



Command Cost Model Document

U.S. Army Arlington National Cemetery (ANC)

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(ERP) Command Cost Model
(CCM) Document – Command
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Table of Contents

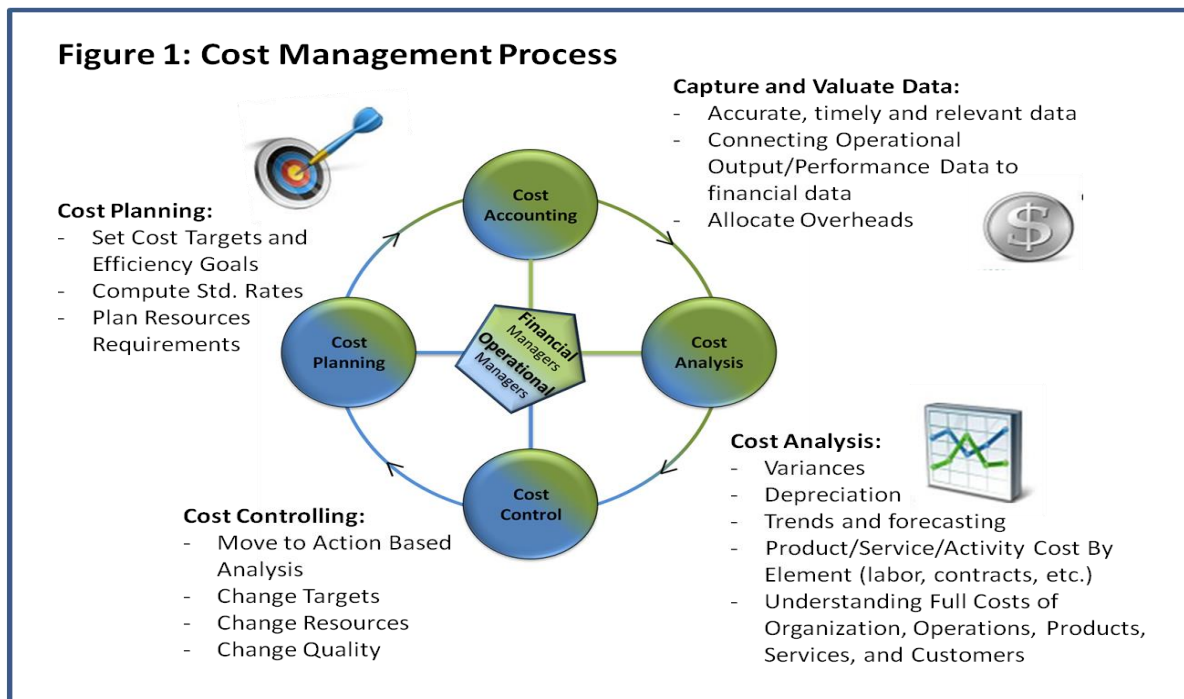
| | |
|--|---|
| Statement of Purpose | 1 |
| Command Overview | 2 |
| Cost Management Objectives..... | 2 |
| Command Master Data..... | 2 |
| Cost Centers | 2 |
| Activity Types | 3 |
| Internal Orders..... | 4 |
| WBS Elements | 5 |
| Statistical Key Figures (Non-Financial Measures) | 5 |
| Cost Elements | 5 |
| Business Processes..... | 6 |
| Real Property | 6 |
| Attributes (Custom Fields) | 6 |
| Planning..... | 6 |
| Capture Actuals..... | 6 |
| Payroll | 6 |
| Labor | 7 |
| Non-Pay/Labor | 7 |
| Depreciation..... | 7 |
| Perform Allocations/Cost Assignments | 7 |
| CM Data Load..... | 7 |
| Reporting..... | 8 |
| Considerations for Cost Model Updates..... | 9 |



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

U.S. Army Arlington National Cemetery (ANC) command has responsibility to develop, operate, and administer the program for the Army National Military Cemeteries. The Army National Military Cemeteries consists of the Army National Cemetery in Arlington Virginia and the Soldiers' and Airmen's Home National Cemetery located in Washington D.C. ANC manages the day-to-day operations of the cemeteries focusing on honoring the Fallen who have served and remembering the sacrifice made by soldiers.

Cost Management Objectives

Current Objectives

ANC's current cost objective is to track the costs of organizations and the work efforts those organizations perform to support various programs.

Future Objectives

As requirements change, 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. Company A) listed within the Modification Table of Organization and Equipment (MTOE) or Table of Distribution and Allowances (TDAs) entities (e.g. CEMETERY & MEMORIAL FIELD 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). ANC has TDA related Cost Centers only.



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. VSBB0001 – VSBB0016). ANC 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.

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

ANC'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 1: Summary Utilization of Activity Types that lists a summary of Activity Types utilized by ANC.

- 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 ANC.
 - 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. ANC does not currently perform Time Tracking for Civilian labor hours and as such Labor Activity Types are needed only to support the payroll process.
 - Military – Currently, ANC is not tracking time related to Military labor hours and output worked within GFEBS.
 - Local National – ANC does not have Local National (LN) Payroll and therefore does not utilize LN Activity Types.
 - Contractor – ANC currently does not track Contractor labor hours to outputs.
- Non-Labor Related Activity Types – Currently, ANC 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 | No |
| 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

ANC does not utilize Internal Orders within its Cost Model except for the automatic usage of Order Type ZUFL for support of the Payroll Interface for UNFUNDED LEAVE.

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

ANC utilizes WBS Elements only to provide funding to other entities via the Direct Charge process.

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, ANC 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 ANC 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 ANC requirements.

Business Processes

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

Real Property

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

Attributes (Custom Fields)

Currently, ANC is not using any of the Custom Fields added to the base SAP master data elements of Cost Centers, Internal Orders and WBS Elements.

Planning

ANC 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).

ANC 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, ANC 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>.

Labor

ANC does not track Civilian Labor to products/services command wide. Therefore, Secondary Cost Elements, such as 9300.0100 – ‘LABOR CHARGE-REG’ are not currently used to assign the cost of labor from ANC-related Cost Centers to Orders and/or WBS Elements.

ANC might receive the benefit of Labor charges associated to an activity performed against Direct Charge-related WBS elements. Therefore, ANC entities should understand Secondary Cost Elements related to Labor Activity Types to become familiar with these charges if/when they are received from other supporting organizations.

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

ANC does not currently have real property or equipment that meets capitalization requirements; therefore, no Depreciation is included within the Cost Model.

Perform Allocations/Cost Assignments

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

CM Data Load

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



Reporting

No specific reports are associated for the ANC command only. Below Table 2: Sample List of Common Cost Management Reports provides a sample list of common Cost Management related reports used for all commands.

TABLE 2: 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 3: Improvements to Command Cost Model lists items for consideration for updating/improving the ANC Cost Model.

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

TABLE 3: 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 Internal Order ZUFL for Unfunded Leave automatic payroll process. | Ensures Unfunded Leave is tracked appropriately and reported accurately. | 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 | Actuals | Validate no Depreciable assets. | Ensures compliance for Audit. | QX FY15 |
| 5 | Allocations & Assignments – GFEBS | Generate Overhead Allocations. | Associate centralized and Indirect costs to the benefiting organization, work effort or product/service. | QX FY15 |
| 6 | Non-Financial Measures | Determine what Metrics ANC 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 |