



PERSONNEL AND
READINESS

UNDER SECRETARY OF WAR
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WASHINGTON, D.C. 20301-4000

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MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP
COMMANDERS OF THE COMBATANT COMMANDS
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Fiscal Year 2027 Opening Guidance for the Senior Executive Service and Senior Professional Performance Appraisal Cycle

This memorandum and its attachment provide the necessary requirements and guidelines for rating officials to establish effective performance plans for Department of War (DoW) Senior Executive Service (SES) and Senior Professional (SP) employees for Fiscal Year (FY) 2027.

DoW Components with Defense Intelligence Senior Executive Service and Defense Intelligence Senior Level employees will follow these requirements unless the Under Secretary of War for Intelligence and Security deems appropriate changes are necessary. DoW Components with nonappropriated fund executives shall also follow these requirements.

I expect DoW Components to apply accountability, rigor, and excellence while making meaningful distinctions in performance and commensurately rewarding its highest performing SES, SPs, and equivalent executive employees of the DoW. Successful implementation begins with the establishment of effective SES and SP performance plans.

Please direct any questions regarding this correspondence to Mr. Michael Cogar, Deputy Assistant Secretary of War for Civilian Personnel Policy, at michael.c.cogar3.civ@mail.mil.


Anthony J. Tata

Attachment:
As stated

Creating Performance Plans

Every career Senior Executive Service (SES), limited term SES, Defense Intelligence Senior Executive Service (DISES), Defense Intelligence Senior Level (DISL), and Senior Professional (SP) must have a performance plan approved by his or her rating official for the October 1, 2026, through September 30, 2027, appraisal period. USA Performance replaced the Executive Performance and Appraisal Tool (EPAT) as the electronic system of record and should be used for nonappropriated fund (NAF) Senior Executives to enhance overall Agency efficiency. Performance plans must be developed with the intent to evaluate and subsequently reward executives and SPs based on both individual and organizational performance.

Throughout the appraisal period, the rating official will monitor executive performance in accomplishing elements and requirements and provide feedback. At least quarterly, rating officials and executives will meet to discuss and document progress toward meeting the critical elements in the executive's performance plan.

Critical Elements Weights

For SES performance plans, the "Faithful Administration of the Law and the President's Policies" and "Achieving Organizational Goals" critical elements will be weighted at a minimum of 25 percent each; the three remaining critical elements, "Government Efficiency," "Merit and Competence," and "Holding Others Accountable and Treating Them Fairly" will be weighted at a minimum of 15 percent each. The sum of all critical elements must equal 100 percent.

For SP performance plans, the "Faithful Support of Administration of the Law and the President's Policies" and "Achieving Organizational Goals" critical elements will be weighted at a minimum of 25 percent each; the three remaining critical elements, "Government Efficiency," "Merit and Competence," and "Partnership/Leadership/Mentorship" will be weighted at a minimum of 15 percent each. The sum of all elements must total 100 percent.

Each DoW Component must develop a single standard set of weighted criteria for its SES and SP members, respectively.

Strategic Planning and Alignment

All SES and SP performance plans must show clear, transparent alignment of each performance requirement in the "Achieving Organizational Goals" critical element with the President's Actions (e.g., Executive Orders, Memoranda, and Proclamations); the Secretary of War's three priorities; the Department's contribution to the President's Budget Request; and/or the National Defense Strategy. SES and SPs may have secondary alignment to a DoW Component mission or program/policy objectives.

SES and SPs should be able to clearly correlate how their performance aligns with the achievement of the Administration's priorities and organizational goals and be able to adapt them into the performance plans of subordinate employees, as applicable. Furthermore, performance plans must include references to the Administration's priorities and strategic organizational documents, where the relevant goal(s) are documented.

Raters will thoroughly review performance plans prior to approval to ensure that these measures are clearly depicted and that strategic references are applicable. When making decisions during the Fiscal Year (FY) 2027 closeout, DoW Component heads, pay pools managers, calibration panels, and performance review boards will ensure that performance-based payout determinations are based upon results achieved that demonstrate success in meeting specific goals and outcomes that align to DoW Component-specific performance, and that are nested in supervisors' performance expectations and strategic organization documents, as applicable.

Mandatory Departmental Performance Requirements

Members of the SES and SP employees must include the mandatory performance requirements below, as applicable, in their performance plans for FY 2027. These requirements establish strict executive accountability for executing the President's agenda, prioritizing warfighting lethality, eliminating administrative bureaucracy, and ensuring disciplined stewardship of taxpayer resources. DISES and DISL employees will follow these requirements unless the Under Secretary of War for Intelligence and Security determines that appropriate changes are necessary. DoW Components with NAF executives also must follow these requirements.

Instructions to Rating Officials

SES members and SPs must write performance requirements as results-oriented expectations, not activity-only statements. As appropriate, each plan should identify expected outcomes, relevant milestones, quality or timeliness measures, and indicators of organizational impact. Supervisors will conduct and document quarterly progress reviews to assess progress, document barriers, revise expectations when mission priorities or resources materially change, and initiate timely assistance or corrective action as needed.

Executives with supervisory responsibilities will be held accountable for aligning subordinate performance plans to organizational goals, conducting timely and candid performance discussions, appropriately distinguishing levels of performance, and taking prompt action to address poor performance or misconduct when warranted. For executives with ten or more executive direct reports, annual narrative input should address subordinate rating distribution and explain how that distribution reflects organizational performance and the executive's approach to performance accountability.

Protection of Information

Critical Element "Merit and Competence"

The protection of non-public DoW information, including classified national security information (CNSI) and controlled unclassified information (CUI), is paramount to mission success and a fundamental responsibility of all DoW personnel. Failure to properly safeguard this information can directly compromise DoW personnel, acquisitions, and operations, hindering the effective execution of national security objectives. This performance requirement

must be included in performance plans for all SES, DISES, SP, DISL, and NAF executives who have access to classified and CUI and whose duties include any of the following:

- Research, development, test, and evaluation of warfighting technologies and systems;
- Planning, programming, and budgeting;
- Policymaking;
- Foreign liaison;
- Personnel management;
- Contract management; or
- Use of DoW information technology systems

This performance requirement is incorporated under the “Merit and Competence” critical element for all SES, DISES, SP, DISL, and NAF executives.

Mandatory Requirement Language

“Supports and enforces the protection of Classified National Security Information (CNSI) and Controlled Unclassified Information (CUI). Throughout the current rating cycle, institutes and applies DoW’s established requirements for the protection of CNSI and CUI to prevent the loss, theft, or unauthorized disclosure, or improper transmission; ensures timely reporting and corrective action for security incidents; and complies with restrictions on unauthorized engagements with Congress and the media. Successful safeguarding is based on ensuring compliance with the requirements set forth in DoDI 5200.01 and DoDI 5200.48, supporting manuals, and Secretary of War Memorandum, “Department of War Congressional Activities,” dated October 15, 2025.”

Assessment of the ‘Protection of Information’ Requirement

Rating officials should address failure by executives (*or employees*) to meet this performance element, including attendant security reporting requirements, in the narrative and should take action to address such failures without waiting for the end of the performance appraisal cycle. As practicable in the space available, supervisors may indicate success in meeting this requirement through language such as: “The executive (*or employee*) successfully supports the protection of information.” For executives with supervisory responsibility, assessment should consider whether the executive established effective internal controls, reinforced workforce awareness, and took timely corrective action to address both recurring and isolated information protection deficiencies.

Small Business

Critical Element “Government Efficiency”

Performance plans of SES and SPs who acquire services or supplies, direct other DoW 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 “Government Efficiency” critical element, for SES and SPs (pursuant to Department of Defense Instruction 4205.01, “DoD Small Business Programs (SBP),” June 8, 2016, as amended.

Mandatory Requirement Language

“In alignment with the Acquisition Transformation Strategy and with OSW objectives for growing and strengthening the Defense Industrial Base, supports the attainment of established DoW small business goals by considering potential small businesses, new entrants, and non-traditional companies for contracting opportunities throughout the acquisition process. Prioritizes competitive-based and/or novel acquisition pathways that expand access for small businesses, new entrants, and non-traditional companies. Establishes a command or program climate that fosters the growth and maturity of vendors in the small business industrial base, including new entrants and non-traditional companies. Ensures that awareness of, outreach to, and support of the small business industrial base is incorporated as part of the command’s overall mission and establishes performance measures that reflect that commitment. Develops and implements measures, as identified by the applicable rating official, that support the accomplishment of DoW’s annual goals for awards to small business concerns in each category that has a statutory goal and that reflect how the Small Business Administration assess the Department on the annual SBA Scorecard. Develops 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 War for Acquisition and Sustainment.”

This performance requirement is incorporated under the “Government Efficiency” critical element, as applicable.

Financial Improvement and Audit Remediation (FIAR)

Critical Element “Achieving Organizational Goals”

SES members with ownership of the Secretary of War’s financial statement audit priorities must include the following mandatory performance requirement under “Achieving Organizational Goals” critical element. Rating officials will evaluate performance based on the timely execution of assigned tasks and whether completed work meets acceptable quality levels. Since the financial statement audit is enduring, continued support for the audit through sustaining an unmodified (“clean”) audit opinion, once achieved, is expected.

Mandatory Requirement Language

“Execute all tasks received by the Director or Deputy Director of Joint Task Force Audit by the required deadlines at an acceptable quality level.”

Critical Element “Government Efficiency”

With rare exception, all SES, DISES, SP, DISL, and NAF executives who deal with or manage resources or DoW business processes *must* have the BASIC FIAR performance standard

in their performance plans. Additionally, rating officials (not the executive or employee, or an EPAT administrator) must decide if they play a direct or indirect role in leading the organization's business efforts that impact financial reporting. A reference document is posted in the EPAT's Help Folder to assist in determining which requirement is applicable.

Based on the supervisor's characterization of the executive's responsibilities, an executive (*or employee*) must include either the direct or indirect FIAR performance standard in his/her performance plan. Specific language for each requirement is found below.

FIAR Basic + Direct

FY 2027 performance plans for all SES, DISES, SP, DISL, and NAF executives *directly* responsible for managing resources or DoW business processes must include the following mandatory performance requirement under "Government Efficiency" critical element.

Mandatory FIAR Direct Language

"Supports the annual financial statement audit by accelerating the path to an unmodified audit opinion. Members with a direct role must comply with policy and regulations, implement internal control procedures, document transactions, submit auditor-requested materials timely, remediate high risk/priority material weaknesses, develop/update audit roadmaps and drive remediation strategy and plans targeted at achieving an unmodified ("clean") audit opinion. Directs continuous process and internal control improvements for major processes/systems. Identifies process and system weaknesses/reportable conditions and identifies the root cause(s) of issues. Sustains up-to-date system internal controls. Since the financial statement audit is enduring, continued support for the audit through sustaining a clean audit opinion, once achieved, is expected."

FIAR Basic + Indirect

FY 2027 performance plans for all SES, DISES, SP, DISL, and NAF executives *indirectly* responsible for managing resources or DoW business processes must include the following mandatory performance requirement under "Government Efficiency" critical element.

Mandatory FIAR Indirect Language

"Supports the annual financial statement audit by accelerating the path to an unmodified audit opinion. Members with an indirect role must implement internal controls to ensure proper business procedures; facilitate predictability and traceability; have proper authorities; as well as support business improvement and accountability. Uses standardized processes for business systems; perform quarterly testing, and report weaknesses. Implements timely Corrective Action Plans and maintains documentation to support financial transactions. Ensures the workforce is trained on business effectiveness/accountability. Regularly verifies: 1) supervisors keep time correctly; 2) retention of audit compliant receipt and acceptance documents; and 3) all equipment/personal property is enrolled in the property System of Record and annually verified. Since the financial statement audit is enduring, continued support for the audit through sustaining a clean audit opinion, once achieved, is expected."

Exceptions to FIAR

In those rare and compelling cases in which an executive or employee does not manage resources or DoW processes, or does not have a direct or indirect role in his or her organization's audit readiness or remediation efforts, the executive or employee must obtain an exemption using the specified waiver memo template.

The executive's or employee's rating official and the rater's rater must endorse the waiver prior to finalizing the member's FY 2027 performance plan. The executive must forward the completed waiver to the Deputy Chief Financial Officer's Front Office, Office of the Under Secretary of War (Comptroller).

Supervisors must review all positions with waivers annually when developing performance plans to determine whether a position's responsibilities are such that they should include the FIAR requirement.

Please use the following email address for waiver submission: osd.pentagon.ousd-c.list.dcfo-front-office-staff@mail.mil.

Key Performance Objectives for the Civilian Warfighting Acquisition Workforce

Critical Element "Achieving Organizational Goals"

Section 826(a) of the National Defense Authorization Act for FY 2026 (Public Law 119–60) requires the establishment of mandatory key performance objectives (KPOs) for evaluating the performance of civilian employees of the acquisition workforce. KPOs directly link individual warfighting acquisition workforce contributions to DoW priorities and mission outcomes. Under Secretary of War Memorandum, "Establishment of Key Performance Objectives for Warfighting Acquisition Workforce," June 15, 2026, stated that KPOs should be simple, measurable, and execution focused, tailored to executives' duties and responsibilities. Each covered executive performance plan must include, at a minimum, one Strategic Outcome KPO and one Workforce Behavioral KPO, tailored as appropriate to the employee's role, grade/broadband, duties, organizational mission, and applicable performance management system.

This performance requirement is incorporated under the "Achieving Organizational Goals" critical element, as applicable.