



COMPTROLLER

OFFICE OF THE UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

MEMORANDUM FOR ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS (FINANCIAL MANAGEMENT AND COMPTROLLER) DEFENSE AGENCY AND DOD FIELD ACTIVITY CHIEF FINANCIAL EXECUTIVES

SUBJECT: New Procedures for Direct Cite Orders - FPM25-05

- References:
- (a) Department of Defense Financial Management Strategy (FY2022-2026)
 - (b) Secretary of Defense Memorandum, Secretary of Defense Fiscal Year 2025 Financial Statement Audit Remediation Priorities,” December 7, 2024
 - (c) The Defense Federal Acquisition Regulation Supplement (DFARS) 217.502-1
 - (d) Office of the Under Secretary of Defense (Comptroller) memorandum, “Use of PRDS
 - (e) Federal Acquisition Regulation (FAR) Part 17.5

This policy memorandum establishes new procedures for the processing of direct cite orders. By July 31, 2026, all Components are required to use the Purchase Request Data Standard (PRDS) to transmit purchase requests to the designated Department of Defense (DoD) contracting activity for the submission and receipt of direct cite orders. The use of Military Interdepartmental Purchase Request (MIPR)/Acceptance via DD Form 448/448-2 must be discontinued.

In alignment with the DoD financial management strategy and the Secretary of Defense audit priorities in references (a) and (b), the adoption of PRDS for direct cite orders supports the DoD’s goals to standardize critical procure-to-pay (P2P) data exchanges, enhance data quality, increase the success rate of the automated transactions, and improve auditability. The P2P handshakes memorandum and standard operating procedures (SOPs) are located at <https://www.acq.osd.mil/asda/dpc/ce/p2p/p2p-handshakes.html>.

Direct cite orders occur when a requiring activity submits a purchase request (PR) to a servicing activity to execute contracting actions on its behalf. In these cases, the requiring activity’s line of accounting is provided, to include the Treasury Account Symbol data elements, and must be used throughout all subsequent contract actions. The PRDS enables two critical functions that are foundational to Handshake 1 SOP, as defined in references (c) and (d):

1. Creation of a valid PR using the PRDS within the appropriate PR system or module.
2. Transmission of the PRDS using the Defense Logistics Agency (DLA) Defense Automatic Addressing System (DAAS) Global Exchange (GEX), leveraging existing Office of the Under Secretary of Defense (Comptroller) standardized connections, where it is received and accepted in the Contract Writing System (CWS).

The Handshake 1 SOP will be updated to reflect this mandatory requirement for processing direct cite orders. PRDS adoption is required to streamline P2P workflows and

reduce errors associated with manual data entry and transmission. All Enterprise Resource Planning (ERP) systems responsible for generating purchase requests must be configured to produce and transmit PRDS-compliant data. CWSs must be capable of receiving and processing PRDS formatted request from ERP systems.

This policy guidance should be used in conjunction with, and does not supersede, existing requirements for establishing an interagency agreement (IAA) prior to initiating a PR for orders accepted direct cite. The IAA remains essential and must document the terms and conditions governing the relationship between the requesting activity and the servicing activity per reference (e).

If the PR involves reimbursable funding, whether for the administrative fee associated with providing contractual services or for the procurement of items under a subsequent contract, the PR must be processed through Government Invoicing (G-Invoicing) using the Federal Intragovernmental Data Standard (FIDS) for orders which is based on the 7600B Form's format. Following completion of the G-Invoicing exchange, a PRDS transaction to the performing activity may be required to support execution of the contract award.

In addition to the requirements that ERP systems and CWSs are configured to generate and process PRDS-compliant PRs for direct cite orders, this memorandum also addresses critical downstream processes related to receipt and invoice management. To ensure full lifecycle visibility across the P2P process, target accountable property system of record (APSR), entitlement, and accounting systems must also be equipped to handle standardized data exchange and file format associated with Handshakes 5 and 6.

To support seamless data integration and accountability across the P2P lifecycle, Handshakes 5 and 6 must be fully implemented within the target systems. These handshakes leverage pre-populated contract data and exchanges to enable accurate routing of receiving reports and invoices to the appropriate APSR, entitlement, and accounting systems. The Electronic Data Access (EDA) module, which houses DoD's contract data, and Wide Area Workflow (WAWF), the designated submission portal, have both recently been enhanced to support this pre-population and routing capability.

Accordingly, this memorandum directs system owners of target APSR, entitlement, and accounting systems to take the necessary steps to enable the routing and exchange capability. To do so, system owners should contact the Procurement Integrated Enterprise Environment (PIEE) operating team at PIEEOPSTeam@dla.mil and the Application team at PIEEAppManTeam@dla.mil.

To support the transition to the PRDS for direct cite orders and ensure accurate financial processing, monthly financial operations (FINOPS) meetings will serve as the primary mechanism to monitor compliance. These meetings will track the integration of PRDS with enterprise systems and verify the routing of receiving reports and invoices to the APSR, entitlement, and accounting systems, specifically focusing on Handshake 1, 5, and 6 protocols. The DoD Financial Management Regulation (FMR) requirement contained in this memorandum will be incorporated into the next revision of the DoD FMR Volume 03, Chapter 08.

Maintaining traceability of transactions in accordance with DoD-wide standards is essential to resolving unmatched transactions. The procurement point of contact is Ms. Jenniffer Vazquez at Jenniffer.m.vazquez.civ@mail.mil. The financial management point of contact is Mr. Stewart Petchenick at stewart.c.petchenick.civ@mail.mil.

John M. Tenaglia
Principal Director, Defense Pricing, Contracting,
and Acquisition Policy

Tina M. Pierce
Deputy Chief Financial Officer

cc:

Under Secretary of Defense for Personnel and Readiness
Commander, United States Cyber
Command (ATTN: Acquisition Executive)
Commander, United States Cyber
Command (ATTN: Chief Financial Executive)
Commander, United States Special Operations
Command (ATTN: Acquisition Executive)
Commander, United States Special Operations
Command (ATTN: Chief Financial Executive)
Commander, United States Transportation
Command (ATTN: Acquisition Executive)
Assistant Secretary of Defense for Acquisition
Defense Agency and DoD Field Activity Directors
Deputy Assistant Secretaries of the Military Departments
(Acquisition and Procurement)
Director, Defense Finance Accounting Service