



CHIEF MANAGEMENT OFFICER  
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WASHINGTON, DC 20301-9010

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
COMMANDERS OF THE COMBATANT COMMANDS  
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION  
DIRECTOR, OPERATIONAL AND TEST EVALUATION  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
ASSISTANT SECRETARIES OF DEFENSE  
DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICER  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, NET ASSESSMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Defense Business Systems Investment Management Process Improvement

In order to optimize and better integrate enterprise business operations and decrease overlap and duplication, the attached business systems certification process interim guidance will be implemented for the fiscal year (FY) 2020 certification of covered and priority defense business systems (DBSs), pursuant to title 10 of the U. S. Code, section 2222 (10 U.S.C. §2222).

These changes will better align the DBS certification process with the Department's existing budget processes while shifting to a more strategic view and focusing more on portfolios of systems/investments and capabilities, while continuing to provide system level certifications in accordance with 10 U.S.C. §2222. The attached guidance will help enable this shift and enable a rapid reform to the existing process. The change is effective upon the signature date of this memorandum.

The DoD CMO is conducting an investment management process review, and additional improvements and changes may be forthcoming from that review. In addition, existing guidance will be updated and training will be provided to reflect changes to the process. Component questions should be directed to my investment management staff.

Ms. Lisa W. Hershman  
Acting

Attachment: as stated

## FY20 DBS Investment Management Process Guidance

- Using the final FY20 DoD IT budget exhibit submitted to the Office of Management and Budget in March 2019, the DoD Chief Management Officer (CMO) and the military department CMOs will review and certify, or certify with conditions, as appropriate, all covered and priority DBS for FY20 year of execution based on the submitted IT budget exhibit that:
  - The DBS is registered in the DoD IT Portfolio Repository (DITPR) corresponding to an investment in the FY20 DoD IT budget exhibit.
  - The Component has submitted to the DoD Chief Information Officer (CIO) a CIO/Chief Financial Officer joint or coordinated IT budget statement of compliance transmittal memo per the DoD Financial Management Regulation Volume 2B, Chapter 18 showing consistency with 10 U.S.C. §2222. A separate pre-certification authority (PCA) request memorandum is not required for the initial part of the FY20 process.
  - Have acceptable values for 10 U.S.C. §2222(g) compliance recorded in the DoD IT Investment Portal (DITIP) and to Business Enterprise Architecture (BEA) version 11.1 or higher.
  - Have DITPR lifecycle end date(s) aligned to the FY20 future years defense program (FYDP) year and DITIP 10 U.S.C. §2222(g) values.
  - For 4<sup>th</sup> estate and MilDep priority DBS, have CMO approved business capability acquisition cycle (BCAC) or its predecessor problem statement documentation on file at the DoD Office of the CMO (OCMO) BCAC Portal for systems with FY20 Development and Modernization (DM) funds.
- Components have 21 calendar days after the date of this memorandum to review and update the applicable 10 U.S.C. §2222(g) compliance recorded in DITIP before the DoD CMO certification review for certification approvals. The Defense Business Council (DBC) Chair will complete primary cycle certification decisions as defined by the FY20 schedule to be finalized after the date of this memorandum. MilDep CMOs should complete their FY20 primary cycle certification decisions by September 30, 2019.
- The OCMO will prepare summary briefs for Defense Business Council (DBC) review as part of the reviews prior to DoD CMO approval for 4th Estate covered and all priority DBS. MilDep CMOs have the option to include results of their reviews and certifications in these meetings.
- For those systems that do not meet the above terms, the following is required:
  - For systems whose investments don't have funds in the DoD IT budget exhibits, the components shall submit FY20 certification requests in the DITIP and a PCA request memorandum by the date defined by the FY20 schedule to be finalized after the date of this memorandum. Components should use the existing process as stated in the Defense Business Systems Investment Management Process Guidance, Version 4.1, and DITIP will have a second round of the primary cycle to accommodate this. The DBC Chair will complete subsequent certification decisions no later than September 30, 2019.
- For systems whose investments have data quality issues (e.g., system designated as a legacy DBS but has SNaP-IT resources in out years, document alignment to the appropriate BEA processes), additional actions may be required to maintain data accuracy and currency in the systems of record. This does not affect certification.

- Components are not required to make entries in the Integrated Business Framework Data Alignment Portal (IBF-DAP) for the organizational execution plan (OEP) or BEA tab or present an OEP briefing.
- The CMO will certify covered and priority defense system programs but will also use the funding data in the DoD IT budget exhibits and other funding data entered in DITIP (e.g., for systems not in the IT budget), in combination with an improved DITIP out of cycle (OOC) process, to provide visibility into, and traceability of, funding plans for the systems during the year of execution.
  - Components will be permitted to enter fact-of-life, both current services and DM, auto approve OOCs in DITIP during the course of the FY.
  - These OOC must ensure the DBS program continues to be in compliance with 10 U.S.C. §2222(g) requirements.