



PERSONNEL AND
READINESS

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MEMORANDUM FOR CHIEF MANAGEMENT OFFICER OF THE DEPARTMENT OF
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SUBJECT: Fiscal Year 2020 Opening Guidance for the Senior Executive Service and Senior Professional Performance Appraisal Cycle

This memorandum provides the necessary requirements and guidelines for rating officials to effectively establish performance plans for members of the Senior Executive Service (SES) and Senior Professional (SP) employees in the DoD for FY 2020. This guidance also applies to Nonappropriated Fund executives.

It is my expectation that the Department will continue to apply rigor in performance evaluations, maintaining its commitment to an appraisal system that makes meaningful distinctions in performance, while neither forcing distributions nor establishing quotas. This process begins with the successful establishment of performance plans.

Creating Performance Plans

Within 30 days of the issuance of this guidance, every SES and SP employee must have an approved performance plan for the October 1, 2019 through September 30, 2020 appraisal period. Performance plans should be developed with the intent to evaluate, and subsequently reward, executives based on both individual and organizational performance.

Critical Elements

For SES performance plans, the “Results Driven” critical performance element will be weighted at a minimum of 40 percent; the “Leading People” critical performance element will be weighted at a minimum of 20 percent; and the remaining three critical elements will be weighted at a minimum of 5 percent each. The sum of all critical elements must equal 100 percent. Each Component must develop a single standard set of weights for its SES members.

For SP performance plans, the “Contribution to Mission” performance element will be weighted at 60 percent. The sum of all elements must total 100 percent.

Results Driven and Contribution to Mission Performance Requirements

All performance plans must show clear, transparent alignment to each performance requirement in the “Results Driven” or “Contribution to Mission” critical elements with the Agency’s mission, strategic goals, program/policy objectives, and/or annual organizational performance plan. Members should be able to clearly correlate how their performance aligns with the achievement of organizational goals, and be able to cascade these goals into the performance plans of subordinate employees. Performance plans must include references to strategic organizational documents, and associated page number(s), where the relevant goal(s) is (are) documented.

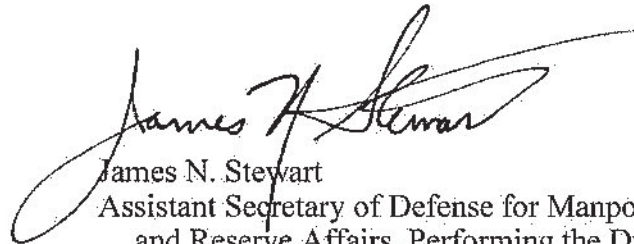
Whistleblower Requirement

In accordance with 5 U.S.C. § 4302, all supervisory performance plans must contain a performance standard for whistleblower protection.

Mandatory Departmental Performance Requirements

Finally, as appropriate, performance plans must include the DoD-mandated performance requirements for: Protection of Information, Small Business, and Financial Improvement and Audit Remediation.

Questions regarding this correspondence may be directed to Ms. Kelly Cruz, Director, Defense Executive Resources Management Office, who may be reached at (571) 372-2286, or kelly.m.cruz.civ@mail.mil.



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

Attachment:
As stated

Department of Defense
Senior Executive Service and Senior Professional
Mandatory Performance Requirements for Fiscal Year 2020

The mandatory performance requirements below must be included, as appropriate, in performance plans of Senior Executive Service (SES) members, Senior Professional (SP) employees, and Nonappropriated Fund executives.

Whistleblower

The following whistleblower requirement, and mandatory language, will be included in all supervisory performance plans.

Mandatory Whistleblower Language

“Supports the Whistleblower Protection Program by responding constructively to any employees who make protected disclosures under 5 U.S.C. § 2302(b)(8); taking responsible and appropriate actions to resolve any such disclosures, if any; and creating an environment in which employees feel comfortable making such disclosures.”

Inclusion in Plan

- SES
 - 2c. Leading People Performance Requirement (Whistleblower)
- Supervisory SP
 - 1b. Leadership/Supervision Performance Requirement (Whistleblower)

Protection of Information

The mandatory performance requirements below must be included as appropriate in the performance plans of SES and SP with access to classified and controlled unclassified information.

Protection of Classified National Security Information (CNSI) and Controlled Unclassified Information (CUI) is an inherent responsibility for DoD personnel and is critical to the success of the DoD mission. As appropriate, a performance requirement similar to the below must be included under the “Business Acumen” critical element for SES members and the “Technical Competence/Problem Solving” mandatory performance element for SP employees:

“Throughout the current rating cycle, institute and apply DoD’s established requirements for the protection of CNSI and CUI to prevent the loss or unauthorized disclosure of CNSI and CUI. Successful safeguarding is based on ensuring compliance with the requirements set forth in DoD Instruction 5200.01 and its supporting manuals by the

employee and any subordinates, completing required information security training, properly applying classification markings to documents, promptly reporting security incidents and security violations, and promptly reporting personnel noncompliance with security requirements to the appropriate security manager or applicable supervisor.”

This performance requirement is appropriate for SES and SP with access to CNSI or CUI in the following categories:

- (1) Personnel whose duties include significant involvement with the creation or handling of classified information;
- (2) Original classification authorities;
- (3) Security managers and security specialists;
- (4) Personnel who derivatively classify information on a routine basis; and
- (5) Information system security personnel, if their duties involve access to classified information and information systems personnel (e.g., systems administrators) with privileged access to classified systems or network resources.

Small Business

Performance plans of SES and SP who acquire services or supplies, direct other DoD organizations to acquire services or supplies, or oversee acquisition officials, including program managers, contracting officers, and other acquisition workforce personnel responsible for formulating and approving acquisition strategies and plans, must include the following mandatory performance requirements in their performance plans under the “Business Acumen” critical element, for SES; and “Technical Competence/Problem Solving” critical element for SP (pursuant to DoD Instruction 4205.01, “DoD Small Business Programs (SBP)”):

“Support the attainment of established DoD small business goals by considering potential small business contracting opportunities during the acquisition process and by establishing a command or program climate that is responsive to small business concerns. Ensure that small business awareness, outreach, and support are incorporated as part of the command’s overall mission and establish performance measures that reflect that commitment. Establish, for acquisitions under the executive’s purview, annual goals for awards to small business concerns in each category that has a statutory goal. The goal should not be less than the performance achieved during the preceding fiscal year. Develop a corresponding spend plan that establishes the forecasted performance baseline based on known procurement actions in the budget that can be used to track and report progress to the Under Secretary of Defense for Acquisition and Sustainment.”

Financial Improvement and Audit Remediation (FIAR)

FIAR Basic

FY 2020 performance plans for all DoD SES members responsible for managing resources or DoD business processes must include the following mandatory performance

requirement under “Critical Element 3, Business Acumen.” This goal may be supplemented with component-specific language.

“Supports the annual financial statement audit by fulfilling expectations detailed in the four dimensions of the FY 2020 SES Performance Goals for the FIAR Performance Plan Requirement (*posted in EPAT’s Help folder*): 1) Responding to auditor requests timely and completely; 2) Closing audit findings through successful implementation of corrective actions; 3) Realizing non-monetary benefit through efficiencies in processes and/or systems; and 4) Realizing monetary benefit (e.g., cost savings, cost avoidance, recovery of funds obligated or expended) through financial improvement and audit remediation.”

Additional FIAR Goal (Direct)

In addition to the FY 2020 basic FIAR performance goal, SES members with *direct* roles and responsibilities to lead their organizations’ business efforts, including enterprise and headquarters-level financial management as well as other functional areas (e.g., acquisition, logistics, and personnel) that directly impact their organizations’ business results and financial reporting must also include the following additional performance goal under “Critical Element 3, Business Acumen.” This goal may be supplemented with component-specific language.

“Comply with policy and regulations. Document transactions, per standards and processes governed by effective/documented internal controls (IC). Submit auditor-requested materials timely. Remediate high risk/priority material weaknesses. Direct continuous process and IC improvement using quarterly command-level tests of major processes/systems. Identify process and system weaknesses/reportable conditions via the MICP. Eliminate manual correction errors to financial reports (JVs). Sustain up-to-date systems controls. Govern IT systems using risk management and IC in the FM overlay for IT systems.”

Additional FIAR Goal (Indirect)

In addition to the FY 2020 basic FIAR performance goal, SES members with *indirect* roles and responsibilities related to their organizations’ business efforts and managing resources must also include the following additional performance goal under “Critical Element 3, Business Acumen.” This goal may be supplemented with component-specific language.

“Use internal controls to ensure proper business procedures; facilitate predictability and traceability; have proper authorities: support business improvement and accountability. Use standardized processes for business systems; do quarterly testing IAW SOPs, report weaknesses via the MICP. Implement CAPs timely and document. Ensure workforce is trained on business effectiveness/accountability. Regularly verify: 1) supervisors timekeep correctly; 2) retention of audit-compliant receipt and acceptance documents; and 3) all equipment/personal property is enrolled in the property SOR and annually verified.”

Exceptions to FIAR

In those rare and compelling cases in which an SES member does not manage resources or DoD processes or, does not have a direct or indirect role in his/her organization's audit readiness or remediation efforts, the executive must obtain an exemption using the specified waiver memo template (*posted in EPAT's Help folder*).

The waiver must be endorsed by the member's rating official and the rater's rater prior to finalizing the member's FY 2020 performance plan. The waiver must be forwarded to the Director, Financial Improvement and Audit Remediation Office, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer. Send completed signed waivers to mobola.a.kadiri.civ@mail.mil.