



# United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Washington, D.C. 20240



In Reply Refer To:  
FWS/BPHC 050922

MAR 12 2012

Memorandum

To: Service Directorate  
From: Director *David M. Ashe*  
Subject: Phasing Out Activity Based Cost (ABC) Coding and Reporting – Effective Immediately

In 2002, the Service was directed by the Department of the Interior to develop a method for tracking cost based on activities carried out by the Service. As a result, the Service developed an Activity Based Costing model to track the cost of the work we do – with the objective of finding more cost-effective ways of delivering our mission.

Over the years, ABC data has been used in the budget formulation process and select cost recovery activities. While the current ABC data has been useful to a limited degree – it no longer warrants coding by all employees. Therefore, effective immediately, we are phasing out the need to code Service activities using current ABC codes with the ultimate goal of eliminating the need for using these codes entirely over the coming months.

**Primary Systems Impacted by This Change** –ABC codes imbedded in some of the Service's largest systems include:

- Payroll System – QuickTime
- Travel System – GovTrip
- Financial and Business Management System (FBMS),

**Phase Out Process** – Following our conversion to FBMS, the two-digit ABC code is now part of a larger field referred to as the Work Breakdown Structure (WBS). Any system that relies on the two-digit ABC code or the 17-digit WBS may require modifications to entirely eliminate the need for entering ABC codes. While system changes are analyzed and adjustments made, employees should continue entering ABC codes into these systems. To phase out the use of ABC coding in an orderly manner, employees should adhere to the following guidance:

- **Single Code** - If an employee currently uses a single ABC code for all activities and does not change his/her code, no change is necessary.
- **Multiple ABC Codes Move to Using a Single ABC Code** - If an employee uses multiple ABC codes to categorize his/her activities, doing so is no longer necessary. Instead, the employee may select a single ABC code and use that code in all systems where ABC data entry is required.

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- **FERC, NRDAR, Oil Spill, and Fire Programs - Continue use of multiple ABC Codes** - If a program requires the use of multiple ABC codes for billing purposes (e.g., FERC, NRDAR, Oil Spill, Fire), these program employees should continue to use multiple ABC codes that best describe the activity for the balance of the year. This will allow system owners time to evaluate options for coding activities using project codes or use other alternatives to prepare billing documents.
- **WBS Values** – All employees must continue entering valid 17-digit WBS values into QuickTime, GovTrip, and FBMS, as currently required. Beginning in FY 13, the WBS field will most likely be shortened to 15-digits, thereby eliminating ABC codes from our data structure.

My hope is that by reducing the ABC coding requirement, we will lighten the administrative burden that this requirement has created for our employees. Also, this phased approach will allow Service programs to adjust to this change in process and allow time for programs to make the necessary system and process changes during the balance of this year with a goal of totally eliminating the need for any ABC coding in all systems by October 1, 2012. Specific guidance for FY 13 will be issued closer to the end of the fiscal year.