

## 6 FAH-5 H-320 ICASS STANDARD AND ICASS LITE

*(CT:ICASS-16; 10-15-2010)*  
*(Office of Origin: RM/ICASS)*

### 6 FAH-5 H-321 COMPARING THE TWO APPROACHES

*(CT:ICASS-16; 10-15-2010)*  
*(Applies to participating ICASS agencies)*

- a. *ICASS* has two approaches for cost distribution at posts: "*ICASS* Standard" and "*ICASS* Lite." The two methods provide options for achieving a balance between ease of administration and a greater alignment of cost distribution with service consumption. While the *administrative* services provided under both approaches may be identical, the Lite approach bundles services for a simpler method of cost distribution requiring fewer staff hours to administer while the Standard approach tracks costs in much greater detail and requires more staff time.
- b. For example, under *ICASS* Standard, agencies that subscribe to motor pool services are assessed costs based on kilometers driven for each agency. When *ICASS* Lite is used, the costs are distributed based on *the number of* people (*per capita*). If all agencies average two motor pool trips per week, then *ICASS* Lite equitably distributes the cost of the service. However, if agencies have widely varied *levels of* usage of the service, distribution based on per capita counts would not provide the best match *between* distributed costs *and the level of* services used. When inequities of this type *can* not be remedied using modifications (*6 FAH-5 H-332.1*) or sub-cost centers (*6 FAH-5 H-332.3*), the *ICASS* Standard approach may be the better choice for a post.
- c. A description of the services and the predetermined distribution factors for *ICASS* Standard is found in 6 FAH-5 H-341 and for *ICASS* Lite in 6 FAH-5 H-342. *ICASS* Standard has *31* different cost centers. *ICASS* Lite has 16 cost centers.
- d. The *ICASS* Lite and *ICASS* Standard approaches can be described along *an ease of administration* continuum, with *ICASS* Lite being the less labor-intensive method to administer and *ICASS* Standard being the more

detailed method providing a greater alignment of cost distribution with *the* services consumed. Modifications to an agency's workload counts (*6 FAH-5 H-332.1*), the creation of Sub-Cost Centers (*6 FAH-5 H-332.3*), and location budgeting (*6 FAH-5 H-471.3*) add additional complexity and a greater alignment *between* distributed costs *and level of* services *consumed* as you move along the continuum. The exhibit at the end of this chapter (6 FAH-5 Exhibit H-320) shows the different points along the continuum where posts can choose to provide a balance between ease of administration and a greater alignment of cost distribution with service consumption.

- e. *The post ICASS Budget Committee* determines the more appropriate approach for post to use. *If a change in method between Lite and Standard is recommended, it is referred to the ICASS Council for approval (6 FAH-5 H-012.7).* The decision to use one approach or the other is a significant one; *do* not view *it* as an annual decision. Once made to the satisfaction of the service provider, *Budget Committee* and the *ICASS Council*, the choice should stand. *Only* major changes at post, such as a substantial increase or decrease in the number of U.S. direct-hire positions at post, the number of agencies at post, or the level of services to which the agencies subscribe *would justify a change of method.*
- f. Before *post* makes a final decision on *changing* approaches, consultation with Washington DC is essential. The *post* ICASS Budget Committee (comprised of all serviced agencies) should consult with their agencies' headquarters. The ICASS Service Provider should consult with its regional bureau and the ICASS Service Center to ensure all factors are considered.

## 6 FAH-5 H-321.1 Cost/Benefit Comparison

*(CT:ICASS-16; 10-15-2010)*  
*(Applies to participating ICASS agencies)*

While ICASS Standard may be used by any post, more than half of posts worldwide use ICASS Lite. Large and mid-sized posts may use ICASS Standard and smaller posts generally use ICASS Lite, but this is decided on a post-by-post basis and size is not the only factor to consider in this decision.

### 6 FAH-5 H-321.1-1 ICASS Standard

*(CT:ICASS-16; 10-15-2010)*  
*(Applies to participating ICASS agencies)*

- a. The ICASS Standard approach provides additional detail to distribute costs based on counts which are more closely matched to serviced agencies' consumption of services. This approach may be most

appropriate when serviced agencies receive widely different levels of services (*see 6 FAH-5 H-341*).

- b. Post must consider the benefits of using the ICASS Standard approach compared to the costs associated with this approach. ICASS Standard relies on additional detail to distribute ICASS costs. The costs for this approach include additional time and effort to accumulate more detailed data for workload counts, an increased number of cost centers and the related distribution factors, and more administrative time required to prepare the additional data for budgeting, *accounting*, and analysis. The resulting benefits include better detail to more closely match distributed costs with the consumption of services by ICASS customers.

## **6 FAH-5 H-321.1-2 ICASS Lite**

*(CT:ICASS-16; 10-15-2010)*

*(Applies to participating ICASS agencies)*

- a. While ICASS Lite is used by more than half of posts worldwide, this approach may not meet the needs of all posts. The bundling of services provided by each of the General Services, Information Management, Financial Management, and Human Resources Services offices limits the ability to closely match the distribution of those costs with the consumption of those services (*see 6 FAH-5 H-342*).
- b. Posts must consider the easier administration of using ICASS Lite compared to the more limited ability to closely match distributed costs to consumed services. ICASS Lite uses fewer cost centers and simpler distribution factors which require less effort to accumulate data and fewer areas requiring analysis for budgeting. However, *the post may still require* additional budget detail or differentiation of the use of *administrative* services. *In the ICASS Lite methodology* the use of modifications *applied* to workload counts and the creation of sub-cost centers moves post's selected approach along the continuum to best achieve the balance between ease of administration and a greater alignment between distribution of costs and consumption of services.

## **6 FAH-5 H-321.2 Factors to Consider Before Switching Between Standard and Lite**

*(CT:ICASS-16; 10-15-2010)*

*(Applies to participating ICASS agencies)*

If a change from ICASS Standard to ICASS Lite or from ICASS Lite to ICASS Standard is contemplated, the following information may be useful to consider. Considering a change in approach may be triggered by dramatic

growth or *reduction* in the number of agencies at post or by a large increase or decrease in the number of employees. *Other considerations include:*

- (1) **ICASS budget size** - What is the size of the ICASS budget? Be sure that the *increased level of effort to gather and provide more precise cost allocations* are justified by the increased value of more *closely connecting the costs of administrative services to the users*. A smaller post budget may not be able to absorb the additional costs of the extra work required in order to use the Standard approach;
- (2) **Post agencies and their size** – How many agencies are at post and what is their relative size compared to the Department of State at post? A post with only two agencies present, including State, is much more likely to use the Lite approach. A post with over 40 agencies represented may find the additional detail resulting from the Standard approach is necessary for equitable cost distribution among the agencies. Also, whether or not an agency is co-located with State may influence the complexity of gathering relevant data;
- (3) **Agency services** – Do all agencies subscribe to the same services? Generally, if all agencies at post subscribe to all ICASS services, using the Standard approach will not produce significant differences in agency invoices compared to using the Lite approach. However, if certain agencies provide a significant number of services for themselves, the ICASS Standard approach is more likely to provide the flexibility to provide a more equitable cost distribution;
- (4) **Service provider resources** - Does the service provider have sufficient resources to handle the technical and workload requirements that a more complex system demands? ICASS Standard requires more extensive data collection than ICASS Lite. The service provider must be able to handle the increased complexity in budgeting, cost distribution, and accounting. Posts should not expect any additional resources (funding or personnel) from Washington, DC headquarters for the purpose of performing the additional work necessary to gather data and track costs to support the ICASS Standard approach as compared to the ICASS Lite approach;
- (5) **Timing** - If a decision is made to change from Lite to Standard or from Standard to Lite, the timing of that change must occur at the beginning of a fiscal year. The change should be planned during the previous year so that workload counts for the new methodology may be determined in advance. Such a change cannot be implemented mid-year; and
- (6) **Agreement** - In the event that the *ICASS Budget Committee, ICASS*

*Council*, and the service provider are unable to reach agreement on which approach to use, the issue will be brought to the chief of mission for resolution.

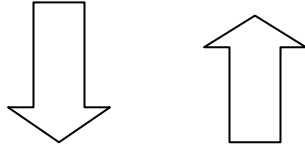
## **6 FAH-5 H-322 THROUGH H-329 UNASSIGNED**

## 6 FAH-5 EXHIBIT H-320 ICASS LITE/ICASS STANDARD CONTINUUM

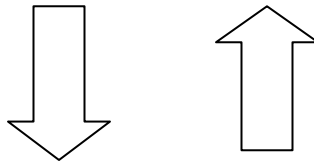
*(CT:ICASS-6; 06-17-2008)*

### Ease of Administration

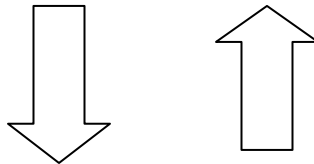
ICASS Lite



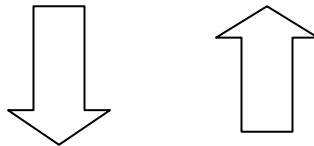
ICASS Lite with Modifications to Workload Count



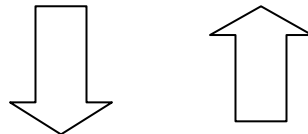
ICASS Lite with Sub-Cost Centers



ICASS Standard



ICASS Standard with Modifications to Workload Count



ICASS Standard with Sub-Cost Centers

Greater Alignment of Cost Distribution with Service Consumption