



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

OCT 30 2018

MEMORANDUM FOR CHIEF MANAGEMENT OFFICER OF THE DEPARTMENT OF
DEFENSE
SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
CHIEF OF THE NATIONAL GUARD BUREAU
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR OF COST ASSESSMENT AND PROGRAM
EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
CHIEF INFORMATION OFFICER OF THE DEPARTMENT OF
DEFENSE
ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE
AFFAIRS
ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC
AFFAIRS
DIRECTOR OF NET ASSESSMENT
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES

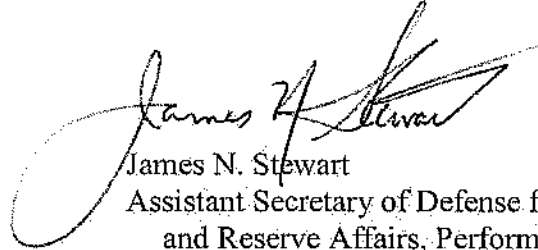
SUBJECT: Inclusion of Office of Secretary of Defense Among Components of the Department
of Defense Covered by Direct-Hire Authority for Financial Management Experts

- References:
- (a) Section 1113 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Public Law 115-232
 - (b) Office of the Under Secretary of Defense for Personnel and Readiness memorandum, "Temporary Direct-Hire Authority for Financial Management Experts in the Department of Defense Workforce – Expansion of Organizational Coverage," April 2, 2018 (copy attached)
 - (c) Office of the Under Secretary of Defense for Personnel and Readiness memorandum, "Temporary Direct-Hire Authority for Financial Management Experts in the Department of Defense Workforce," June 1, 2017 (copy attached)

Pursuant to reference (a), this memorandum amends reference (b) to expand the authority to use the temporary direct-hire authority to include the Office of the Secretary of Defense. The following DoD Components may now use this authority: (1) the Office of the Secretary of Defense; (2) the Defense Agencies; (3) the Office of the Chairman of the Joint Chiefs of Staff; (4) the Joint Staff; (5) Combatant Commands; (6) the Office of the Inspector General of the Department of Defense; (7) the DoD Field Activities; (8) the Department of the Army; (9) the

Department of the Navy; and (10) the Department of the Air Force. All other provisions of reference (c) remain in effect.

For more information, my point of contact is Ms. Eva Askins, Acting Associate Director, Employment and Compensation, Defense Civilian Personnel Advisory Service, whom you may reach at (571) 372-2073 or by email at eva.a.askins2.civ@mail.mil.

A handwritten signature in black ink, appearing to read "James N. Stewart". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

James N. Stewart
Assistant Secretary of Defense for Manpower
and Reserve Affairs, Performing the Duties
of the Under Secretary of Defense for
Personnel and Readiness

Attachments:
As stated



OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
CHIEF MANAGEMENT OFFICER
CHIEF, NATIONAL GUARD BUREAU
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR OF COST ASSESSMENT AND PROGRAM
EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
CHIEF INFORMATION OFFICER OF THE DEPARTMENT OF
DEFENSE
ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE
AFFAIRS
ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC
AFFAIRS
DIRECTOR OF NET ASSESSMENT
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Temporary Direct-Hire Authority for Financial Management Experts in the
Department of Defense Workforce – Expansion of Organizational Coverage

References: (a) Section 1106 of the National Defense Authorization Act for Fiscal Year 2018,
Public Law 115-91
(b) Under Secretary of Defense (Personnel and Readiness) memorandum,
“Temporary Direct-Hire Authority for Financial Management Experts in the
Department of Defense Workforce,” June 1, 2017 (copy attached)

Pursuant to reference (a), this memorandum amends reference (b) to expand the authority
to use the temporary direct-hire authority beyond the Defense Agencies and Military
Departments. The following additional DoD Components may now use this authority: (1) the
Office of the Chairman of the Joint Chiefs of Staff; (2) the Joint Staff; (3) Combatant
Commands; (4) the Office of the Inspector General of the DoD; and (5) DoD Field Activities.
All remaining provisions of reference (b) remain in effect.

For more information, my point of contact is Ms. Hong Miller, Associate Director,
Employment and Compensation, Defense Civilian Personnel Advisory Service, whom you may
reach at (571) 372-1536 or by email at Hong.V.Miller.civ@mail.mil.

Stephanie Barna
Performing the Duties of the Under Secretary of
Defense for Personnel and Readiness

Attachment:
As stated



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

JUN 1 2017

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
CHIEF, NATIONAL GUARD BUREAU
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR OF COST ASSESSMENT AND PROGRAM
EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
CHIEF INFORMATION OFFICER OF THE DEPARTMENT OF
DEFENSE
ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE
AFFAIRS
ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC
AFFAIRS
DIRECTOR OF NET ASSESSMENT
DIRECTOR, STRATEGIC CAPABILITIES OFFICE
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Temporary Direct-Hire Authority for Financial Management Experts in the
Department of Defense Workforce

Section 1110 of the National Defense Authorization Act for Fiscal Year 2017 allows the Secretary of Defense for the Defense Agencies, and the Secretaries of the Military Departments to appoint qualified candidates to financial management, accounting, auditing, actuarial, cost estimation, operational research, business, and business administration positions in the competitive service at GS-15 and below (or equivalent pay grades), without regard to chapter 33, subchapter I of title 5, U.S. Code (U.S.C.). Sections 3303, 3321, 3323, 3326, and 3328 of chapter 33, subchapter I of title 5, U.S.C., and corresponding Code of Federal Regulations provisions related to selection and appointment, remain in effect. This authority expires December 31, 2022.

As set forth in the attachment, this memorandum provides implementation procedures for use of this authority.

For more information, my point of contact is Ms. Megan Maciejewski, Acting Chief, Staffing Policy Division, Defense Civilian Personnel Advisory Service, whom you may reach at (571) 372-1538 or by email at megan.e.maciejewski.civ@mail.mil.

A. M. Kurta
Performing the Duties of the Under Secretary of
Defense for Personnel and Readiness

Attachment:
As stated

TEMPORARY DIRECT-HIRE AUTHORITY FOR
FINANCIAL MANAGEMENT EXPERTS IN
THE DOD WORKFORCE
IMPLEMENTATION PROCEDURES

1. Authority.

a. Section 1110 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, provides that the Secretary of Defense for the Defense Agencies and the Secretaries of the Military Departments may appoint qualified candidates possessing a finance, accounting, management, or actuarial science degree, or a related degree or equivalent experience, to certain positions in the Defense Agencies and Military Departments without regard to chapter 33, subchapter I of title 5, U.S. Code (U.S.C.). Sections 3303, 3321, 3323, 3326, and 3328 of chapter 33, subchapter I of title 5, U.S.C., and corresponding Code of Federal Regulations provisions relating to selection and appointment, remain in effect.

(1) The authority to appoint qualified persons under this direct-hire authority (DHA) is delegated to Secretaries of the Military Departments and Directors of the Defense Agencies with independent appointing authority for themselves and their serviced organizations, as defined in their respective DoD chartering directives [hereafter referred to as "DoD Components"].

(2) Appointments under this authority may not be made after December 31, 2022, unless it is extended by future legislation. DoD Components must maintain records on their use of this authority for themselves and for their serviced organizations until the authority expires.

2. Use of Direct-Hire Authority. DHA enables the Department to recruit and appoint qualified persons directly to the competitive service without applying competitive rating and ranking procedures. The following principles shall be followed when exercising this authority:

a. A highly-qualified workforce is critical to the Department's mission.

b. Recruitment efforts should be expansive enough to be designed to attract a diverse candidate pool.

c. Merit factors shall be the basis for selecting individuals for positions. All personnel programs and practices shall be administered in accordance with DoD Directive 1020.02E, "Diversity Management and Equal Opportunity in the DoD."

d. DoD Components must ensure transparency, accountability, and auditability in hiring processes.

3. Covered Positions. For purposes of this authority, this DHA can be used for the following positions at the GS-5 through 15 levels (or equivalent):

(1) Financial management positions

- (2) Accounting positions
- (3) Auditing positions
- (4) Actuarial positions
- (5) Cost estimation positions
- (6) Operational research positions
- (7) Business and business administration positions

4. Definitions.

a. For the purposes of section 1110 of the NDAA for FY 2017, qualified candidates are defined as individuals who:

(1) Possess a finance, accounting, management, actuarial science, or related degree from an accredited college or university in a field of study, or equivalent experience, related to the functions of the position to be filled;

(2) Meet the minimum standards for the position as published in the Office of Personnel Management's operating manual, "Qualification Standards for General Schedule Positions," and any DoD qualification standards specific to the position to be filled;

(3) Meet or will meet the DoD Financial Management (FM) Certification Program requirements, within the required time frame, for appointment to the position being filled, as applicable; and

(4) Meet any selective placement factor(s) and/or competencies identified as necessary for appointment to the position.

5. Announcement and Assessment Process.

a. If using vacancy announcements, DoD Components must use job opportunity announcements that are concise and easily understood.

(1) DoD Components will establish procedures for recruiting that ensure the identification of qualified individuals for referral to management for selection and appointment.

(2) Potential applicants should have ready access to information about how to apply for positions, and the basis on which they will be assessed to meet the qualified criteria.

b. DoD Components will assess candidates against job-related criteria, ensuring they have the skills and behavioral attributes that lead to success.

(1) Selectees for entry level positions requiring the Administrative Careers With America (ACWA) assessment must be assessed using the most recent, streamlined ACWA examination or a validated alternative assessment instrument (e.g., select USA HIRE assessments).

6. Appointing Authority. Appointments may be made on a permanent, term, or temporary basis, using the following Legal Authority Code/Legal Authority:

Z5CI/Direct-Hire Auth (Fin Mgmt Exp), Sec 1110, PL 114-328, 12/23/2016

7. Oversight and Accountability. Within the scope of this authority, each DoD Component will determine the appropriate use of this authority relating to recruitment needs, specific occupational series, grades, pay bands/levels, ensuring implementation is in accordance with merit system principles and applicable collective bargaining agreements.

a. The Under Secretary of Defense for Personnel and Readiness is responsible for the development of implementing guidance and policies, in consultation with the Under Secretary of Defense (Comptroller).

b. The Defense Civilian Personnel Advisory Service (DCPAS) and the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)), Director of Human Capital and Resource Management, also serving as the Office of the Secretary of Defense Functional Community Manager (OFCM) for FM, are jointly responsible for oversight, accountability, and reporting for the FM Functional Community to ensure compliance with any reporting requirements related to the use of these authorities.

c. The Secretaries of the Military Departments and Directors of the Defense Agencies are responsible for oversight, accountability, and reporting for their respective DoD Component in coordination with their FM Component Functional Community Manager (CFCM).

d. Documentation for appointments made under this authority must be sufficient to allow the reconstruction of actions taken and must be maintained for a time frame consistent with other appointing authorities.

e. Appointments under this authority will be evaluated as part of the DoD Human Capital Framework.

8. Report.

a. DoD Components must report to DCPAS, via the OFCM, OUSD(C)/Director of Human Capital Resource Management, annually, by October 31, on the following data. Reports should be developed with the input of the FM CFCM and human resource specialists.

(1) Number of employees hired, by position, series, and grade/pay band.

(2) Number of veterans hired.

(3) Incentives and compensation flexibilities used in conjunction with the authority, to include but not limited to, recruitment/relocation incentives; student loan repayments; superior qualifications and special needs pay setting; and leave accrual credit for prior non-Federal work experience and certain military service.

(4) Quantifiable effectiveness in meeting Component staffing efforts.

b. DoD Components must maintain recruitment plans. The plan should be developed with the input of the FM CFCM, human resources specialists, and manpower and budget advisors, and should address:

(1) Numbers of positions to be recruited

(2) Types and grades of positions to be recruited

(3) Any targeted populations

(4) Positions likely to require incentives

(5) Specific recruitment strategies and sources

9. Authorized Positions.

a. The number of appointments made pursuant to this DHA in a calendar year may not exceed 10 percent of the total number of civilian financial management, accounting, auditing, and actuarial positions within the financial management workforce of such DoD Component's workforce that are filled as of the close of the fiscal year ending before the start of such calendar year.

b. If the percentage of authorized positions does not equate to a whole number, the Secretaries of the Military Departments and Directors of the Defense Agencies or their designees shall round down to the next lower number.

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