

In Reply Refer To:
FWS/ABHR-PES 022600

September 22, 2005

Memorandum

To: All FWS Employees

From: Deputy Director /s/ Marshall P. Jones Jr.

Subject: Important Activity Based Costing (ABC) Changes for FY 2006

This summer, we asked employees to participate in a five-minute survey to help identify issues in ABC coding that, once corrected, will build confidence in the ABC data. The Deputy Regional and Assistant Directors Team has also been engaged and working hard on ABC issues during FY 2005. Because of these efforts, we have made many improvements that will contribute to greater accuracy of cost data as well as providing a more user-friendly ABC coding structure. The improvements include:

ABC Codes and Dictionary:

- Reorganizing and restructuring the activity dictionary and T&A worksheet;
- Assigning new codes to all activities - in a logical sequence;
- Eliminating letters "I" and "O" and numbers "1" and "0" from ABC codes;
- Clarifying activity definitions and tasks, including examples of what work does or does not belong;
- 27 activities were deleted, 17 activities were added, total ABC codes for FY 2006 = 176

ABC Guidance and Communication:

- Issuing clearer guidance on specific issues that is easily accessible;
- Making arrangements for Regional site visits to explain changes in guidance, changes in codes/definitions, and the benefits/uses of ABC;
- For FY 2006, an updated, easier-to-use Service ABC website is planned (<http://www.fws.gov/planning/abc>).
- Later in the year, the redesigned website will allow employees to submit detailed questions, with a two-business-day turnaround answer, about what they should be charging in certain instances.

ABC Technical Fixes:

- Improving how the ABC system handles transactions with missing or erroneous ABC codes using the default code tables in FFS;
- Establishing a way to fix mistakes in ABC coding using the RDS process;
- Validating the mapping of ABC activity costs to the Service's performance goals;

Two attachments to this message are very important for you to use.

- One is a crosswalk that shows how the ABC codes from FY 2005 map to the ABC codes for FY 2006.
- The other is bulleted list of the major guidance that we want you to use when coding in ABC. It answers questions like, "How do I choose which codes to use?"; "Why do I have to code leave?"; "How many codes should I use?"

I want to highlight a few items for you.

First, all the codes have changed – per the request of many of you for a more logical sequencing!

- It will be necessary for you to learn new codes for all the activities you charge.
- It will also be necessary to use the NEW FY 2006 Time & Attendance (T&A) worksheet – available on the ABC website at: <http://www.fws.gov/planning/abc>.
- Since many of the titles and definitions have changed it really is necessary for you to review the Service's ABC Activity Dictionary on the web at: <http://www.fws.gov/planning/abc>.

Second, I want to reiterate the existing guidance on how to choose ABC codes.

- 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.
- Please use the ABC work activity dictionary to choose the best code.
 - Please read the titles, descriptions, and notes and exclusions. Select the best code to fit your work.

Finally, a change to the guidance on how to code time spent in training.

- Code all time spent in training to ABC Code: 93: Attend Training.
- With the new Department-wide Learning Management System (LMS) that I announced in August, we will be able to gather lots of useful data on our employee training. However, we need all of you to charge your training to code 93: Attend Training so we can capture our costs.

The Department of the Interior (DOI) relies heavily on the Service's ABC data to make budget and other critical decisions. The Service has also begun to use ABC data and performance measure data to inform decision-making across all regions and programs. Your help in ensuring this data is as accurate as possible will enable the Service to be very competitive as budgets are tightened and increased performance is expected.

Please use the official ABC website for FWS (<http://www.fws.gov/planning/abc>) to get additional guidance, including the very important ABC Activity Dictionary, the revised T&A electronic worksheet, and copies of the attachments I included with this message.

Thank you again for your participation in the ABC survey this summer. Activity Based Costing is a tool that is here to stay, so let's make it useful and accurate. I know that change can sometimes be difficult, but if we all work together, we can make ABC be even more useful in helping manage the Service.

Attachments

cc: FWS/BPHR-PES/Surname
FWS/Directorate Reading File