Command Cost Model Document

U.S. Army Intelligence & Security Command (INSCOM)

The Deputy Assistant Secretary of the Army – Cost & Economics

(DASA – CE)

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

Reference No. » CCM—OA25

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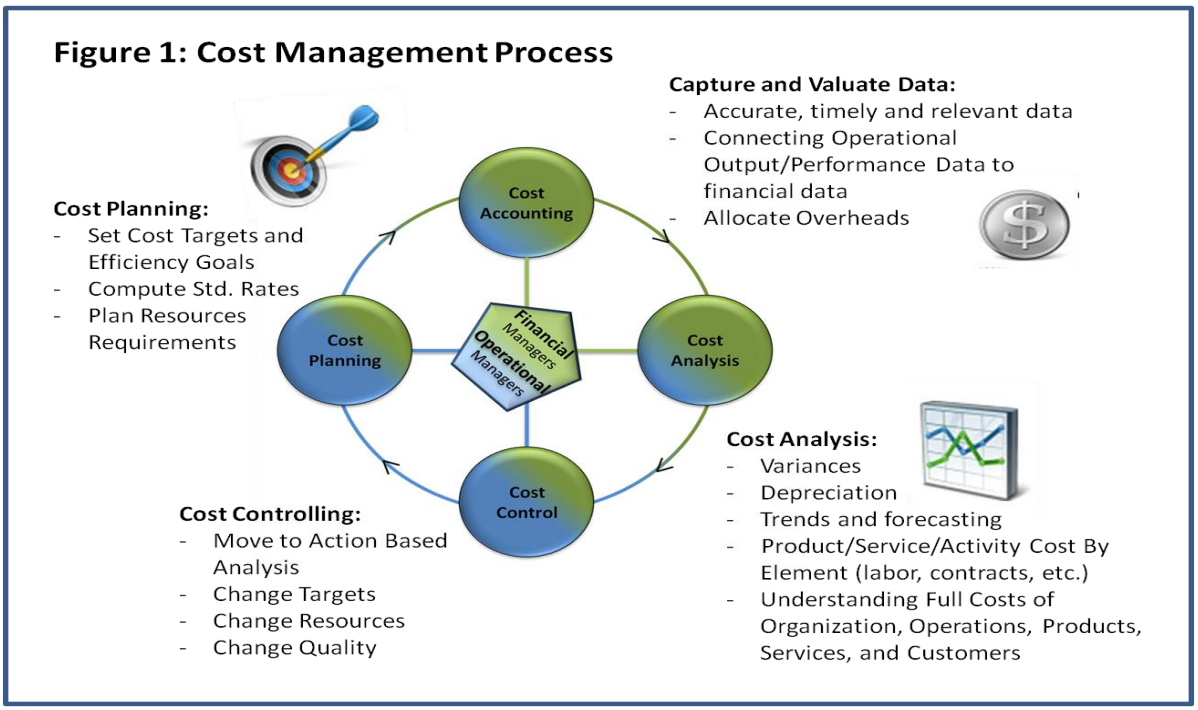
Statement of Purpose

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

Figure 1: Cost Management Process



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

The U.S. Army Intelligence and Security Command (INSCOM) conducts multi-disciplined intelligence, security, and information operations for unit commanders, joint and combined forces, and national decision makers. INSCOM utilizes leading edge technology to turn raw data into actionable intelligence. INSCOM provides a wide variety of intelligence capabilities spanning computer network and information assurance operations, direct and general counterintelligence support, generation of intelligence products, imagery exploitation, electronic and information warfare, etc.

Cost Management Objectives

Current Objectives

Currently, INSCOM only has a partial Cost Model defined within the GFEBS and GCSS-A systems for the sole purpose of requisitioning supplies for its Units and events within GCSS-A. As such, a significant portion of this document is yet to be defined.

Future Objectives

INSCOM's future cost objectives will be defined as part of fielding activities for GFEBS Sensitive Activities (GFEBS/SA). As INSCOM's Cost Model becomes defined, this document will be augmented to reflect the complete Cost Model across all of the ERPs that support the command's activities.

Command Master Data

Cost Centers

Overview

Cost Centers (CCs) represent the organizations (e.g. 3D MILITARY INTELLIGENCE BATTALION) listed within the Modification Table of Organization and Equipment (MTOE) or Table of Distribution and Allowances (TDAs) entities (e.g. VOICE INTERCEPT TEAM). 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

INSCOM integrates with the Army's Global Combat Support System (GCSS-A) ERP and therefore has Federated 4* series Cost Centers and is completely Federated requiring no additional changes to the current Cost Center numbering. 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

INSCOM's Activity Types are currently not defined. As the INSCOM cost model is developed, analysis will be performed against current standard Activity Type definitions for identification of which Activity Types will be utilized and if additional Activity Types should be added to the standard centralized list to accommodate any specialized skill sets specific to INSCOM resources.

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

INSCOM's Internal Orders are currently not defined. As the INSCOM cost most is developed, analysis will be performed on the kinds of events and cost objectives to be supported and then Internal Orders will be determined if necessary. Once INSCOM's payroll processes are handled via an ERP, then Internal Orders required to support those processes, such as Internal Order type ZUFL for the Unfunded Leave process, will be defined and utilized.

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

INSCOM currently has a few WBS Elements to support the limited scope of activities currently performed within GCSS-A to track the costs of Functional Cost Accounts (FCAs) such as Y2314 – INSCOM CN ISR SUPPORT.

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, SKFs in INSCOM are not fully defined. However, once INSCOM's Cost Centers were created as master data within GFEBS, inbound interfacing systems utilizing the UIC code to generated postings automatically started posting costs into GFEBS as well. Therefore, training ammo costs associated with INSCOM organizational UICs are posted within GFEBS (see CM Data Load section below for further details.) SKFs required to support the capturing of training ammo costs are

automatically identified and generated within the cost model. Examples of the kinds of Ammo-related SKFs are listed in **Error! Reference source not found.** below.

TABLE 1: SAMPLE OF SKFS UTILIZED

Statistical Key Figure	Unit	Description
WSKV	EA	FA AMMO SPT VEH (FAASV), G801, XM922
WSP4	EA	HVY EXP MOBIL AMMO TLR (HEMAT) M989, M98
WSY1	EA	OTHER ARTILL AMMO NOT SPECIFIC LISTED AB
WSY6	EA	COMPO FOR CONVENTION AMMO MAINT & RENOVA
WSYV	EA	OTHER TANK & ARMORED VEHGUN AMMO

Cost Elements

Primary Cost Elements

Primary Cost Elements track initial expenditures within the system and are defined ARMY-wide. Therefore, nothing specific for the INSCOM 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. As INSCOM's Command Cost Model has not been fully defined within the complete ERP system, it is premature at this time to specify whether any INSCOM specific Secondary Cost Elements may be identified.

Business Processes

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

Real Property

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

Attributes (Custom Fields)

Currently, INSCOM only utilizes the Functional Cost Account (FCA) Custom Field added to the SAP WBS Element master data. As the INSCOM cost model is developed, attribute utilized will be defined to support all management decision support requirements.

Planning

INSCOM currently does not utilize any Cost Planning capabilities.

Capture Actuals

Payroll

The INSCOM Cost Model currently does not have Payroll captured within the ERP system and therefore is not applicable at this time. Once INSCOM has been fully deployed then 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).

INSCOM will be 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, INSCOM will maintain 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

INSCOM does not currently track Civilian Labor to products/services command wide; however, once their Cost Model is fully defined, Secondary Cost Elements, such as 9300.0100 – 'LABOR CHARGE-REG' may be used to assign the cost of labor from INSCOM-related Cost Centers to Orders and/or WBS Elements once identified.

In the future, INSCOM might receive the benefit of Labor charges associated to an activity performed against Direct Charge-related WBS elements. Therefore, INSCOM 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

Once the INSCOM Cost Centers were created within GFEBS to support supply requisitioning within GCSS-A, any inbound interface that utilized the UIC code on a cost center also went live. As such, INSCOM 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).

Perform Allocations/Cost Assignments

Various kinds of Cost Allocations/Assignments can be supported within the Cost Model. Currently, INSCOM's cost allocations or assignments are not defined.

CM Data Load

Currently, INSCOM Cost Centers receive a non-budget relevant Training Ammo cost generated via the Worldwide Ammunition Reporting System (WARS) interface. The WARS interface is utilized to associate costs of training ammunition to the Units in order to more accurately report the total cost of a Unit. The interface runs on a monthly basis for the data from the prior month. Information provided via the interface relates to:

- DODAAC – Department of Defense Activity Address Codes – will indicate the Ammunition Supply Points (ASP) issuing the ammo
- DODIC – Department of Defense Identification Codes – will indicate the type of ammo issued
- Quantity – will indicate how much of a particular type of ammo has been moved between an ASP and a Unit
- Price – will indicate the latest acquisition cost for each unit of a particular type of ammo
- WARS Transaction Code – is a 3-digit code which will indicate whether the ammo was issued to the Unit or returned to the ASP

Reporting

No specific reports are associated for the INSCOM 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	CJI3	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 INSCOM 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	Define Internal Orders and their usage within INSCOM.	Enables costs to be tracked by events and/or by products/services.	QX FY15
3	Master Data	Review RESP CC on WBS Elements to support Settlements.	Enables costs to be tracked by events and/or by products/services.	QX FY15
4	Allocations & Assignments – GFEBS	Define Overhead Allocations.	Associate centralized and indirect costs to the benefiting organization or to products/services.	QX FY15
5	Non-Financial Measures	Define what Metrics INSCOM 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