**Enclosure B: Terms of Reference**

**Availability Factor.** 145 monthly hours (1740 per year) available for primary duty during peacetime (Normal). (AR 570-4)

**Contract.** A contract is a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. (Federal Acquisition Regulation 2.101)

**Contractor.** Non-government personnel acquired through a funded contract vehicle to provide specific skill sets to an organization for a specified period of time, to perform not inherently governmental functions. Examples include, but are not limited to, acquisition support, engineering support, logistics support, and testing and evaluation.

**Customer (Requiring Organization).** The organization providing the funding and priorities for their work effort.

**Customer Order.** An order received and accepted by the performing (supplying) activity from a customer. It is written evidence that a meeting of the minds has taken place and that certain goods and services will be provided to the tenderer of the order (customer) for payment of a dollar amount. The order must contain an original signature or equivalent of both the ordering activity and the receiving activity and must specify a dollar amount. The specified dollar amount cannot be exceeded. (DoD 7000.14-R Glossary)

**Direct Charge Work Breakdown Structure (WBS)**. A Direct Charge (DRCH) is any reimbursable work that occurs where the requester (the buyer) and performer (the seller) execute funds in GFEBS. The Army keeps track of the work completed internally and does not bill itself. NO SALES ORDER IS REQUIRED. For auditing purposes, it is important that coordination between the requesting and performing activities occurs prior to the creation of the WBS element. This should include detailed work and cost for the reimbursable good / service (i.e., support agreement.) The supporting documentation must be attached to the WBS element upon creation. The funded program type on the WBS element must be DRCH. (Excerpts from an info web site: https://ssilrc.army.mil/resources/FMS/GFEBS/AccountsReceivables/3CostObjects/html/page231827.html)

**Direct Civilian Labor.** The cost of direct civilian labor incurred in the performance of a service for, or the furnishing of materials to, another entity shall be reimbursed unless the performing entity has been provided funds appropriated directly to it for that purpose. (DoD 7000.14-R Volume 11A, Chapter 1)

**Direct Funded Support.** Manpower authorizations that are funded by an appropriation in which reimbursement between resource lines does not occur. Direct funded support

manpower includes both civilian and contractor personnel (even though CMEs no longer have an authorization on a TDA or in PROBE).

**Direct Touch Time Labor (DTTL) or Direct Labor Touch Time (DLTT) Cost.** A commonly used term in reimbursable support agreement process. The seller uses the term to describe labor cost of personnel who will provide goods and services stated in a support agreement. DTTL (or DLTT) cost typically includes base pay, locality pay, fringe benefits and annual pay increase along with annual inflation increase. DTTL cost is different from indirect cost and non-labor cost.

**Economy Act Order.** An order for goods or services placed by a Federal Agency or Department to another governmental agency under the provisions of 31 U.S.C. 1535. (DoD 7000.14-R Glossary)

**Embedded Support.** Staff augmentation of a Program Executive, Program, and/or Project Management Office (PMO) core mission. The core mission includes, but is not limited to:

* Must be government employees. No contractors are authorized to provide embedded support under a 7600A support agreement.
* Performing a range of leadership duties; represents the PEO/Program/Project Office at conferences and/or meetings
* Supports the PEO/Program/Project Manager’s plans, mission, and goals; and, provides advice to higher level management on all matters
* Directs, develops, or performs Program/Project/Logistics management operations
* Selects, applies, and interprets SME principles and practices related to their specialty area
* Evaluates requirements and assists in determining cost effective solutions
* Executes the full range of the PPBE cycle; budget formulation and execution planning for multiple appropriations
* Plans, develops, writes, and implements policy and standing operating procedures
* Submits analysis and recommendations on the full range of cost, schedule, and performance; implements government decisions, guidance, laws, regulations, and policy

These government employees may or may not be co-located with the PEO/Program/ Project Management shop, but they receive their daily instructions/approvals directly from PEO/Program/Project Management Staff. Examples include mechanical engineer supporting the technical management directorate in technical maturation or a logistician working development of the fielding schedule. Of note, most, if not all, BMD support was converted from matrix to core for FY22 execution.

**Federal Agency.** Includes any entity that is operated exclusively as an instrumentality of such an Agency for administering one or more programs of that Agency. Both DoD appropriated and non-appropriated fund activities are included under this definition. (DoD 7000.14-R)

**Fixed Cost.** A cost that does not vary in the short term with the volume of activity. Fixed cost information is useful for cost savings by adjusting existing capacity, or by eliminating idle facilities. [Statement of Federal Financial Accounting Standards (SFFAS) No. 4] [DASA-CE Cost Management Handbook]

**Full Time Equivalent.** The total number of regular straight-time hours worked (i.e., not including overtime or holiday hours worked) by employees divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave, compensatory time off and other approved leave categories are considered "hours worked" for purposes of defining full-time equivalent employment. (OMB Circular No. A- 11 (2014))

**Reimbursable Full Time Equivalent.** The total number of regular straight-time hours worked (i.e., not including overtime or holiday hours worked) by employees divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave, compensatory time off and other approved leave categories are not considered "hours worked" for purposes of defining reimbursable full-time equivalent employment.

**Human Capital Management.** A strategic approach to people management that focuses on the stock of competences and knowledge embodied in the ability to perform/execute missions, functions, tasks to produce an output or capability. It is the attributes gained by a worker through education and experience. Human Capital investment is identifying and using resources, including time and money, to ensure the workforce has the information, skills, and competencies needed to work effectively. Strategic Human Capital Management is the active alignment of the talent, energy, and knowledge with the strategic objectives of the organization.

**Human Resource Management.** Primary responsibilities include job analysis and staffing, organization and utilization of work force, measurement and appraisal of work force performance, implementation of reward systems for employees, professional development of workers, and maintenance of work force. Includes recruitment, employment and staffing, salary/pay and benefits administration, training and development, health, safety and security, HR information systems, labor relations

**Indirect Cost.** (See Overhead.) A cost that cannot be identified specifically with or traced to a given cost object in an economically feasible way. The cost of resources that are jointly or commonly used to produce two or more types of outputs but are not specifically identifiable with any of the outputs, e.g., general administrative services, general research and technical support, security, rent, employer health and recreation facilities, and operating and maintenance cost for buildings, equipment, and utilities. Such cost can be assigned to the output on a cause and effect basis or allocated on a reasonable and consistent basis. {[SFFAS No. 4] DASA-CE Cost Management Handbook}

**Interagency Acquisition.** A procedure by which an agency needing supplies or services (the requesting agency (customer)) obtains them from another agency (the servicing agency (supplier)), by an assisted acquisition or a direct acquisition. The term includes-

1. Acquisitions under the Economy Act (31 U.S.C. 1535); and
2. Non-Economy Act acquisitions completed under other statutory authorities, (e.g., General Services Administration Federal Supply Schedules in subpart 8.4 and Government wide acquisition contracts (GWACs)). (Federal Acquisition Regulation 2.101)

**Intra-Agency Agreement.** An agreement between two or more entities within a single DoD Component or between DoD Components. (DoDI 4000.19)

**Intra-Agency Support.** The support provided by one DoD Component to another DoD Component or the support provided within a DoD Component between two or more entities of that component. (DoDI 4000.19)

**Inter-Agency Agreement.** An agreement within a DoD Component and a federal agency. (DoDI 4000.19)

**Inter-Agency Support.** The support provided by a DoD Component to a federal agency and vice versa. This does not include support provided to or received from foreign governments. (DoDI 4000.19)

**Internal Control Documentation.** Written policies, organization charts, procedural write-ups, manuals, memoranda, flow charts, decision tables, completed questionnaires, software, and related written materials used to describe the internal control methods and measures, to communicate responsibilities and authorities for operating such methods and measures, and to serve as a reference for persons reviewing the internal controls. (DoD 7000.14-R Glossary)

**Internal Controls.** The manner in which financial, manpower, and property resources are to be controlled and safeguarded by the regular authorization, approval, documentation, recording, reconciling, reporting, and related accounting processes. (DoD 7000.14-R Glossary)

**Internal Control Standards.** The standards issued by the Comptroller General for use in establishing and maintaining systems of internal control. Those standards are applicable to all operations and administrative functions, but are not intended to limit or interfere with duly granted authority for the development of legislation, rulemaking, or other discretionary policy making in an Agency. (DoD 7000.14-R Glossary)

**Key 4.** In the programming community - Four codes common to all Army Resource lines. The Army Program Element (APE), Appropriation (APPN), Management Decision Package (MDEP), and Resource Organization Code (ROC). If Key 4 data is available, the buyer and the seller must enter the Key 4 data into Section 75 of FS7600B or within the funding document functioning as an order in lieu of the 7600B. If Key4 data is not available, the trading parties will use G-INV generated unique ID.

**Manpower Requirements.** Human resources needed to accomplish specified workloads of organizations. The term manpower requirements is synonymous with required manpower. (AR 570-4)

**Matrix Support Personnel (co-located with customer).** Functional support personnel provided to a customer by a supplier to support enduring customer core work efforts. These personnel are assigned to the supplier and physically sit at the customer's location. Co-located matrix support personnel requirements are defined by a support agreement, this agreement will outline specific skill sets for a specific period of time. Examples include, but are not limited to, engineering support, logistics support, administration support, quality assurance, etc. For PEO/PM community, must be a Department of Army Civilian.

**Matrix Support Personnel (not co-located with customer).** Functional support personnel provided to a customer by a supplier in support of the customers' requirements to support enduring work efforts. These personnel are assigned to the supplier and physically sit at the supplier's location. Non co-located matrix support personnel requirements are defined by a support agreement, this agreement will outline specific skill sets for a specific period of time. Examples include, but are not limited to, engineering support, logistics support, administration support, quality assurance, etc.

**Military Interdepartmental Purchase Request (MIPR).** An order issued by one military service to another to procure services, supplies, or equipment for the requiring service. The MIPR (DD Form 448) may be accepted on a direct citation or reimbursable basis, and it will be it will be superseded in the future by the 7600B. Some of MIPRs can be "Economy Act" (31 U.S.C. 1535) order subject to downward adjustment when the obligated appropriation is no longer valid for obligation. (DoD 7000.14-R Glossary)

**Memorandum of Agreement (MOA).** A type of intra-agency, interagency, or National Guard agreement between two or more parties, which includes specific terms that are agreed to, and a commitment by at least one party to engage in action. It binds a party to a specific action. All agreements requiring reimbursable funding will be recorded in FS7600A, not in MOA, IAW DoDI 4000.19. However, MOA can be used for a commitment of resources in preparation of or in support of a FS7600A support agreement.

**Memorandum of Understanding (MOU).** A type of intra-agency, interagency, or National Guard agreement between two or more parties, which includes only general understandings between the parties. It neither includes a commitment of resources nor binds a party to any specific action. All agreements requiring reimbursable funding will be recorded in FS7600A, not in MOU, IAW DoDI 4000.19.

**New Trading Partner.** Any federal or local government activity with whom an Army command or agency has not previously had a support agreement.

**Non-Economy Act Order.** An order for intra-governmental support, where a DoD activity needing goods and services (requesting DoD Agency/customer) obtains them from a Non-DoD agency (assisting/servicing agency/performer) under statutory authorities other than the Economy Act (DoD FMR Volume 11A, Chapter 18).

**Non-Embedded Support.** Support outside the of a Program Executive, Program, and/or Project Management Office core mission; sometimes manpower utilized on an as needed basis to provide an independent deliverable on a sub-contract-like basis that the employee does not take their daily instructions/approvals directly from PEO/Program/ Project Management Staff. Examples include Army Test and Evaluation Command (ATEC) manpower conducting a test, a lab conducting research, or a contracting officer at Army Contracting Command (ACC) awarding a production contract.

**Overhead.** Costs that are incurred but are not clearly associated with specific units of a product or service; includes all costs other than direct material and direct labor. In addition to indirect materials and indirect labor, it includes such items as depreciation, fringe benefits, payroll taxes, and insurance. Overhead includes two major categories of cost, operations overhead and general and administrative overhead. Operations overhead includes costs that are not 100 percent attributable to the activity but are generally associated with the recurring management or support of the activity. General and administrative overhead includes salaries, equipment, space, and other tasks related to headquarters management, accounting, personnel, legal support, information management, and similar common services performed external to the activity, but in support of the activity. {[OMB Circular A-76] DASA-CE Cost Management Handbook}

**Overhead Rate.** The rate determined by performing organizations to allocate operating costs not directly identifiable to the work order. The rate may include supervisory and general and administrative expenses as well as miscellaneous material and supplies. (DoD 7000.14-R Glossary)

**Predictive Resource Staffing Model (PRSM).** A PRSM for the program management function has been approved by the U.S. Army Manpower Analysis Agency for use within the Program Executive Office community. The PRSM output identifies the matrix support co-located with the customer requirements for each program office, based on its life cycle phase. The customer is responsible for producing the PRSM output for matrix support as supporting documentation to the FS Form 7600A.

**Program and Budget Guidance (PBG).** The PBG provides resource guidance to MACOMs, PEOs, and other operating agencies. The document covers-The force structure and associated manpower, appropriations of immediate MACOM and PEO interest, and Construction, using trust funds for commissary construction and non-appropriated funds (NAF) for morale, welfare, and recreation (MWR) construction. (AR 1-1)

**Project/Service Based Execution Year Support Personnel.** Functional support personnel provided to a customer by a supplier or non-recurring to support un-planned work efforts that typically emerge in the year of execution. These personnel support specific work products, tests, or services that are defined by the customer, and are assigned to the supplier typically sitting at the supplier's location. These work efforts and support personnel requirements are defined by a reimbursable support agreement which outline specific scope(s) of work. Examples include, but are not limited to, discrete testing events, failure tests, ad hoc research and development efforts, etc.

**Project Order.** An order for goods or services issued under the authority in 41 U.S.C. 6307 to a separately managed and financed Federal Government owned and operated establishment. (DoD 7000.14-R Glossary)

**Reimbursable Authority.** Reimbursable Budget Authority is a financial management control mechanism that controls which departments or agencies have the authority to create reimbursable agreements. DoD Reimbursable Authority is authorized by the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)), through budget formulation and statutory authorization of the budget in accordance with Title 10, United States Code, section 2205 (10 U.S.C. § 2205)

**Reimbursable Order.** An order for services, supplies, material, or equipment placed by a requiring DoD Component (or Federal Agency) and furnished by another DoD Component (or Federal Agency) without separate identification of the items, or separate citation of the funds of the requiring DoD Component; and with subsequent delivery to and reimbursement by the requiring DoD Component. The requiring DoD Component records the reimbursable order as an obligation when the procuring DoD Component accepts the reimbursable order in writing. (DoD 7000.14-R Glossary)

**Reimbursements.** Amounts earned and collected for property sold or services furnished either to the public or another Federal accounting entity. To be an appropriation reimbursement, the collection must be authorized by law for credit to the specific appropriation or fund account. (DoD 7000.14-R Glossary)

**Recurring Reimbursable Support.** An order for services, supplies, material, or equipment placed by a requiring DoD Component (or Federal Agency) and furnished by another DoD Component (or Federal Agency) on a continual basis without separate identification of the items, or separate citation of the funds of the requiring DoD Component; and with subsequent delivery to and reimbursement by the requiring DoD Component. The requiring DoD Component records the reimbursable order as an obligation when the procuring DoD Component accepts the reimbursable order in writing. (DoD 7000.14-R Glossary)

**Strategic Portfolio Analysis Review (SPAR)**. The SPAR process allows Army leaders to review and address most critical capability gaps in order to make informed decisions within a larger strategic framework. The SPAR prioritizes limited modernization resources, weighed against risks and critical capability gaps, in order to balance near-term readiness requirements against long-term force development. SPAR replaced the Long-range Investment Requirements Analysis (LIRA) process in 2017.

**Supplier (Supplying Organization).** The organization that is responsible for delivering the scope of work outlined in the FS 7600A reimbursable support agreement. Examples include, but are not limited to, acquisition support, engineering support, logistics support, and testing and evaluation. Furthermore, examples of a Supplying Organization include U.S. Army Materiel Command (AMC), U.S. Army Space and Missile Defense Command (SMDC), etc. Key 4 data for the organizations providing funding for the personnel will be placed in section 75 of FS Form 7600B or in the body section of the DD Form 448, Military Interdepartmental Purchase Request (MIPR).

**Table of Distribution and Allowances (TDA).** An authorization document that prescribes the organizational structure and the personnel and equipment requirements and authorizations of a military unit to perform a specific mission for which there is no appropriate MTOE. TDA are unique in that they are developed based on the type and workload of a unit's mission. (AR 71-32)

**Variable.** A cost that varies with changes in the level of an activity, when other factors are held constant. The cost of material handling to an activity, for example, varies according to the number of material deliveries and pickups to and from that activity.

{[SFFAS No. 4] DASA-CE Cost Management Handbook}

**Workload.** The amount of work assigned/directed to and expected to be accomplished by a worker or unit of workers in a given time period. (AR 570-4)

**Workload Management.** The act of describing the work to be accomplished, both near term and projected; estimating the time and resources required to accomplish the work at an acceptable level of standard; prioritizing the work to be accomplished; applying the available resources to accomplish the work; and evaluating the results against predetermined quantitative and qualitative standards. (AR 570-4)