

# SENIOR MANAGEMENT OFFICIAL

## SINGLE AND MULTIPLE FACILITY ORGANIZATIONS

A Senior Management Official (SMO) is the cleared employee of a legal entity who, based on the entity's governance documents, occupies a position in the entity with ultimate authority over the entity's operations and the authority to direct actions necessary to safeguard classified information throughout the entity. The legal entity may consist of a single facility or many facilities. The SMO's authority to direct actions to safeguard classified information applies to the access of classified information by entity employees at all the contractor's facilities and any U.S. Government locations where they work.

A Multiple Facility Organization (MFO) is a legal entity composed of two or more cleared facilities. Within an MFO, the appointed SMO for the home office facility (HOF) is the SMO with ultimate authority for maintaining accountability for the management and operation of the security program throughout the legal entity. However, due to the unique nature of MFOs, the contractor may choose to also appoint the HOF SMO as the SMO for a cleared branch/division facility or may appoint another cleared employee as the branch/division SMO. Although ultimate accountability cannot be delegated from the HOF SMO, security related duties can be performed by an appointed branch/division SMO. Submitting individuals on a KMP List in NISS for a cleared facility constitutes "in-writing" which complies with NISPOM appointment requirements. Refer to the frequently asked questions for more information.

### SMO Duties and Responsibilities

- ☐ Oversees the implementation of the NISPOM and ensures the contractor maintains a system of security controls in accordance with the requirements of the NISPOM.
- ☐ Appoints a cleared contractor employee or employees, in writing, as the FSO and appoints the same or a different employee as the ITPSO.
- ☐ Remains fully informed of the facility's classified operations.
- ☐ Makes decisions based on classified threat reporting and their thorough knowledge, understanding, and appreciation of the threat information and the potential impacts caused by a loss of classified information.
- ☐ Retains accountability for the management and operations of the facility without delegating that accountability to a subordinate manager.
- ☐ Undergoes the same security training that is required for all other contractor employees in addition to their position specific training.
- ☐ Undergoes a personnel security investigation and national security eligibility determination for access to classified information at a level of the facility clearance and be on the KMP List for the cleared entity.





# DEFENSE COUNTERINTELLIGENCE AND SECURITY AGENCY

## Senior Management Officials

### Frequently Asked Questions

**Q: Is the SMO required to be on-site where the classified work is performed?**

A: No, the SMO is not required to be on-site where classified work is being performed. The SMO must have cognizance of the classified work being performed and be able to execute their responsibilities outlined in the NISPOM.

**Q: Will DCSA review the contractor's governance documents to ensure the SMO is properly appointed?**

A: Yes, DCSA will review the cleared facility's governance documents, board meeting minutes, and other documents to validate the HOF SMO possesses sufficient authority to meet the criteria in the NISPOM. If an MFO chooses to appoint a SMO at a cleared branch/division, DCSA will accept this appointment on the KMP List entered in NISS.

**Q: Does the SMO need to be designated in writing?**

A: Yes, the SMO is designated "in-writing" by being included on the KMP List uploaded in NISS by the entity/facility. No additional appointment letters are required. DCSA will validate the individual being designated as the HOF SMO by reviewing the governance documents. The HOF SMO is not included on the cleared branch/division KMP List if the contractor has appointed a branch/division SMO.

**Q: Is the SMO the only person who can certify the Annual Self-Inspection?**

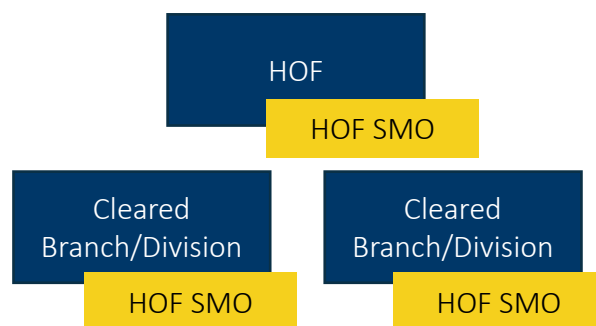
A: Yes, the NISPOM requires the designated SMO to certify the Annual Self-Inspection. When one is appointed by an MFO, the cleared branch/division SMO will perform security related duties including certifying the Annual Self-Inspection.

**Q: Are all KMP required to be briefed on the results of the Annual Self-Inspection?**

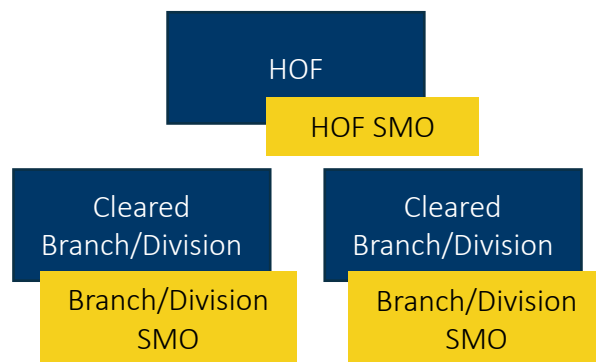
A: Yes, the NISPOM requires the SMO to certify that "other KMP" were briefed on the results of the Annual Self-Inspection. DCSA interprets the phrase "other KMP" to mean KMP on the KMP List for each specific cleared facility. KMP under an active exclusion resolution are not required to be briefed. The HOF SMO is not required to be briefed on the results for a branch/division (unless the HOF SMO is also the branch/division SMO). However, as a best practice, DCSA encourages a branch/division SMO to have procedures for notifying the HOF SMO or Director of Security, if applicable, of identified vulnerabilities that may negatively impact classified contract performance.

### MFO SMO Appointment Options

**Option 1:** Contractor appoints a single individual as the SMO for the HOF and all cleared branch/division facilities.



**Option 2:** Contractor appoints the HOF SMO and chooses to appoint a SMO at the cleared branch/division facility.



#### NISPOM References:

- 32 CFR 117.3(b) "SMO"
- 32 CFR 117.3(b) "MFO"
- 32 CFR 117.7(b), (c) & (h)

