

## **List of Earned Value Management Terms**

**Actual Cost (AC)** – The costs actually incurred and recorded in accomplishing the work. Also known as Actual Cost of Work Performed (ACWP).

**Baseline** – The cost and schedule plan.

**Baseline Freeze Date (BFD)** – The date when initial contract startup baseline planning terminates, and the baseline becomes subject to change control procedures.

**Baseline Change Control** – The system used to establish, analyze, communicate, and record approved changes to the program baseline.

**Budget** – Total resources (measured in dollars, man-hours, or other definitive units) that are formally allocated for the accomplishment of a specific task or group of tasks.

**Budget at Completion (BAC)** – The total budget established for the completion of the Program, Control Account, Work Package, or Element.

**Charge Number** – The account number for work at the lowest level to which a performing organization charges direct or indirect labor, materials, and other costs.

**Contract Budget Base (CBB)** – The original contract target cost plus the target cost or negotiated customer authorized changes and the estimated cost of authorized but unpriced changes. It is also the sum of all Control Account budgets, UBs, and MR.

**Contract Data Requirements List (CDRL)** – An element of the contract that specifies the data submittal requirements.

**Contract Funds Status Report (CFSR)** – A Department of Defense report that provides the following funding information necessary to:

- Update and forecast contract fund requirements.
- Plan and decide on funding changes.
- Develop fund requirements and budget estimates in support of approved programs.
- Obtain estimates of termination costs.

**Contract Work Breakdown Structure (CWBS)** – The WBS for a specific Government contract that is product-oriented and developed in accordance with MIL-HDBK-881 (Latest Revision). The CWBS provides for the subdivision of contract work into major elements.

**Control Account (CA)** – The focal point for planning, monitoring, and controlling tasks. The Control Account represents work within a single WBS element, and it is the responsibility of a single organizational unit.

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**Control Account Manager (CAM)** – The individual designated as directly responsible for the management of a Control Account. The Control Account Manager is responsible for planning and managing the resources assigned for the accomplishment of the task.

**Cost Performance Index (CPI)** – An indicator of cost performance. It is the ratio of the earned value (BCWP) to the actual cost (ACWP) incurred. A ratio of greater than one indicates a favorable condition (underrun); less than one indicates an unfavorable condition (overrun).

**Cost Performance Report (CPR)** – A contractually required report, prepared by the contractor, containing information derived from the internal system. Provides status of progress on the contract.

**Cost/Schedule Status Report (C/SSR)** – A performance measurement report established to capture information on smaller contracts.

**Direct Costs** – Any costs that may be identified specifically with a particular cost objective.

**Earned Value (EV)** – The quantification of the “worth” of the work done to date. Also known as Budgeted Cost of Work Performed (BCWP).

**Estimate at Completion (EAC)** – Inception to Date (ITD) actuals plus an objective estimate of costs for remaining authorized work.

**Estimate to Complete (ETC)** – The estimated cost of completing the authorized remaining work.

**Inception to Date (ITD)** – The time from the beginning of an activity through a specified date.

**Indirect Costs** – Costs, which because of their incurrence for common or joint objectives, are not readily subject to treatment as direct costs. This term is further defined in FAR 31.203.

**Latest Revised Estimate (LRE)** – The Control Account Manager’s estimate of cost at completion by element of cost for a given Control Account, as approved by the Program Manager. While an LRE is an informal estimate, it is substantiated with supporting rationale.

**Level of Effort (LOE)** – Effort of a general or supportive nature that does not produce definite end products.

**Management Reserve (MR)** – Program funds reserved for use on unknown or unforeseen problem tasks as identified by the Program Manager. MR is not included in the Performance Measurement Baseline (PMB).

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**Organizational Breakdown Structure (OBS)** – A functionally oriented division of the contractor's organization established to perform the work on a specific contract.

**Performance Measurement Baseline (PMB)** – Time phased budget plan against which contract performance is measured. It is comprised of time-phased Control Account budgets, Undistributed Budgets, and indirect budgets. Management Reserve is not a part of the PMB.

**Planned Value (PV)** – The sum of the budgets for all planned work. Also known as Budgeted Cost of Work Scheduled (BCWS).

**Planning Package** – A future segment of work within a Control Account that is not yet broken down into work packages. A planning package has a firm budget, estimated start and complete dates, and Statement of Work.

**Responsibility Assignment Matrix (RAM)** – A depiction of the relationship between the Contract Work Breakdown Structure elements and the organizations assigned responsibility for ensuring their accomplishment.

**Total Allocated Budget (TAB)** – The sum of all budgets allocated to the contract. The total allocated budget must reconcile to the contract budget base.

**Undistributed Budget (UB)** – UB is assigned to contractual effort that is known to exist, but has not yet been formally planned in a Control Account. It is a temporary account to be used until formal planning is completed.

**Variance at Completion (VAC)** – The arithmetic difference between the Budget at Completion (BAC) and the Estimate at Completion (EAC).

**Work Authorization Document (WAD)** – The document that assigns responsibility and authority for a defined task within a specified schedule, budget, and statement of work.

**Work Breakdown Structure (WBS)** – A product-oriented family tree division of hardware, software, services, and other work tasks which organizes, defines, and graphically displays the product to be produced as well as the work to be accomplished to achieve the specified product.

**Work Packages (WP)** – A discrete segment of work below the Control Account level that is defined by a description or brief work statement, starting date, ending date, completion milestone, work-in-process measure, and time-phased budget expressed in direct labor (hours or dollars), or material, ODC or subcontract dollars. The duration of a work package is a relatively short span of time (normally, but not limited to, six months or less).