



**April 15, 2010**

Memorandum

To: Members of the Board

From: *J. Ryan*  
Julia E. Ranagan, Assistant Director

Through: *Wendy M. Payne*  
Wendy M. Payne, Executive Director

Subject: Reporting Model: Managerial Cost Accounting – Tab I (informational only)<sup>1</sup>

### OVERALL OBJECTIVE

The purpose of the attached briefing material is to keep the board informed of staff's efforts to solicit feedback from the federal community on its experiences attaining the goals of SFFAS 4, *Managerial Cost Accounting Standards and Concepts*, as amended and supplemented.

### BRIEFING MATERIAL

The following documents are attached to this transmittal memorandum:

- Attachment 1** – Project Plan presented at December 2009 board meeting
- Attachment 2** – Managerial Cost Accounting and Reporting Pre-Survey
- Attachment 3** – FASAB Managerial Cost Accounting and Reporting Questionnaire Example and Response Control Log

### NEXT STEPS

#### May 2010

- Complete interviews that are requested in lieu of completing questionnaires (note: no interviews have been requested to date).
- Follow up on individual questionnaires, as needed.
- Follow up on responses not received.

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<sup>1</sup> The staff prepares Board meeting materials to facilitate discussion of issues at the Board meeting. This material is presented for discussion purposes only; it is not intended to reflect authoritative views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations.

- Research cost accounting best practices and gather information on the experiences of other governments with managerial cost accounting and reporting.
- Finalize consolidation and staff analysis of research, questionnaires and interviews.

**June 2010**

- Provide results of research, consolidated responses, and staff analysis to members for discussion at the June 23rd board meeting.

**BACKGROUND**

At the February 2010 meeting, the board approved the use of a questionnaire to solicit information on agencies' successes and challenges in implementing SFFAS 4, as amended and supplemented. However, after reviewing the staff's proposal, the board suggested that staff might have more success using a two-step approach to sending out the questionnaire: (step 1) send a brief one-page questionnaire to agency management to gauge the use of cost accounting within an agency and solicit contact information for the principal people involved in implementing SFFAS 4, and (step 2) send a more detailed questionnaire to those principal contacts identified in the first step.

Staff took the board's advice and split the questionnaire into a two-part process. This resulted in a revision to the project timeline to allow for additional time to gather the information due to the addition of a pre-survey.

**STATUS OF EFFORTS**

***Step One – Pre-Survey***

As a result of board member comments at the February meeting, staff developed a brief pre-survey document to send to chief financial officers to gauge the use of cost accounting within the federal government and gather the name and contact information for the principal individual(s) within each organization that would be able to provide the best information on the challenges and/or successes that have been encountered in implementing SFFAS 4, as amended and supplemented (see text of pre-survey at attachment 2).

On March 4, 2010, the Managerial Cost Accounting and Reporting Pre-Survey was sent to the listserv of the Chief Financial Officers' Council (CFOC) with a copy to the listserv of the Council of Inspectors General on Integrity and Efficiency (CIGIE). Responses were requested by March 11, 2010.

A reminder to complete the pre-survey was provided to all participants present at the March 16, 2010, CFOC meeting.

A final reminder, titled "Last Reminder to Participate in FASAB Cost Accounting Efforts," was sent Wednesday, March 24, 2010, directly to the CFOC members that had not responded to either of staff's previous requests (Energy, Health and Human Services, Homeland Security, Justice, Labor, NASA, National Science Foundation, Nuclear Regulatory Commission, Office of Personnel Management, Social Security Administration, State, and Treasury).

As of the date of this memo, staff has received a pre-survey response from the following 13 organizations:

Organization	# Contacts Provided
Corporation for National and Community Service (CNCS)	1
Department of Commerce (DOC)	3
Department of Defense (DOD)	5
Department of Education (ED)	1
Department of Interior (DOI) – includes responses from NBC and BR	3
Department of Transportation (DOT)	4
Environmental Protection Agency (EPA)	2
General Services Administration (GSA)	2
Housing and Urban Development (HUD)	1
Small Business Administration (SBA)	1
U.S. Agency for International Development (USAID)	1
U.S. Department of Agriculture (USDA)	4
Veterans Affairs (VA)	1
<b>Total</b>	<b>29</b>

*Summary Results of Pre-Survey*

1. Have you implemented some form of MCA for every entity within your organization?
  - 7 **No** (go to question 2)
  - 8 **Yes** (go to question 3)
  
2. Do you plan on implementing MCA in any additional entities within your organization?
  - 4 **We have implemented MCA in at least one entity and plan to do more**
  - 2 **We have implemented MCA in a least one entity but do not plan to do more**
  - 1 **We have not implemented MCA yet but plan to do so in the future**
  - 0 **We have not implemented MCA in any entities and do not plan to do so in the future**

**Step Two – Questionnaire**

Staff made several changes to the detailed questionnaire as a result of board member comments at the February meeting. Beginning March 17, 2010, staff sent the detailed questionnaire to each of the 29 contacts provided via email. Responses were requested by April 7, 2010.

On March 22, 2010, staff followed up the email with a phone call to all of the respondents to ensure that they had received the questionnaire and knew who to call if they had any questions.

As of the date of this memo, just over half of the contacts (15 of 29) have completed and returned the detailed questionnaire. Several individuals have requested extensions due to third quarter reporting demands. As a result, staff plans to provide an analysis and summary of the detailed

questionnaires for the June meeting (see attachment 3 for an example of the detailed questionnaire that was sent to the contacts provided and a copy of the response control log).

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If you require additional information or wish to suggest another alternative not considered in the staff paper, please contact me by telephone at 202.512.7377 or by e-mail at [ranaganj@fasab.gov](mailto:ranaganj@fasab.gov).

Attachments (3)

# **Tab I, Attachment 1**

## **Project Plan**

**Managerial Cost Accounting and Reporting Project Plan**  
*(last updated December 2009)*

- I. Background - Obtain an understanding of current practices utilizing existing research where available.
  - a. Survey agencies to determine the costing methods (e.g., ABC, Total Ownership Cost) used. Note that some agencies may use multiple methods. For instance, the DoD may use Total Ownership Costs for acquisitions but ABC for other purposes.
  - b. Determine how the costing information is used and its frequency.
  - c. Determine the types of decisions taken as a result of using costing information.
  - d. Inquire of management and determine views of overall success. In particular, determine if they believe that benefits derived measure up to efforts invested.
  - e. For those considered successful, inquire of management views on critical success factors.
  - f. Review studies on cost accounting usage in the federal government.
  - g. Determine experiences of other governments in using managerial cost information
  - h. Determine benefits observed and how challenges were overcome.

*Estimated completion April 2010*

- II. Determine information needed
  - a. As part of reporting model inventory of user needs
    - i. Identify external and quasi-external user decisions requiring cost metrics
    - ii. Determine metrics to address decisions
  - b. Develop task force to evaluate information needed

*Estimated completion August 2010*

- III. Incorporate results into reporting model

*Estimated completion October 2010*

# **Tab I, Attachment 2**

## **Managerial Cost Accounting and Reporting Pre-Survey**

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**Responses Requested by March 11, 2010**

March 4, 2010

Memorandum

To: Chief Financial Officers  
From:  Wendy M. Payne, Executive Director  
Subject: Managerial Cost Accounting and Reporting Pre-Survey

The Federal Accounting Standards Advisory Board (FASAB or the board) recently initiated a project to evaluate federal managerial cost accounting and reporting requirements. This project is part of the board's overall initiative to revisit the federal reporting model to determine where improvements might be needed.

The board has requested that FASAB staff obtain an understanding of current federal practices surrounding managerial cost accounting and reporting. As part of that effort, staff would like to present the board with detailed information on the successes and challenges that the federal community has encountered in attaining the goals of SFFAS 4, *Managerial Cost Accounting Standards and Concepts*, as amended and supplemented.

In order to facilitate our collection of information, **please complete the brief pre-survey document attached and provide us with the name and contact information for the principal individual(s) within your organization that would be able provide the best information on the challenges and/or successes they have encountered in implementing SFFAS 4**, as amended and supplemented. We are requesting that this information be emailed to [ranagani@fasab.gov](mailto:ranagani@fasab.gov) or faxed to 202-512-7366 by **Thursday, March 11, 2010**.

We will be sending each of the contacts provided a more extensive questionnaire that will be used to gather information on cost accounting experiences and practices within the federal government. Please contact Julia Ranagan at 202-512-7377 to discuss any questions you may have. Thank you for your time and assistance.

Attachment

cc: Inspectors General

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## **ABOUT FASAB**

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources. The FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit our website: [www.fasab.gov](http://www.fasab.gov).

## Managerial Cost Accounting and Reporting Pre-Survey

**Disclaimer:** In the course of researching, developing or updating federal accounting standards, FASAB staff periodically utilize task forces, surveys, and other means of communication to solicit feedback from the federal community. The information contained in this survey is intended to assist staff in preparing materials for the board's deliberations; it is not intended to reflect authoritative or formal views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations.

Statement of Federal Financial Accounting Standards 4, *Managerial Cost Accounting Standards and Concepts* (SFFAS 4), as amended and supplemented, defines managerial cost accounting (MCA) as the process of accumulating, measuring, analyzing, interpreting, and reporting cost information useful to both internal and external groups concerned with the way in which the organization uses, accounts for, safeguards, and controls its resources to meet its objectives.

1. Have you implemented some form of MCA for every entity<sup>1</sup> within your organization?

*(Please click on one box)*

- No (go to question 2)  
 Yes (go to question 3)

2. Do you plan on implementing MCA in any additional entities within your organization?

*(Please click on one box)*

- We have implemented MCA in at least one entity and plan to do more (please explain why in the box below and then go to question 3)  
 We have implemented MCA in a least one entity but do not plan to do more (please explain why not in the box below and then go to question 3)  
 We have not implemented MCA yet but plan to do so in the future (please explain why in the box below and then go to question 4)  
 We have not implemented MCA in any entities and do not plan to do so in the future (please explain why not in the box below and then go to question 4)

Why or why not?

*(Please click on the grey shading in the box below to begin typing your response)*

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<sup>1</sup> The term entity is a general term used to refer to any legal, administrative or organizational structure or unit. Entity could refer to a department, agency, bureau, activity, function, or program within your organization, depending on how your organization defines its units for MCA purposes.

## Managerial Cost Accounting and Reporting Pre-Survey

3. Please (a) select an entity or entities within your organization that have implemented MCA that would be able provide the best information on the challenges and/or successes they have encountered in implementing SFFAS 4, as amended and supplemented, and (b) provide the contact information for the principal individual responsible for cost accounting within each of the entities selected.

<b><u>Cost Accounting Entity and Contact Information:</u></b>	
<i>(Please click on each grey box below to input requested information)</i>	
<b>(a) Entity Name</b>	<b>(b) Contact Information (name, title, phone number, and email address)</b>

4. Do you have any other comments?  
*(Please click on the grey shading in the box below to begin typing your response)*

<b><u>Requested Information Regarding Person Completing Survey:</u></b>
<i>(Please click on each grey box below to input requested information)</i>
<b>First and Last Name:</b>
<b>Agency Name:</b>
<b>Office Name:</b>
<b>Position Title:</b>
<b>Phone Number:</b>
<b>Email Address:</b>

# **Tab I, Attachment 3**

## **Managerial Cost Accounting and Reporting Questionnaire Example and Response Control Log**

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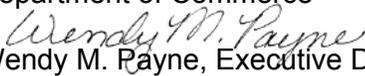
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**Responses Requested by April 7, 2010**

March 17, 2010

Memorandum

To: Kim Darling  
Financial Policy and Reports Manager  
National Institute of Standards and Technology  
Department of Commerce

From:   
Wendy M. Payne, Executive Director

Subject: Request for Managerial Cost Accounting and Reporting Information

The Federal Accounting Standards Advisory Board (FASAB or the board) recently initiated a project to evaluate federal managerial cost accounting and reporting requirements. This project is part of the board's overall initiative to revisit the federal reporting model to determine where improvements might be needed.

The board has requested that FASAB staff obtain an understanding of current federal practices surrounding managerial cost accounting and reporting. As part of that effort, staff would like to present the board with detailed information on the successes and challenges that the federal community has encountered in attaining the goals of SFFAS 4, *Managerial Cost Accounting Standards and Concepts*, as amended and supplemented.

You were specified by the Department of Commerce Office of the Chief Financial Officer as an important contact for cost accounting within your organization. As such, your input is critical in our quest for information about federal entities' experiences with implementing SFFAS 4.

We would appreciate your candid responses to the attached questionnaire to assist us in providing the board with the best information possible with which to make their decisions about the future direction of federal managerial cost accounting and reporting requirements. We are requesting your responses be emailed to [ranaganj@fasab.gov](mailto:ranaganj@fasab.gov) or faxed to 202-512-7366 by **Wednesday, April 7, 2010**.

Depending on the extent of your agency's use of cost accounting and the amount of detail that is readily available, we anticipate that the questionnaire may take approximately 45 - 60 minutes to complete. Please contact Julia Ranagan at 202-512-7377 to discuss any questions you may have or to request an interview in lieu of completing the questionnaire. Thank you for your time and assistance.

Attachment

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## **ABOUT FASAB**

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources. The FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit our website: [www.fasab.gov](http://www.fasab.gov).

# FASAB Managerial Cost Accounting and Reporting Questionnaire

**Disclaimer:** In the course of researching, developing or updating federal accounting standards, FASAB staff periodically utilize task forces, surveys, and other means of communication to solicit feedback from the federal community. The information contained in this questionnaire is intended to assist staff in preparing materials for the board's deliberations; it is not intended to reflect authoritative or formal views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations. Portions of this questionnaire were derived from Appendix C of the Association of Government Accountants Corporate Partner Advisory Group Research Series Report No. 22: *Managerial Cost Accounting in the Federal Government: Providing Useful Information for Decision Making* and have been used with permission from Ms. Anna D. Gowans Miller, AGA's Director of Research. All comments received by the FASAB are considered public information. Those comments may be posted to the FASAB's website and will be included in the project's public record.

## General Background

1. Have you implemented some form of **managerial cost accounting (MCA)**<sup>1</sup> for at least one entity within your organization (responses are not limited to an MCA process developed using a formal cost accounting system for the purpose of preparing the statement of net cost; responses may also include MCA used for internal decision-making or budgeting and be incorporated into a formal system or derived using less formal cost-finding techniques).  
*(Please click on one box)*

- Yes (go to question 2)  
 No (go to question 7)

2. If you answered yes to question 1, please list and describe the entity or entities for which you have implemented some form of MCA, including the year first implemented.  
*(Please click on the grey shading in the box below to begin typing your response)*

3. Which entity(ies) within your agency are you answering this questionnaire for?  
*(Please click on the grey shading in the box below to begin typing your response)*

4. What type of funds are being accounted for within the entity(ies) from question 3 using MCA?

- Revolving funds**  
 Non-revolving funds  
 Both

5. Have you received an audit finding related to MCA (i.e., SFFAS 4) in the audit report, management letter, Notice of Finding and Recommendation, or elsewhere within the last five years?  
*(Please click on one box)*

- Yes (go to question 6)  
 No (go to question 7)

<sup>1</sup> Terms defined in the glossary are shown in **bold-faced** type the first time they appear.

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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6. If you answered yes to question 5, please describe the audit finding(s).  
*(Please click on the grey shading in the box below to begin typing your response)*

7. Do you plan on implementing MCA in any entities or additional entities within your organization?  
*(Please click on one box)*

- We have implemented MCA in at least one entity and plan to do more (please explain why in the box below and then go to question 8)
- We have implemented MCA in a least one entity but do not plan to do more (please explain why not in the box below and then go to question 8)
- We have not implemented MCA yet but plan to do so in the future (please explain why in the box below and then go to question 72)
- We have not implemented MCA in any entities and do not plan to do so in the future (please explain why not in the box below and then go to question 73)

Why or why not?

*(Please click on the grey shading in the box below to begin typing your response)*

## Use of Managerial Cost Information

8. What is your organization's primary (number one) use of cost information?  
*(Please click on the grey shading in the box below to begin typing your response)*

9. What other uses of cost information does your organization currently have?  
*(Please click on the grey shading in the box below to begin typing your response)*

10. How are costs (**full costs** as defined by SFFAS 4 or others) incorporated into **performance reporting**?

*(Please click on the grey shading in the box below to begin typing your response)*

11. Do you periodically review your system to make sure it is responsive to your organizations' current needs?

*(Please click on one box)*

- Yes (go to question 12)
- No (go to question 13)

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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12. When was the last time you did such a review and what was the result?

*(Please click on the grey shading in the box below to begin typing your response)*

13. Do you believe the managerial cost accounting standards, when combined with the necessary judgments inherent in implementing managerial cost accounting, result in information that meets the accounting and reporting needs of internal users (i.e., program managers) to enable them to make decisions?

*(Please click on one box)*

Yes (go to question 14)

No (go to question 15)

14. If you answered yes to question 13, please describe how the internal users (i.e., program managers) in your organization use managerial cost accounting and reporting information to make decisions.

*(Please click on the grey shading in the box below to begin typing your response)*

15. If you answered no to question 13, please offer suggestions about what might be done to make managerial cost accounting and reporting information more useful to program managers.

*(Please click on the grey shading in the box below to begin typing your response)*

16. Does the method or approach used to capture and report managerial cost information differ from that used to prepare information submitted for the Budget of the U.S. Government?

*(Please click on one box)*

Yes (go to question 17)

No (go to question 18)

17. If you answered yes to question 16, please describe or provide an example:

*(Please click on the grey shading in the box below to begin typing your response)*

18. Please describe:

a. Your three greatest success stories related to the use of MCA for effective decision-making.

*(Please click on the grey shading in the box below to begin typing your response)*

b. Your three greatest challenges in making MCA information useful to managers.

*(Please click on the grey shading in the box below to begin typing your response)*

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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- c. The three most important lessons learned that you would share with an agency that is just starting out with MCA.

*(Please click on the grey shading in the box below to begin typing your response)*

19. What other type of cost information would you like to have that you currently do not generate?

*(Please click on the grey shading in the box below to begin typing your response)*

20. What benefits and uses would you expect to derive from comparing administrative and/or operational costs within and across agencies (e.g., cost to issue a grant, cost to perform a particular service, etc)?

*(Please click on the grey shading in the box below to begin typing your response)*

21. What barriers or obstacles (e.g., differing internal policies or social objectives that may make comparisons challenging) would you foresee from comparing administrative and/or operational costs within and across agencies?

*(Please click on the grey shading in the box below to begin typing your response)*

## Cost Accounting System

22. Have you developed an automated MCA system that produces cost information for managers?

*(Please click on one box)*

- Yes (go to question 23)  
 No (go to question 25)

23. If you answered yes to question 22, what approach to costing (i.e., costing methodology) does your system use?

*(Please click all that apply)*

- Standard costing**  
 **Activity-based costing**  
 **Job order costing**  
 **Process costing**  
 Other (explain other in the box below)

*(Please click on the grey shading in the box below to begin typing your response)*

24. If you answered yes to question 22, please describe the system you use, including who is responsible for the data being put into the system, who is permitted to change the system, and who is responsible for the accuracy and/or reliability of the data in the system?

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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*(Please click on the grey shading in the box below to begin typing your response)*

25. If you answered no to question 22, please describe the system or process you use.

*(Please click on the grey shading in the box below to begin typing your response)*

26. Have you considered implementing **eXtensible Business Reporting Language (XBRL)** to capture and report managerial cost information?

*(Please click on one box)*

- Yes (go to question 27)  
 No (go to question 28)

27. If you answered yes to question 26, please describe the outcome of your consideration of XBRL.

*(Please click on the grey shading in the box below to begin typing your response)*

## Cost Accounting Methodology/Assignment

28. Please list the **responsibility segments** you have defined for the entity(ies) for which you are answering this questionnaire.

*(Please click on the grey shading in the box below to begin typing your response)*

29. Please list the **cost objects** you have defined for the entity/ies for which you are answering this questionnaire.

*(Please click on the grey shading in the box below to begin typing your response)*

30. Have you revised your responsibility segments or cost objects since the first year you reported?

- Yes (go to question 31)  
 No (go to question 32)

31. If you answered yes to question 30, please describe how you revised the responsibility segments and/or cost objects.

*(Please click on the grey shading in the box below to begin typing your response)*

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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32. Have you implemented full costing as defined by SFFAS 4?

*(Please click on one box)*

- Yes (go to question 33)  
 No (go to question 36)

33. If you answered yes to question 32, is a certain portion of the time of the Office of the Secretary and other leadership positions allocated to mission-related programs?

*(Please click on one box)*

- Yes  
 No

34. If you answered yes to question 32, is a certain portion of your agency's full costs not assigned to programs (e.g., general management and administrative support costs that cannot be traced, assigned, or directly associated to program objectives and their outputs)?

*(Please click on one box)*

- Yes (go to question 35)  
 No (go to question 36)

35. If you answered yes to question 34, please describe your agency's costs not assigned to programs.

*(Please click on the grey shading in the box below to begin typing your response)*

36. In applying the guidance in SFFAS 30, *Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts*, and Technical Release 8, *Clarification of Standards Relating to Inter Entity Costs*, have you identified additional **inter-entity costs**?

*(Please click on one box)*

- Yes (go to question 37)  
 No (go to question 38)

37. If you answered yes to question 36, please list the additional inter-entity costs you identified, including a brief description.

*(Please click on the grey shading in the box below to begin typing your response)*

38. How do you calculate administrative costs for **overhead** (e.g., square footage, number of employees, number of documents processed, etc)?

*(Please click on the grey shading in the box below to begin typing your response)*

39. What kind of **cost assignment** do you use? (Examples include directly tracing, assigning on a cause and effect basis, and allocating on a reasonable and consistent basis)?

*(Please click on the grey shading in the box below to begin typing your response)*

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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40. In organizations where service delivery is important, a large part of the costs of programs may be labor and associated benefits costs. How do you collect the data need to assign costs associated with personnel time?

*(Please click all that apply)*

- Labor data reporting completed by employee and turned in weekly, biweekly, or monthly (labor data reporting can be, for example, on paper timesheets and entered later or input directly into an automated system).
- Periodic estimates of time spent on multiple program activities completed by employee
- Periodic evaluations completed by someone other than the employee
- Other (explain other in the box below)

*(Please click on the grey shading in the box below to begin typing your response)*

## Project Implementation Practices

### *Use of Teams or Committees*

41. Did you use a team or committee in developing and implementing your MCA system?

*(Please click on one box)*

- Yes
- No
- Did not use teams or committees for anything MCA-related (go to question 50)

42. Did you use a team or committee to make MCA-related policy decisions?

*(Please click on one box)*

- Yes
- No

43. Did you use a team or committee for developing the details of the MCA process?

*(Please click on one box)*

- Yes
- No

44. Did you use a team or committee to obtain and disseminate MCA information?

*(Please click on one box)*

- Yes
- No

45. Did the teams or committees include different levels of staff?

*(Please click on one box)*

- Yes
- No

46. Was one person common to all teams or committees?

*(Please click on one box)*

- Yes
- No

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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47. Did the team or committee include user level staff like project managers?

*(Please click on one box)*

- Yes  
 No

48. Did the team or committee have clearly defined objectives or a charter?

*(Please click on one box)*

- Yes  
 No

49. Please describe any lessons learned or challenges met in the use of teams/committees.

*(Please click on the grey shading in the box below to begin typing your response)*

## *Use of Pilot Tests*

50. Did you start with a pilot to test the concept?

*(Please click on one box)*

- Yes (go to question 51)  
 No (go to question 53)

51. If you answered yes to question 50, please briefly describe the pilot testing process you used.

*(Please click on the grey shading in the box below to begin typing your response)*

52. If you answered yes to question 50, did the pilot test help with implementation or cause problems? Please describe.

*(Please click on the grey shading in the box below to begin typing your response)*

## *Communication*

53. Did you have clearly defined agency guidance?

*(Please click on one box)*

- Yes (go to question 54)  
 No (go to question 55)

54. Did you have frequent outreach to support the promulgated guidance?

*(Please click on one box)*

- Yes  
 No

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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55. Did you ask for feedback to help identify potential needs of managers?

*(Please click on one box)*

- Yes  
 No

56. Did you have training sessions to educate as many personnel as possible?

*(Please click on one box)*

- Yes (go to question 57)  
 No (go to question 58)

57. When did you do the training?

*(Please click on the grey shading in the box below to begin typing your response)*

## *Pre-Implementation Period*

If MCA implementation takes a lot of time, some efforts can be undertaken while the system is being developed to help smooth the transition. For example, experimenting with different solutions and obtaining buy-in from key agency personnel might be effective ways to utilize the time from the development of system requirements until the system is actually up and running.

58. Did you use the pre-implementation period for experimentation?

*(Please click on one box)*

- Yes (go to question 59)  
 No (go to question 60)

59. Did you use the pre-implementation period to help encourage buy-in?

*(Please click on one box)*

- Yes  
 No

## *Auditor Involvement*

60. Was your Office of Inspector General, Independent Public Accountant, or internal auditor involved in the development and implementation process?

*(Please click on one box)*

- Yes (go to question 61)  
 No (go to question 63)

61. If you answered yes to question 60, please describe the nature of the involvement.

*(Please click on the grey shading in the box below to begin typing your response)*

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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62. If you answered yes to question 60, please describe the benefits or drawbacks of the involvement.

*(Please click on the grey shading in the box below to begin typing your response)*

## Agency Culture, Management Attitudes, and Communication

63. How would you describe the culture, management attitudes and core competencies relating to cost accounting in your organization?

*(Please click on the grey shading in the box below to begin typing your response)*

64. Does senior management support your attempts to implement cost accounting in your organization?

*(Please click on one box)*

- Yes  
 No

65. Does your organization have a “champion” for MCA (i.e., a leader who supports the concept and can keep employee enthusiasm high)?

*(Please click on one box)*

- Yes (go to question 66)  
 No (go to question 67)

66. If you answered yes to question 65, what is his/her title and function?

*(Please click on the grey shading in the box below to begin typing your response)*

67. Has your organization developed an organization-wide statement or policy clearly defining the objectives and uses of cost accounting?

*(Please click on one box)*

- Yes (go to question 68)  
 No (go to question 72)

68. If you answered yes to question 67, does the statement or policy include the following objectives and uses?

*(Please click all that apply)*

- Budgeting and cost control  
 Performance measurement  
 Determining reimbursements and setting fees and prices  
 Program evaluations  
 Making economic choice decisions  
 Improving service delivery  
 Other (explain other in the box below)

*(Please click on the grey shading in the box below to begin typing your response)*

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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69. If any of the objectives and uses listed in question 68 is not applicable, please explain why.

*(Please click on the grey shading in the box below to begin typing your response)*

70. Was the strategy for achieving the objectives shared with all levels of staff throughout the organization during the MCA system development or upgrade?

*(Please click on one box)*

- Yes (go to question 71)
- No (go to question 72)

71. If you answered yes to question 70, please describe the communications process (during initial implementation and/or subsequent upgrade).

*(Please click on the grey shading in the box below to begin typing your response)*

## Other

72. If the board decides to propose additional cost accounting standards, our agency would be willing to **field test** the proposed standards in conjunction with the exposure draft period and provide oral or written feedback to the board.

- Yes
- No
- Maybe

73. Do you have any other comments?

*(Please click on the grey shading in the box below to begin typing your response)*

## FASAB Managerial Cost Accounting and Reporting Questionnaire

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**Requested Information Regarding Person Completing Survey:**

*(Please click on each grey box below to input requested information)*

**First and Last Name:**

**Agency Name:**

**Office Name:**

**Position Title:**

**Phone Number:**

**Email Address:**

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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## Glossary

**Activity-Based Costing** – A cost accounting method that measures the cost and performance of process related activities and cost objects. It assigns cost to cost objects, such as products or customers, based on their use of activities. It recognizes the causal relationship of cost drivers to activities (SFFAS 4).

**Cost Assignment** – Costs of resources consumed by responsibility segments should be accumulated by type of resource. Outputs produced by responsibility segments should be accumulated and, if practicable, measured in units. The full costs of resources that directly or indirectly contribute to the production of outputs should be assigned to outputs through costing methodologies or cost finding techniques that are most appropriate to the segment's operating environment and should be followed consistently. The cost assignments should be performed using the following methods listed in the order of preference: (a) directly tracing costs wherever feasible and economically practicable, (b) assigning costs on a cause-and effect basis, or (c) allocating costs on a reasonable and consistent basis (SFFAS 4).

**Cost Object** – An activity, output, or item whose cost is to be measured. In a broad sense, a cost object can be an organizational division, a function, task, product, service, or a customer (SFFAS 4).

**Entity** – a general term used to refer to any legal, administrative or organizational structure or unit. Entity could refer to a department, agency, bureau, activity, function, or program within your organization, depending on how your organization defines its units for MCA purposes.

**eXtensible Business Reporting Language (XBRL)** –an extensible markup language-based computer language for the electronic transmission of business and financial data. XBRL is an open standard, which is overseen by a not-for-profit organization called XBRL International, that uses tags to describe and identify each item of data in an electronic document. The tags allow computer programs to sort through data and analyze relationships quickly and generate output in various formats. Because the tags are standardized, analysis can be conducted across multiple documents from multiple sources, even if the text in the documents is written in different languages.

**Field Test** – Field tests are part of FASAB's due process and help FASAB to establish effective standards. Participating federal entities volunteer to go through the exercise of "implementing" the proposed standards as if they were in place and then provide feedback to FASAB regarding the process. Field tests can proactively identify potential problems related to the implementation of proposed standards and allow FASAB to gather valuable information about implementation costs.

**Full Cost** – the full cost of a responsibility segment's output is the total amount of resources used to produce the output. This includes direct and indirect costs that contribute to the output, regardless of funding sources. It also includes costs of supporting services provided by other responsibility segments or entities. The standard does not require full cost reporting in federal entities' internal reports or special purpose cost studies. Entity management can decide on a case-by-case basis whether full cost is appropriate and should be used for internal reporting and special purpose cost studies (SFFAS 4, par. 89).

# FASAB Managerial Cost Accounting and Reporting Questionnaire

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**Inter-Entity Costs** – Each entity’s full cost should incorporate the full cost of goods and services that it receives from other entities. The entity providing the goods or services has the responsibility to provide the receiving entity with information on the full cost of such goods or services either through billing or other advice (SFFAS 4).

**Job Order Costing** – A method of cost accounting that accumulates costs for individual jobs or lots. A job may be a service or manufactured item, such as the repair of equipment or the treatment of a patient in a hospital (SFFAS 4).

**Managerial Cost Accounting (MCA)** – the process of accumulating, measuring, analyzing, interpreting, and reporting cost information useful to both internal and external groups concerned with the way in which the organization uses, accounts for, safeguards, and controls its resources to meet its objectives (Source: SFFAS 4, par. 42).

**Overhead** – Overhead is used in its general meaning of expenses (as rent, insurance, or heating) not chargeable to a particular part of the work or product.

**Performance Reporting** – Cost accounting should provide information needed to determine and report service efforts and accomplishments and information necessary to meet the requirements of the Government Performance and Results Act or interface with a system that provides such information. This includes the quantity of inputs and outputs and other non-financial information needed in the measurement of performance.

**Process Costing** – A method of cost accounting that first collects costs by processes and then allocates the total costs of each process equally to each unit of output flowing through it during an accounting period.

**Responsibility Segment** – A significant organizational, operational, functional, or process component which has the following characteristics: (a) its manager reports to the entity’s top management; (b) it is responsible for carrying out a mission, performing a line of activities or services, or producing one or a group of products; and (c) for financial reporting and cost management purposes, its resources and results of operations can be clearly distinguished, physically and operationally, from those of other segments of the entity (SFFAS 4).

**Revolving Fund** – a fund that conducts continuing cycles of business-like activity, in which the fund charges for the sale of products or services and uses the proceeds to finance its spending, usually without requirement for annual appropriations. There are three types of revolving funds: Public enterprise funds, which conduct business-like operations mainly with the public, intragovernmental revolving funds, which conduct business-like operations mainly within and between Government agencies, and trust revolving funds, which conduct business-like operations mainly with the public (Source: OMB Circular A-11, Section 20).

**Standard Costing** – A costing method that attaches costs to cost objects based on reasonable estimates or cost studies and by means of budgeted rates rather than according to actual costs incurred. The anticipated cost of producing a unit of output. A predetermined cost to be assigned to products produced. Standard cost implies a norm, or what costs should be. Standard costing may be based on either absorption or direct costing principles, and may apply either to all or some cost elements (SFFAS 4).

## FASAB Managerial Cost Accounting and Reporting Questionnaire

No.	Name	Agency	Office	Title	Emailed	Called	Rcvd.
1	Alexis Stowe	GSA	Office of Financial Policy & Operations	Executive Officer	3/17/2010	3/22/2010	4/7/2010
2	Laura Feipel	GSA	Financial and Payroll Services Division	Asst. Div. Chief	3/17/2010	3/22/2010	4/6/2010
3	Robert Loring	CNCS	OCFO	Director of Accounting and Financial Management Services	3/17/2010	3/22/2010	
4	Lisa Johnson	USDA	OCIO/ITS	Fin. Mgmt. Br. Chief	3/17/2010	3/22/2010	4/8/2010
5	Bob McGrath	USDA	Farm Service Agency	BPMS Project Mgr.	3/17/2010	3/22/2010	4/8/2010
6	Dennis Jack	USDA	OCFO	Assoc. Dir. Reporting & Admin.	3/17/2010	3/22/2010	4/8/2010
7	Laura MacKenzie	USDA	Animal Plant Health Inspection Service	Chief Financial Officer	3/17/2010	3/22/2010	4/13/2010
8	James W. Beall, CPA	DOI	National Business Center, OCFO, Financial Management and Budget Directorate	Associate Director	3/17/2010	3/22/2010	
9	Andre King	DOI	Bureau of Indian Affairs Office of Planning and Policy Analysis	Acting Director	3/17/2010	3/22/2010	
10	Elizabeth Cordova-Harrison	DOI	Bureau of Reclamation	Director, Management Services Office	3/17/2010	3/22/2010	4/2/2010
11	Mark Strong	VA	Veterans Health Administration Decision Support Office	Asst. CFO	3/17/2010	3/22/2010	
12	Iantha Y. Gilmore	EPA	OCFO Office of Fin. Mgmt.	Director, Program Costing	3/17/2010	3/22/2010	4/7/2010
13	Renee Miller	EPA	OCFO Office of Fin. Mgmt.	Director, Working Capital Fund	3/17/2010	3/22/2010	
14	Al Buck	USAID		Accountant	3/17/2010	3/22/2010	
15	Kim Darling	DOC	National Institute of Standards and Technology	Financial Policy and Reports Manager	3/17/2010 3/22/2010	3/22/2010	4/8/2010
16	Mark Miller	DOC	National Oceanic and Atmospheric Administration	Chief, Financial Statements Branch	3/17/2010	3/22/2010	4/7/2010
17	Steve Porter	DOC	U.S. Patent and Trademark Office	Director, Activity Based Information Division	3/17/2010	3/22/2010	4/7/2010
18	Keith Donzell	HUD	Office of Chief Financial Officer	Director, Financial Reporting Division	3/17/2010	3/22/2010	

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## FASAB Managerial Cost Accounting and Reporting Questionnaire

No.	Name	Agency	Office	Title	Emailed	Called	Rcvd.
19	Jay Hurt	Education	Federal Student Aid	Chief Financial Officer	3/17/2010	3/22/2010	4/7/2010
20	Ellen Gibsons	DOD	U.S. Army Corp of Engineers	Accountant	3/17/2010 3/22/2010	3/22/2010	4/6/2010
21	Fred Carr	DOD	Air Force		3/17/2010	3/22/2010	
22	Kyle Fugate	DOD	Navy		3/17/2010	3/22/2010	
23	Anitra Akanbi	DOD	Army		3/17/2010	3/22/2010	
24	Eric Engelbrektsson	DOD	Defense Logistics Agency		3/17/2010	3/22/2010	
25	Ramesh Punwani,	DOT	Federal Aviation Administration	CFO	3/18/2010	3/22/2010	
26	Robert Tuccillo	DOT	Federal Transit Administration	CFO	3/18/2010	3/22/2010	
27	Margo Sheridan	DOT	Federal Highway Administration	DCFO	3/18/2010	3/22/2010	4/7/2010
28	Rebecca Pennington	DOT	National Highway Traffic Safety Administration	DCFO	3/18/2010	3/22/2010	
29	Tong Qin	SBA	OCFO	Deputy CFO	3/22/2010	3/22/2010	4/8/2010

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