

Activity Based Costing (ABC) Guidance to Employees for FY 2006

What is ABC in the Service context?

- ABC is a tool to enable Service managers to gain insight into how we spend our dollars.
- ABC is a tool that will enable the Service to understand the cost of performance, e.g., the cost of restoring an acre of land.
- ABC is a system that will capture an accurate, but not precise, measurement of the costs of our work.
- ABC is a response to demands from the Administration, the Congress, and the public to better understand and manage the way we spend tax dollars.
- ABC is not a financial accounting system, but it will be an auditable system.

How do the Service and Department use ABC?

- DOI is using ABC to:
 - Determine a range of marginal cost per unit (e.g., cost per acre restored) while recognizing that costs are often driven by local factors/conditions.
 - Provide an alternate perspective by which to judge the validity of our budget requests.
 - Review expenditures vs. achievement of performance targets at Quarterly Reviews with the Director.
- FWS and DOI are using ABC to collect data on the cost of doing work and align those costs with performance goals.
- FWS is using the ABC costs of performance goals in the budget formulation process.

What do I code?

- Please code all your time at work, your time on leave, and your travel costs. (Supervisors and designated employees will take care of coding other non-labor transactions like credit cards, procurements, etc.)

How do I choose which codes to use?

- Please code to the work done -- do not "code to budget." ABC codes are intentionally cross-functional and cross-program and are not the same as the budget. Your costs will be charged against the appropriate budget account regardless of what ABC code you use.
- Please code to the work undertaken, not the ultimate outcome of your work.
 - For example: If you perform office support, code 9X: Provide Office Support, even if you support a field office conducting resource work.
 - For example: If you Restore Wetlands, code to V2: Restore Wetlands, even if that restoration may support migratory birds.
 - Supervisors: Except for employee evaluation and counseling, most supervision should be coded to the actual work activity being supervised.
- Please use the ABC work activity dictionary to choose the best code.
 - Please read the titles and the description. Not every detail and task is captured. Select the best code that fits your work.

- Please read any notes or exclusions. These may help you decide on the best code.

How many codes should I use?

- Please code the major activities you work on.
- Please use common sense in determining how many codes to use. Most employees will probably use no more than 8-10 different codes per pay period. Many employees will probably use fewer codes.
- Here is one idea to try: Cut your day into quarters and choose the most appropriate code for each time segment.

Why do I have to code leave?

- Leave is a cost, just like other benefits (insurance, retirement, etc.). We code leave because it is a cost of doing business.
- Credit Hours Earned or Comp Hours Earned are not a cost until they are used. Please code those hours when they are used, not when they are earned.
- Code leave (including credit and comp) to the codes you use most often since that will give us the total costs of your time.
- Think of your leave as “overhead” on top of your actual work. For every 80 hours you work, you generally also take off 4, 6, or 8 hours in annual leave, so while you may have worked 80 hours on a project, the Service pays out at least 84, 86, or 88 hours of salary costs for that work.

How do I code non-program specific meetings?

- Code time spent at non-program specific meetings to the codes you use most often since that will give an estimate of the total costs of your time. Meetings are another cost of doing our work. During any meeting, you are there in order to directly or indirectly accomplish your assigned work. (There is no longer a specific code in FY 2006 for coding such meetings.)

How do I code time spent in training?

- Code all time spent in training to ABC Code: 93: Attend Training. (This is a change from previous guidance.)

How do I code Section 7 Consultations?

- If you provide an ESA Section 7 Consultation to a Service program or another agency (i.e., if you are paid to do the work by the ES program), code the appropriate Section 7 code – see the ABC dictionary.
- If you receive the benefits of an internal-to-the-Service Section 7 Consultation (or from an external “provider”, e.g., NOAA Fisheries), code to the project you are working on, e.g., Restore Wetlands, or Construct Roads, Bridges, Tunnels, etc.

There is additional guidance on the FWS Planning and ABC website at:

<http://www.fws.gov/planning/abc/>