



Command Cost Model Document

AMC Army Contracting Command (ACC)

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.H



Table of Contents

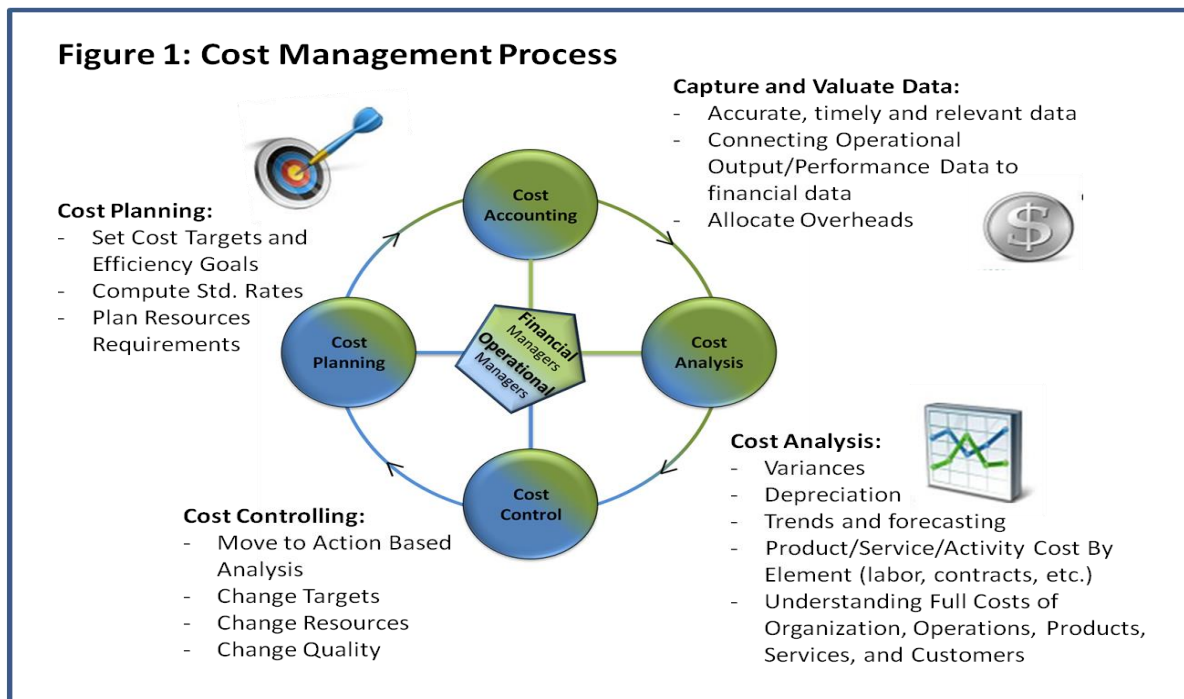
Statement of Purpose	1
Command Overview	2
Cost Management Objectives	2
Command Master Data	2
Cost Centers	2
Activity Types	3
Internal Orders	5
WBS Elements	5
Statistical Key Figures (Non-Financial Measures)	6
Cost Elements	6
Business Processes	6
Real Property	7
Attributes (Custom Fields)	7
Planning	9
Capture Actuals	9
Payroll	9
Labor	9
Non-Pay/Labor	10
Depreciation	10
Perform Allocations/Cost Assignments	10
CM Data Load	10
Reporting	11
Considerations for Cost Model Updates	12



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 Contracting Command (ACC) only.

ACC delivers contracting solutions to commands and stakeholders focusing on reliably delivering operational excellence. ACC provides contracting within the continental United States focusing on mission, program executive offices, and installation requirements. Additionally, ACC has an expeditionary contracting focus outside of the continental United States in order to support Service Component Commanders, joint operations, and other defense organizations.

Cost Management Objectives

Current Objectives

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

Future Objectives

As requirements change in management of contracting processes and demands of different customer groups, 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.

Command Master Data

Cost Centers

Overview

Cost Centers (CCs) represent the organizations (e.g. 408TH CSB KUWAIT) listed within the Modification Table of Organization and Equipment (MTOE) or Table of Distribution and Allowances (TDAs) entities (e.g. CONTRACT OPERATIONS). 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).



Coding Logic

When GFEBS was first established there was a quasi-smart coded numbering logic to the Cost Centers reflecting the Fund Center that pays for those entities and then no logic afterwards, just a number to reflect the different branches, directorates etc. (e.g. 60H20001 – 60H20198). A portion of ACC converted to GFEBS during this time frame, and therefore the Cost Center coding was smart-coded. As GFEBS matured, multiple issues were identified with this approach requiring a shift to a non-smart coded nomenclature thereby removing the Fund Center identification within the Cost Center numbering for other commands. Cost Centers for non-Tactical entities were generated utilizing a 3* series and the initial ACC organizations loaded with smart-coded were switched over to 3* and all additional ACC organizations added with each GFEBS deployment utilize 3* series as well.

ACC 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, ACC Cost Centers are being federated in alignment with the GCSS-A Fielding schedule to support ACC property management and supply requisitioning activities. All ACC 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).

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

ACC'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.

Table 1: Summary Utilization of Activity Types below lists a summary of Activity Types utilized by ACC.

- 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 ACC.
 - 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. ACC 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, ACC is not tracking time related to Military labor hours and output worked within GFEBS.
 - Local National – ACC does have Local National (LN) Payroll associated to organizational cost centers; therefore, LN Activity Types are utilized. ACC is not performing Time Tracking for Local Nations. See Payroll section for further information on LN Payroll.
 - Contractor – ACC currently does not track Contractor labor hours to outputs.



- Non-Labor Related Activity Types – Currently, ACC does not utilize non-Labor Related Activity Types to assign out cost of capacity.

TABLE 1: 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

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

- Default Line of Accounting (LOA) IOs to support the Italian and German Payroll processes.
- Collection of Unfunded Leave through the Payroll process.
- Korean pay Labor Cost Sharing (LCS) process which 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.



- Track labor costs to four IOs representing various organizations supported such as ANC-ARLINGTON NATIONAL CEMETERY or DAU-DEFENSE ACQUISITION UNIVERSITY

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 ACC is the WBS Element in order to track the transparency, visibility, and activity of the efforts being supported. In summary, ACC uses WBS Elements to:

- Capture miscellaneous cash collections
- Collect any reimbursable costs for services provided
- Provide funding to other entities via the Direct Charge process
- Track costs for purpose of travel by organization, such as 409TH CSB EMERGENCY/MEDICAL TRAVEL
- Track costs of Functional Cost Accounts (FCAs), such as F1201– OPERATION ENDURING FREEDOM (OEF), or F4703– OPERATIONS IN SUPPORT OF EBOLA IN AFRICA (REIMBURSABLE COST)

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, ACC 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 ACC 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 ACC requirements.

Business Processes

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

Real Property

ACC does not have Real Property and therefore this cost object is not present within the ACC Cost Model.

Attributes (Custom Fields)

Currently, ACC 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.
- 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 2: Sample of AMC-wide Command Defined Field Values for sample values (not all-inclusive list). The AMC General Funds Customer Codes are 5 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 2: SAMPLE OF AMC-WIDE COMMAND DEFINED FIELD VALUES

Customer Defined Code	Customer	Description
A5XB0	PEO Ammunition	PEO Ammunition - includes all Fund Centers A5XB*
D4A00	Air Force	Air Force



The Deputy Assistant Secretary of the Army for Cost & Economics
ERP Command Cost Model Document — Command Series
U.S. Army Materiel Command Army Contracting Command (ACC)

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. : Work Classification Codes below provides the completed list of Work Classification codes assigned to FMS case and administration related WBS Elements. See Table 3: Work Classification Codes below.

TABLE 3: 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 4: Sample Work Category Codes below provides a sample of FMS case and administrative related Work Category Codes.

TABLE 4: 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 5: Sample Work Category Element Codes below provides a sample list of Work Category Element codes.

TABLE 5: SAMPLE WORK CATEGORY ELEMENT CODES

Work Category Element	Work Category Element Description
0000	NOT APPLIABLE
09110	LEAVE TIME (ANNUAL, SICK, HOLIDAY, ADMIN)
09130	COMMAND ACTIVITIES
09520A	SECURITY COOPERATION WORKFORCE TRAINING
(Note: Not an all-inclusive list.)	

Planning

ACC 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).

ACC 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, ACC 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, ACC also has Italian, German and direct Korean Local Nationals (LN) payroll.



Labor

ACC 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 ACC-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.

Depreciation

ACC receives depreciation postings for capital equipment (e.g. 409TH CSB) 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).

Perform Allocations/Cost Assignments

Various kinds of Cost Allocations/Assignments can be supported within the Cost Model. ACC currently does not have any recurring Cost Allocations/Assignments occurring.

CM Data Load

Currently, ACC does not have any external systems that need to be imported as cost drivers for allocations.



Reporting

No specific reports are associated for the ACC command only. Table 6: Sample List of Common Cost Management Reports below provides a sample list of common Cost Management related reports used for all commands.

TABLE 6: 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_DISPLY_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_DISPLY_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_DISPLY_RPTR_0000	Displays AcType Rates Associated to a Cost Center.
Actuals – CCs	Cost Centers: Actual/Plan/Variance	S-ALR_87013611/ EPS_EC_CM_ECC_DISPLY_RPTR_0000	Actual \$s for Cost Centers and AcType, SKF Quantities.
Actuals – IOs	Orders: Actual/Plan/Variance	S-ALR_87012993/ EPS_EC_CM_ECC_DISPLY_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	KSB5/ EPS_EC_CM_ECC_DISPLY_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 7: Improvements to Command Cost Model below lists items for consideration for updating/improving the ACC Cost Model:

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

TABLE 7: 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	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
3	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
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	Actuals	Eliminate Payroll postings to WBS Elements.	Ensures Manpower reporting is correct. Payroll Accounts should not be used to move Payroll costs to a WBS Element; only a Secondary Cost Element such as 9300.01VR LABOR VARIANCE should be utilized.	QX FY15
6	Actuals	Validate no Depreciable assets.	Ensures compliance for Audit.	QX FY15
7	Allocations & Assignments – GFEBS	Generate Overhead Allocations.	Associate centralized and Indirect costs to the benefiting organization or product/service.	QX FY15
8	Non-Financial Measures	Determine what Metrics ACC 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