



# *Understanding CBS Cost Accumulation Information*

*January 2007*

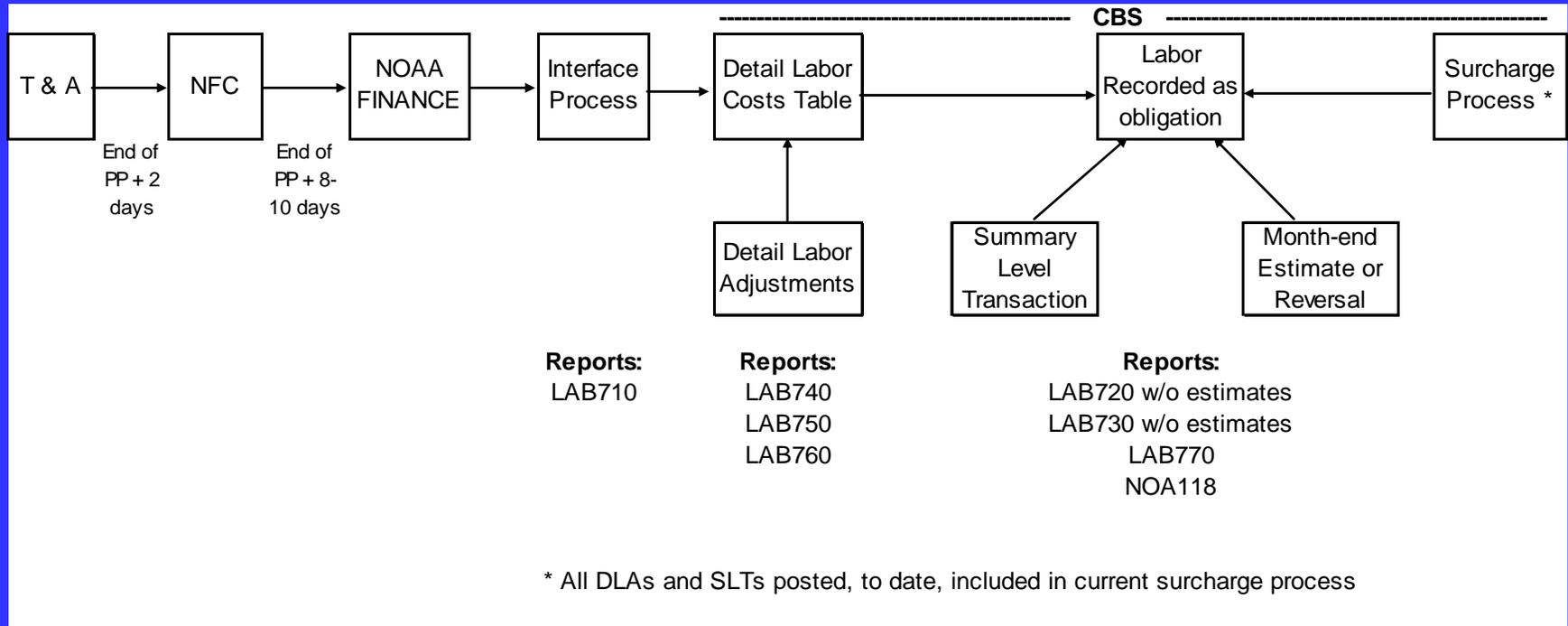
**Mike Boller**



# *NOAA Labor Process*

*January 2007*

# Labor Flow



# *CBS Labor Files*



- ◆ **Time and Attendance files submitted to NFC within 2 days days after end of pay period**
- ◆ **NFC-processed labor file to NOAA Finance 8 – 10 days after end of pay period**
  - **Additional files delivered as required**
  - **Files include T & A adjustments to prior pay periods and residue**
- ◆ **NFC file processed thru CBS Labor Interface**
- ◆ **CBS Labor Interface posts individual labor records to Detail Labor costs table and summarized ACCS Labor obligations to CFS General Ledger**

# *CBS Labor Files*

## *(continued)*



- ◆ **Detail Labor Adjustments affect individual's labor data in Detail Labor Labor costs table**
- ◆ **Month end estimates and reversals processed locally; based on prior prior approved pay period representative of current situation**
- ◆ **Surcharge process completed on same day of posting of NFC current current pay period transactions**
  - **DLAs and SLTs approved since last surcharge process included**
  - **SLTs should not include surcharge and overhead object classes**
  - **Surcharge process applied to month end estimates and reversals**



*Leave and Benefits  
and the  
Internal Fund Processes*

*January 2007*

# Total Costing



- ◆ It is the policy of the Department of Commerce and NOAA NOAA to record the *Total Cost* of each project.
- ◆ Total Costs include both
  - direct costs incurred by the program
  - the appropriate share of indirect costs associated with with the program.

# *Indirect Costs & Internal Fund*



- ◆ **Indirect costs are those costs incurred by the organization organization that are appropriately distributed to many or or all programs.**
- ◆ **The Internal Fund, Fund Code 02, is used to facilitate planning and accounting for activities which are financed financed by more than one appropriation or fund.**
  - **Not a reportable Treasury account**
  - **Resources allotted to the Internal Fund represent an estimate of overhead costs applicable to all programs (direct & reimbursable)**

# *CBS Internal Fund Concept*



- ◆ All costs in the internal fund are distributed to operating operating programs
  - Programs/projects charged for overhead services
  
- ◆ Rates applied to labor charges
  - Computation of rate based on estimated cost of overhead, benefit, or leave surcharge divided by estimated labor costs

# *What are Internal Fund Costs?*



## ◆ Internal Fund cost categories:

- **Leave Surcharge**
- **Employer Contribution to Employee Benefits**
- **NOAA Corporate Cost**
- **LO Overhead**
- **FMC Overhead**

## ◆ Reimbursable Rent – included for reference as another surcharge rate

# *Recording of Direct and Indirect Costs*



## ◆ CBS Records

- **Direct costs in object classes 11 through 43**
- **Indirect Leave and Benefit costs in 11 and 12 (rate based)**
- **Indirect Management and Support Costs in object class 77 (rate based)**

# *Labor Basis for Distribution*



- ◆ Each pay period, the labor data being fed to CBS from the the NFC (or CG) payroll system has surcharges applied to to generate the indirect distributed costs.
- ◆ The appropriate object classes are multiplied times the various surcharge rates and the indirect (distributed) costs costs are recorded in CBS along with the labor initially recorded on the T/A.
- ◆ Other object class(es) can be used for distribution of the overheads (LO, FMC, NOAA Corporate, Reimbursable Rent) – NOAA has elected not to at this time

# *Leave*



◆ **Why use a leave surcharge rate?**

◆ **Why not directly charge the leave costs to the program project codes?**

## *Leave - 2*



- ◆ A large number of staff in NOAA work on more more than one project code.
- **The projects are often supported by different - different -**
  - » Funds (appropriations -some of which are are reimbursable),
  - » Line Items,
  - » Congressionally assigned Program, Project Project or Activity (PPA)

# Leave - 3



- ◆ Staff record the hours worked on their Time and Attendance forms for the tasks representing the projects -
  - **this results in the project being charged for their direct hours**
  
- ◆ However, when these individuals take leave, which which projects are charged?

# *Leave - 4*



- ◆ **To ensure that ALL projects are fairly charged for for a portion of the leave, for each hour of direct time charged to a task, an FMC leave surcharge based on a rate is applied to the project**
- ◆ **This surcharge is necessary to record the total cost cost of labor to the project.**

# Leave - 5



- ◆ **The FMC Leave Surcharge Rate is the projected leave usage (\$), including comp/credit and lump sum leave, divided by the projected non-leave labor (\$), object classes 11.1X thru 11.3X**
  - **A surcharge is computed by multiplying the rate times times the direct labor (time worked) and is recorded in in O.C. 11.60 in the organization and project code**
  - **A equal leave surcharge offset is recorded in the internal internal fund**

# Leave - 6



## ◆ The Leave surcharge rate is applied to Object Classes

➤ 11.1x thru 11.3x

➤ excluding charges in the leave used tasks (09WLVxx).

➤ When a employee is on leave, surcharges are not not applied to their pay.

# Leave - 7



## Why use an average leave surcharge rate?

- ◆ Staff within the FMC earn leave at several different rates and will be using leave differently; differently; therefore, each person could have a unique surcharge rate – requiring a separate template for every person
- ◆ The use of an overall average FMC leave surcharge surcharge rate permits establishment of a Budget Budget Operating Plan for the total labor on each each project.

# *Leave - 8*



- ◆ **When leave is taken by employees, it is charged to to the appropriate 11.1x or 11.3x object classes (not (not 11.60)**
- ◆ **A 09WLVxx project will be charged -**
  - 09WLV71 - Sick leave, 09WLV73 - Other Excused,**
  - 09WLV81 - Annual Leave, 09WLV83 - Lump Sum**
  - Sum Annual, 09WLV85 - Comp Leave, 09WLV87**
  - 09WLV87 - Shore Leave, 09WLV88 - Terminal**
  - Sick Leave**

# Leave - 9



◆ Due to the cyclical nature of leave usage, during the year, it can be very difficult to determine whether an FMC's leave will be out of balance at year end. For example:

- Leave use is very heavy around the December holidays and in the summer.
- Unexpected leave usage can cause FMC leave imbalances -
  - » Lump Sum leave (not in the plan)
  - » Weather related closings or evacuations

# Leave - 10



## ◆ Credit/Compensatory Time -

- **When Credit/Comp time is earned the direct cost of the the hours worked is recorded in O.C. 11.80/82 in the appropriate program and project**
- **A Credit/Comp time earned offset is recorded in the internal fund**
- **The Leave surcharge rate is not applied to Credit/Comp Credit/Comp time earned – does not fall within object object class range used**

# *Leave - 11*



- ◆ **When Comp time is earned, it is recorded at the overtime rate, because this is the liability amount if amount if NOAA has to pay the employee.**
- ◆ **However, when comp time is used, the regular salary rate is applied.**
- ◆ **Comp time used versus the Comp time earned offset is included in the leave over/under process process and recorded in object class 11.60.**

# *CBS Surcharges*



## ◆ Leave

- **Object Classes 11.10 to 11.39**
- **Applied to all projects within specific FMC**
- **Results in Object Class 11.60.00.00**

## ◆ Benefits (Employer's Contribution)

- **Object Classes 11.10 to 11.39 and 11.60 to 11.60.49**
- **Applied to all projects within specific FMC**
- **Results in Object Class 12.10.00.00**

# *CBS Surcharges*

## *(continued)*



### ◆ **Line Office Overhead**

- **Object Classes 11.10 to 11.99**
- **Applied to all projects within specific LO**
- **Results in Object Class 77.88.00.00**

### ◆ **FMC Overhead**

- **Object Classes 11.10 to 11.99**
- **Applied to all projects within specific FMC**
- **Results in Object Class 77.89.00.00**

# *CBS Surcharges*

## *(continued)*



### ◆ Reimbursable Rent

- **Object Classes 11.10 to 11.99**
- **Applied to all reimbursable projects within LO**
- **Results in Object Class 23.19.20.00**

### ◆ NOAA Corporate Overhead

- **Object Classes 11.10 to 11.99**
- **Applied to all reimbursable projects within LO**
- **Results in Object Class 77.87.00.00**

# *CBS Internal Fund Process*



- ◆ **Budget Operating Plans include estimates for indirect costs**
- ◆ **Overhead rates (surcharges) applied to labor obligations for direct and reimbursable programs programs**
  - **Obligations to operating programs (direct and reimbursable)**
  - **Offsets (income) to Internal Fund**
  - **Offsets as negative obligations (reimbursable rent and and NOAA Corporate Overhead)**

# *CBS Internal Fund Process*

## *(continued)*

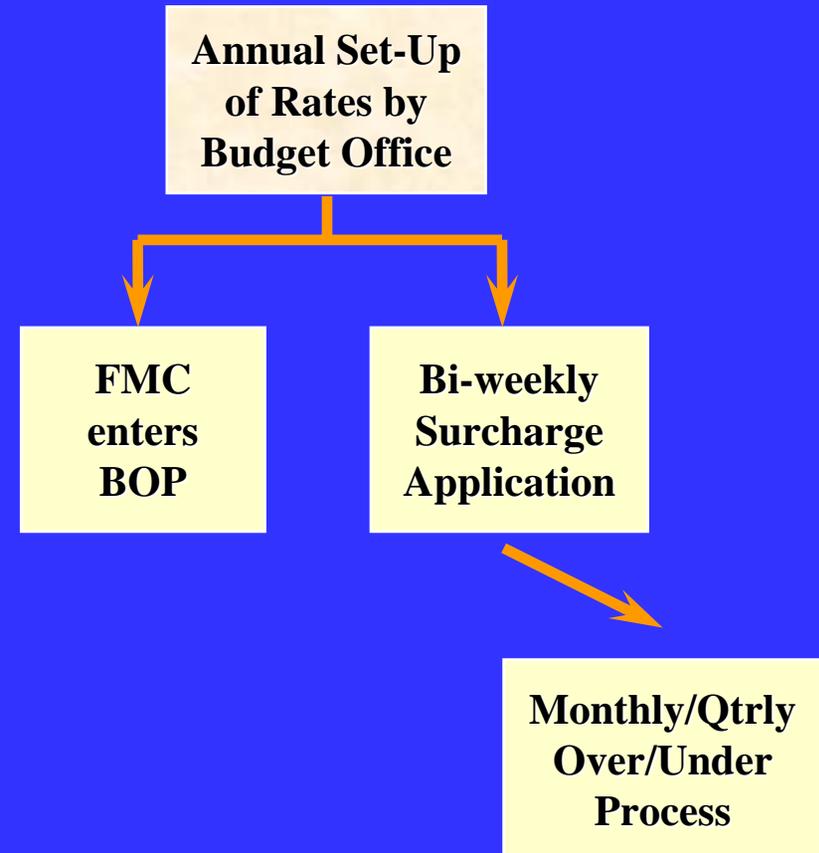


- ◆ **At the end of a reporting period, Internal fund expenses are reconciled to income**
  - **All Internal Fund costs must be distributed**
  - **Over/Under distribution compares actual costs to applied surcharges – monthly**
  - **Internal fund costs must be zeroed out by initial surcharge income plus adjustments from over/under process**
  - **Internal fund obligations fully reflected as overhead obligations in operational programs**
  
- ◆ **Rates can be adjusted as necessary**

# Cost Accumulation Process



- ◆ NOAA Budget works with LO & FMC to determine rates for upcoming year
- ◆ BOP generates surcharges based on established rates when plan is entered
- ◆ Rates applied to labor obligations on a bi-weekly basis
- ◆ Over/Under process compares income and expenses in order to redistribute difference (+ or -) to operating programs



# GL011 Sample Template



**Surcharge Rate Maintenance (GL011 VER.0.0.0.0)**

Bureau: Code  NOAA Trans Type:

Surcharge: Code  LEAVE SURCHRG-FMC 06-06 ( 23) Priority:

Applied: <  > Object Class  -  -  -  Active: Status  Date

Fund Code FY: From  To

Applied to Following ACCS Ranges

Surcharge Organization	<input type="text" value="06"/> - <input type="text" value="06"/> - <input type="text" value="0000"/> - <input type="text" value="00"/> - <input type="text" value="00"/> - <input type="text" value="00"/> - <input type="text" value="00"/>	to	<input type="text" value="06"/> - <input type="text" value="06"/> - <input type="text" value="ZZZZ"/> - <input type="text" value="99"/> - <input type="text" value="99"/> - <input type="text" value="99"/> - <input type="text" value="99"/>
Rate	<input type="text" value="0000000"/> - <input type="text" value="000"/>	to	<input type="text" value="ZZZZZZ"/> - <input type="text" value="ZZZ"/>
<input type="text" value="24.50"/>	Object Class <input type="text" value="11"/> - <input type="text" value="10"/> - <input type="text" value="00"/> - <input type="text" value="00"/>	to	<input type="text" value="11"/> - <input type="text" value="39"/> - <input type="text" value="99"/> - <input type="text" value="99"/>
Account No	<input type="text" value="4801"/> - <input type="text" value="00"/>	to	<input type="text" value="4982"/> - <input type="text" value="99"/>
Effective Dates:	<input type="text" value="01-OCT-2002"/> to <input type="text"/>	Project Type <	<input type="text" value="E"/> >
Surcharge Organization	<input type="text"/> - <input type="text"/>	to	<input type="text"/> - <input type="text"/>
Rate	<input type="text"/> - <input type="text"/>	to	<input type="text"/> - <input type="text"/>
<input type="text"/>	Object Class <input type="text"/> - <input type="text"/> - <input type="text"/> - <input type="text"/>	to	<input type="text"/> - <input type="text"/> - <input type="text"/> - <input type="text"/>
Account No	<input type="text"/> - <input type="text"/>	to	<input type="text"/> - <input type="text"/>
Effective Dates:	<input type="text"/> to <input type="text"/>	Project Type <	<input type="text"/> >

# GL011 Sample Template (continued)



## Project Types Excluded

Type	Project Type Description
LVEXP	LEAVE EXPENSE
LVOFF	LEAVE SURCHARGE OFFSET

# *CBS Surcharges Names*



- ◆ Two sets of surcharge templates are now active in CBS
- ◆ Even Templates – to be used for thru FY 2006
  - 10XXVE – Leave
  - 10XXBE – Benefits
  - 10XXRE – Reimbursable Rent
  - 10XXLE – Line Office Overhead
  - 10XXFE – FMC Overhead
  - NOAARE – NOAA Reimbursable Overhead
- ◆ Odd (original) Templates – used for FY 2007
  - 10XXLV - Leave
  - 10XXEC – Benefits (Employer Contribution)
  - 10XXRR – Reimbursable Rent
  - 10XXLO – Line Office Overhead
  - 10XXOF – FMC Overhead
  - NOAREM – NOAA Reimbursable Overhead

# GL\_TRANS\_NO Tracking



## FY 2005 CM204 - SURCHARGE PROCESS

PP	LABOR		SURCHARGE		SURCHARGE PROCESS		Over/Under Process		
	GL_TRANS_NO		GL_TRANS_NO USED		GL_TRANS_NO GENERATED		GL_TRANS_NO GENERATED		
	Begin	End	Begin	End	Min	Max	Min	Max	
PP 09, SLTs, Pay Adj	4,074,590	4,074,594	4,024,686	4,074,630	4,076,872	4,077,222			
May Month End Estimate	4,078,063	4,078,081	4,078,063	4,078,081	4,079,341	4,079,850			
NOAA Coprs, Final May - SLTs, Pay Adj	4,080,276	4,084,279	4,079,851	4,084,279	4,084,855	4,084,868	4,087,054	4,087,677	<b>May-05</b>
May Monthend Est Reversal	4,088,694	4,088,754	4,088,694	4,088,754	4,092,553	4,092,823			
PP 10, SLTs, Pay Adj	4,111,385	4,111,388	4,092,824	4,111,623	4,111,723	4,111,962			
PP 11, SLTs, Pay Adj	4,163,188	4,163,191	4,111,963	4,163,191	4,163,296	4,163,559			
June Month End Estimate	4,164,084	4,164,163	4,164,084	4,164,163	4,164,410	4,164,692			
NOAA Coprs, Final June - SLTs, Pay Adj	4,174,052	4,174,052	4,164,693	4,174,114	4,175,108	4,175,178			
June Monthend Est Reversal	4,179,203	4,179,224	4,179,203	4,179,224	4,179,939	4,180,218	4,177,983	4,178,711	<b>June-05</b>
PP 12, SLTs, Pay Adj	4,190,541	4,190,583	4,180,219	4,190,583	4,190,986	4,191,257			

# ***NOAA Cost Accumulation Process Example***

	<u><i>Plan</i></u>
<u><i>Internal Fund</i></u>	
Leave Surcharge Ceiling	1,000
Leave Expense 09WLV81	
Leave Surcharge Offset/Income 09WLOFF	
Difference/Redistribution	
<u><i>Operating</i></u>	
Project A:	
Labor 11.10	2,000
Leave Surcharge (20%) 11.60	400
Project B:	
Labor 11.10	3,000
Leave Surcharge (20%) 11.60	600
Subtotal, Labor 11.10	5,000
Subtotal, Leave Surcharge	1,000

# ***NOAA Cost Accumulation Process Example***

	<u><i>Plan</i></u>	<u><i>Actual</i></u>
<u><i>Internal Fund</i></u>		
Leave Surcharge Ceiling	1,000	
Leave Expense 09WLV81		700 <sup>1</sup>
Leave Surcharge Offset/Income 09WLOFF		
Difference/Redistribution		
<u><i>Operating</i></u>		
Project A:		
Labor 11.10	2,000	1,000 <sup>1</sup>
Leave Surcharge (20%) 11.60	400	
Project B:		
Labor 11.10	3,000	1,500 <sup>1</sup>
Leave Surcharge (20%) 11.60	600	
Subtotal, Labor 11.10	5,000	2,500 <sup>1</sup>
Subtotal, Leave Surcharge	1,000	

<sup>1</sup> Actual Labor/Leave Expenses

# ***NOAA Cost Accumulation Process Example***

	<u><i>Plan</i></u>	<u><i>Actual</i></u>
<u><i>Internal Fund</i></u>		
Leave Surcharge Ceiling	1,000	
Leave Expense 09WLV81		700
Leave Surcharge Offset/Income 09WLOFF		<b>500</b> <sup>2</sup>
Difference/Redistribution		
<u><i>Operating</i></u>		
Project A:		
Labor 11.10	2,000	1,000
Leave Surcharge (20%) 11.60	400	<b>200</b> <sup>2</sup>
Project B:		
Labor 11.10	3,000	1,500
Leave Surcharge (20%) 11.60	600	<b>300</b> <sup>2</sup>
Subtotal, Labor 11.10	5,000	2,500
Subtotal, Leave Surcharge	1,000	<b>500</b> <sup>2</sup>

<sup>2</sup> Application of O/H surcharges

# ***NOAA Cost Accumulation Process Example***

	<u><i>Plan</i></u>	<u><i>Actual</i></u>	<u><i>Over/Under</i></u>
<u><i>Internal Fund</i></u>			
Leave Surcharge Ceiling	1,000		
Leave Expense 09WLV81		700	
Leave Surcharge Offset/Income 09WLOFF		500	
Difference/Redistribution			-200 <sup>3</sup>
<u><i>Operating</i></u>			
Project A:			
Labor 11.10	2,000	1,000	
Leave Surcharge (20%) 11.60	400	200	
Project B:			
Labor 11.10	3,000	1,500	
Leave Surcharge (20%) 11.60	600	300	
Subtotal, Labor 11.10	5,000	2,500	
Subtotal, Leave Surcharge	1,000	500	

<sup>3</sup> Difference between Actual Expenses & Applied Overhead

# ***NOAA Cost Accumulation Process Example***

	<u><i>Plan</i></u>	<u><i>Actual</i></u>	<u><i>Over/Under</i></u>
<b><u><i>Internal Fund</i></u></b>			
Leave Surcharge Ceiling	1,000		
Leave Expense 09WLV81		700 <sup>1</sup>	
Leave Surcharge Offset/Income 09WLOFF		500 <sup>2</sup>	
Difference/Redistribution			-200 <sup>3</sup>
<b><u><i>Operating Fund</i></u></b>			
<b>Project A:</b>			
Labor 11.10	2,000	1,000 <sup>1</sup>	
Leave Surcharge (20%) 11.60.89.99	400	200 <sup>2</sup>	80 <sup>4</sup>
<b>Project B:</b>			
Labor 11.10	3,000	1,500 <sup>1</sup>	
Leave Surcharge (20%) 11.60.89.99	600	300 <sup>2</sup>	120 <sup>4</sup>
Subtotal, Labor 11.10	5,000	2,500 <sup>1</sup>	
Subtotal, Leave Surcharge	1,000	500 <sup>2</sup>	200 <sup>4</sup>

<sup>1</sup> Actual Labor/Leave Expenses  
<sup>2</sup> Application of O/H surcharges

<sup>3</sup> Difference between Actual Expenses & Applied Overhead  
<sup>4</sup> Redistribution of Over/Under Difference

# Over/Under Recap



- ◆ **Over/Under Process is normally run at the end of each month**
  - **Results posted/display in current month-end reports**
  - **Entire posted amount is reversed at the beginning of the the next month**
  - **Final posting at the end of September**
- ◆ **Process is run on a cumulative basis – range used is October October through current month**
- ◆ **Monthly estimates available on the NOA120 report**
  - **By FMC (org2)**
  - **Major changes after each labor and associated surcharge surcharge files are processed.**
- ◆ **Important to review but understand variances may even out out**

# Sample CM012 Template



**Over/Under Distribution Template Maintenance (CM012 VER-0.0.0.0)**

For: Bureau Code  Name

Document: No

Template: Code  Purpose

GJ: Ref  Description

Active: Status  Date

Formula: Priority  Periods

Fund Code FY: From  To  PY

	Account Range	Project Types	FY Trans Code	Trans Code
Expense:	< [ ] >	< [ ] >	Annual Direct	Direct
Income:	< [ ] >	< [ ] >	Multi/X Direct	Reimb
Based Upon:	< [ ] >	< E >	Annual Reimb	Contra
Contra Entry:	< [ ] >		Multi/X Reimb	CA5010

Applied Object Class:  -  -  -

# Sample CM012 Template (continued)



## Expense Range

**From Account Ranges (CM010B VER-0.0.0.0)**

BEGINNING

ACCS <  >  -

14 00000000-000 02 09-04-01-000 06-06-0000-00-00-00-00 00-00-00-00 000000

ENDING

ACCS <  >  -

14 //////////////// 02 09-04-01-000 06-06-////-99-99-99-99 99-99-99-99 999999

BEGINNING

ACCS <  >  -

ENDING

ACCS <  >  -

# Sample CM012 Template (continued)



## Income Range

**To Account Ranges (CM010C VER-0.0.0.0)**

BEGINNING

ACCS <  > 5700 - 00

14 09wLOFF-P00 02 09-04-50-000 06-06-0000-00-00-00-00 11-60-00-00 000000

ENDING

ACCS <  > 5700 - 89

14 09wLOFF-P00 02 09-04-50-000 06-06-~~0000~~-99-99-99-99 11-60-49-00 999999

BEGINNING

ACCS <  > 5700 - 00

14 09wLOFF-P00 02 09-04-50-000 06-06-0000-00-00-00-00 11-80-00-00 000000

ENDING

ACCS <  > 5700 - 89

14 09wLOFF-P00 02 09-04-50-000 06-06-~~0000~~-99-99-99-99 11-82-49-00 999999

# Sample CM012 Template (continued)



## Based Upon Range

**Based Upon Account Ranges (CM010D VER-0.0.0.0)**

BEGINNING

ACCS <  > 4801 - 00

14 0000000-000 02 00-00-00-000 06-06-0000-00-00-00-00 11-60-00-00 000000

ENDING

ACCS <  > 4982 - 00

14 ZZZZZZ-ZZZ 02 99-99-99-999 06-06-ZZZZ-99-99-99-99 11-60-49-00 000000

BEGINNING

ACCS <  > 4801 - 00

14 0000000-000 24 00-00-00-000 06-06-0000-00-00-00-00 11-60-00-00 000000

ENDING

ACCS <  > 4982 - 00

14 ZZZZZZ-ZZZ 24 99-99-99-999 06-06-ZZZZ-99-99-99-99 11-60-49-00 000000

# Sample CM012 Template (continued)



## Contra Range

ACCOUNT CLASSIFICATION CODE STRUCTURE (DBA094 VER.2.9.0.0)

PROJECT/													OBJECT						
BUR	TASK		FUND	PROGRAM				ORGANIZATION				CLASS							
14	09	WL0FF	P00	02	09	04	50	000	06	06	0000	00	00	00	00	11	60	89	99

USER DEFINED FIELD  
000000

NAME NOAA

# *Process in FY 2007*



## ◆ NOS

### ➤ **LV and EC surcharges**

- » Apply to all projects
- » Capture income (offset) in the Internal Fund
- » Use Over/under process to adjust to direct projects

### ➤ **LO, FMC, NOAA Corporate and Reimbursable Rent**

- » Apply to only reimbursable projects
- » Receive LO, FMC and Reimbursable Rent offset as negative obligations to one direct project

# *Process in FY 2007*



## ◆ NOS (continued)

### ➤ **LO Internal Fund Overhead Expenses**

- » Each NOS FMC to transfer 4.6% of appropriated funding funding to FMC 10-01
- » FMC 10-01 will incur admin expenses in FC 02
- » Over/under process distributes FC 02 expenses back to FMC 10-01 appropriated funds received from other NOS NOS FMCs
- » Initial SLT to establish distribution percentages within within FMC 10-01 appropriated funds/programs

# *Process in FY 2007*



## ◆ OAR, NESDIS

- **Use Internal Fund to capture Admin/Staff obligations**
- **Apply LV, EC, LO and FMC surcharges to all projects**
- **Also apply Reimbursable Rent and NOAA Corporate surcharges to surcharges to all reimbursable projects**
- **Over/under process adjusts internal fund for LV, EC, LO and FMC FMC to direct projects**
- **Reimbursable Rent offset posted as negative obligations to one direct project**

# *Process in FY 2007*



## ◆ NMAO

- **S&E accts for staff/admin obligations; no 'taxation' on direct projects**
- **LV and EC surcharges**
  - » Apply to all projects
  - » Capture income (offset) in the Internal Fund
  - » Use Over/under process to adjust to direct projects
- **LO, FMC, NOAA Corporate and Reimbursable Rent**
  - » Apply to only reimbursable projects
  - » Receive LO, FMC and Reimbursable Rent offset as negative obligations to one direct project

# *Process in FY 2007*



## ◆ NWS, NFA, UnderSec

- **Operating as they did in FY 2004 under the S&E Acct Structure**
- **LV and EC surcharges**
  - » Apply to all projects
  - » Capture income (offset) in the Internal Fund
  - » Use Over/under process to adjust to direct projects
- **LO, FMC, NOAA Corporate and Reimbursable Rent**
  - » Apply to only reimbursable projects
  - » Receive LO, FMC and Reimbursable Rent offset as negative obligations to one direct project

# *Process in FY 2007*



## ◆ NMFS

### ➤ **LV and EC surcharges**

- » Apply to all projects
- » Capture income (offset) in the Internal Fund
- » Use Over/under process to adjust to direct projects

### ➤ **LO, FMC, NOAA Corporate and Reimbursable Rent**

- » Apply to only reimbursable projects
- » Receive LO, FMC and Reimbursable Rent offset as negative obligations to one direct project

# *Process in FY 2007*



## ◆ NMFS (continued)

### ➤ **LO and FMC Internal Fund Overhead Expenses**

- » **SLT distribution of actual Internal Fund obligations**
- » **Based on pre-defined NMFS org and project allocations allocations**
- » **Over/under process used to “sweep” Internal Fund accounts**
  - **distributes additional expenses found after SLT**
  - **distributes based on SLT proportions**
- » **Both LO and FMC expenses recorded in object class 77.89 77.89**

# Surcharge Examples – Reimbursable



FC 07	FMC 40-06	Program Code 05-02-01-000	Project Code 5RN3A4Q
BOP O.C.	BOP Amount	Surcharge Rate	Income Distribution
11.12.00	\$ 3,437		
11.60.00	\$ 720	21.00%	To IF 09WL0FF 40-06
12.10.00	\$ 960	23.00%	To IF 09WE0FF 40-06
23.19.20	\$ 380	9.00%	To IF 59WGD50 40-06 – negative obligation
77.87.00	\$ 840	20.17%	To FC 85 ESPEARN 06-99 – negative obligation
77.88.00	\$ 571	13.80%	To IF 09WG0FL 40-01
77.89.00	\$ 2,244	54.00%	To IF 09WG0FF 40-06
<b>Total</b>	<b>\$ 9,152</b>		

## Over/Under Results

Reimbursable projects are not included in the over/under process; surcharge obligations applied to each project remain unchanged, regardless of actual obligations incurred in the various categories

# Surcharge Examples – Direct



FC 85	FMC 40-04	Program Code 05-01-08-000	Project Code E8N2GAR
BOP O.C.	BOP Amount	Surcharge Rate	Income Distribution
11.12.00	\$ 2,057,500		
11.60.00	\$ 37,350	18.00%	To IF 09WL0FF 40-04
12.10.00	\$ 485,570	20.00%	To IF 09WE0FF 40-04
77.88.00	\$ 335,050	13.80%	To IF 09WG0FL 40-01
Total	\$ 2,915,470		

## Over/Under Results

11.60.89.99 Compare IF LV Income to IF LV Expenses; Spread to all 40-04 non-reimb projects (with 11.60) except CWIPC and IUSDC

12.10.89.99 Compare IF EC Income to IF EC Expenses; Spread to all 40-04 non-reimb projects (with 12.10) except CWIPC and IUSDC

77.88.89.99 Compare IF LO Income to IF LO Expenses; Spread to all NESDIS non-reimb projects (with 77.88) except CWIPC and IUSDC

# *Budget Operating Plan Surcharges*



- ◆ **Uses rates established on Surcharge Rate Maintenance screen to determine amount of surcharge to be applied**
- ◆ **Creates separate lines for each rate application – rounded to rounded to the nearest \$10**
- ◆ **System automatically selects the surcharges based on the the ACCS entered**
- ◆ **Users can delete and reapply surcharges several times prior prior to approval**
- ◆ **Surcharge rates displayed on BOP Detail Screen**

# *Benefits*



◆ Why use Benefit surcharge rates?

◆ Why not directly charge the benefit costs to the program tasks?

## *Benefits - 2*



- ◆ **The CSRS, FERS and Officers benefit plans each require require substantially different NOAA contribution rates. rates. Part time staff affect the mix.**
- ◆ **Options (health, insurance, thrift savings) also vary NOAA's contribution for each employee.**
- ◆ **Social Security tax is only applied on income up to a specific specific level.**

## *Benefits - 3*



- ◆ **The use of an overall average benefit surcharge rate for each FMC permits planning for the benefits associated with labor on each project, without having a “individual unique” benefit rate.**

# *Benefits - 4*



- ◆ **The benefit surcharge cost charged to a project is is the benefit rate for that FMC times the total labor (base labor plus leave surcharge)**
  - **The Benefit Surcharge is recorded in O.C. 12.10.00.00 in the project with the labor.**
  - **An equal surcharge offset is recorded in the internal fund**

# *Benefits - 5*



- ◆ **The Benefit Surcharge rate is applied to the labor labor object classes**
  - **11.1x,**
  - **11.3x,**
  - **11.60 for all but the 09WLVxx (leave use) tasks tasks**

# *Benefits - 6*



- ◆ **Benefits that are paid, which are covered by the the surcharge, are charged to 09WEC70 in the appropriate O.C. 12.xx.**
- ◆ **If the incorrect benefit rate is set, the over-under under process corrects the distribution.**

# *Benefits - 7*



- ◆ **The contribution that NOAA pays for CSRS retirement is substantially lower than the sum of the contributions paid for FERS employees (OPM centrally funds part of CSRS costs).**
- ◆ **Since most employees hired after 1983 are under the FERS system, NOAA's benefit rate for retirement for each FMC will increase slightly each year as FERS employees replace CSRS employees.**

# *Benefits - 8*



- ◆ **Benefits paid in 09WEC70 include - 1218, 1230(B), 1231, 1232, 1233, 1234(B), 1236, 1237, 1238 and 1239.**
- ◆ **Other benefits are charged directly to the program tasks -  
- 1209, 1212, 1213, 1214, 1215, 1216, 1217, 1219, 1230(B),  
1234(B), 1235, 1245, 1251, 1252 and 1295.**
- ◆ **(B) indicates some costs are charged to programs tasks and  
and some to 09WEC70.**

# NOA120 Report



**Runtime Parameter Form (NOA120)**

OVERHEAD COMPARISON REPORT  
ENTER REPORT PARAMETERS FOR PROCESSING

**Parameters**

Bureau Code: 14 NOAA

Fiscal Year: 2007 Fiscal Month: November

Org1: 40 NAT ENV SATELLITE, DATA & INFO SERVICE

Org2: 06 NATIONAL CLIMATIC DATA CENTER, NESDIS

Overhead Categories Displayed:

Leave Surcharge Support:  YES  NO

Employer's Contribution:  YES  NO

Overhead Support:  YES  NO

Run Report Cancel

# NOA120 Report (continued)



CREATION RUN DATE: 11/02/2006  
 REPORT ID: NOA120  
 INSTANCE: CFSW.WORLD

COMMERCE ADMINISTRATIVE MANAGEMENT SYSTEM  
 NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION  
 OVERHEAD COMPARISON REPORT  
 (DOLLARS IN THOUSANDS)

USER ID: OPSSMIKBOLO1  
 PAGE: 2  
 AS OF DATE: 11/01/2006

BUREAU: 14 FISCAL YEAR: 2007 FISCAL MONTH: NOVEMBER LO LEVEL: 40 NAT ENV SATELLITE, DATA & INFO SERVICE  
 ORG2 CODE: 06 NATIONAL CLIMATIC DATA CENTER, NESDIS

ITEM	OPERATING FUND							INTERNAL FUND		
	NOVEMBER PLAN	NOVEMBER OBLIGATIONS	NOVEMBER DIFF(PLAN-OBLIG)	YTD PLAN	YTD OBLIGATIONS	YTD DIFF(PLAN-OBLIG)	YTD SUR OFFSET	YTD OBLIGATIONS	YTD (SURCH-OBLIG)	
1. LEAVE SURCHARGE SUPPORT	0.0	(97.4)	97.4	0.0	81.0	(81.0)	(81.0)	119.6	38.5	
2. EMPLOYER'S CONTRIBUTION (EC)	0.0	(146.1)	146.1	0.0	109.0	(109.0)	(109.0)	118.5	9.5	

# *NOAA Cost Accumulation Process Example*

	<u>Plan</u>	<u>Actual</u>	<u>Over/Under</u>
<b><u>Internal Fund</u></b>			
Leave Surcharge Ceiling	1,000		
Leave Expense 09WLV81		700 <sup>1</sup>	
Leave Surcharge Offset/Income 09WLOFF		500 <sup>2</sup>	
Difference/Redistribution			-200 <sup>3</sup>
<b><u>Operating Fund</u></b>			
<b>Project A:</b>			
Labor 11.10	2,000	1,000 <sup>1</sup>	
Leave Surcharge (20%) 11.60.89.99	400	200 <sup>2</sup>	80 <sup>4</sup>
<b>Project B:</b>			
Labor 11.10	3,000	1,500 <sup>1</sup>	
Leave Surcharge (20%) 11.60.89.99	600	300 <sup>2</sup>	120 <sup>4</sup>
Subtotal, Labor 11.10	5,000	2,500 <sup>1</sup>	
Subtotal, Leave Surcharge	1,000	500 <sup>2</sup>	200 <sup>4</sup>

<sup>1</sup> Actual Labor/Leave Expenses  
<sup>2</sup> Application of O/H surcharges

<sup>3</sup> Difference between Actual Expenses & Applied Overhead  
<sup>4</sup> Redistribution of Over/Under Difference



# *Actual Examples (by project code)*

*January 2007*

# Leave Actuals



Fund	D_R	Project	Base Labor (11.10 to 11.39)	Leave Surcharge	Comp/Credit (11.80 & 11.82)	LV Over/Under
1	D	48M6JKR	(16,917.92)	(3,485.09)		
2	D	09WGALB		(0.01)		
2	D	39WGRED	(442.97)	(91.25)		(3.78)
6	R	3BR2A07	(38,458.50)	(7,922.46)	(77.16)	
6	R	3BR2AMB	(28,466.00)	(5,863.98)		
6	R	3BR2Q07		(0.01)		
6	R	3BR2QAF	(18,149.37)	(3,738.77)	(1,472.40)	
6	R	3BR2QEN	(5,153.62)	(1,061.65)		
6	R	3BR2QHC	(984.30)	(202.75)		
6	R	3BR2QMB	(10,243.90)	(2,110.26)		
6	R	3BR2QNT	(66,937.89)	(13,789.21)		
6	R	3BR2QPA	(5,041.11)	(1,038.46)		
6	R	3BR2QRL	(7,974.00)	(1,642.66)		
6	R	3BR2QRR	(47,101.49)	(9,702.91)		
6	R	3BR2QSD	(52,129.93)	(10,738.76)	(60.40)	
6	R	3BR2QSS	(12,757.20)	(2,627.99)		
7	R	3RR2AWT	(16,783.51)	(3,457.40)		
7	R	3RR2QFA	(395,056.16)	(81,381.56)	(20,800.28)	
7	R	3RR2QFW	(25,203.34)	(5,191.89)		
7	R	3RR2QHJ	(1,130.84)	(232.96)		
7	R	3RR2QHS	(8,306.49)	(1,711.13)		
7	R	3RR2QNK	(57.90)	(11.93)		
7	R	3RR2QWT	(41,317.27)	(8,511.35)		
31	D	C8M5J70	(8,207.28)	(1,690.69)		
31	D	C8WDPR2	(59,908.62)	(12,341.16)		

# Leave Actuals (continued)



Fund	D_R	Project	Base Labor (11.10 to 11.39)	Leave Surcharge	Comp/Credit (11.80 & 11.82)	LV Over/Under
36	D	D2MS6N6	(82.40)	(16.98)		
36	D	D2MS6W6	(24,426.64)	(5,031.88)	(889.74)	
36	D	D2NS19G	(50,710.49)	(10,446.35)		
36	D	D2NS1GC	(11,637.90)	(2,397.41)		
37	D	D8K3BPS	(4,091.34)	(842.81)	(132.86)	(35.00)
37	D	D8K5B34	(8,655.53)	(1,783.03)	(215.26)	(73.94)
37	D	D8M5J10	(48,950.00)	(10,083.69)	(1,190.98)	(418.15)
37	D	D8M5J1E	(37,492.60)	(7,723.48)		(320.28)
37	D	D8M5LAW	(525,014.76)	(108,153.05)	(12,347.04)	(4,484.92)
37	D	D8M6J70	(76,964.06)	(15,854.57)	(3,069.34)	(657.46)
37	D	D8M6JAF	(50,101.71)	(10,320.94)		(427.99)
37	D	D8P1EBH	(5,399.14)	(1,112.22)	(132.86)	(46.12)
37	D	D8P1ESP	(22,477.68)	(4,630.41)	(215.26)	(192.01)
37	D	D8R1HPD	3,889.55	801.25	(419.28)	33.23
37	D	D8R2NSR	(1,584.10)	(326.32)		(13.53)
37	D	D8R2PUB	(191,351.35)	(39,418.38)	(1,067.38)	(1,634.61)
37	D	D8R2Q80	(1,136,570.77)	(234,133.59)	(13,452.77)	(9,709.11)
37	D	D8R2Q81	(223,093.56)	(45,957.26)	(132.86)	(1,905.77)
37	D	D8R2QRS	(41,109.00)	(8,468.45)		(351.17)
37	D	D8R2TSR	(19,232.54)	(3,961.91)		(164.29)
37	D	D8R4AH1	(356,543.80)	(73,448.00)	(1,802.46)	(3,045.77)
37	D	D8WDPR2	(1,410,909.84)	(290,647.48)	(32,899.00)	(12,052.67)
<b>TOTALS</b>			<b>(5,109,239.27)</b>	<b>(1,052,503.25)</b>	<b>(90,377.33)</b>	<b>(35,503.34)</b>
<b>NOA120 YTD OBLIGATIONS (sum of surcharges, comp/credit and o/u)</b>						<b>(1,178,383.92)</b>

# Internal Fund Leave Actuals



Fund	D_R	Project	ORG1	ORG2	OBJ1	OBJ2	OBJ3	OBJ4	FC 02 Leave Expenses
2	D	09WLV71	50	37	11	12	0	0	(213,720.60)
2	D	09WLV71	50	37	11	32	0	0	(4,331.24)
2	D	09WLV73	50	37	11	12	0	0	(257,223.96)
2	D	09WLV73	50	37	11	32	0	0	(5,376.16)
2	D	09WLV81	50	37	11	12	0	0	(566,773.37)
2	D	09WLV81	50	37	11	32	0	0	(12,621.66)
2	D	09WLV83	50	37	11	18	0	0	(27,703.36)
2	D	09WLV85	50	37	11	12	0	0	(89,998.99)
2	D	09WLV85	50	37	11	32	0	0	(376.38)
<b>NOA120 Internal Fund YTD Obligations</b>									<b>(1,178,125.72)</b>

Fund	D_R	Project	ORG1	ORG2	OBJ1	OBJ2	OBJ3	OBJ4	FC 02 Leave Offset/Income
2	D	09WLOFF	50	37	11	60	0	0	1,052,503.25
2	D	09WLOFF	50	37	11	60	89	99	35,503.34
2	D	09WLOFF	50	37	11	80	0	0	18,987.86
2	D	09WLOFF	50	37	11	82	0	0	71,131.27
<b>NOA120 Internal Fund YTD Offset</b>									<b>1,178,125.72</b>

# Benefit Actuals



Fund	D_R	Project	Base Labor (11.10 to 11.39)	Leave Surcharge	Benefit Surcharges	Benefit Over/Under
1	D	48M6JKR	(16,917.92)	(3,485.09)	(4,437.65)	
2	D	09W GALB		(0.01)	0.02	
2	D	39WGRED	(442.97)	(91.25)	(116.19)	(17.20)
6	R	3BR2A07	(38,458.50)	(7,922.46)	(10,087.88)	
6	R	3BR2AMB	(28,466.00)	(5,863.98)	(7,466.77)	
6	R	3BR2Q07		(0.01)		
6	R	3BR2QAF	(18,149.37)	(3,738.77)	(4,760.66)	
6	R	3BR2QEN	(5,153.62)	(1,061.65)	(1,351.82)	
6	R	3BR2QHC	(984.30)	(202.75)	(258.17)	
6	R	3BR2QMB	(10,243.90)	(2,110.26)	(2,687.02)	
6	R	3BR2QNT	(66,937.89)	(13,789.21)	(17,558.16)	
6	R	3BR2QPA	(5,041.11)	(1,038.46)	(1,322.32)	
6	R	3BR2QRL	(7,974.00)	(1,642.66)	(2,091.63)	
6	R	3BR2QRR	(47,101.49)	(9,702.91)	(12,354.96)	
6	R	3BR2QSD	(52,129.93)	(10,738.76)	(13,673.92)	
6	R	3BR2QSS	(12,757.20)	(2,627.99)	(3,346.26)	
7	R	3RR2AWT	(16,783.51)	(3,457.40)	(4,402.40)	
7	R	3RR2QFA	(395,056.16)	(81,381.56)	(103,625.24)	
7	R	3RR2QFW	(25,203.34)	(5,191.89)	(6,610.96)	
7	R	3RR2QHJ	(1,130.84)	(232.96)	(296.63)	
7	R	3RR2QHS	(8,306.49)	(1,711.13)	(2,178.84)	
7	R	3RR2QNK	(57.90)	(11.93)	(15.19)	
7	R	3RR2QWT	(41,317.27)	(8,511.35)	(10,837.73)	
31	D	C8M5J70	(8,207.28)	(1,690.69)	(2,152.82)	
31	D	C8WDPR2	(59,908.62)	(12,341.16)	(15,714.33)	

# *Benefit Actuals*

## *(continued)*



<b>Fund</b>	<b>D_R</b>	<b>Project</b>	<b>Base Labor (11.10 to 11.39)</b>	<b>Leave Surcharge</b>	<b>Benefit Surcharges</b>	<b>Benefit Over/Under</b>
36	D	D2MS6N6	(82.40)	(16.98)	(21.61)	
36	D	D2MS6W6	(24,426.64)	(5,031.88)	(6,407.23)	
36	D	D2NS19G	(50,710.49)	(10,446.35)	(13,301.62)	
36	D	D2NS1GC	(11,637.90)	(2,397.41)	(3,052.67)	
37	D	D8K3BPS	(4,091.34)	(842.81)	(1,073.18)	(158.92)
37	D	D8K5B34	(8,655.53)	(1,783.03)	(2,270.39)	(336.22)
37	D	D8M5J10	(48,950.00)	(10,083.69)	(12,839.83)	(1,901.44)
37	D	D8M5J1E	(37,492.60)	(7,723.48)	(9,834.49)	(1,456.39)
37	D	D8M5LAW	(525,014.76)	(108,153.05)	(137,714.04)	(20,394.05)
37	D	D8M6J70	(76,964.06)	(15,854.57)	(20,188.07)	(2,989.65)
37	D	D8M6JAF	(50,101.71)	(10,320.94)	(13,141.93)	(1,946.19)
37	D	D8P1EBH	(5,399.14)	(1,112.22)	(1,416.22)	(209.73)
37	D	D8P1ESP	(22,477.68)	(4,630.41)	(5,896.01)	(873.14)
37	D	D8R1HPD	3,889.55	801.25	1,020.25	151.09
37	D	D8R2GPM			0.01	
37	D	D8R2NSR	(1,584.10)	(326.32)	(415.52)	(61.53)
37	D	D8R2PUB	(191,351.35)	(39,418.38)	(50,192.41)	(7,432.99)
37	D	D8R2Q80	(1,136,570.77)	(234,133.59)	(298,128.13)	(44,149.76)
37	D	D8R2Q81	(223,093.56)	(45,957.26)	(58,518.57)	(8,666.01)
37	D	D8R2QRS	(41,109.00)	(8,468.45)	(10,783.10)	(1,596.87)
37	D	D8R2TSR	(19,232.54)	(3,961.91)	(5,044.79)	(747.08)
37	D	D8R4AH1	(356,543.80)	(73,448.00)	(93,523.22)	(13,849.84)
37	D	D8WDPR2	(1,410,909.84)	(290,647.48)	(370,088.73)	(54,806.40)
<b>TOTALS</b>			<b>(5,109,239.27)</b>	<b>(1,052,503.25)</b>	<b>(1,340,179.03)</b>	<b>(161,442.32)</b>
<b>NOA120 YTD OBLIGATIONS (sum of benefit surcharges and o/u)</b>						<b>(1,501,621.35)</b>

# Internal Fund Benefit Actuals



Fund	D_R	Project	ORG1	ORG2	OBJ1	OBJ2	OBJ3	OBJ4	FC 02 Benefit Expenses
2	D	09WEC70	50	37	12	30	0	0	(12,853.59)
2	D	09WEC70	50	37	12	31	0	0	(155,079.75)
2	D	09WEC70	50	37	12	32	0	0	(343,915.89)
2	D	09WEC70	50	37	12	33	0	0	(9,666.35)
2	D	09WEC70	50	37	12	34	0	0	(92,974.64)
2	D	09WEC70	50	37	12	36	0	0	(467,713.52)
2	D	09WEC70	50	37	12	37	0	0	(228,408.77)
2	D	09WEC70	50	37	12	38	0	0	(40,377.39)
2	D	09WEC70	50	37	12	39	0	0	(150,631.45)
<b>NOA120 Internal Fund YTD Obligations</b>									<b>(1,501,621.35)</b>
Fund	D_R	Project	ORG1	ORG2	OBJ1	OBJ2	OBJ3	OBJ4	FC 02 Benefit Offset/Income
2	D	09WE0FF	50	37	12	10	0	0	1,340,179.03
2	D	09WE0FF	50	37	12	10	89	99	161,442.32
<b>NOA120 Internal Fund YTD Offset</b>									<b>1,501,621.35</b>