USSGL).

040205. The [Federal Financial Management Improvement Act \(FFMIA\) 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, and 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.

040206. The [Government Performance and Results Act \(GPRA\) of 1993](#) requires annual performance reporting that links performance planned to performance achieved.

040207. The [OMB, Office of Federal Financial Management \(OFFM\)](#) requires within each department or agency, the accounting classification elements and definitions must 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 (BEA). The BEA:

A. Is the enterprise architecture for the Department of Defense (DoD) Business Mission Area (BMA).

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

040401. 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.

040402. The SFIS provides an enterprise-wide standard for categorizing financial information along several dimensions to support financial management, financial reporting functions, enable decision makers to efficiently compare similar programs and activities across DoD, and provides a level of detail required for information retrieval and auditability.

#### 0405 SFIS RELATIONSHIPS

040501. SFIS is tied to the USSGL. For additional information on SFIS relationship to the USSGL refer to [Volume 1, Chapter 7](#), paragraph 070405 of this regulation.

040502. The SFIS is the BEA financial data standard and is integrated into the BEA. SFIS changes will be updated with subsequent BEA releases and can be found at the [Business Enterprise Architecture \(BEA\)](#).

0406 ROLES AND RESPONSIBILITIES

040601. The Office of the Under Secretary of Defense, Comptroller (OUSD(C)), Business Integration Office (BIO).

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, the OUSD(C)/BIO is responsible for providing stewardship for SFIS financial data elements and serves as the OUSD(C) primary representative on the Defense Business System Management Committee (DBSMC) and Investment Review Boards (IRB) (reference paragraph 040606).

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 the Department of Defense 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. This 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 and Budget)
  - 2. Comptroller, BIO

3. Comptroller, Deputy Chief Financial Officer.
  4. Acquisition, Technology, and Logistics (AT&L),  
Installations and Environments.
  5. Acquisition, Technology, and Logistic (AT&L),  
Materiel Readiness and Maintenance Policy.
  6. Acquisition Technology, and Logistic (AT&L),  
Resources and Analysis.
  7. Directorate for Program Analysis, and Evaluation.
  8. Directorate for Personnel and Readiness.
- 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. Combatant Commands (COCOMs)
- Special Operations Command (SOCOM)

040604. The Military Departments and the Defense Agencies are responsible for implementing SFIS for all applicable Target systems, asserting compliance with SFIS by using the SFIS Compliance Checklist (reference paragraph 040701), and maintaining their systems consistent with SFIS requirements.

040605. The Investment Review Process under Title 10, United States Code, Section 2222, Defense Business Systems: Architecture, Accountability, and Modernization.

A. The DoD has implemented a business systems investment review process (referred to as the IRB Process) led by the Deputy Secretary of Defense (DEPSECDEF), who chairs the Defense Business Systems Management Committee (DBSMC) established pursuant to section 186 to Title 10, with membership consisting of the Under Secretary of Defense (USD) for Acquisition, Logistics, and Technology, the USD for Personnel and Readiness, the USD(Comptroller), the Assistant Secretary of Defense for Networks and Information Integration (NII), and the Secretaries of the military departments, and the heads of the Defense Agencies.

B. Investment Review Boards have been established under the responsibility of USD(AT&L), USD(P&R), USD(Comptroller), and ASD(NII), who exercise investment responsibility under section 2222(f) of Title 10. A primary goal of the IRB process is to facilitate development and implementation of an integrated, cross-DoD business functions and capabilities which provides 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 effecting application of the IRB process, the IRBs operate to define and levy SFIS conditions.

C. The process guided by the Business Enterprise Architecture (BEA) and the Enterprise Transition Plan (ETP), along with associated Component architectures and transition plans; the IRB provides an integrated view of DoD business functions and a roadmap to deliver more robust business capabilities.

0407 INVESTMENT REVIEW BOARD (IRB) SFIS REQUIREMENTS

040701. SFIS Compliance Checklist. The FM IRB requires:

A. All systems receiving either a Target Accounting or Target Business Feeder System condition to complete a [SFIS Compliance Checklist](#) and obtain approval for systems implementation from the DoD Business Transformation Agency (BTA).

B. The SFIS Compliance Checklist to be completed in accordance with the comprehensive instructions detailed within the SFIS Compliance Checklist under the section titled "*How to Use this Checklist.*" The SFIS Compliance Checklist can be found on the SFIS Resource Page (reference paragraph 0408).

040702. SFIS Implementation Plan.



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

040801. The [SFIS Resource Page](#) displays several SFIS tools for use by system implementers and users to include:

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

B. The SFIS Implementation Master Schedule, the SFIS Compliance Checklist (paragraph 0407),

C. The SFIS Values Library,

D. The SFIS Online Tutorial, SFIS Enterprise Resource Planning (ERP) Standard Configuration, and SFIS Frequently Asked Questions.