



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO

July 16, 2013

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Defense Logistics Management Standards (DLMS) Joint Finance and Supply
Process Review Committee (PRC) Meeting of June 20, 2013

The attached minutes of the DLMS Joint Finance and Supply PRC meeting are forwarded for information and appropriate action.

The DLA Logistics Management Standards Office points of contact are Mr. Robert Hammond, Chair, Finance PRC, email financehq@dla.mil, Ms. Ellen Hilert, Co-Chair, Supply PRC, email: ellen.hilert@dla.mil or Ms. Heidi Daverede, Co-Chair, Supply PRC, email: heidi.daverede@dla.mil.

DONALD C. PIPP
Director,
DLA Logistics Management
Standards Office

Attachment:
As stated

cc:
ODASD(SCI)
ODCMO
Supply and Finance PRC members
Meeting attendees





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MEMORANDUM FOR RECORD

SUBJECT: Defense Logistics Management Standards (DLMS) Joint Finance and Supply Process Review Committee (PRC) Meeting of June 20, 2013

Purpose: DLA Logistics Management Standards Office hosted a Joint Supply and Finance PRC meeting at a conference facility located at 2000 Corporate Ridge, McLean, Virginia. Defense Connect Online (DCO) provided real-time viewing of presentations for those participants not attending in person. The focus of the meeting was review of Proposed DLMS Change (PDC) 1043 identifying DLMS revisions for adoption of Standard Line of Accounting (SLOA). Specific discussion topics included areas requiring further analysis for capturing SLOA data in DLMS transactional exchange, development of a Fund Code Web Application that expands the current fund code table to include selected SLOA data elements, and concerns surrounding impact of SLOA on establishment of fund codes. A listing of attendees, including over 125 participants, and all meeting related materials and briefings are available on the Finance and Supply PRC Web pages linked to the meeting agenda at <http://www.dla.mil/j-6/dlms/Programs/Committees/Finance/financeprc.asp> or <http://www.dla.mil/j-6/dlms/Programs/Committees/Supply/supplyPRC.asp>.

Brief Summary of Discussion: Mr. Hammond (Finance PRC Chair) and Ms. Hilert, (Supply PRC Co-Chair) facilitated meeting discussions.

1. Welcome and Opening Comments: Mr. Hammond, Ms. Hilert, and Mr. Donald Pipp, Director of DLA Logistics Management Standards Office, extended their **sincere appreciation** to all participating in the meeting. Mr. Hammond provided the group information regarding the role of the DLA Logistics Management Standards Office, its' role as the Executive Agent for logistics information exchange, the DLMS change process and DLMS training opportunities. He also played an informational video explaining the role of the DLA Logistics Management Standards Office. Training information may be found at: www.dla.mil/j-6/dlms/eApplications/Training/training.asp.

2. PDC 1043, Revisions for DoD Standard Line of Accounting (SLOA)/Accounting Classification, dated March 5, 2013:

a. DLMS Support of Standard Financial Information Structure (SFIS)/SLOA - Overview

(1) SFIS is a component of the Business Enterprise Architecture (BEA). Systems are subject to assessment through Investment Review Boards for compliance with BEA SFIS requirements. BEA 10.0 incorporates sixty-eight SFIS elements. SLOA comprises twenty-six current and new SFIS data elements. Component SLOA implementation plans were due to Office of the Deputy Chief Management Officer (ODCMO) and the Office of the Under Secretary of Defense (Comptroller), Business Integration Office (OUS(D)(C)(BIO)) on January 14, 2013. To support financial audit readiness, the target implementation date for SLOA is September 30, 2014.

(2) Many logistics business events and DLMS transactions have the potential for a financial implication. DLMS business processes and transactions currently rely on referential table lookup from the Fund Code to Fund Account Conversion Table. This table indicates if a transaction is non-Interfund billing or it identifies the line of accounting data associated with a transaction for Interfund billing.

(3) DLMS transactions will need to be modified via the PDC/Approved DLMS Change (ADC) process to support exchange of SLOA data elements as discrete data. To accommodate legacy systems using 80 record position MILS transactions that will be operational beyond 2014 that cannot send or receive additional SLOA data, changes are being made to the current Fund Code to Fund Account Conversion Table to add some SFIS/SLOA data as discrete data elements. This table will be renamed as the SFIS Fund Code to Fund Account Conversion Table. SLOA data not accommodated by the SFIS Fund Code to Fund Account Conversion Table will only be available in DLMS variable-length transactions.

(4) PDC 1043 was staffed as the first in a series of anticipated change proposals to accommodate SLOA. Additional change proposals will be needed as process owners determine the best course of action for processes/support systems where the customer's requirement is initiated outside the Service-sponsored system. Because the requirement is initiated outside the Service-sponsored system, SLOA data is not currently available for inclusion in the DLMS transaction.

b. PDC 1043 – DLMS Transactional Exchange. Mr. Hammond and Ms Hilert led a discussion of PDC 1043 dealing with DLMS transactional exchange and focused on, open questions raised in staffing notes, and additional functional requirements.

(1) **Applicability.** PDC 1043 was staffed to enable transactional exchange of SLOA data via DLMS for supply logistics transactions with financial implications and supply logistics billing transactions. Other domains must similarly implement SLOA in coordination with ODCMO and OUSD(C)(BIO).

(2) PDC 1043 Staffing Notes Identifying Issues for further Analysis

(a) **842C/I Stock Screening Request.** In this process, the owning Service requests a special inspection by DLA Distribution Depots. The requested work is associated with a MIPR provided by the materiel owner. PDC 1043 sought verification of whether SLOA data is needed for this business process. No Component responses were received.

Resolution: The current understanding is that SLOA data will be captured during creation of the MIPR and need not be included in the stock screening request. No further action will be taken at this time. If required in the future, SLOA-related data requirements will be identified by separate DLMS change documentation.

(b) Cost Objects. SLOA does not prescribe specific transaction requirements. Cost objects associated with financial accounting have meaning only to the buyer. Acquiring cost objects for many logistics processes/support services where the customer's requirement is initiated outside the Service-sponsored system will be problematic. OUSD(C)/ODCMO responded that the cost objects are used as a compensating control where the requisition cannot be identified. USMC responded they do not need to transact cost object data.

Resolution: Carry cost objects in designated DLMS transactions as optional data elements.

(c) Obsolete FA201 Qualifier Code 11. Code 11, Abbreviated Department of Defense (DOD) Budget and Accounting Classification Code (BACC), is already carried in the FA2 segment of some DLMS implementation conventions. PDC 1043 questioned whether this code is relevant now that SLOA has been defined and no legacy transition purpose has been identified. USMC indicated they have no need. No need was identified during the meeting.

Resolution: Proceed with removal; this is not a SLOA data element.

(d) FA201 Qualifier Code 18, Funds Appropriation. During staffing for ADC 435 dealing with SFIS, DLA indicated a need to retain FA201 Qualifier Code 18 in the DLMS 527R to support current processes. This qualifier is used by Defense Medical Logistics Standard Support (DMLSS) Army Medical Materiel Agreement (AMMA) to assist in communicating purchase card receipt data and in certain current processes supporting DLA Disposition Services. DLA was asked to assess the potential of converting to use of SFIS data and whether these processes should be considered under business process reengineering for SLOA. No response was provided.

Resolution: Retain and update the DLMS note to indicate interim usage pending future transition to SLOA data.

(e) Sub-Class Code. Sub-class codes are assigned in certain cases for grouping designated disbursement and/or receipt transactions below the level of appropriation or fund account represented by the main account for an appropriation, fund, or receipt account. Clarification was sought, because it appears the requirement may potentially be satisfied by the business event type code (BETC) for logistics transactions. Both sub-class code and BETC (discussed later) are used by Central Accounts Offices for Treasury reporting. OUSD(C)/ODCMO responded that sub-class is to identify different types of funds set aside as a breakout from the main account. Two types are Treasury standard values and non-standard values. Most DOD values are standard values that will be accommodated by the BETC. However, Treasury did not allow this element to be eliminated since there is the potential for Treasury to assign values in the future. Currently, it is anticipated that the field would be null when BETC is fully implemented. Until BETC is fully implemented, there is one current scenario for disbursements or adjustments for obligations that would have been properly made to a cancelled appropriation that would cite sub-class 46. These may be disbursed from an unexpired appropriation with the same purpose up to a cumulative limit of one percent of the

unexpired appropriation. To gain an appreciation of the prevalence, Mr. Hammond reviewed DLA backorders over five years old, since DLA is the predominate supplier. He found that this may only be applicable to approximately 100 requisitions each year. It is unclear if these are currently being accommodated by non-Interfund billing. Another possible scenario for the current sub-class code is borrowing in support of working capital funds, which cannot be comingled with other funds.

Resolution: Defer adoption of the sub-class code in DLMS transactions. Additional research and coordination will be required to confirm logistics requirements and determine business rules for use of sub-class. Upon completion of this effort, requirements will be re-staffed as an addendum to PDC 1043.

(f) Business Event Type Code (BETC). BETC indicates the type of financial activity, such as payments, collections, borrowings, etc., being reported in the Government-wide Accounting and Reporting (GWA) system. BETC in effect replaces the Treasury's transaction codes. The staffing note sought clarification of how BETC would apply to logistics transactions or if it applied to only the financial Central Account Offices for Treasury reporting. OUSD(C)/ODCMO responded BETC will rarely be included in the SLOA before the point of disbursement. One scenario is for disbursements or adjustments for obligations that would have been properly made to a cancelled appropriation. These may be disbursed from an unexpired appropriation up to a cumulative limit of one percent of the unexpired appropriation. Another possible scenario, is borrowing in support of working capital funds that cannot be comingled with other funds.

Resolution: Defer adoption of the BETC in DLMS transactions. Additional research and coordination will be required to confirm logistics requirements and determine business rules for use of BETC. Upon completion of this effort, requirements will be re-staffed as an addendum to PDC 1043.

Actions:
<ul style="list-style-type: none">• Mike Shannon of ODCMO will identify relevant BETCs. Suspense: August 29, 2013

(g) Department Transfer Code. The department transfer code identifies the federal agency of obligation authority to the DOD or one of its components. For the transfer of obligation authority, the transfer agency retains responsibility for the fund account and the recipient agency charges against the fund account of the transfer agency. The SFIS Fund Code to Fund Account Conversion Table is being updated to add department transfer code, and DLMS transactions have been updated to carry the department transfer code. However, it is not apparent that this data element is necessary for logistics transactions. OUSD(C)/ODCMO responded the Treasury Account Symbol (TAS) needs to identify which Federal Agency is the owner of the funds to allow proper segregation of funds. For example, Foreign Military Sales (FMS) appropriations are transferred to DOD from the Executive Office of the President, so DOD must identify Department Transfer value "011".

Resolution: Add Department Transfer Code to the SFIS Fund Code to Fund Account Conversion Table and pass in DLMS transactions as applicable.

(h) Reimbursable Flag. The reimbursable flag indicator is used to identify those expenditures incurred for a designated Treasury Appropriation Fund Symbol (TAFS) account that are considered reimbursable to the account. PDC 1043 requested clarification regarding whether an Interfund bill is only reimbursable, such that the reimbursable flag may not be required in DLMS. OUSD(C)/ODCMO responded that the element relates to how the appropriations are defined, not whether the action is reimbursable. Appropriations are designated as R (Reimbursable) or D (Direct). Appropriations can include both R and D. The reimbursable flag clarifies which is applicable to a business event with financial implications. The requisitioner would record an obligation as either direct or reimbursable. When ordering from others, the determination would be based upon the intent of the requisition (e.g. for self-use or use on behalf of another). This would have application, for example, for working capital funds.

Resolution: Carry reimbursable flag in DLMS. Consider for inclusion in the SFIS Fund Code to Fund Account Conversion Table as in a subsequent development phase.

Action:

- Components advise the Finance PRC Chair if it is feasible to add reimbursable flag to the SFIS Fund Code to Fund Account Conversion Table as a future enhancement. **Suspense: August 29, 2013.**

(i) Security Cooperation (SC) Customer Code. The SC customer code identifies the customer country/international organization, or account for security assistance. The SC Customer Code is embedded as the 2nd and 3rd positions of the document number for DLMS security assistance transactions. The SFIS matrix business rule allowing 3 alpha-numeric codes conflicts with current guidance for using two character codes consistent with the listed Defense Security Cooperation Agency (DSCA) values, which are the authoritative source. ODCMO was asked to confirm proper syntax and business rule for this element and related SFIS element Country Code (T12). OUSD(C)/ODCMO responded that SC customer code includes non-countries. SC customer code syntax is a maximum of three characters. While all current values are two characters, DSCA is allowing for future growth. Ms. Hilert noted that, because it is part of the document number and used to construct the military assistance program address code (MAPAC), expansion of the SC customer code to three characters has significant impacts for MILSTRIP and MAPAC processes. Such a change would essentially break the logistics process for security assistance requisitioning and shipment. At a minimum, expanding the field length to three characters requires a PDC to communicate the business rules and procedure changes and define a proposed implementation strategy. Meanwhile, DSCA has indicated that they are currently exploring changes to internal processes that assign SC customer codes to specific appropriations, which adds significantly to the number of SC customer codes needed.

Resolution: Logistics processes under the DLMS will retain a two character maximum length.

Actions:

- DSCA revalidate this requirement in light of the logistics impact. If to be pursued, determine how to accommodate in MILSTRIP and MAPAC processes. DSCA submit a PDC as required. **Suspense: August 29, 2013**

(j) Security Cooperation (SC) Implementing Agency. This is a single character alpha code that identifies the U.S. Military Department or Agency that has negotiated or facilitated a foreign military sales (FMS) case on behalf of the U.S. Government. It has its roots in the DLMS Service and Agency (S/A) codes. The BEA element cites values from Security Assistance Management Manual (SAMM) (available from the E-SAMM Web at <http://www.dsc.osd.mil/samm/>) that do not align with some logistics S/A codes. For example, the E-SAMM code for DLA (R) does not align with the S/A code for DLA FMS (T) and it conflicts with an S/A code for Navy. Some other SC implementing agency codes (C, F, M, Q, U, Z) conflict with codes assigned for requisitioning purposes in the S/A code list; however, these are currently non-requisitioning implementing agencies.

Resolution: DLM 4000.25-1 MILSTRIP Appendix 2.2 S/A codes are the authoritative source for supply transactions (e.g., requisitioning). DSCA research whether SAMM codes can be de-conflicted.

Actions:

- DSCA research de-conflicting of SAMM SC Implementing Agency codes with MILSTRIP Appendix 2.2 S/A codes; advise Finance and Supply PRC Chairs.
- DSCA verify if they can derive DLA from S/A Code T or if the Defense Automatic Addressing System (DAAS) needs to map between S/A Code T and Implementing Agency Code R during transaction processing to populate SLOA discrete data element in the financial segment of the transaction. **Suspense: August 29, 2013**

(k) Security Cooperation Case Designator. Security cooperation case designator code is used to reflect an FMS contractual sales agreement (Letter of Offer and Acceptance) between the U.S. and an eligible foreign country. This element is embedded as the last three positions of the supplementary address in Security Assistance related transactions. It was already to be carried as a discrete data element by DLMS enhancement under the name FMS Case Number. Subsequent to the Joint Finance/Supply PRC meeting, it was identified that the SLOA element has a maximum length of four positions. This field length cannot be accommodated within the MILSTRIP supplementary address field, which must be retained for legacy MILSTRIP users (including the FMS countries transmitting and receiving legacy MILSTRIP transactions). DSCA has been advised of this issue and will review impact and re-assess the requirement.

Resolution: The DLMS data element will be updated to align with the SLOA data element name recorded in the BEA. DAAS will derive from the last three positions of supplementary address for legacy conversion.

Actions:

- DSCA revalidate the maximum field length requirement of four characters, in light of the legacy logistics impact. If to be pursued, determine how to accommodate in legacy MILSTRIP processes. DSCA submit a PDC if four characters are a valid requirement.
Suspense: August 29, 2013

(l) Sub-Allocation Holder. Sub-allocation holder identifies an organization to which funds have been sub-allocated. The legacy terminology was “limit/subhead”. Limit/Subhead is referentially provided via the current Fund Code to Fund Account Conversion Table. It will be included in the SFIS Fund Code to Fund Account Conversion Table to ensure continuity of operations, even though values may duplicate those ultimately assigned to sub-allocation holder. This is necessary because potential assignment of additional sub-allocation holder values to a main account may cause the number of fund codes to exceed the maximum available from the two position fund code. Currently only the legacy limit/subhead values make up sub-allocation holder. Future coordination will be needed to determine if limit/subhead can be mapped to sub-allocation holder. A work group will be needed to layout an approach to design code assignments to gradually replace the legacy codes. OUSD(C)/ODCMO noted that there are issues with standardizing the values.

Resolution: Limit/Subhead will be retained on the SFIS Fund Code to Fund Account Conversion Table. Sub-allocation holder will be included in DLMS. DAAS will not map between the SLOA and legacy data elements. OUSD(C)/ODCMO will notify the Finance PRC Chair upon forming a working group for sub-allocation holder.

(m) Project Identifier. In SLOA, a project identifier represents a planned undertaking of work to be performed or product to be produced having a finite beginning and end. In the DLMS, the three position project code is a separate data element. The SLOA project identifier may be different or it may repeat the project code value identified for logistics purposes making it is necessary to carry both codes in DLMS. OUSD(C)/ODCMO noted no issues with this approach.

Resolution: Retain existing project code in the LQ01 = 78, and include SLOA project identifier in FA201 (or REF01 as applicable). DAAS will not map between the data elements.

(n) Activity Identifier. PDC 1043 sought clarification regarding the maximum length for activity identifier. There is a conflict in the SFIS matrix regarding the maximum number of characters for the length characteristic (16) and the maximum number of characters in a business rule (15). OUSD(C)/ODCMO responded that the correct maximum length is 16.

Resolution: Update DLMS documentation to reflect maximum length 16. OUSD(C)/ODCMO update the BEA as needed.

(o) Cost Element Code. PDC 1043 sought clarification on the maximum length for cost element code. There is a conflict in the SFIS matrix regarding the maximum number of characters for the length characteristic (16) and the maximum number of characters in a business rule (15). OUSD(C)/ODCMO responded that the correct maximum length is 16.

Resolution: Update DLMS documentation to reflect maximum 16. OUSD(C)/ODCMO update the BEA as needed.

(p) Work Order Number. Under SLOA, work order number identifies an individual unit of work, batch, or lot of a distinct product or service. Under DLMS, the work order number and the job order number may be carried for specific user communities as separate data elements in various transactions. The SLOA work order number may be different or may repeat one of the values already identified for logistics purposes.

Resolution: Retain the existing DLMS work order number and job order number in the REF/N9 segments. Include the SLOA work order number in FA201 (or REF01 as applicable) for optional use. DAAS will not map between the data elements.

(3) Additional Functional Requirements. There is no efficient, cost-effective solution identified for the many logistics processes/support services where the customer's requirement is initiated outside the Service-sponsored supply system. Because of this, the SLOA data is not available for inclusion in the DLMS transaction. It is envisioned that separate PDCs will be provided for each of these as they are evaluated and the process owner determines the appropriate course of action. This may require a coordinated approach with all trading partners to include consideration of potential new system development/interfaces. DLA Logistics Management Standards Office is aware of some DLA processes where this may apply and has recommended DLA J33 research solutions. Ms. Hilert suggested that the Funds Verification module for Web ordering systems might be explored as an approach for the seller to obtain missing SLOA data for some of these processes. PDC 1068 for Funds Verification has been staffed; this process change enables offline requisitions to be systemically coordinated with a Service system to verify funds availability, record the obligation, capture the due-in and enable some edits. It may be possible to gain some missing SLOA data through future enhancements to this process. Components will need to examine their processes for additional functional requirements. Some additional functional requirements are shown below.

(a) Post-Post Operations. A "post-post" issue involves accepting and updating records after the event (or issue) has occurred. One form of the post-post process includes the Directed Materiel Release Order (MRO) that may be entered by authorized personnel to direct release of materiel from a storage site without prior ICP processing of the requisition. The customer initiating the requirement has no systemic interface with the system preparing the transaction in order to provide SLOA data content. When this process is used, the first transaction available is the DLMS 511R for the DLA Directed MRO (Requisition) (equivalent to DLA legacy C0A/C01) or DLA Directed MRO (Referral Order) (equivalent to DLA legacy CQA/CQ1). In other scenarios, the issue transaction is the first available DLMS transaction.

Action:

- Mr. Jim Weiner, DLA Distribution Standard System analyst, and Ms. Hilert will review

DLA's post-post processes to identify best method of integrating SLOA requirements.
Suspense: August 29, 2013

(b) Tailored Vendor Relationship (TVRs) and Industrial Prime Vendor (IPV).

These are programs where there is a direct relationship between the customer and the vendor. Customers communicate the materiel requirement directly with the vendor outside normal supply system requisitioning channels and may have no mechanism to provide SLOA data, even if it were readily available. In one Army scenario, the requisition would have a DLA contractor DoDAAC, but the bill-to party may be the Service DoDAAC. USMC asked if there was any awareness of USMC applicability.

Action:

- Ms. Hilert will investigate if TVR/IPV applies to USMC. **Suspense: August 29, 2013**

(c) DLA Disposition Services. When customers use DLA Disposition Services for e-tools (e.g. Electronic Turn-in Document (ETID), Reutilization Transfer Donation (RTD)) or processing their turn-in using a hand-written DD-1348-1A Issue Release/Receipt Document (IRRD), initial DLMS transaction exchange is bypassed and SLOA data elements are not available. This is only significant when the turn-in is eligible for credit from the proceeds of the sale or charges associated with reimbursable actions for hazardous waste/materiel disposal.

(d) Web-Based Requisitioning. The customer initiating the requirement has no systemic interface with the system preparing the transaction to provide SLOA data content. A combination of customer profile enhancements and system interface with the Service finance/supply system may need to be considered.

(e) Supply Shipment Documentation. MILSTRIP procedures require DOD shipments be accompanied by an Issue Release/Receipt Document (IRRD) (DD Form 1348-1A or DD Form 1348-2). This document displays the legacy transaction format by record position, including the fund code. There are currently no provisions for display of SLOA data elements. Additionally, there are specific rules associated with hazardous waste/materiel turn-in for including the bill-to DoDAAC and with the funds citation for reimbursement of scrap proceeds on the IRRD. USMC recommended responsible organizations examine their use of other forms, such as SF 1080 and DD 1149, for incorporating SLOA data.

(f) WEB Requisitioning (WEBREQ). WEBREQ is a DLA Transaction Services Web product that provides customers a means to input materiel requisitions, cancellations, follow-ups, modifications, and Materiel Obligation Validation (MOV) documents either interactively or input via an ASCII file. If WEBREQ is not subsumed by DOD EMALL, it would be an additional functional requirement for it to incorporate SLOA and audit readiness requirements. There is also a potential for impact on the DLA Transaction Services Automatic Message Exchange System (DESEX), a telephone and Web-based system used for routing transactions and providing customer support.

Action:

- DLA Transaction Services will investigate future plans for WEBREQ and DESEX and potential impacts for inclusion of SLOA data elements and performance of funds verification checks/posting of obligations. **Suspense: August 29, 2013**

(4) 810L Header FA2 Changes. The 810L is unique in that it contains an FA2 segment in both the header and detail sections to provide summary as well as detailed billing information. PDC 1043 opened up the FA2 segment in the detail section in order to facilitate discrete SLOA elements of the buyer. However, changes are also needed to the existing FA2 in the header section for SLOA data applicable to the seller for the summary bill. Additionally, changes are needed to two qualifiers in the FA2 header to correct DLMS notes to indicate that only one occurrence of the loop is allowed.

Action:

- DLA Logistics Management Standards Office will incorporate necessary updates for publication of ADC 1043.

(5) Agency Accounting Identifier (AAI) – Potential Alternatives

(a) Agency Accounting Identifier (AAI) identifies the accounting system responsible for recording the accounting event (i.e. AAA/ADSN/FSN). As a possible alternative to support near-term implementation, a concept was proffered to possibly derive AAI referentially from the DoDAAD based on current business rules that demonstrate some viability of the data already being resident in the DoDAAD.

(b) In the ensuing discussion it was noted that AAI may not be synonymous with DoDAAD use of AAA/FSN/ADSN, which may not be the accounting system responsible for recording the event.

(c) Another alternative was identified for exploration, which is to include the AAI as a data element in the SFIS Fund Code to Fund Account Conversion Table. This would require that the AAI be unique for each fund code.

Actions:

- Fund Code Monitors evaluate if there would be enough fund codes available to include AAI in the SFIS Fund Code to Fund Account Conversion Table. **Suspense: August 29, 2013**

b. PDC 1043 Fund Code Issues and Web Fund Code Application. Mr. Hammond discussed fund code issues, as well as the SFIS Web Fund Code Application being developed by DLA Transaction Services. This Web application is planned to support some SLOA data referentially as discrete data. DAAS will populate available data elements from the SFIS Fund Account to Fund Conversion Table into DLMS transactions with missing content and for conversion of legacy-formatted transactions to the DLMS format. Missing or invalid fund codes are problematic. Assignment of distinct fund codes for multi-year accounts is potentially problematic due to fund code limitations. To lay the foundation for Interfund billing and fund code procedures, Mr. Hammond first presented DLMS Finance Training ([DLMS Introductory Training Module 4F](#)). The Web application and limitations are discussed below.

(1) Goals. Goals of the Web Fund Code application are to

- facilitate legacy and future processes;
- support Treasury Account Symbol (TAS) and SFIS/SLOA by adding some key data elements to SFIS to Fund Account Conversion Table;
- enhance edits to improve financial processes and support audit readiness;
- facilitate real time update of fund codes by Fund Code Monitors;
- allow for staging fund codes for future effective dates;
- replace email distribution of fund code updates with system-to-system synchronization.

(2) Financial Data Elements. Currently, financial data is represented on the Fund Code to Fund Account Conversion Table as a concatenated appropriation string consisting of department regular code, FY chargeable indicator, main account, and limit/subhead. The concatenated appropriation will be maintained as a discrete element; however, the above segments that comprise the appropriation will be added as discrete data elements. In addition, some SFIS/SLOA elements will be added, including: department transfer code, beginning period of availability, ending period of availability, sub account, sub-class, and availability type.

(3) Other Data Elements. Other existing data being retained on the SFIS Fund Code to Fund Account Conversion Table includes: fund code, service code, signal code, effective date, and agency narrative. A new “legacy multi-year indicator” was added as a data element to indicate that the beginning and ending periods of availability for multi-year appropriations are not available from the SFIS Fund Code to Fund Account Conversion Table. This will assist in the transition and in the event that some fund codes cannot be transitioned at all. There are additional system data elements to support Fund Code Monitor Web access and internal controls.

(4) PDC 1043 Edits. PDC 1043 requires DLMS users to continue to submit fund code and signal code along with discrete SLOA data elements per transaction mapping. This will enable DAAS to map SLOA data from the SFIS Fund Code to Fund Account Conversion Table to DLMS to populate DLMS transactions when not provided by the originator. For data integrity, DLMS transactions will be rejected when there is inconsistency between SLOA data in the DLMS transaction and SLOA data identified by the fund code. In cases where there is a missing or invalid fund code in the transaction, DAAS will not be able to perform editing or mapping. There are some Intra-Service level edits performed by DAAS to reject some

transactions with missing or invalid fund codes. These edits are not being changed by PDC 1043. The current MILSTRIP edit (Table C3.T2) states, "No edit is required unless signal code is C or L. Reject if signal code is C or L and fund code does not identify a valid bill-to activity as prescribed by MILSBILLS."

(5) Potential Future DAAS Edits. Potential future edits may be considered for rejecting

- transactions with missing/invalid fund codes;
- bills with expired Availability Type C;
- bills with deleted fund code (these stay on the table for 5 years for information purposes unless reused).

(6) PDC 1009 Signal Code C and L Transition Plan. PDC 1009 provides guidance for use of Signal Code C/L for transition from legacy to DLMS by all trading partners. Requisitioning systems are directed to populate the bill-to/credit-to DoDAAC and this value will be perpetuated through the life cycle of the requisition. If populated, DLA Transaction Services will validate that the value in the transaction is the same as the value in the Fund Code to Billed DoDAAC Conversion Table to ensure that no errors are introduced by the transition to initiating system population of this value. Inconsistent use will trigger rejection using Status Code CX. Systems processing transactions containing Signal Code C/L will use the discrete value contained in the DLMS transaction, but will default to the Fund Code to Billed DoDAAC Conversion Table to identify the bill-to/credit-to DoDAAC if not populated within the transaction upon receipt. The intent is to eliminate use of the Fund Code to Billed DoDAAC Conversion Table upon full transition to DLMS. This may be accomplished at the Service level once a Service fully transitions to DLMS.

(7) Fund Code Table Synchronization. There is a disconnect between Fund Code to Fund Account Conversion Table (MILSBILLS Appendix 1.1) and Fund Code to Billed Office DoDAAC Table (MILSBILLS Appendix 1.2) used for third party billing (Signal Code C/L). A proposed edit would require for DOD Signal Code C/L that the fund code must be on both the SFIS Fund Code to Fund Account Conversion Table and the Fund Code to Billed Office DoDAAC Table. Default fund codes would be removed from the SFIS Fund Code to Fund Account Conversion Table for Signal Code C/L. Non-Interfund billing fund codes would be included on both tables.

Action:

- FPRC and Fund Code Monitors provide comments on the feasibility of incorporating table synchronization between the SFIS Fund Code to Fund Account Conversion Table and the Fund Code to Billed Office DoDAAC Table for the Web Fund Code Application.
Suspense: August 29, 2013

(8) Implementation Concept of Operations (CONOPS). For the initial population of SFIS Fund Code to Fund Account Conversion Table data, DLA Transaction Services will

convert existing data. Then, Service Fund Code Monitors will supply additional data for bulk upload by DLA Transaction Services. Components would begin FY 2014 with new fund codes for any period of availability that includes FY 2014. All requisitions going forward would properly reflect the beginning and ending periods of availability for the TAS that the seller is required to have for Interfund billing. Existing legacy multi-year appropriations will be flagged on the SFIS Fund Code to Fund Account Conversion Table using the legacy multi-year indicator to show that the beginning and ending periods of availability is not available from the table for these fund codes. By the end of FY 2014, the vast majority of items previously requisitioned with legacy multi-year fund codes would have been delivered and billed. Only backordered items with multi-year fund codes are of concern; backorders for single-year and no-year appropriations are not a concern. Some backordered item options might include

- buyer modify backorder requisition to replace fund code;
- seller bill via non-Interfund;
- Components advising OUSD(C) and ODCMO that some transactions may still require buyer side adjustments at Treasury to correct periods of availability.

Action:
<ul style="list-style-type: none"> • FPRC and Fund Code Monitors provide comments on the feasibility of options identified for backordered items with multi-year fund codes. Suspense: August 29, 2013

(9) Fund Code Limitations. Fund code is two characters, thus limiting the number of possible fund codes to 1296 per Service/Agency and signal code combination. This number includes use of numeric 0, 1 and alpha I, O. Once used, a fund code must remain on the SFIS Fund Code to Fund Account Conversion Table for five years past the ending period of availability in order for bills to process. Thereafter, current year funds must be used to pay the bills. Adding beginning and ending periods of availability for multi-year appropriations, which is proposed, is potentially problematic. Single year and no-year appropriations will not be impacted. There is potential for overwhelming demand for new fund codes for multi-year appropriations. Component processes for third party billing and extensive use of limit/subhead increase the demand for fund codes. Components were asked to examine possible changes to Component processes and use of DLMS to address the demand for future fund codes. As a consideration, DLMS might be used to perpetuate and return data for buyer accounting purposes that is not needed by the seller for Interfund billing.

Actions:

- Components comment on their ability to add fund codes for each multi-year appropriation to fully implement the Implementation Concept of Operations. **Suspense: August 29, 2013**
- Identify alternative solutions and provide recommend COA, if the proposal is not feasible. **Suspense; August 29, 2013**

(10) Web Fund Code Access Controls. Fund Code Monitor will be appointed by Components through letters of appointment. Access roles for Component Fund Code Monitors will control access according to their assigned S/A codes. Fund Code Monitors will be required to submit System Access Requests to DLA Transaction Services, which will be validated against the appointment letter prior to granting access.

(11) Fund Code Output Options. A logistics report will still be available, but will be expanded to show SLOA data elements. Two options for report layouts were presented at the PRC, which are shown in the Web Fund Code Issues [presentation](#) slides 17 and 18. One option includes the concatenated appropriation along with the discrete elements, while the other leaves out the concatenated appropriation. Components were asked to provide feedback regarding a preference for one report layout or the other. There are also plans for a Web Service to provide Component application systems near real-time access to the database, and a downloadable file format, which will have access restrictions. DAMES emails will be continued until no longer needed. Web Services is the preferred output option.

Action:

- Components provide feedback on preferred logistics report layout. **Suspense: August 29, 2013**

(12) Web Fund Code Application Current Status. DLA Transaction Services is completing application development and will submit the application to the DLA Internet Council for approval. In the event that the DLA Internet Council does not complete review and approval prior to September 30, 2013, the database will still be available and DLA Transaction Services will be able to accept and make fund code changes pending application approval.

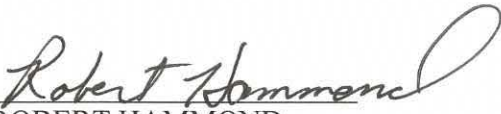
(13) Web Fund Code Application Demonstration. Due to time constraints, only an abbreviated demonstration of the application was provided. Another training session/demonstration will be provided to Fund Code Monitors and interested parties in the near term.

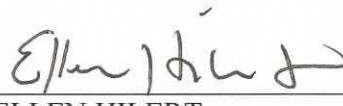
Actions:

- Mr. Hammond will schedule and announce the training/demonstration. **Suspense: August 29, 2013**


3. Deferred Topics. Due to time constraints, the following topics were not presented: federal agency modernization, DLMS 810L training, and discussion of significant ongoing initiatives, which include PDC 1035 Increased Frequency of Interfund Billing, intra-governmental financial eliminations, a proposed Financial Management Regulation change, Treasury direct disbursing, and Invoice Processing Platform/Collaborative Agency Working Group. These may be addressed by future PRC meetings. Briefing slides for these topics (if available) are linked to the agenda.

4. Next Meeting: Future Finance and Supply PRC meetings will be scheduled as needed.


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