



**DEPARTMENT OF WAR
FINANCIAL MANAGEMENT REGULATION**

**VOLUME 1: “GENERAL FINANCIAL MANAGEMENT
INFORMATION, SYSTEMS AND REQUIREMENTS”**

**UNDER SECRETARY OF WAR
(COMPTROLLER)**

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VOLUME 1**GENERAL FINANCIAL MANAGEMENT INFORMATION, SYSTEMS
AND REQUIREMENTS****1.0 GENERAL****1.1 Purpose**

Volume 1 establishes the foundational framework for all financial management activities within the Department of War (DoW). It defines the roles and authority of the Under Secretary of War (Comptroller)/Chief Financial Officer (USW(C)/CFO) and prescribes the mandatory policies to ensure financial data is timely, accurate, and useful for decision-making. To achieve this, the volume mandates the application of federal accounting principles and standards, as well as conformity with standard lines of accounting, to ensure consistency across all DoW Components. Furthermore, Volume 1 provides the Department's policy for achieving substantial compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA) and for standardizing systems and data through the War Data Platform (WDP). This volume also establishes the USW(C) Financial Management Awards Program to formally recognize individuals and teams who make significant contributions to improving financial management within the Department. Lastly, this volume establishes the requirements for the proper retention of financial records.

1.2 Authoritative Guidance

Refer to the authoritative guidance document on the FMR webpage.

1.3 Definitions

Refer to the Glossary of terms document on the FMR webpage.

1.4 Procedures

Refer to the Volume 1 Supplemental document listed throughout this volume.

2.0 CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF WAR**2.1 CFO Appointment**

The USW(C)/CFO (also the DoW CFO) is appointed by the President and confirmed by the U.S. Senate and acts as the principal advisor to the Secretary of War (SecWar) on all budgetary and fiscal matters. The USW(C)/CFO must possess demonstrated ability in general management, knowledge of, and extensive practical experience in financial management practices in large governmental or business entities.

2.2 Roles and Responsibilities

The DoW CFO's duties are extensive and cover all aspects of financial operations with the DoW. To perform these duties (as illustrated in Table 1-1 in the Volume 1 Supplemental), the DoW CFO is granted significant authority under the CFO Act of 1990. This includes the power to: (a) access all DoW materials, including records, reports, and audits related to financial programs; (b) request information or assistance from any federal, state, or local government entity; and (c) enter contracts with public or private agencies for services like financial analysis and statement preparation.

2.3 Chief Financial Officers Council

The DoW CFO serves on the Chief Financial Officers Council (CFOC), which includes key financial leaders from major federal agencies, the Office of Management and Budget (OMB), and the Treasury. It is the federal government's primary leadership body established to improve financial management, strengthen stewardship, and modernize financial systems across agencies.

2.4 DoW Staff Organizations

The DoW CFO oversees several key organizations and directorates responsible for the day-to-day financial operations of the DoW. Key leadership roles are described in subparagraphs 2.4.1-2.4.5.

2.4.1. Deputy CFO (DCFO): Under the CFO Act, the DoW must have a DCFO who reports directly to the DoW CFO on financial management. This role is a career-reserved position within the Senior Executive Service, and the SecWar must appoint an individual with demonstrated ability in accounting, budget execution, financial and management analysis, systems development, and at least six years of practical financial management experience in large government entities. The DCFO is responsible for overseeing and implementing accounting policy, improving financial management, and performing other financial management functions for the DoW on a day-to-day basis. Three directorates support the DCFO:

2.4.1.1. The Directorate for Financial Systems Modernization and Innovation (FSM&I) is responsible for improving enterprise-wide performance and data-driven decision-making by accelerating digital transformation, process improvement, and the use of data analytics.

2.4.1.2. The Directorate for Financial Improvement and Audit Remediation (FIAR) is responsible for audit oversight, management, and liaison functions. It supports Components in remediating audit findings and develops the annual FIAR Plan to address and correct financial deficiencies. The directorate also manages the Defense-wide Statement of Assurance process, implements the Federal Manager's Financial Integrity Act program, and advocates for the USW(C)/CFO in various interagency and DoW forums.

2.4.1.3. The Directorate for Financial Management Policy and Reporting (FMPR) is responsible for developing, promulgating, implementing, and interpreting DoW-wide accounting and finance policies. It provides oversight of DoW Components' financial operations and systems,

administers this Regulation, and prepares the DoW Agency Financial Report (AFR) and consolidated financial statements. Furthermore, FMFR manages the DoW Payment Integrity and Antideficiency Act programs and facilitates the adoption of improved financial processes and systems across the Department.

2.4.2. Deputy Comptroller (Program/Budget): The Deputy Comptroller (Program/Budget) is responsible for overseeing and implementing budgetary functions within the DoW on a day-to-day basis.

2.4.2.1. The Directorate for Investment is responsible for advising the Deputy Comptroller (Program/Budget) on all matters: Procurement; Research, Development, Test, and Evaluation; the National Intelligence Program; and the Defense Acquisition Board program.

2.4.2.2. The Directorate for Military Personnel and Construction is responsible for advising the Deputy Comptroller (Program/Budget) on all matters on operating and maintaining the U.S. military force structure to include active, reserve, and retired military; Defense Health Program; military construction; family housing; homeowners assistance; North Atlantic Treaty Organization infrastructure; Base Realignment and Closure; and Real Property Maintenance.

2.4.2.3. The Directorate for Operations is responsible for advising the Deputy Comptroller (Program/Budget) on all matters on operating and maintaining the U.S. military force structure to include active and reserve military personnel and civilian personnel. This directorate is also responsible for advising on all matters on Contingency and International programs.

2.4.2.4. The Directorate for Program and Financial Control is responsible for budget review tracking, the submission of the automated defense budget for the President's budget, maintenance of the budget databases, apportionment of funds, reprogramming and transfer of funds, obligation and outlay forecasting and tracking, budget concepts and scorekeeping, and information system support.

2.4.3. Director, Defense Finance and Accounting Service (DFAS): The DFAS Director is the principal executive for DoW finance and accounting requirements, responsible for consolidating, standardizing, and integrating all accounting functions and systems.

2.4.4. Director, Defense Contract Audit Agency (DCAA): The DCAA Director performs all necessary contract audits for the DoW and provides financial advisory services for contracts and subcontracts.

2.5 DoW Components.

Heads of the DoW Components must direct and manage financial management activities within their respective Components, consistent with the policies, requirements, principles, standards, procedures, and practices prescribed by the USD(C)/CFO, and other internal policies as prescribed by the Heads of the other DoW Components.

3.0 FEDERAL ACCOUNTING STANDARDS HIERARCHY

3.1 Hierarchy of Accounting Standards

3.1.1. The Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) is the Generally Accepted Accounting Principles (GAAP) applicable to the federal government and must be followed by all federal agencies in reporting under the Government Management Reform Act of 1994. DoW Components must adhere to the GAAP hierarchy prescribed in SFFAS 34. The sources of generally accepted accounting principles are categorized in descending order of authority in Table 1-2.

3.1.2. If the accounting treatment for a transaction or event is not specified by a pronouncement or established in practice as described in Table 1-2, a federal reporting entity should first consider accounting principles for similar transactions or events within categories in Table 1-2 before considering Other Accounting Literature discussed in subparagraph 3.2.1.

3.1.3. A federal reporting entity should not follow the accounting treatment specified in accounting principles for similar transactions or events in cases in which those accounting principles either (a) specifically prohibit the application of the accounting treatment to the particular transaction or event or (b) indicate that the accounting treatment should not be applied to other transactions or events by analogy.

Table 1-2 Sources of Guidance by Level of Authority

Level of Authority	Source of Guidance
Highest Authority	• FASAB SFFAS and Interpretations.
Secondary Authority	• FASAB Technical Bulletins • American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guides (if cleared by FASAB)
Tertiary Authority	• Technical Releases from FASAB's Accounting Standards Implementation Committee (ASIC)
General Guidance	• Implementation guides published by FASAB staff. • Widely recognized and prevalent practices within the federal government.

3.2 Other Pronouncements and Practices

3.2.1. Other Accounting Literature include (a) FASAB Concepts Statements; (b) AICPA Industry Audit and Accounting Guides that have not specifically been made applicable to federal reporting entities by FASAB; (c) pronouncements of other accounting and financial reporting standards-setting bodies, such as the Financial Accounting Standards Board or Governmental Accounting Standards Board; (d) publications of professional associations or regulatory agencies; and (e) accounting textbooks, handbooks, and articles.

3.2.2. The appropriateness of other accounting literature depends on its relevance to circumstances, the specificity of the guidance, and the general recognition of the issuer or author as an authority. FASAB Concepts Statements would normally be more influential than other sources in this category.

3.3 Communication and Coordination Protocol

3.3.1. For all matters related to federal accounting standards, the single point of contact is the OUSW(C), Office of the Deputy CFO (ODCFO), FMPR Directorate. Formal and informal requests addressed to FASAB or the ASIC for an interpretation, clarification, technical guidance, implementation guidance, or other information regarding SFFAS must be submitted through the OUSW(C), ODCFO, FMPR Directorate. Any correspondence representing the official DoW position on matters such as FASAB Exposure Drafts must be submitted through the ODCFO and signed by the DoW CFO, DCFO, or Assistant DCFO (ADCFO).

3.3.2. Individuals submitting responses to exposure drafts must clearly indicate in the correspondence that the opinions expressed are those of the individual and do not represent the official position of DoW. DoW components including the Defense Intelligence Agency, the National Geospatial-Intelligence Agency, and the National Security Agency providing input to non-DoW entities (like the Office of the Director of National Intelligence) must coordinate with the ODCFO to ensure completeness and clarify that the input is not an official DoW position.

3.3.3. Participation in FASAB and ASIC Task Forces is critical to ensuring that DoW's views are considered as accounting standards and guidance are formulated. To ensure complete coverage by DoW, Task Force participants should notify the OUSW(C), ODCFO, FMPR and FIAR Directorates.

4.0 FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT COMPLIANCE

4.1 DoW FFMIA Compliance Requirements

4.1.1. To substantially comply with FFMIA, management and auditors must consider the degree to which a system's performance prevents the Department from meeting the FFMIA requirements. Auditors must apply OMB Bulletin 24-02 (or its latest version) and the Government Accountability Office (GAO) Financial Audit Manual (FAM) Volumes 2 and 3, in combination with the results of their own independent testing and the documentation provided by DoW management, to determine compliance with FFMIA. If noncompliant, the auditor's report must thoroughly document the findings, including the nature and extent of the problem, its root cause, and the responsible organization. The report must also include relevant comments from any responsible officer or employee and outline the recommended corrective actions and the implementation time frame.

4.1.2. The selection of applicable Federal Information System Controls Audit Manual (FISCAM) controls is governed by the FM Overlay developed by OUSW(C). All DoW Components must implement the FM Overlay for systems relevant to the Internal Control over Reporting (ICOR)-Financial Reporting (FR), and Financial Systems (FS) as defined in the DoW

ICOR-FR & FS Guide. The DoW ICOR-FR & FS Guide identifies the FISCAM as the methodology to be used for performing information technology (IT) control assessments and audits. It groups IT controls into two categories, general controls (GC) and business process (BP) controls. Compliance is enforced during the controls selection phase of the assessment and authorization processes in the Enterprise Mission Assurance Support Service (eMASS) system or other software/tools implemented for this purpose.

4.1.3. The annual Defense Business Systems (DBS) Certification Guidance memorandum, consistent with 10 U.S.C. § 2222(g), requires DoW Components with priority or covered ICOR-FR & FS DBS to substantially comply with FFMIA controls for relevant financial business events (operational activities). These activities, which occur within the DoW business enterprise architecture (BEA), are detailed in the WDP FM Functions – Requirements Matrix (requires WDP Qlik access) and document alignment to the three FFMIA reporting requirements.

4.1.4. Federal Financial Management System Requirements (FFMSR). The U.S. Treasury has integrated the Federal Financial Management System Requirements (FFMSRs) into the Financial Management Capability Framework (FMcF), which is part of the broader Federal Integrated Business Framework (FIBF). This change means that FFMSRs are now documented as and synonymous with Federal Financial Management Business Capabilities (FFM BCs), each with a designated “FFM” ID number.

4.1.5. Federal Accounting Standards. All DoW budgetary and proprietary financial events must be recorded according to the accounting standards set by the FASAB. These standards are incorporated into the FMCF and aligned to the DoW BEA operational activities. The GAO FAM provides procedural guidance for testing compliance with these accounting standards.

4.1.6. USSGL at the Transaction Level. The Department’s financial management systems (both financial and mixed systems) must maintain accounting data at the transaction level for every DoW financial event (budgetary and proprietary). These financial events must be recorded in accordance with the United States Standard General Ledger (USSGL) guidance in the TFM and the DoW USSGL transaction library. Every financially relevant transaction (automated or manual) must generate accurate and compliant postings to the relevant budgetary and proprietary general ledger accounts, in accordance with the DoW USSGL rules. The GAO FAM provides procedural guidance for testing compliance with these USSGL requirements.

4.1.7. Compliance Determination Framework. DoW management may determine whether a system is FFMIA-compliant by using OMB Circular A-123, Appendix D. Based on this framework, the Department developed the “FM Systems – FFMIA Scorecard” in the WDP. This scorecard provides an “auditor perspective” and helps identify systems that have findings from internal or external audits.

4.2 FFMIA Compliance Responsibilities

4.2.1. Office of the Under Secretary of War (Comptroller). The OUSW(C), supported by the DCFO through its subordinate organizations (FSM&I, FIAR, and FMPR Directorates), is responsible for providing Department-wide oversight of substantial compliance with the FFMIA requirements.

4.2.1.1. OUSW(C) must annually report to OMB the progress made towards resolving identified deficiencies and such progress must be discussed in the DoW Components remediation plan, capital planning and investment control plans, risk management plan, and other planning documents, when applicable. The findings or analysis of noncompliance must be included with a discussion of ongoing remediation activities. Progress towards resolving the deficiencies must not be construed as substantial compliance with FFMIA.

4.2.1.2. Remediation plans are expected to bring the Department's financial management systems into substantial compliance no later than three years after the date a noncompliance determination is made by OUSW(C) or its auditors. However, if OUSW(C), with the concurrence of OMB, determines that the Department's financial management systems cannot be brought into substantial compliance within three years, the DoW Component (in consultation with OUSW(C)) may specify a longer period. In either case, the DoW Component must designate a DoW Component official responsible for bringing the DoW Component's financial management systems into substantial compliance by the date specified in the DoW Information Technology Portfolio Repository (DITPR) and for reporting progress to FSM&I (acting on behalf of the Defense Business Council) on a scheduled basis.

4.2.1.3. The ODCFO is responsible for governing the enterprise FFMIA oversight program. The ODCFO is also responsible for developing and implementing financial improvement audit strategies, monitoring auditors' findings, and providing internal control training to improve the quality and security of financial information. Additionally, the ODCFO is responsible for developing and interpreting DoW-wide accounting and finance policies, ensuring consistency with laws and regulations, and overseeing financial integrity initiatives such as the Standard Financial Information Structure (SFIS) USSGL program.

4.2.1.3.1. FSM&I Directorate. Annually, FSM&I publishes the oversight schedule and other FFMIA substantial compliance details, consistent with OMB Circular A-123, Appendix D, and the DoW A-123 Implementation Handbook for DoW Components, to be executed in support of FFMIA compliance. FSM&I is responsible for reporting the progress of the DoW financial management information technology roadmap and overall FFMIA compliance within the Statement of Assurance (SOA) section of the DoW Agency Financial Report (AFR).

4.2.1.3.2. FIAR Directorate. The FIAR Directorate develops, publishes, and issues detailed financial improvement audit strategies, methodologies, and implementation guidance. The FIAR Directorate establishes the ICOR-FR & FS systems inventory subject to FFMIA compliance reporting, monitors auditors' findings and recommendations around FFMIA compliance, provides internal control training to reporting entities on improving the design and operating effectiveness of IT controls, and publishes the results of the Department's SOA for FFMIA within the DoW AFR.

4.2.1.3.3. FMPR Directorate. The FMPR Directorate develops, publishes, implements, and interprets DoW-wide accounting and finance policies. The FMPR Directorate oversees financial integrity programs such as the DoW SFIS and USSGL, and validates that the DoW FMR is consistent with applicable laws and guidance.

4.2.2. Chief Information Officer of the Department of War. The CIO executes and governs information technology oversight.

4.2.2.1. Deputy CIO for Information Enterprise (IE) establishes information technology policy and guidance for the infrastructure components of the DoW IE to include networks, computers, and software. The IE directorate also maintains the DoW BEA and oversees DBS compliance with all applicable laws, including Federal accounting, financial management, and reporting requirements. See 10 U.S.C. § 2222 for additional guidance.

4.2.2.2. Deputy CIO for Cybersecurity (CS) is responsible for providing expert policy, technical, program, and Defense-wide oversight on all aspects and matters related to DoW CS. The CS Directorate oversees the risk management framework for DoW systems. Refer to DoD Instruction (DoDI) 8501.01 for additional guidance.

4.2.2.3. Deputy CIO for Resources and Analysis provides guidance on the information technology/cyberspace activities budget submission. Refer to Volume 2 for additional guidance.

4.2.3. Director of Administration and Management (DA&M). The DA&M is the principal management office for the SecWar responsible for optimizing the business environment across the DoW enterprise. DA&M executes the DoW Enterprise Risk Management and Internal Controls Over Reporting - Operations programs, providing resources and assistance with evaluating and managing risk. The DA&M delivers program management, oversight, security services, and support functions that enable uninterrupted operations of the Department Headquarters.

4.2.4. DoW Components. DoW Components must establish and maintain financial management systems that substantially comply with the requirements of FFMIA Section 803(c). DoW-owned ICOR-FR & FS relevant systems must be developed and maintained to generate reliable, timely, and consistent information necessary for the Department to comply with FFMIA requirements and enable the preparation of accurate, reliable, and timely financial statements and other required financial and budget reports using information generated by the financial management systems. DoW Component management must annually test and report on financial management systems for FFMIA compliance and establish compensating controls for business events determined to be noncompliant.

4.2.4.1. DoW Components must maintain records of systems and transactional data that substantially comply with applicable FFMIA requirements. Applicable FM systems must annually assess/test compliance to maintain complete and accurate data in:

4.2.4.1.1. DITPR. DoW Components must ensure their financial system portfolio is accurately reported in DITPR. DoW financial systems must review, report, and update appropriately all applicable DITPR FFMIA reporting requirements and DoW business enterprise architecture operational activity aligned to federal financial management functions on an annual basis in accordance with 10 U.S.C. § 2222(g). DoW Components must ensure their FM systems align with the applicable financial events represented in the DoW BEA as operational activities, end-to-end processes, and capabilities, and that the systems comply with the controls associated with the DoW BEA operational activity. Refer to the TFM Volume 1, Part 6, Chapter 9500. DoW Component FFMIA oversight officials and system owners must ensure that their FM system's current level of compliance with each applicable FFMIA requirement is recorded in DITPR and is consistent with their Annual SOA reporting.

4.2.4.1.2. FIAR Systems Database (FSD). DoW Components must utilize FSD to identify, capture, and report on the universe of ICOR-FR relevant systems to support internal controls, financial audits, executive leadership, and Congressional reporting requirements. DoW Component FFMIA oversight officials and system owners must ensure their FM system's current overall compliance with FFMIA is recorded in the FSD and asserted in their annual SOA reporting.

4.2.4.1.3. WDP. DoW Components must provide budgetary and proprietary transactional data to the WDP from FM systems and ensure their WDP common data models remain complete and accurate.

4.2.4.1.4. DoW Information Technology Investment Portal (DITIP). DoW Components must report compliance with the DoW Auditability Requirements in the investment certification module of DITIP as required by 10 U.S.C. § 2222 and consistent with the DBS Annual Certification Guidance memorandum. For ICOR-FR & FS DBS, refer to the Volume 1 Supplemental document for applicable reporting criteria.

4.2.4.1.5. Notice of Findings and Recommendations (NFR) Database. DoW Components must ensure complete, accurate, and timely corrective action plans (CAP) are established and recorded in the NFR Database. This includes IT and non-IT NFRs from stand-alone financial statement audits and Statement on Standards for Attestation Engagements (SSAE) No. 18 Examinations. Intelligence community DoW Components with stand-alone financial statement audits are exempted from this requirement. DoW Component officials must ensure their IT budget reflects the funding needed to complete all milestones identified in the CAP to address/close potential vulnerabilities identified by the open NFRs.

4.2.4.1.6. eMASS and FM Overlay. eMASS is a comprehensive solution that supports the Federal Information Security Management Act of 2002 (FISMA) and cybersecurity oversight and management. Features include dashboard reporting, control scorecard measurement, and the generation of a system security authorization package to support system authorization decisions. The FM Overlay helps DoW Components efficiently and consistently meet the RMF- and controls-based financial statement audit expectations for ICOR-FR & FS-relevant systems. DoW Components that use eMASS are required to apply the FM Overlay to all ICOR-FR & FS systems eMASS records. DoW Components that use other software or tools to

support FISMA compliance and cybersecurity oversight and management are likewise required to implement and apply the reporting requirements of the FM Overlay to all ICOR-FR & FS relevant systems.

4.2.4.2. DoW Components must ensure the applicable FFMIA requirements are included in their pre-acquisition requirements documentation, and applicable FFMIA requirements are implemented with the deployment of new financial management solutions (manual or automated) as well as included in acquisition strategies for commercial off-the-shelf and software-as-a-service solutions consistent with DoDI 5000.75.

4.2.4.3. DoW Components must ensure the system portfolio and remediation plans are consistent with modernization priorities identified in 44 U.S.C. §3601.

4.2.4.4. DoW Components are required to assess and identify all Service Providers that are relevant to their internal control over financial reporting and obtain copies of the applicable System and Organization Controls (SOC 1) Reports. DoW Components are also required to design, document, and implement effective controls to address the applicable Complementary User Entity Controls and, when relevant, the applicable Complementary Subservice Organization Controls in the applicable SOC 1 Reports. This includes reviewing the Service Providers' and Hosting Organizations' FFMIA assessment results and addressing any deficiencies identified by the Service Providers/Hosting Organizations that may impact the DoW Component's internal controls.

4.2.4.5. DoW Component oversight officials must ensure all DBS, both priority/non-priority and covered/non-covered, that are not substantially compliant with FFMIA are conditioned and remediated consistent with 10 U.S.C. § 2222, and/or have substantiated compensating controls for areas of noncompliance.

4.2.5. Service Providers. Service Providers must develop and maintain FFMIA compliance assessment and remediation plans in coordination with the use of DoW Components (user entities). For each financial system and mixed system managed by a Service Provider, a Memorandum of Agreement (MOA) or other suitable agreement must be established with each using DoW Component. As part of the MOA, compliance testing must be conducted to support end-to-end business process testing of the DoW Component (user entity). For systems covered by a SSAE No. 18 Examinations, Service Providers must provide DoW Components (user entities) with a SOC 1 Report.

4.2.6. Hosting Organizations. Hosting Organizations, internal to DoW (e.g., Defense Information System Agency) and external to DoW (e.g., commercial Cloud Service Providers), are responsible for most of the ITGC across the computing environment where many financial, personnel, and logistics applications reside and often provide a SOC 1 Report. For Service Providers and DoW Components to rely on automated controls and documentation within these applications, controls must be appropriately and effectively designed and operated.

4.2.7. Inspector General. The DoW Office of the Inspector General (IG) performs FFMIA compliance evaluations and reports to Congress instances and reasons when the Department has not met the intermediate target dates established in the remediation plan required under FFMIA Section 803(c). Additionally, the IG oversees many of the DoW's financial statement audits conducted by independent public accounting firms.

5.0 STANDARD FINANCIAL INFORMATION STRUCTURE

5.1 SFIS

The SFIS is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, interoperability, and external reporting needs across the DoW enterprise. As a common business language, SFIS standardizes financial reporting across DoW by shifting the focus from appropriation categories to program-based accounting, enabling revenues and expenses to be reported by programs aligned with major goals. This structure enables decision-makers to compare program activities and costs across the Department efficiently and provides a consistent basis for valuing all DoW programs, assets, and liabilities.

5.1.1. SFIS compliance is mandatory for all modern accounting and financial systems that process financial transactions, while older legacy systems are evaluated on a case-by-case basis. As an enterprise-wide standard, SFIS categorizes financial information to enable decision-makers to compare programs across the DoW. This ensures the data is detailed enough for effective retrieval and auditing and aligns with federal standards for high-level financial statements

5.1.2. Systems must adhere to all SFIS Business Rules and post data element transactions using the required USSGL accounts and accounting standards. To guide implementation and verify compliance, DoW Component program managers are required to use the official SFIS checklist.

5.2 The DoW Standard Line of Accounting (SLOA)/Accounting Classification

SLOA/Accounting Classification is a specific subset of SFIS data that ensures accurate accounting transactions and interoperability between different systems. The SLOA/Accounting Classification requirement applies to all systems that handle business events with accounting impacts, from initial commitment to final disbursement, including logistics, contracting, and civilian pay and military pay.

5.2.1. To be compliant, systems must manage SLOA data as discrete elements and adhere to all applicable SFIS Business Rules. For legacy accounting systems and financial business feeder systems scheduled for retirement, the implementation of SFIS and SLOA/Accounting Classification is considered on a case-by-case basis, based on its potential impact on audit readiness.

5.2.2. Systems that support the financial management purchasing process such as contracts, intergovernmental orders, and payroll must be interoperable with SLOA/Accounting Classification data elements. All supporting transactions must be posted to the target accounting system using the proper USSGL accounts and accounting standards. For legacy systems with scheduled retirement, a transaction broker and/or translation services may be used to convert non-SFIS data elements into the required SFIS format.

5.3 SFIS Compliant Trial Balance

Target accounting systems must interface with the DDRS using an SFIS Compliant Trial Balance. The SFIS Compliant Trial Balance must meet all necessary USSGL and DoW financial reporting requirements.

5.4 Roles and Responsibilities

5.4.1. The OUSW(C) serves in a leadership role and establishes policy for the development of DoW enterprise business and financial systems, including SFIS implementation across DoW. The OUSW(C) is responsible for managing SFIS financial data elements; publishing and maintaining the SFIS resources repository; and collaborating with DoW Components and Enterprise Resource Planning (ERP) integration teams to properly implement SFIS. Serving as the primary office of responsibility for actions stemming from governing bodies like the Deputy's Management Action Group, Defense Business Council, and the Investment Review Board, the OUSW(C) provides expert business and financial system insight.

5.4.2. The Office of the Chief Information Officer leads the extraction and analysis of data to support business reform as well as leads the operation of a DoW-wide data governance body to oversee the preparation, extraction, and provision of common, transparent enterprise data throughout the business enterprise, including coordination on all data standards, including SFIS, cost management, and overall data management.

5.4.3. DoW Components are responsible for implementing SFIS for all applicable systems and ensuring interoperability between systems that have a financial impact. DoW Components must use the SFIS Compliance Checklist to assess and maintain SFIS compliance. In addition, DoW Components must ensure that all financial management systems (as defined in the Glossary) provide complete, reliable, consistent, and timely budgetary and proprietary transaction-level information. This data must be properly recorded in the general ledgers of the accounting systems of record to produce auditable budgetary, proprietary, and managerial cost accounting reports for both internal and external stakeholders.

5.4.4. The DCFO is responsible for maintaining the SFIS values library and ensuring all service provider applications and enterprise financial management systems are compliant with SFIS.

5.4.5. The [SFIS web page](#) contains several resources that define the SFIS requirements and provides tools to assist with compliance. Refer to the procedural document for a list of these resources, as well as a SFIS Compliance Summary table.

6.0 DEPARTMENT OF WAR STANDARD CHART OF ACCOUNTS

6.1 The DoW Standard Chart of Accounts (SCOA)

The SCOA is comprised of budgetary and proprietary USSGL accounts and related DoW standard account extensions required for consistent USSGL implementation, Component trial balance consolidation, and compliance with OMB and Treasury budgetary and financial reporting requirements. The OUSW(C)/CFO issues enterprise-wide implementation guidance to (a) reduce customization of accounting systems; (b) eliminate departmental reporting system translations and account value crosswalks; (c) improve comparability of data across accounting systems; and (d) improve consolidation of data across accounting systems for DoW-wide reporting.

6.1.1. The basic SCOA structure consists of a 6-digit USSGL account number followed by a period and a 4-digit DoW account extension. SGL accounts with an extension of “.9000” (e.g., 101000.9000, 211000.9000) are identified as Treasury-level USSGL accounts. SGL accounts with extensions other than .9000 are DoW-specified accounts. The basic structure of the DoW SCOA follows that of the USSGL. The basic 6-digit structure of the USSGL consists of:

100000	Assets
200000	Liabilities
300000	Net Position
400000	Budgetary
500000	Revenue and Other Financing Sources
600000	Expenses
700000	Gains/Losses/Miscellaneous Items
800000	Memorandum

6.1.2. The DoW USSGL Transaction Library establishes enterprise-wide implementation requirements and provides a framework with detailed transaction and posting rules for updating existing financial systems and deploying new accounting systems. The library is a decomposition of the accounting transactions from the TFM, Part 1, Section III USSGL Supplement, that provides both budgetary and proprietary accounting entries for events occurring throughout the federal government. The library organizes generalized Treasury USSGL business event transactions into appropriate pairings of budgetary, proprietary, and memorandum accounts uniquely identified by DoW Transaction Codes (DTCs).

6.1.2.1. Components must not group multiple DTCs into one transactional posting, so that the individual transaction posts separately and supports each business event and is uniquely identified in the business process. While Component financial systems are not required to store and maintain the exact DTC reference used in the library for each posted transaction, Component or agency financial systems must maintain a chart of accounts and utilize general ledger posting logic that produces the same business event result as the DoW USSGL Transaction Library.

6.1.2.2. The SCOA, USSGL Transaction Library, Account Attribute Alignment File, and Tie-Points are updated as applicable following each corresponding Treasury update to ensure DoW policy aligns with the current USSGL Supplement.

6.1.3. All DoW accounting systems must report financial transactions to the Defense Department Reporting System (DDRS) using the account structure of the SCOA. Detailed attribute alignment at the SGL account level is updated concurrently with the SCOA.

6.1.3.1. Components must implement the SCOA to satisfy both internal and external reporting requirements. For external reporting, all budgetary and proprietary financial reporting data are summarized in DDRS into the six-digit USSGL accounts and GTAS standard attributes.

6.1.3.2. Components must ensure systems provide complete, reliable, consistent, and timely budgetary and proprietary transaction-level information and are recorded in accounting systems of record general ledgers to produce auditable budgetary, proprietary, and managerial cost accounting reports for internal and external stakeholders.

6.2 Budgetary and Proprietary Accounts

6.2.1. The SGL account structure provides a self-balancing set of budgetary accounts to record the appropriation, apportionment, allotment, allocation, commitment, obligation, and expenditure process. Debit and credit normal balance indicators drive the SCOA, so debits should always equal credits. The budgetary total and budgetary resources accounts should always equal the total status of budgetary resources accounts.

6.2.2. The SGL account structure provides a self-balancing set of proprietary accounts to report the results of operations and net position. Proprietary asset and liability accounts cover the collection and disbursement of funds, the proper classification of assets (e.g., Fund Balance with Treasury (FBwT), receivables, advances and prepayments, inventory, and fixed assets), and the recognition and proper classification of liabilities. Revenue and expense accounts measure the realization of revenues from the sale of goods and services, and the recognition of costs, including gains and losses through the use and consumption of assets. Total asset accounts should always equal total liability accounts plus net position.

6.2.3. Accurate posting of budgetary and proprietary transactions to the SGL enables budgetary, proprietary, and managerial cost accounting essential for good stewardship, proper financial control over resources, and financial reporting.

6.3 SCOA SGL Accounts

The SCOA identifies SGL accounts applicable to General Fund, Working Capital Fund (WCF), and Special and Trust Funds. The SCOA also identifies those USSGL accounts that do not apply to the DoW. Component accounting systems must, at a minimum, incorporate the SGL accounts and posting logic for applicable business processes and transactions. For example, general fund accounting systems must include, at a minimum, accounts designated as applicable to general funds, and not those restricted to working capital or special/trust fund systems. Similarly, WCF accounting systems must include accounts designated as applicable to WCF but not those accounts restricted to general or special/trust fund systems. Combined systems handling both general and WCF must include general ledger accounts for both, but not those restricted to special/trust fund systems. Components are not required to add accounts designated as not applicable for DoW.

6.4 Attributes For Treasury Reporting

The required account attributes for Treasury reporting of both budgetary and proprietary account information are defined in the TFM USSGL Supplement, Section IV. The data structure, syntax, and allowable values for those attributes are detailed in the SFIS Matrix and the SCOA Attribute Alignment File, both of which are located on the SFIS web page. When implementing general ledger accounts, all their assigned attributes must be included and correctly aligned.

6.5 Exemption Request

Components may request an exemption from standard DoW account alignment for certain SGL accounts if their specific mission area's business processes and transactions justify it. Additionally, Component system owners are required to review existing accounts and submit any changes to the OUSW(C)/CFO within 30 days of the annual SCOA update.

6.6 Recording Internal Fund Distributions

The SCOA includes five specific accounts for recording internal fund distributions within direct program authority. Refer to Volume 3 for policy on the use and application of these accounts at the Department and execution levels. Funds distribution guidance for the Military Services and Office of the SecWar Treasury Index-97 organizations is located at SFIS under the "DoW Accounting Scenarios" section.

7.0 UNDER SECRETARY OF WAR (COMPTROLLER) FINANCIAL MANAGEMENT AWARDS PROGRAM

7.1 Military and Civilian Members

Military and civilian members who make outstanding contributions to the improvement of DoW Financial Management may be recognized. Recognition for significant contribution(s) during the preceding calendar year, in the form of a memento such as an engraved plaque, is presented to the individual and team within each award category. Award categories include:

7.1.1. Contributions to Workforce Development at the Headquarters and Major Command level and Below Major Command level for both individual and team awards;

7.1.2. Contributions to Taxpayer Dollar Optimization at the Headquarters and Major Command level and Below Major Command level for both individual and team awards;

7.1.3. Contributions to Financial Integrity and Audit Results at the Headquarters and Major Command level and Below Major Command level for both individual and team awards;

7.1.4. Contributions to End-to-End Business Environment Optimization at the Headquarters and Major Command level and Below Major Command level for both individual and team awards;

7.1.5. Contributions to Data-Driven Decision-Making at the Headquarters and Major Command level and Below Major Command level for both individual and team awards; and

7.1.6. Contributions to Financial Management in a Contingency Operation at any level for both individual and team awards.

7.2 The Salute to Excellence in Government Service Awards

The Salute to Excellence in Government Service Awards specifically allow the USW(C) to recognize exceptional contributions made throughout the past calendar year in savings (recognizes actions that resulted in a significant savings to the taxpayer) and innovation (recognizes actions that resulted in significant innovations in financial management). The Financial Management Awards Program Board will recommend award winners to USW(C) based on the nominations submitted in the categories in subparagraphs 7.1.1 through 7.1.6.

7.3 Program Applicability

The program applies to any military member or DoW civilian employee of the Office of the Secretary of War, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the DoW, the Defense Agencies, the DoW Field Activities, and all other organizational entities within the DoW. The individual or team's accomplishment must have occurred within the preceding calendar year.

7.4 Nomination Eligibility

Any military member or DoW civilian employee (to include Reserve Components) is eligible for nomination. General/Flag Officers, Senior Executive Service members, and contractors cannot be nominated for individual awards, but can be named and recognized as members of team awards.

7.5 Nomination Process

For details on the nomination process, including Award Levels, Types, and Categories, as well as Responsibilities and Award Criteria and Nomination Information, refer to the Volume 1 Supplemental.

8.0 ADVANA FM – COMMON ENTERPRISE DATA AND FINANCIAL MANAGEMENT ANALYTICS FOR THE DEPARTMENT OF WAR

8.1 Enterprise Data And Analytics Platform

The Enterprise Data And Analytics Platform, formally Advana, is the official DoW repository of common enterprise data, mandated by 10 U.S.C. §4506. To better align with Departmental priorities, its functions have been focused on two primary interconnected components:

8.1.1. The War Data Platform (WDP), maintained by the Chief Digital and Artificial Intelligence Office (CDAO), is the centralized data repository platform for the Department. The WDP serves as the authoritative, secure, and scalable data repository, ingesting and standardizing data from across the enterprise to support the National Defense Strategy.

8.1.2. Advancing Analytics for Financial Management (Advana-FM), governed by the OUSW(C), is the specific program that leverages the data within the WDP to achieve the Department's FM and audit goals. Its purpose is to provide specific decision-support analytics, reconciliation tools, and data products necessary to meet the Congressional and SecWar mandates for a clean financial audit.

8.1.3. The use of the WDP will ensure that any performance measure or data product that relies on DoW data originates from an authoritative source of transaction-level detail.

8.2 OUSW(C) ADVANA-FM Responsibilities

8.2.1. Leverage data within the WDP as a strategic asset for ADVANA-FM, connecting it with advancing technology to continuously advance analytic capabilities required to achieve full auditability across the Department.

8.2.2. Maintain alignment of ADVANA-FM capabilities and products with the functional requirements of FM and audit user communities as continuous development occurs, partnering with the appropriate officials to establish enterprise standards.

8.2.3. Acquire, incorporate, and standardize data to support the business domain areas that align with the organizational structure of the Department and the responsibilities of DoW Components.

8.2.4. Manage data sharing agreements with system owners to ensure data provided to the WDP is timely and accurate. Extract data from the relevant systems to facilitate DoW-wide analysis and management of business operations, and execute controls over data management.

8.2.5. Provide reasonable assurance to ADVANA-FM data consumers that data controls are clearly defined and executed in accordance with control objectives.

8.2.6. Maintain regulated security over the ADVANA-FM system and its data and ensure compliance with user access security requirements and DoW continuity of operations policy and planning.

8.2.7. Ensure sensitive activity data is secure and complies with DoW security classification guidance.

8.3 DoW Component ADVANA-FM Responsibilities

8.3.1. Provide authoritative source-level transactional data to the WDP from all DoW business systems daily, using the most cost-effective and secure methods available. The authoritative source-level transactional data must be obtained and imported by the WDP from the business system in which the data originated (i.e., not a separate data Warehouse or data lake but the system that originated the transaction). Where a strategy does not exist to provide such data, one must be developed in partnership with OUSW(C), ODCFO, FSM&I Directorate.

8.3.2. Sign agreements that govern accurate and timely transmission of data. DoW Components are responsible for defining business rules that map source data elements to the ADVANA-FM common data model. The ADVANA-FM common data model includes, but is not limited to, the Standard Financial Information Structure, the Procurement Data Standard, and subsequent domain-specific data models under development.

8.3.3. Use the ADVANA-FM for delivery of its Universe of Transactions to any entity that issues an audit request, data call request, or other bona fide requirement for reconciled transaction details.

8.3.4. Use the ADVANA-FM Feeder to General Ledger Reconciliations Audit Workbooks – Monthly reconciliations between disbursing, obligation, funding, and entitlement financial management systems and general ledger accounting systems.

8.3.5. Use the General Ledger to Unadjusted Trial Balance Reconciliations Audit Workbooks – Quarterly reconciliations between general ledger accounting systems and their unadjusted trial balance.

8.3.6. Use the Unadjusted Trial Balance to Adjusted Trial Balance Reconciliations Audit Workbooks – Quarterly reconciliations between the unadjusted trial balance and the adjusted trial balance within the Defense Departmental Reporting System (DDRS).

8.3.7. Use ADVANA-FM to reconcile FBwT.

8.3.8. Provide functional assistance to the ADVANA-FM, when necessary, to reconcile DoW Components' general ledger data to outputs from the DDRS and other required data reconciliations.

8.4 ADVANA-FM Business Domains

ADVANA-FM acquires, incorporates, and standardizes data to support the various business domain areas across the Department. Business domain examples include Acquisition Analytics, Budget Analytics, Executive Analytics, Health Analytics, Logistics and Supply Chain Analytics, People Analytics, Procurement Analytics, Readiness Analytics, among others.

9.0 FINANCIAL RECORDS RETENTION

9.1 Records Retention Policy Applicability.

This policy identifies the proper retention period for financial records that support financial transactions and financial statement balances, or that are necessary to document evidence of effective internal controls over financial reporting (e.g., reviews and approvals). This policy does not apply to related management records, such as maintenance logs, and other documents important for proper management of DoW operations but incidental to the support of financial transactions and balances, unless the records are being used as secondary evidence to support financial transactions and balances.

9.2 Record Retention Requirements.

National Archives and Records Administration (NARA) GRS 1.1 provides disposition authority for records created and received while carrying out an agency's financial management and reporting responsibilities. Financial management includes procuring goods and services, paying bills, collecting debts, accounting for all financial transactions, and monitoring net worth.

9.2.1. GRS 1.1 covers financial transactions as an administrative function common to all agencies, including but not limited to records of grants and cooperative agreements; financial transactions and reporting records; and contract records maintained by Federal agencies. However, GRS 1.1 does not cover all financial records and transactions conducted by DoW components. Personnel must coordinate with their DoW Component Records Management Program to ensure they meet all agency records management requirements. Examples include but are not limited to (a) contractor-maintained contract records which FAR governs, Part 4, Subpart 4.7; (b) student loan collection; or (c) seeking reimbursement for Superfund cleanups.

9.2.2. Supporting a financial statement audit is an example of “business use” where documentation must be retained for a longer period than required by NARA to preclude a scope limitation. During an audit, management must furnish a written representation regarding the availability of all financial records and related data, and the auditors must obtain a reasonable basis for an opinion. These guidelines must be supplemented by professional judgment that considers the specific circumstances related to each financial transaction.

9.2.3. For records supporting financial statement audits and held for purposes other than a financial statement audit that require a longer retention period, continue to follow appropriate DoW Component’s document retention guidance. At a minimum, Components must comply with NARA and the DoW Component Records Management Program requirements

9.2.4. Consult your DoW Component Federal Records Officer for additional guidance regarding record retention. NARA approves all records identified in DoW’s Component Records Disposition Schedules, which can contain additional financial records used in DoW business operations that are not listed in the NARA GRS.

9.3 Documentation Requirements:

DoW Component financial transaction records must be prepared, retained, and, at a minimum, support the following:

9.3.1. Authority. Evidence that the transaction was approved and/or certified in accordance with established requirements.

9.3.2. Amount. Evidence of transaction dollar values.

9.3.3. Date. Evidence of transaction dates to ensure transactions are recorded in the proper accounting period.