



# Business Process Procedure for U.S. Army

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## Resource Rates



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Business Process Procedure  
(BPP) — Resource Rates

Reference No. » RTS.2.0002



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## Revision History

Reference Number	Revision Date	Summary of Changes	Revised By
BPP–RTS. 2.0002	7/11/2017	Published	Anne Kennedy

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## Document Location

<https://cpp.army.mil/webcenter/portal/ACMPortal/KNOWLEDGE%20CENTER/BPP%20Documents>

## Relationship to Other Documents

### Authoritative Documents

Authoritative Documents	
Document Name	Document Location
Defense Finance and Accounting Service (DFAS) Regulation 37-1-R, Chapter 15	<a href="https://www.asafm.army.mil/dfas.aspx?doc=37-1">https://www.asafm.army.mil/dfas.aspx?doc=37-1</a>
Statement of Federal Financial Accounting Standards 4: Managerial Cost Accounting Standards and Concepts	<a href="http://www.fasab.gov/document-by-chapter/">http://www.fasab.gov/document-by-chapter/</a>
DOD 7000-14R FMR Volume 4 Accounting Policy	<a href="http://comptroller.defense.gov/FMR/fmrvolumes.aspx">http://comptroller.defense.gov/FMR/fmrvolumes.aspx</a>

### Required Documents

Required Documents	
Document Name	Document Location
NA	

### Supportive Documents

Supportive Documents	
Document Name	Document Location
LTT.3.0001 (Resource Utilization)	<a href="https://cpp.army.mil/webcenter/portal/ACMPortal/KNOWLEDGE%20CENTER/BPP%20Documents">https://cpp.army.mil/webcenter/portal/ACMPortal/KNOWLEDGE%20CENTER/BPP%20Documents</a>



## **Purpose**

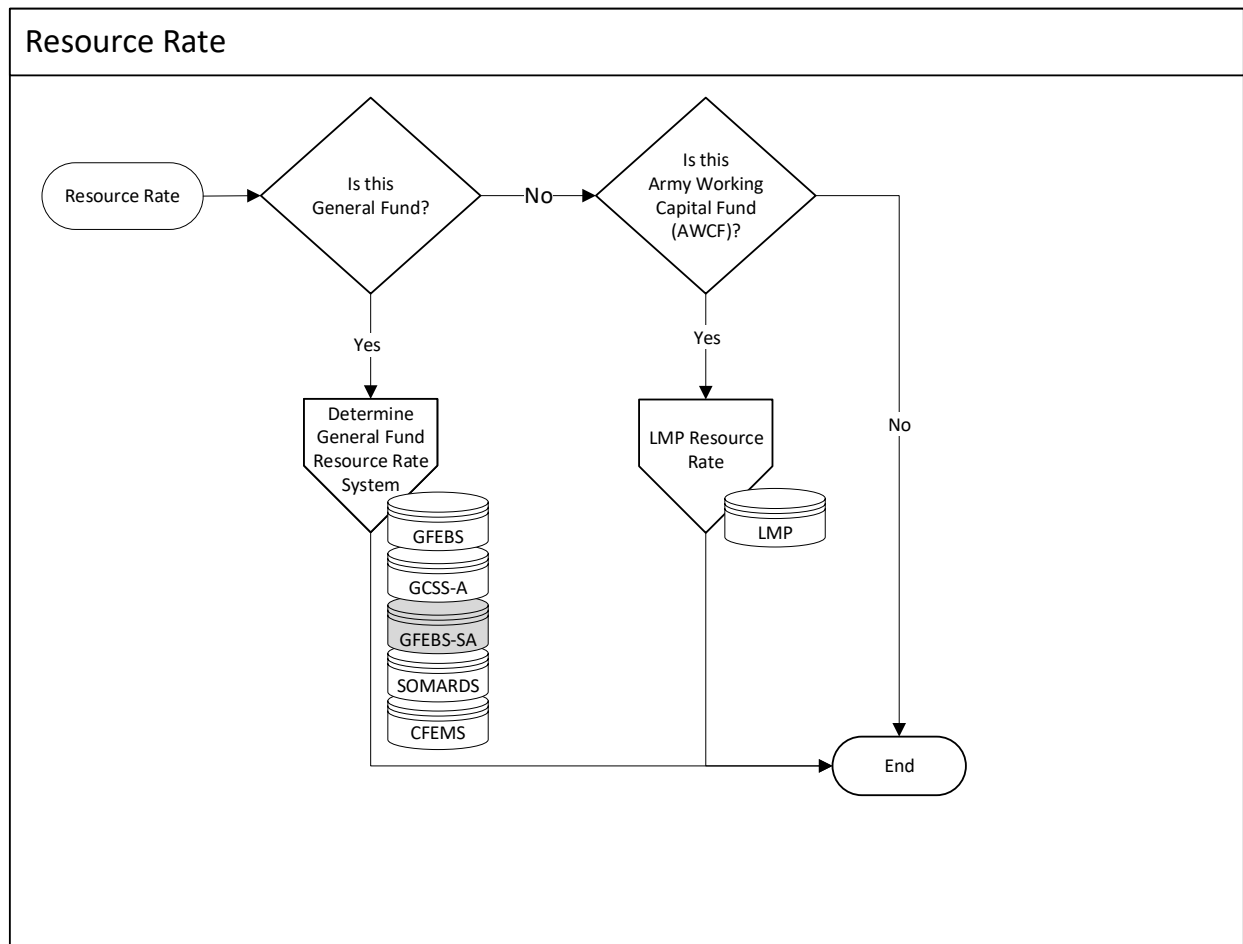
The purpose of this document is to provide an overview of the calculation of Resource Rates for Army operations. Resource Rates reflect the cost to the Army for activities performed.

A Resource Rate is the calculation of cost per unit of measure for a resource, for example \$20 per hour for a resource or \$12 per mile for a resource. The method for creating the Rate itself differs based upon the Resource being tracked and the funding, either General Funds or Army Working Capital Funds.

Resource Rates are coupled with Resource Utilization, also called Resource Tracking, to derive cost, which is the monetary value of resources consumed. Essentially the quantity of Resource Utilization is multiplied by the respective Resource Rate to calculate cost. For example 80 hours of utilization of a resource multiplied by the resource rate of \$20 per hour for that resource produces a cost of \$1600. See **LTT.3.0001 (Resource Utilization)** to better understand the importance and requirement of measuring and assigning Resource Utilization to a benefiting cost object. When coupled with the appropriate calculation of a Resource Rate, cost is effectively measured.



## Process Flow



## System, Roles, Transactions, Reports

This BPP does not require the use of any systems or roles:

System	Swim Lane	Transaction /Report	Descriptive Role Name	Technical Role Name
NA				

## Previous Activity

Prior to calculating a Resource Rate:

- The Army has designed a Cost Model which defines the types of resources and the units of measure to be tracked.



- There are established methods or interfaces for capturing and assigning resource utilization to benefiting cost objects.
- One of the following triggers has occurred:
  - “Rate Adjustment” – salary change, promotion, other relevant SF-50 change, etc.
  - “Reorganization” – MTOE / TDA authorization changes
  - “New Resource”
  - “Onboard New Organization” – initial system cutover

## **Process**

When one of the triggers above occurs, the next step is to determine the appropriate resource rate calculation process, beginning with the source of funding.

The US Army General Fund Systems containing Resource Rates are: General Fund Enterprise Business System (GFEBS), Global Combat Support System – Army (GCSS-A), General Fund Enterprise Business System – Sensitive Activities (GFEBS-SA), Standard Operations and Maintenance Army Research and Development System (SOMARDS), and Corp of Engineers Financial Management System (CEFMS). The Standard Finance System (STANFINS) does not use Resource Rates.

The Army Working Capital Fund (AWCF) system containing Resource Rates is the Logistic Modernization Program (LMP).

## **Results/Comments**

The funding source for this Resource Rate has been identified.

## **Next Activity**

Reference the subsequent document to determine the resource rate calculation process.

Document Name	Document Location
Determine General Fund Resource Rate System BPP	TBD
LMP Resource Rate BPP	TBD