DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY REFER TO DLMSO

June 3, 2009

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Standard Financial Information Structure (SFIS)/Defense Logistics Management Standards (DLMS) Transactions Working Group Meeting of May 19, 2009

The attached minutes of the Standard Financial Information Structure (SFIS)/Defense Logistics Management Standards (DLMS) Transactions Working Group Meeting are forwarded for your information and appropriate action. The next meeting will be scheduled at a later date.

The Defense Logistics Management Standards Office point of contact is Robert Hammond, 703-767-2117 or email Robert.Hammond@dla.mil.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

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MEMORANDUM FOR RECORD

SUBJECT: Standard Financial Information Structure (SFIS)/Defense Logistics Management Standards (DLMS) Transactions Working Group Meeting of May 19, 2009

Purpose: Defense Logistics Management Standards Office (DLMSO) hosted the subject working group meeting at Fort Belvoir, VA. Specific discussion topics are noted below. Attendees included representatives from BTA, DLMSO, DLA J-8, DLIS, DAASC and DFAS.

Background:

Bob Hammond, Finance PRC Chair facilitated the discussion. The meeting focused on developing a Proposed DLMS Change (PDC) for modifying DLMS transactions to carry SFIS data elements to support SFIS compliant systems. This meeting was a continuation of ongoing meetings since November 2008. The intent is to identify changes to DLMS now, so that systems can program for them as future enhancements. It is noted that many current financial systems are not DLMS compliant and have no current plans to migrate, so the legacy data elements of signal code, fund code and bill-to DODAAC will continue to be carried in the DLMS transactions to support mapping to non-DLMS compliant systems until they are no longer needed and until modernized systems have been upgraded to employ the selected SFIS data elements. In addition, the Summary Bill contains the concatenated Department Code (2 digits), Period of Availability (1 digit), Basic Appropriation (4 digits) and Subhead (4 digits), which will be continued to be carried in DLMS.

Discussion:

SFIS Data Elements to be included in the PDC. The following SFIS data elements were concurred to by the group for inclusion in the PDC:

1. Department Regular Code, A1
2. Department Transfer Code, A2
3. Main Account Code, A3
4. Sub-Account Code, A4
5. Treasury Sub-Class
6. Period of Availability Fiscal Year Date, A8

Existing DLMS Data Elements Comparable to SFIS Data Elements. The following data elements are already included in DLMS and will be included in the discussion of the PDC for mapping from SFIS to DLMS:

1. Transaction Quantity
2. Transaction Amount
3. Unit of Measure Code (Note that BTA is currently leading a working group on Unit of Measure)

SFIS Data Elements That BTA recommends for inclusion in the PDC that require further discussion:

1. Federal/Non Federal Indicator
2. Business Partner Number
3. Trading Partner Indicator Code
4. Agency Accounting Identifier*

***Agency Accounting Identifier (AAI).** DLA J-8 asked the group why the Agency Accounting Identifier (AAI) is not being recommended for the SFIS PDC. The discussion concluded that the relationship between the AAI and DODAAC is such that the DoD can determine the AAI based on the DODAAC TAC 1 or TAC 3 address. BTA discussed that the Financial Data in Procurement (FDIP) memo, co-signed by Mr. John J Young (AT&L) and Mr. Robert Hale (USD-C) on 18 Mar 09 notes that the "Target systems with contract writing capabilities must be able to capture and record the Agency Accounting Identifier (AAI) at the line item level and use it to direct contract transactions to the appropriate accounting capability within the target system." BTA would like to leverage this agreement between the procurement and financial communities. Further discussion required as AAI provides greater granularity to sub-organization level entities.

SFIS Data Elements that BTA recommends not be included in the DLMS transactions, but be retained in the Requisitioning Source Systems:

The Working Group concluded that the below Cost Accounting data elements will be captured by the Buyer's ERP (Military Service ERP) and internal to their Logistics and Financial systems (no Enterprise list of values applicable to this element exists). There does not appear to be a requirement for the Buyer to communicate this information to the Seller. Unless further justification or clarification is provided, the plan will be for the Buyer's ERP to capture these data elements in association with the commitment and obligation.

1. Appropriation Limit/Subhead (BTA indicates that it is not included in the SFIS target environment.)
2. Budget Line Item Identifier, B4
3. Funding Center Identifier, CA1
4. Cost Center Identifier, CA3
5. Activity Identifier, CA5

6. Work Order Number, CA7
7. Transaction Effective Date, T5

DLMS Project Code vice SFIS Project Identifier. DLMSO gave an overview of the current Project Code:

> "IDENTIFIES REQUISITIONS AND RELATED DOCUMENTATION AS TO SPECIAL PROGRAMS, EXERCISES, PROJECTS, OPERATIONS OR OTHER PURPOSES. ALSO USED FOR THE PURPOSE OF DISTINGUISHING REQUISITIONS AND RELATED DOCUMENTATION AND SHIPMENTS, AS WELL AS FOR THE ACCUMULATION OF INTRA-SERVICE PERFORMANCE AND COST DATA RELATED TO EXERCISES, MANEUVERS, AND OTHER DISTINCT PROGRAMS, PROJECTS AND OPERATIONS."

DLMSO noted that the DLMS Project Code is a 3-digit code located in the Industry Code Segment (LQ) of the Requisition. Project Codes for internal use or for use between two trading partners may be assigned by the Components. Policy and procedures for Project Codes are contained in DOD 4000.25.1-M, Military Standard Requisition Issue Procedures (MILSTRIP) Appendix 2.13. A listing of Category C and Category D Project Codes may be found on the DLMSO Web site at http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/MILSTRIP/Default.asp under "Category C and D Project Code Master List". Mike Shannon, BTA FM, discussed how the SFIS Project Identifier is flexible enough (24 alpha numeric characters) to accommodate the current DLMS Project Code, and concurred that this should simply be documented in the PDC. In conclusion, for DoD Logistics, the DLMS Project Code, is the Project Identifier. This is interpreted to mean that the Project Code field will be retained "as is" in the requisition format and procedures. Only one Project Code is applicable per requisition. The Project Code will be the only form of Project Identifier contained in the requisition transaction exchange. The buyer may record additional Project Identifiers in association with the commitment/obligation.

DLMS Transactions. These new SFIS data elements, some of which map directly to elements of the Fund Code structure, need to be carried in the following transactions:

1. 511M Requisition Modification
2. 511R Requisition
3. 869F Requisition Follow-Up
4. 180M Material Returns Reporting

and potentially, these transactions:

1. 517G Government Furnished Material (GFM) Validation
2. 517M Material Obligation Validation (MOV)
3. 810L Logistics Bill (Reasoning for potentially not including the SFIS Data Elements in the 810L, 812L and 812R is because the Document # could provide the Financial Referential Integrity in the target environment.)
4. 812L Logistics Bill Adjustment Request Reply
5. 812R Logistics Bill Adjustment Request

6. 842A/W Supply Discrepancy Report (SDR)
7. 870R Materiel Returns Supply Status
8. 870S Supply Status

The Supply and Finance PRCs will be asked to verify the need to carry the fund code/financial data elements in the following transactions (these transactions currently perpetuate the Fund Code from previous transactions, but may not have substantive requirement to do so).

1. 527D Due-in/Advance Receipt/Due Verification
2. 527R Receipt, Inquiry, Response and MRA
3. 857 Shipment and Billing Notice
4. 867D Demand Reporting
5. 867I Issue
6. 940R Material Release
7. 945A Material Release Advice
8. 856S Shipment Status
9. 856R Materiel Returns Shipment Status

DLMS and SFIS Compliance in Target Environment

The Target environment is the "To-Be" state for the DoD Enterprise. It is anticipated in that in the FY2015-2020 timeframe, the majority of business transactions will be either EDI/XML based (DLMS) and will be able to carry a significantly greater amount of data than the Legacy MILS transaction (80 character) can carry.

All of the Military Services and DoD Components are configuring either the SAP or Oracle COTS products as a part of their Component-level Architecture that will enable them to utilize the functionality inherent in the Enterprise Resource Planning (ERP) IT investments, currently under development.

In the current environment, DFAS Legacy systems pay the Interfund Bill to Treasury. Each Military Service has a separate DFAS Legacy system. For example, Navy/USMC use VISTA, and Army uses ODS. These systems have no plan to become DLMS or SFIS compliant.

It is planned, that the ERPs will be capable of paying the Interfund Bill through Treasury in the Target environment. In this environment, the Legacy Fund Code will no longer be required. The SFIS PDC will have to outline both the "Interim" environment and the "Target" environment. In the Interim environment, both the Fund Code/Signal Code and the SFIS Data Elements will have to be carried. The fund code/signal code will need to be carried until all trading partners are DLMS and SFIS compliant.

Current Financial Gaps in Logistics

The following current financial gaps could be targeted and documented in the SFIS PDC:

1. DoD EMALL
2. GSA Advantage/GSA Global
3. Non-integrated Tailored Vendor Relationship/Direct Vendor Delivery Programs (DLA) [Class IX – Parts Requisitions]

The discussion concluded that the above programs have the potential to create duplicate document numbers, ability to create off-line requisitions, and local MILSTRIP requisitions. In this case, the Logistics Bill may not match to the Military Service Obligation in the current IT environment. Further, the lack of controls does not allow a fund check to be made on a requisition. Many of these orders have urgent operational impact tied to them. For example, a warfighter may utilize DoD EMALL for a down-aircraft that needs a critical Class IX part for mission success.

DOD EMALL is an Internet based Electronic Mall, which allows military customers and other authorized government customers to search for and order items from government and commercial sources; and is operated by DLIS. It also provides a powerful search engine to access product information from a wide variety of Government and Supplier managed catalogs. DOD EMALL now has over 1450 commercial catalogs with over 32 million items available to registered users. This allows buyers to cross-catalog shop, create carts and order items from more than one source at a time, thereby saving time by not going to each catalog separately to place an order. Customers on DOD EMALL can order using a Government Purchase Card or by MILSTRIP/FEDSTRIP for some items. Ellen Hilert outlined a related PDC for the Army Fund Control Module for EMALL, which is an interim solution to above stated financial traceability gaps. See the PDC extract below for reference:

Tailored Vendor Relationships (TVR) are business processes where there is a direct relationship between the customer and the vendor (customers place orders directly with the Prime Vendor, outside the normal supply system requisitioning channels, using various communication channels such as electronic data interchange (EDI), phone, fax, email, or via the prime vendor's ordering system). DLA's EBS receives copies of transactions in order to maintain line item accountability.

DLMS Status Report for 2009
May 13, 2009

ADMINISTRATION OF THE DLMS AND DLSS STATUS REVIEW

PART I -- PROPOSED CHANGES

PROPOSED CHANGE NO. TITLE DATE ISSUED ACTION OFFICER	BRIEF DESCRIPTION OF CHANGE	ORIG-INATOR	REPLY STATUS		
			DATE DUE	REC'D FROM	COMMENT
PDC 266, ***Off-Line Requisition Processing for Fund Availability Checks (Finance/Supply/MILSTRIP/MILSBILLS)*** ***3/27/09*** ***Hilert***	***This change requests an interface be established between the various off-line systems and the Funds Control Module (FCM) so that fund availability can be checked before processing the requisition and, as a separate, subsequent action, establish the associated obligation within the applicable financial system.***	***Army***	***4/27/09***		

Action: BTA will sponsor the SFIS PDC, and will continue to work toward a draft PDC. Future working group meetings will be scheduled as needed to support this effort.