

6 FAH-5 H-000 ICASS ORGANIZATION

6 FAH-5 H-010 ICASS FUNCTIONS

(CT:ICASS-07; 07-30-2008)
(Office of Origin: RM/ICASS)

6 FAH-5 H-011 BACKGROUND

6 FAH-5 H-011.1 Purpose

(CT:ICASS-07; 07-30-2008)
(Applies to participating ICASS agencies)

The International Cooperative Administrative Support Services (ICASS) system is the principal means by which the U.S. Government provides and shares the cost of common administrative support *needed* to ensure effective operations at its more than 200 diplomatic and consular posts abroad. In the spirit of the Government Performance and Results Act, the ICASS system seeks to provide quality services at the lowest cost, while attempting to ensure that each agency bears the cost of its presence abroad. ICASS, through which over 250 agencies and offices receive bills for shared services, is a break-even system; the charge to the customer agencies equals the cost of service inputs.

6 FAH-5 H-011.2 Services

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

A full range of administrative services is available through the ICASS program. These include motor pool operations and vehicle maintenance, travel services, reproduction services, mail and messenger services, information systems management, reception and telephone system services, purchasing and contracting, personnel management, cashiering, vouchering, accounting, budget preparation, nonresidential security guard services, and building operations. In addition to the services delivered at the post level, the ICASS system also provides service at the regional level. An example of

regional service delivery is the regional finance centers. ICASS also delivers services at the headquarters level. Examples of headquarters level services are the shared expenses of the medical program and support for the Office of Overseas Schools (A/OPR/OS). The cost of regional and headquarters level programs are added to the cost of post administrative support and distributed to customer agencies as part of the headquarters-level bill.

6 FAH-5 H-012 ORGANIZATION

6 FAH-5 H-012.1 Washington ICASS Executive Board

(CT:ICASS-07; 07-30-2008)
(Applies to participating ICASS agencies)

ICASS is a system for delivering shared services at posts abroad. It is supported in Washington by the ICASS Executive Board, composed of senior representatives of cabinet-level agencies and chaired by the Assistant Secretary of State for Administration (A). The board, which meets at least twice a year, is the highest-level policy-making body in the ICASS system and the final court of appeals for ICASS disputes (*see 6 FAH 5 H-221.1*).

6 FAH-5 H-012.2 Washington ICASS Working Group

(CT:ICASS-07; 07-30-2008)
(Applies to participating ICASS agencies)

The Washington-based ICASS Working Group, which reports to the board, is composed of representatives of any U.S. Government agency or program that receives its own ICASS invoice. The ICASS Working Group meets monthly to address ICASS policies and practices, and its meetings are open to members and nonmembers. Service provider representatives at the Washington level are ex-officio members of the Washington-based ICASS Working Group (*see 6 FAH 5 H-221.2*).

6 FAH-5 H-012.3 Washington ICASS Service Center

(CT:ICASS-07; 07-30-2008)
(Applies to participating ICASS agencies)

The Washington ICASS Service Center serves as the Secretariat to both the ICASS Executive Board and the ICASS Working Group. An interagency-staffed and -funded office within the Department of State's Bureau of Resource Management (RM), the ICASS Service Center works with many

other offices throughout the Department of State and other participating agencies to facilitate the effective operation of the ICASS system. The ISC coordinates the ICASS budget process and develops and maintains the software on which the ICASS budget and cost-distribution system is based. It also provides policy guidance, practical information, orientation materials and technical advice to posts operating ICASS programs abroad (*see 6 FAH 5 H-221.3*).

6 FAH-5 H-012.4 Chief of Mission

(CT:ICASS-07; 07-30-2008)

(Applies to participating ICASS agencies)

The ICASS system is established at post under the authority of the chief of mission. The chief of mission is responsible for ensuring that the post has a functioning ICASS Council and that the relationship between the Council and service provider(s) is constructive such that ICASS services are delivered fairly and effectively. The chief of mission must make a ruling to resolve any dispute that a post ICASS Council cannot resolve with the service provider or between or among any agencies on the Council (*see 6 FAH 5 H-222.1*).

6 FAH-5 H-012.5 Deputy Chief of Mission

(CT:ICASS-07; 07-30-2008)

(Applies to participating ICASS agencies)

The deputy chief of mission represents the chief of mission whenever that individual cannot be present and often is delegated authority to decide issues on behalf of the chief of mission. The deputy chief of mission is an ex-officio member of the post ICASS Council and should attend all Council meetings. The deputy chief of mission provides the post ICASS Council with the policy perspective and overall context in which resource decisions should be taken. The deputy chief of mission has a critical communication role in keeping the chief of mission informed about ICASS issues and in passing along guidance to the post ICASS Council and service providers from the chief of mission. Finally, the deputy chief of mission often supervises service providers and writes their annual evaluation reports. Active participation by the deputy chief of mission in ICASS affairs will enable the deputy chief of mission to make better judgments about post ICASS Council and service-provider performance (*see 6 FAH 5 H-222.2*).

6 FAH-5 H-012.6 Post ICASS Council

(CT:ICASS-07; 07-30-2008)

(Applies to participating ICASS agencies)

a. Each post must form an ICASS Council which is comprised of senior

representatives of cabinet-level agencies, mirroring that of agency representation on the ICASS Executive Board (IEB). At posts where several senior officers represent entities within the same cabinet level department, those senior officers will select one Council representative for their department. Agencies or offices with no presence on the Washington IEB would be represented by the Council chair at post and would have full representation on the ICASS Budget Committee (BC). The Deputy Chief of Mission (DCM) and senior service provider representative (s) are ex-officio members of the post ICASS Council.

- b. The post ICASS Council's focus is on the broad issues of resources and performance. This includes:*
- (1) Contributing to the development of a strategic vision for ICASS;*
 - (2) Establishing budget priorities;*
 - (3) Consulting with the service provider on post management priorities;*
 - (4) Approving the final post budget; and*
 - (5) Reviewing service provider performance as reflected in the annual ICASS Customer Satisfaction Survey. Councils will be responsible for reviewing and ratifying decisions made by the post ICASS BC and for adjudicating post ICASS disputes that cannot be resolved at the committee level. (See 6 FAH 5 H.222.3)*

6 FAH-5 H-012.7 Post ICASS Budget Committee

(CT:ICASS-07; 07-30-2008)

(Applies to participating ICASS agencies)

- a. Each post must form an ICASS Budget Committee (BC), which is comprised of the head of every participating ICASS agency, or their designee. Membership and participation of locally employed (LE) Staff is strongly encouraged. The BC monitors post's ICASS budget process including, but not limited to:*
- (1) Reviewing and recommending budget approval to the ICASS Council;*
 - (2) Reviewing and approving workload count modification requests;*
 - (3) Utilizing Lite vs. Standard methodology;*
 - (4) Budgeting by location; and*
 - (5) Using sub-cost centers.*
 - (6) Each agency on the BC reviews and approves its respective invoices, workload counts, and staff time allocations. The BC is also the appropriate forum for addressing individual agency wants and needs within the context of post ICASS operations that have a*

budgetary impact. Unresolved issues are referred to the post Council.

- b. At some posts, membership in the ICASS Council and the BC may be identical. The Financial Management Officer (FMO) service provider is an ex-officio member of the BC and attends all post BC meetings. The FMO's primary responsibility is to provide the post ICASS Council chair and the senior management service provider with information necessary for efficient and effective ICASS operations of the mission. The Chair of the post BC should be elected annually from among participating members of the committee (see 6 FAH 5 H.222.4).*

6 FAH-5 H-012.8 Post Working Groups

(CT:ICASS-07; 07-30-2008)

(Applies to participating ICASS agencies)

Post working groups delve more deeply into specific issues; analyze what is happening, and recommend solutions to the post ICASS Council. *LE Staff* from customer agencies and also from various parts of the service-provider organization, not just the financial management office, regularly make invaluable contributions to post working groups (*see 6 FAH 5 H-222.5*).

6 FAH-5 H-012.9 Service Provider(s)

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

The service provider organizations are those entities that actually deliver the service to customer agencies and service recipients. The State Department administrative section and regional security office are service providers at almost every embassy. Embassies are turning increasingly to commercial entities to “contract out” for some administrative support. For quite some time, certain administrative support activities have been delivered regionally—a cost-effective service delivery approach that will continue to grow. Occasionally, another U.S. Government agency will have a sufficiently large administrative support capability at a location that it will step forward and agree to provide services as *the Alternate Service Provider (ASP)* (*see 6 FAH 5 H-222.6*).

6 FAH-5 H-013 OPERATING PRINCIPLES

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Administered by the U.S. Department of State, ICASS is an interagency endeavor. Representatives from customer agencies on post ICASS Councils

and on the Washington-based ICASS Executive Board and Washington ICASS Working Group work together to ensure the integrity of the system's operating principles.

6 FAH-5 H-013.1 Local Empowerment

(CT:ICASS-07; 07-30-2008)

(Applies to participating ICASS agencies)

Customers *play a significant role* in how business is done in the delivery of administrative services. Under ICASS, posts have *a* responsibility and authority to manage their resources. The post ICASS Council *and ICASS Budget Committee* share responsibility for the overall management of administrative support activities including the cost-effective use of resources, choosing service providers, establishing customer service standards, and setting priorities within the administrative support delivery system.

6 FAH-5 H-013.2 Equity (Cost Sharing)

(CT:ICASS-07; 07-30-2008)

(Applies to participating ICASS agencies)

Agencies pay their share of post administrative costs based on usage. ICASS embodies the concept that all agencies should pay the true costs of their presence abroad. Service providers who are not reimbursed fully for their services subsidize their customers who therefore have no incentive to make rational choices on the level of services they receive. Customers have a vested interest in reducing costs and a greater voice in how shared administrative services are managed and delivered.

6 FAH-5 H-013.3 Transparency

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Posts and headquarters can understand the basis for costs. All costs will be clearly shown by agency for all post and nonpost-related services, using an agreed-upon mechanism.

6 FAH-5 H-013.4 Selecting a Service Provider

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Post ICASS Councils decide who will provide each service required. Although Department of State administrative personnel currently provide most ICASS

services, the post ICASS Council can select other U.S. Government agencies or commercial firms to provide services if it can be demonstrated that they have a competitive advantage in improving services or cutting costs.

6 FAH-5 H-013.5 Customer Service Standards and Principles

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

Customers, through their post ICASS Councils, express their preferences for services they want. Customer service is a key element of ICASS. Looking at the needs of the post and the resources available, the post ICASS Councils and service providers collaborate in developing performance standards for each of the services offered. The agencies at post, which are the customers, hold the service providers accountable for their performance against the agreed-upon standards and provide a written assessment of the services delivered annually.

6 FAH-5 H-014 DISTRIBUTING ICASS COSTS

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

- a. The costs of shared administrative support are distributed to cost centers. A cost center brings together similar services, like vouchering or U.S. direct-hire personnel services, into a group that a customer agency might subscribe to. Customer agencies subscribe to a cost center and, when doing so, estimate the volume or amount of the service it expects to consume. The cost center groups the volume of customer agency use of services with the cost of providing that service so that service provision expenses can be distributed to the customer agencies. The ICASS system takes into account the differences between large and small posts. Large posts and most medium-sized posts distribute costs to 32 different ICASS cost centers. Smaller posts generally use a system called ICASS Lite, which distributes the cost of the same services to 16 cost centers for ease of administration.
- b. The factor for determining agencies' use of services varies by cost center. For some services, actual transactions (e.g., number of vouchers processed) are the basis for determining use. For others, use is calculated by allocating a percentage of the cost based on head count, number of square meters of office space occupied, number of computer peripherals serviced, or a similar factor. In some cases, an agency may perform portions of a service itself and not require the full range of functions offered by the ICASS service provider for that service. In such

cases, the post ICASS Council may agree to modify the agency's usage or workload count for that service either to 0.3 or 0.6 of full service. Not all ICASS services are modifiable.

- c. When the initial budget for the fiscal year is prepared, the post utilizes each agency's actual use of services in the prior year, or projects usage for new subscriptions. The expenses for each service are then divided by the total number of units used to establish a unit share. The unit share is then multiplied by the number of units used by agency to determine each agency's cost for that service. To this figure is added a proportional share of the cost of administrative overhead and the cost of services consumed by ICASS administrative personnel to arrive at each agency's invoice for services at the post. Agency heads at post sign their invoices at the time that the post's ICASS Council approves the budget.

6 FAH-5 H-015 PAYING FOR ICASS SERVICES

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Washington consolidates posts' ICASS invoices and adds the costs of regional and headquarters costs that are not post-specific, such as salaries and operating costs for the ICASS Service Center, the Office of Medical Programs (M/MED), the regional finance centers and the Office of Overseas Schools (A/OPR/OS). The Washington ICASS Service Center sends an initial Working Capital Fund Recapitalization Payment invoice representing 70% of the estimated annual bill, based on the prior year's final invoice, to ICASS customer agencies by November. A second and final invoice, adjusted on the basis of a mid-year budget review, is sent to each customer agency by August. Special bills are sent to agencies late in the fiscal year to fund the additional support associated with new positions created, or about to be created, at posts abroad.

6 FAH-5 H-016 ICASS WORKING CAPITAL FUND

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Unlike many U.S. Government programs, which operate on the basis of single-year appropriations or funding, the ICASS system uses a no-year working capital fund. ICASS funds not spent at the end of a fiscal year are redistributed for use by posts in the next fiscal year. This is a significant advantage because it allows posts to spend their funds for shared support more in accordance with their needs, without the fear of losing what is not

spent by the end of a fiscal year. Working capital fund procedures require posts to estimate the cost of depreciation associated with certain capital assets. Because the money can be redistributed from one year to the next, posts can gradually save up and schedule the replacement of a vehicle or other expensive ICASS asset when it makes the most economic sense rather than making a large, unanticipated expenditure when the asset fails.

6 FAH-5 H-017 ICASS AND INNOVATION

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

The ICASS system's more flexible working capital fund, its ability to track costs more precisely by service, and its explicit partnership between customer and service provider encourages posts to examine how they are providing ICASS services and make changes to improve quality, cost and timeliness of service delivery. Sharing best practices, optimizing the use of information technology and identifying business processes that might be automated, extending additional administrative authorities to posts, and exploring alternate staffing options for operations abroad, are some of the ways those involved in the ICASS system are striving to provide and obtain quality services at the lowest cost.

6 FAH-5 H-018 ICASS PRECEPTS

6 FAH-5 H-018.1 Consensus

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

Post ICASS Councils use consensus to the maximum extent possible to reach all cost and operational decisions. Where consensus is not possible, a two-thirds vote is required.

6 FAH-5 H-018.2 Selection of Service Offerings

(CT:ICASS-5; 07-21-2006)
(Applies to participating ICASS agencies)

- a. The post ICASS Councils decide which services from the comprehensive list of services included in this handbook will be offered under the ICASS system at post.
- b. Any U.S. Government agency or subdivision thereof that is willing may be designated by the post ICASS Council to assume the role of service provider or services may be contracted out commercially, in order to

obtain the highest quality of services at the lowest possible cost.

6 FAH-5 H-018.3 Voluntary Nature of ICASS

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Participation in services offered through ICASS is voluntary for mission agencies except for the basic package and the community liaison office (CLO) cost centers.

6 FAH-5 H-018.4 Termination Notice

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

All notices of intent to terminate service provision or customer subscription must be provided to the post ICASS Council in the form of a written memorandum. A service-providing agency must provide the post ICASS Council a one-year notice of intent to terminate in writing. A customer agency must provide a six-month notice to discontinue its receipt of services. Notifications to terminate service provision or withdraw from services should be given on or before April 1 or October 1. For notices of intent to terminate either service provision or customer subscription given before April 1 or before October 1, the clock begins to tick for the one-year or six-month notification period only on the next April 1 or October 1. Thus, if a customer agency provided the post ICASS Council written intent to terminate its subscription to motorpool services on April 2, the 6-month notification period would begin on October 1 of that year and terminate on March 31 of the following year. Likewise, if a service provider advised the post ICASS Council on May 5 of its intention to terminate services in a year, the notification period would begin on October 1 of that year and terminate the following September 30. The service provider is obligated to provide services to its customers during the 12-month notification period.

6 FAH-5 H-018.5 Dispute Resolution

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

Post ICASS Councils collaborate with service providers in exercising authority over ICASS resources and systems at post, but final authority at post rests with the chief of mission (COM). The ICASS Service Center provides technical guidance on policy issues to both customer agencies and service providers. Issues not resolvable at post may be appealed to the Washington ICASS Executive Board by the COM, post ICASS Council, or by any participating agency through its headquarters office. The post ICASS

Council's authority does not supersede internal controls and regulations of the service provider or other customer agencies. For more information on resolving disputes, see 6 FAH-5, H-443 Procedures for Post-Initiated Disputes for Department of State Service Providers and H-444 Procedures for Post-Initiated Disputes for Alternate Service Providers.

6 FAH-5 H-018.6 Performance Assessment

(CT:ICASS-5; 07-21-2006)

(Applies to participating ICASS agencies)

- a. Post ICASS Councils develop written standards for serving customer agencies and service recipients in consultation with service providers.
- b. Post ICASS Councils assess annually the performance of service providers, in writing, using standards acceptable to both sides, consistent with the level of resources customers provide to the service providers to deliver the service.

6 FAH-5 H-019 UNASSIGNED