



# Command Cost Model Document

---

## AMC Aviation and Missile Life Cycle Management Command (AMCOM)

The Deputy Assistant  
Secretary of the Army -  
Cost & Economics

(DASA-CE)

4/30/2015

Enterprise Resource Planning  
(ERP) Command Cost Model  
(CCM) Document – Command  
Series

Reference No. » CCM–OA60.X



## Table of Contents

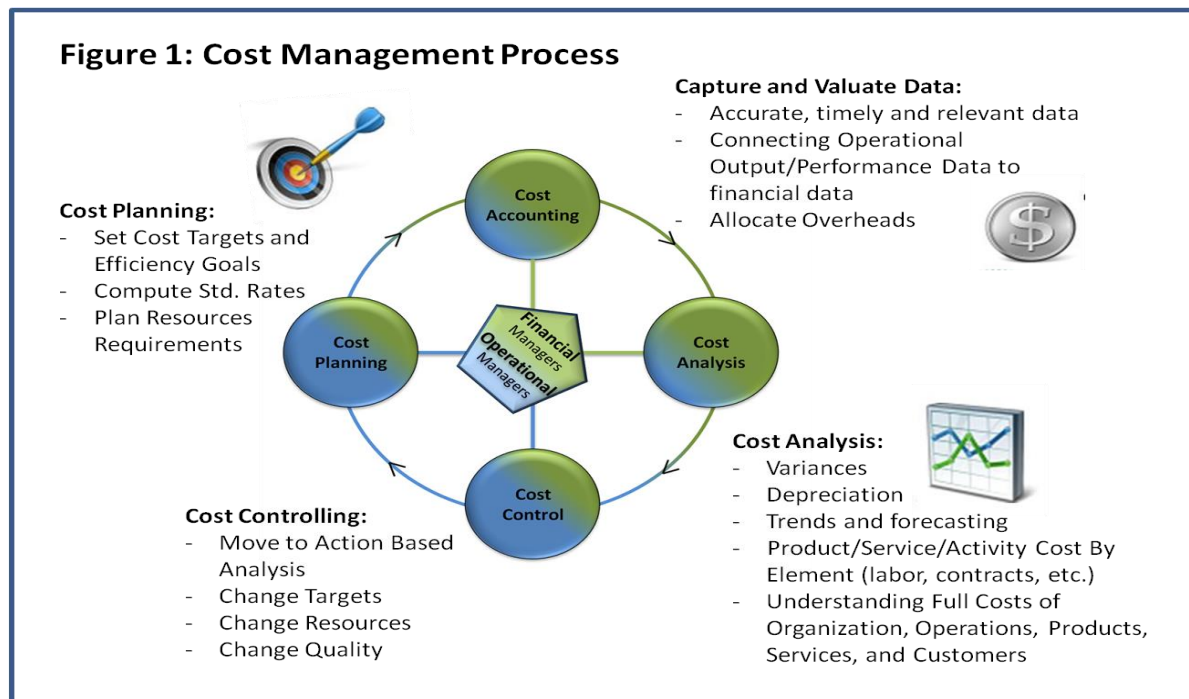
Statement of Purpose .....	1
Command Overview .....	2
Cost Management Objectives.....	2
Command Master Data.....	2
Cost Centers.....	2
Activity Types.....	4
Internal Orders.....	5
WBS Elements.....	6
Statistical Key Figures (Non-Financial Measures) .....	6
Cost Elements .....	6
Business Processes.....	7
Attributes (Custom Fields) .....	7
Planning.....	9
Capture Actuals.....	9
Payroll .....	9
Labor .....	10
Non-Pay/Labor .....	10
Depreciation.....	10
Perform Allocations/Cost Assignments .....	11
CM Data Load.....	11
Reporting.....	12
Considerations for Cost Model Updates.....	13



## Statement of Purpose

The purpose of the *ERP Command Cost Model (CCM)* document (hereinafter the “Cost Model”) is to provide a living document, which contains the necessary information to be utilized as a reference guide to aid in the understanding of how the command’s current Cost Model is represented in the multiple ARMY ERP platforms, such as the General Fund Enterprise Business System (GFEBS), Global Combat Support System (GCSS), and Logistics Modernization Program (LMP) ERPs. Each command’s Cost Model and corresponding utilization of supporting capabilities within the ERP’s has been adapted to meet the requirements of each command and the Army-Wide cost objectives. The Cost Model consists of the defined system master data and supporting transactions necessary to support the Cost Management Process (see Figure 1). Therefore the Cost Model consists of:

- identification of the cost objectives
- definition for the master data elements
- execution of various kinds of planning
- capturing of ‘actuals’
- allocations/cost assignments and corresponding data loads necessary for driver data
- various reporting requirements



The intended audience of this document consists of readers already familiar with the ERP applications and the cost management concepts within the Cost Management Handbook.



## **Command Overview**

---

This section of the AMC Command Cost Model document covers the portion of the AMC Cost Model associated with the U.S. Army Aviation and Missile Life Cycle Management Command (AMCOM) only.

AMCOM provides integrated engineering, logistics and contracting for aviation and missile systems. AMCOM consists of Soldiers, civilians and contractors with the focus on the soldier on the ground; enabling readiness to meet the emerging global requirements. AMCOM strives to be responsive to commanders in the field to support Joint Warfighters and Allies.

## **Cost Management Objectives**

---

### **Current Objectives**

AMCOM's current cost objective is to track the costs of organizations and the work efforts those organizations perform.

### **Future Objectives**

As requirements change within the area of focus, objectives should continually be reviewed to ensure the Cost Model is providing the level of information required to make resource informed decisions and/or provide transparency for external reporting and requirements justifications. AMCOM, as a Life Cycle Management command, should consider utilization of other custom fields on the WBS Element such as Weapon System to provide further management information for decision support.

## **Command Master Data**

---

### **Cost Centers**

#### **Overview**

Cost Centers (CCs) represent the organizations (e.g. Company A) listed within the Modification Table of Organization and Equipment (MTOE) or Table of Distribution and Allowances (TDAs) entities (e.g. AVIATION FIELD MAINTENANCE). Cost Centers are established to collect and manage costs incurred within an organization for the corresponding capacity output provided



(e.g. Labor Hours). Cost Centers align to the UIC-Paragraph structure of the TDAs or the MTOE structured authorized UICs (e.g. Company A). AMCOM has TDA related Cost Centers only.

## Coding Logic

AMCOM was first generated utilizing a 3\* series. AMCOM now functions within the Army's Global Combat Support System-Army (GCSS-A) ERP as well, which replaces many legacy logistical systems such as the Property Book and Unit Supply Enhanced (PBUSE) system. GCSS-A technically requires Federated 4\* series Cost Centers. Therefore, AMCOM Cost Centers are being federated in alignment with the GCSS-A Fielding schedule to support AMCOM property management and supply requisitioning activities. All AMCOM organizations will receive a new 4\* series Cost Center code within FY15 to replace the current 3\* Series identifiers. To maintain consistency between GFEBs and GCSS-A, Cost Center changes are allowed under specific conditions. Creating a new Cost Center requires a unique combination of the UIC-Paragraph on an approved Force Structure document or a structure Derivative UIC (DUIC) to reflect the MTOE units (e.g. WXXXA0 for Company A).

AMCOM maintains two 3\* series Cost Centers reflecting Corpus Christi and Letterkenny Army Depots (ADs) utilized to capture Army Working Capital Fund (AWCF) related real property costs. Additional to the AWCF ADs, AMCOM has General Fund related real property Cost Centers as well. The first four positions contain the last four of the Fund Center responsible for that real property, followed by a 'P' to distinguish them from Organizational Cost Centers, and then 001-035 for types of Buildings as identified in Table 1: Example of Standard Real Property Cost Centers for AMCOM below.

**TABLE 1: EXAMPLE OF STANDARD REAL PROPERTY COST CENTERS FOR AMCOM**

CC #	CC Description
A60X3P011	AVIATION & MISL MNT
A60X3P015	MAINT & PROD FAC
A60X3P021	ADMINISTRATION FACS
A60X4P003	HEADQUARTER FACILITI
A60X4P004	CENTRAL WASH FACILIT
A60X4P013	VEHICLE MNT FACS
A60X4P018	STORAGE & SUPPLY
A60X4P019	AMMO STORAGE/SUPPLY
A60X4P020	MED/HOSPITAL FACS
A60X4P025	COMMUNITY FACILITIES



These Cost Centers are necessary to support the Real Property Depreciation process within GFEBs and to support the capability of tracking costs per building. All Real Property related Cost Centers are used solely within GFEBs and will not be integrated with GCSS-A.

## Informational Fields

In addition to the Cost Center code, there are many other data elements defined on the Cost Center master data record that are utilized for reporting or interfacing with other systems, such as (but not limited to), Standard Hierarchy, Area of Responsibility, Name 4 and Interface Indicator (utilized if using ATAAPS for time tracking).

## Activity Types

### Overview

Activity Types, (i.e. Resource Pools) describes the kind of capacity of a specified resource within a Cost Center, typically measured in units of time, hours (HRS) or volume (BTUs), etc. Therefore, Activity Types (AcTypes) are used to assign capacity-related costs to consuming cost objects. Activity Types are used to plan, allocate and control costs. Activity Types are categorized as Labor Related versus Non-Labor Related. The most prevalent category is Labor Related which is structured to reflect the different types of Labor Related Resource Pools such as Civilians, Military, etc. Additionally, Non-Labor Related Activity Types are created as needed to reflect the capacity costs of Machines (e.g. Bulldozer \$/Hour) or Facilities (e.g. \$/Sqft).

### Usage & Calculations

AMCOM's main capacity is work force, and therefore Labor Related. The transaction for associating the capacity consumed requires a *quantity* and *rate* to exist for the Cost Center and Activity Type. Refer to Table 2: Summary Utilization of Activity Types that lists a summary of Activity Types utilized by AMCOM.

- Labor Related Activity Types – the Labor Related Activity Types have been defined for the ARMY as a whole, based on various Pay Plans and Series and encompasses all of the kinds of skills provided by labor resources utilized by AMCOM.
  - Civilian – For all Civilian related labor charges, the payroll costs remain on the Cost Center where the Primary expense posting occurs. For entities tracking Civilian Labor to products/services, then Civilian Labor Activity Types are utilized to perform time tracking. AMCOM does currently perform Time Tracking for Civilian Labor hours and as such Labor Activity Types are needed to support both the payroll and labor tracking processes.



- Military – Currently, AMCOM is not tracking time related to Military labor hours and output worked within GFEBs.
- Local National – AMCOM does have Local National (LN) Payroll associated to organizational cost centers; therefore, LN Activity Types are utilized. See Payroll section for further information on LN Payroll.
- Contractor – AMCOM currently does not track Contractor labor hours to outputs.
- Non-Labor Related Activity Types – Currently, AMCOM does not utilize non-Labor Related Activity Types to assign out cost of capacity.

**TABLE 2: SUMMARY UTILIZATION OF ACTIVITY TYPES**

Type	Area	Utilized
Labor	Civilians	Yes
Labor	Military	No
Labor	Local Nationals	Yes
Labor	Contractors	No
Non-Labor	NA	No

## Internal Orders

### Overview

Orders are a type of cost object utilized to capture the cost of an event (e.g. maintenance request, reason for travel) or a repetitive service (e.g. Military Card Processing). There are various kinds of Orders, such as Internal Orders (IOs) and Plant Maintenance Orders (PMOs). Within each kind of Order there are various Order Types which support the segregation of like-kind events.

### Command Usage

AMCOM utilizes Internal Orders (Order Types ZFIN, ZKOR, ZMIS, and ZUFL) within its Cost Model. AMCOM's IOs track the cost associated with several processes such as:

- Germany default Line of Accounting (LOA) for German Payroll processes
- Collections related to Fish and Wildlife programs
- Track indirect overhead costs using Costing Sheets (see Perform Allocations/Cost Assignments section)
- Korean pay Labor Cost Sharing (LCS) process and are defined as Statistical (STAT). STAT IOs cannot be posted to as a single cost collector and require another cost collector on the posting as well such as a Cost Center.



- Unfunded Leave payroll process

## **WBS Elements**

### **Overview**

Work Breakdown Structure (WBS) Elements are utilized to identify the sub-activities required to perform a Project. Additionally, WBS Elements are utilized to support the reimbursable processes (via the Sales Orders or the Direct Charge processes) for services provided within and external to the Army.

### **Command Usage**

The main cost collector for AMCOM is the WBS Element in order to track the transparency, visibility and activity of the efforts being supported. In summary, AMCOM uses WBS Elements to:

- Collect any reimbursable costs for services provided
- Provide funding to other entities via the Direct Charge process
- Manage Official Representation Funding (ORF)
- Track costs of Functional Cost Accounts (FCAs) such as F4810 – RESET - DEPOT MAINTENANCE, F4812 - RESET - AVIATION SPECIAL TECHNICAL INSPECTION AND REPAIR (AVN STIR)
- Identify purpose of training such as Retirement training versus Mandatory training
- Track costs of products/services (ATTR2) such as 1300 - PROVIDE INTEL/SECURITY
- Support for Foreign Military Sales (FMS)

## **Statistical Key Figures (Non-Financial Measures)**

Statistical Key Figures (SKFs) represent the non-financial measures a command might want to track to support performance reporting and/or to be utilized to support Allocations. Currently, AMCOM does not utilize SKFs to track non-financial measures.

## **Cost Elements**

### **Primary Cost Elements**

Primary Cost Elements track initial expenditures within the system and are defined ARMY-wide. Therefore, nothing specific for the AMCOM command has been developed related to Primary Cost Elements.





## **Secondary Cost Elements**

Secondary Cost Elements are utilized to track cost flows from initial expenditure to final cost objects. There have not been any Secondary Cost Elements generated specifically to address AMCOM requirements.

## **Business Processes**

Currently the AMCOM Cost Model does not use Business Processes to track cross-functional business activities or Activity-based Costing.

## **Real Property**

AMCOM does have Real Property; therefore, this cost object is present within the AMCOM Cost Model. The Army Depots (ADs) are supported within GFEBs for Property Accountability (inventory of real property) and for Property Accounting Calculation (utilization of GFEBs Asset Depreciation calculation processes.) The Army Depots, such as the Corpus Christi and Letterkenny, are managed by AMCOM and therefore reflected within the AMCOM Cost Model. Additionally, AMCOM has several General Funds related Real Property entities.

## **Attributes (Custom Fields)**

Currently, AMCOM uses Custom Fields added to the base SAP master data elements of Cost Centers, Internal Orders and WBS Elements:

- Functional Cost Account – tracking FCA codes issued for tracking of Hurricanes and deployment related events.
- Attribute 2 (ATTR2) field – utilized to track services such as 1101: THREAT SUPPORT TO ACQUISITION or 1102: MEASUREMENT OF RADIATION
- Command Defined Field – Starting in FY15, AMC has issued policy on utilization of the Command Defined Field in order to provide transparency into the reimbursable customer source of funding. See Table 3: Sample of AMC-wide Command Defined Field Values for sample values (not all-inclusive list). The AMC General Funds Customer Codes are five alphanumeric digits and are representative of organizations only (e.g. the fund center requesting such as A5XA0 or external entities). Within GFEBs, the AMC Customer Code must be populated on all WBS Elements that will execute reimbursable funds. The AMC Customer Code must be input as the FIRST five characters in the “Command Defined Field” of the execution level WBS Elements. Additionally, the AMC MSC/LCMC must input the LAST four digits of the supplying Funds Center immediately after the AMC Customer Code.



**TABLE 3: SAMPLE OF AMC-WIDE COMMAND DEFINED FIELD VALUES**

Customer Defined Code	Customer	Description
A5XB0	PEO Ammunition	PEO Ammunition - includes all Fund Centers A5XB*
A5XC0	PEO Aviation	PEO Aviation - includes all Fund Centers A5XC*
D4A00	Air Force	Air Force
D4C00	Defense Advanced Research Projects Agency (DARPA)	Defense Advanced Research Projects Agency (DARPA)
F5A00	Department of Agriculture (USDA)	Department of Agriculture (USDA)
N6A00	Private Industry	Private Industry
N6B00	Academia/Universities	Academia/Universities

- FMS Work Classification - added to the WBS Element to provide an aggregate classification of work such as direct FMS case work versus administration support versus other kinds of support costs. 4: Work Classification Codes below provides the completed list of Work Classification codes assigned to FMS case and administration related WBS Elements. See Table 4: Work Classification Codes below.

**TABLE 4: WORK CLASSIFICATION CODES**

Work Classification Code	Work Classification Description
ASLS	ASLS
CONC	CONTRACTOR COST
FMFA	FMF ADMIN
FMSA	FMS ADMIN
FMSC	CASE
NRSC	NON RECURRING SUPPORT COST
RGSC	RECURRING GOVERNMENT SUPPORT COST

- FMS Work Category - added to the WBS Element to provide further visibility into the kinds of costs or reason for FMS case (those codes that are all numeric) or FMS administrative processes (codes starting with a letter). Table 5: Sample Work Category Codes below provides a sample of FMS case and administrative related Work Category Codes.

**TABLE 5: SAMPLE WORK CATEGORY CODES**

Work Category	FMS Work Category Description
CF1	PRE-LOR TASKS
CF3	CASE EXECUTION



CF5	BUSINESS SUSTAINING
-----	---------------------

- FMS Work Category Element – added to WBS Elements to provide an even further break down the FMS administration related Work Category Codes into the activities being performed to provide further visibility into the work effort provided. Table 6: Sample Work Category Element Codes below provides a sample list of Work Category Element codes.

**TABLE 6: SAMPLE WORK CATEGORY ELEMENT CODES**

Work Category Element	Work Category Element Description
0000	NOT APPLICABLE
09110	LEAVE TIME (ANNUAL, SICK, HOLIDAY, ADMIN)
3210A	COORDINATE WITH CONTRACTOR AND OTHER ENTITIES AS APPROPRIATE
3313C	MONITOR AND MANAGE CASE PERFORMANCE FROM CRADLE-TO-GRAVE
<b>(Note: Not an all-inclusive list.)</b>	

## Planning

AMCOM currently does not utilize any Cost Planning capabilities.

## Capture Actuals

### Payroll

Civilian Payroll will be disbursed out of the Defense Civilian Payroll System (DCPS) with financial transactions being recorded on a bi-weekly basis. The Budget LOA is defined within the Human Resources (HR) master data record for each employee. One item to note is the Funds Center for the paying Budget LOA is actually determined by the Funds Management business logic (i.e. FMDERIVE – a custom table inside the ERP platforms that associate Cost Management master data with Funds Management master data).

AMCOM is responsible to maintain both the Faces-to-Spaces document identifying the association of Activity Types to Cost Centers and the calculations of the Rates. Additionally, AMCOM maintains the HR LOA within ERPs and requests updates to the FMDERIVE related



business rules necessary for payroll to post against the correct funding. For more information on Faces-to-Spaces see <http://www.opm.gov/oca/10tables/indexGS.asp> .

In addition to Civilian Payroll, AMCOM also has Germany and Korean Local Nationals (LN) payroll.

## **Labor**

AMCOM currently tracks Civilian labor hours daily to products/services command wide. Therefore, Secondary Cost Elements, such as 9300.0100 – LABOR CHARGE-REG are seen assigning the cost of labor from AMCOM-related Cost Centers to Orders and/or WBS Elements. Local Nationals are not performing time tracking.

## **Non-Pay/Labor**

For Non-Pay/Labor costs, the individual initiating the budget execution action needs to indicate the organization and/or event (e.g. Internal Order or WBS Element) receiving the benefit of the non-payroll expense.

## **Depreciatio**

AMCOM receives depreciation postings for capital equipment tracked within the Property Book Unit Supply Enhanced (PBUSE) system. PBUSE is being subsumed by GCSS-Army as a part of the GCSS-Army Wave 2 rollout FY15 – 17.

In the interim, PBUSE interfaces with GFEBs to provide all transactional data to financially reflect the capital equipment acquisitions, destruction, lost and transferred. GFEBs utilizes the asset transactions in conjunction with depreciation schedules or equipment usage data received from Operating and Support Management Information System (OSMIS) to determine the Usage-Based Depreciation to post as the non-budget relevant cost of the equipment associated to each Organization or Unit (Cost Center).

For the General Funds AMCOM-related facilities, depreciation postings for Real Property are associated to the buildings and assets identified within the Real Property portion of GFEBs. Types of facilities include Permanent facility, Semi-permanent facility, and Temporary facility. The various types of facilities have different Useful Life determinations for determination of depreciation. For example, a facility could depreciate over twenty-five years (25 yrs.) of useful life while an access control point could depreciate over five years (5 yrs.) of useful life.

GFEBs is also utilized to calculate the Real Property depreciation values for the Army Depots and Army Ammunition Plants which is then provided to the Logistic Modernization Program (LMP) system utilized to generate the Army Working Capital Fund (AWCF) Financials. The depreciation for the Corpus Christi and Letterkenny ADs are accommodated via this process.



## Perform Allocations/Cost Assignments

---

Various kinds of Allocations/Cost Assignments can be supported within the Cost Model. AMCOM currently utilizes Costing Sheets to associate indirect costs to their end cost objects.

### Costing Sheets

The costing sheets are centrally managed by Headquarters; they create and maintain various Costing Sheets for AMCOM. An organizational POC at AMCOM reviews the overhead sheets data and identifies any changes that need to be made by the Help Desk, i.e. new Cost Center/Activity Type Hours to apply OH against, new OH rates, Fund on the OH posting, etc. Costing Sheets can be updated at any point in time throughout the year, but every organization will review and make updates as a part of Year-End Activities.

DASA-CE has oversight and will approve changes and creations to Costing Sheets.

A Costing Sheet is an allocation tool that is used for the application of indirect costs (e.g. management oversight, network support, etc.) to the receiver object (WBS Elements for AMCOM) that reflects the work effort.

Costing Sheets have two methods for calculating the amount of indirect costs to be associated:

- 1) Percent of the dollars posted – An example of this method is to support the Unfunded Civilian Service Retirement (UCSR) process. A percentage of just the labor dollars charged to a WBS Element is utilized to calculate the amount to collect for unfunded civilian retirement, post-retirement health benefits and post-retirement life insurance costs from specific customer types (i.e. DoD Components, Federal Agencies, and private parties).
- 2) Dollar per Hour (\$/Hr) – An example of this method is for each labor hour confirmed to the WBS Element (e.g. 10 hrs of direct labor hours at \$78.00/Hr resulting in \$780.00 of direct labor costs), an additional \$33.52/Hr is charged to cover all indirect costs (resulting in \$335.20 of indirect costs also being associated to the WBS Element).

## CM Data Load

---

Various kinds of Allocations/Cost Assignments can be supported within the Cost Model. AMCOM currently utilizes Costing Sheets to associate indirect costs to their end cost objects.



## Reporting

No specific reports are associated for the AMCOM command only. Below Table 7: Sample List of Common Cost Management Reports provides a sample list of common Cost Management related reports used for all commands.

**TABLE 7: SAMPLE LIST OF COMMON COST MANAGEMENT REPORTS**

GFEBs ECC Reports			
Area	Report Name	T-Code/ROLE	Benefit
Master Data – CCs	Display Cost Centers (CCs)	KS03 and KS13/ EPS_EC_CM_ECC_DISPLAY_RPTR_0000	Display individual or all Cost Center(s) Master Data within a Group (e.g. use the last 4 digits of the Fund Center to get all Cost Centers associated with the Cost Center Hierarchy of that Fund Center).
Master Data – IOs	Display Internal Orders (IOs)	KO03 and KOK3 / EPS_EC_CM_ECC_DISPLAY_RPTR_0000	Display individual or all Internal Order Master Data.
Master Data – WBSs	Project Info System: WBS Elements	CN43n	Displays all Projects and WBS Element Master Data.
Plan – AcType Rates	Activity Type (AcType) Price Report	KSBT/ EPS_EC_CM_ECC_DISPLAY_RPTR_0000	Displays AcType Rates Associated to a Cost Center.
Actuals – CCs	Cost Centers: Actual/Plan/Variance	S-ALR_87013611/ EPS_EC_CM_ECC_DISPLAY_RPTR_0000	Actual \$s for Cost Centers and AcType, SKF Quantities.
Actuals – IOs	Orders: Actual/Plan/Variance	S-ALR_87012993/ EPS_EC_CM_ECC_DISPLAY_RPTR_0000	Actual \$s for Internal Orders and SKF Quantities.
Actuals – WBS	Display Project Actual Costs Line Items	CJ13	Cost Line Item Postings to WBS Elements.
Actuals – Costs	Display Actual Cost Document	KSBB5/ EPS_EC_CM_ECC_DISPLAY_RPTR_0000	CO Document Actual Costs for Transactions that have posted.
GFEBs BI Reports			
Area	Report Name	T-Code/ROLE	Benefit
Actuals – Costs	Cost by Reports	Cost by Cum Report / Cost Management Reporter.	BI Report displaying costs with various Attributes.



## Considerations for Cost Model Updates

Table 8: Improvements to Command Cost Model lists items for consideration for updating/improving the AMCOM Cost Model.

**\*\*\*Notional example only – to be built with Command based on priorities\*\*\***

**TABLE 8: IMPROVEMENTS TO COMMAND COST MODEL**

Code	Category	Description	Benefit	Timeline
1	Master Data	Review Cost Centers for Federation and GFMDI.	Aligns structures to future automated approach for maintenance of Cost Centers.	QX FY15
2	Master Data	Review Employee HR Mini Cost Center Assignments. Labor charges to other Command Cost Centers is not appropriate.	Ensures correct tracking of Labor costs within and across commands.	QX FY15
3	Master Data	Evaluate RESP CC on WBS Elements to support Settlements.	All WBS Elements have to be net zero eventually. Costs are assigned back to a Cost Center for the organization responsible or to follow-on products/services. Allows for deactivation of master data.	QX FY15
4	Master Data	Review that no personally identifiable information such as Employee Name in WBS Element description in conjunction with Payroll Data is available.	Ensures compliance with Personnel Information Protection requirements.	QX FY15
5	Master Data	Review additional custom fields on WBS Elements for consistent usage across command such as Weapon System,	Automatically generates Cost By Weapon System reporting.	QX FY15
6	Allocations & Assignments – GFEBS	Generate Overhead Allocations.	Associate centralized and Indirect costs to the benefiting organization or product/service.	QX FY15
7	Non-Financial Measures	Determine what Metrics AMCOM utilizes for performance and identify if they can be associated within the Cost Model.	Alignment of Output/Measures with costs for efficiency/effectiveness reporting.	QX FY15