

## **6 FAH-5 H-800 ICASS FINANCIAL PROCEDURES**

*(CT:ICASS-4; 12-19-2005)*  
*(Office of Origin: RM/ICASS)*

### **6 FAH-5 H-801 OVERVIEW**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. The International Cooperative Administrative Support Services (ICASS) System is a dramatically new way of managing and funding support to our U.S. Government Agencies abroad. Developed to respond to changing conditions and the large increase in staff abroad, it stresses local empowerment, transparency of administrative costs, post selection of service providers, and customer satisfaction.
- b. The key financial management mechanisms supporting ICASS are:
  - (1) A Working Capital Fund by which a more business-like accounting is possible and through which all funds flow. All costs will be clearly identified, recorded, and accounted for.
  - (2) A post ICASS Budget and Cost Distributions software package that will let posts see true costs of services. They will be better able to make decisions on how to manage and fund their services.
- c. Use this chapter, in conjunction with the rest of the ICASS Handbook, as a tool to help implement and oversee the financial management of ICASS.

### **6 FAH-5 H-802 WORKING CAPITAL FUND (WCF) CONCEPT**

#### **6 FAH-5 H-802.1 AUTHORITY**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Working Capital Fund authority is found in Public Law 88-205, December 16, 1963, as cited in 1 FAM 211.5, paragraph s.

## **6 FAH-5 H-802.2 WCF Characteristics and Benefits**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. The Department's WCF is available without fiscal year limitations. This ongoing WCF shall be reimbursed, or credited with advance payments, for supplies and services at rates which will approximate the expense of operations.
- b. The WCF was established to:
  - (1) Provide a more effective means for controlling the costs of goods and services produced by commercial type activities;
  - (2) Provide a more effective and flexible means of financing, budgeting and accounting for these activities;
  - (3) Foster cost consciousness and efficiency for both the users and suppliers of services; and
  - (4) Promote a buyer-seller relationship between the producing activity and the customer.

The charges for WCF services must be sufficient to cover all operating costs including the replacement of capital assets required to sustain activity operations. Charges must also include overhead (costs which are not directly related to a position or production of a service but which indirectly contribute to the service).

## **6 FAH-5 H-802.3 ICASS Operations Under WCF Concept**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. ICASS uses the Department's WCF as the vehicle for receiving and expending funding from participating agencies. The WCF's no-year characteristic offers a distinct advantage by providing substantial financial flexibility. ICASS managers can make long-term decisions without the short-term constraints of annual appropriations and have greater local autonomy in determining how and for what purposes resources will be allocated. WCF operations assume that rates will be set to cover costs. The WCF must cover all its costs, including direct and indirect costs such as overhead, future capital asset acquisitions, and accrued severance pay.
- b. The legislative authority for the WCF allows the charging of participating agencies at rates which approximate the expense (cost) of operations.

Consistent with WCF standards, expense (cost) is determined by actual liquidations, adjusted for capitalized costs, depreciation, and contingencies, rather than obligated funds. The entire ICASS financial process, including distribution of cost by agency being charged, will ultimately be based on and reconcilable to the official liquidations as adjusted in WCF accounts. Initially, ICASS will track funds, and charge other agencies, based on obligated funds, but recognizing costs based on liquidations will be the goal that ICASS will incrementally move towards.

## **6 FAH-5 H-803 ROLES AND RESPONSIBILITIES**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Implementation of ICASS has an effect on both operations (domestic and abroad) of each participating agency. From senior management to employees recording transactions, the roles and responsibilities must be closely interrelated and integrated in order to provide continuous cost-effective services and yet maintain accountability for funds provided by agencies. The roles and responsibilities of key organizations and officials cited in this chapter, but not directly responsible for financial management and operations, such as the ICASS Executive Board, the Interagency Working Group, and Post ICASS Councils, are defined in applicable sections of this handbook.
- b. Roles and responsibilities for organizations and personnel directly involved in financial management are defined below.

### **6 FAH-5 H-803.1 Chief Financial Officer (CFO), Department of State**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Exercises management and financial oversight of Working Capital Fund, including the ICASS component defined by the fund symbol 19X4519.1.
- b. In conjunction with Assistant Secretary for Administration and the ICASS Executive Board, establishes performance measures and criteria for assessing the ICASS component of the Working Capital Fund.
- c. In consultation with the ICASS Interagency Working Group, recommends to the ICASS Executive Board what costs should be included in ICASS collections from participating agencies, consistent with Congressional direction for full cost recovery.

- d. Establishes financial management policies and controls for effective management of WCF, including apportionment, allotment, operating allowances, billing, collection, and reconciliation of accounts.
- e. Ensures adequate automated financial systems to produce useful, reliable, and timely financial information.
- f. Develops useful financial analysis and performance reports.
- g. Ensures audits of WCF activities and preparation of WCF financial statements.
- h. Ensures financial management personnel are well-qualified and well-trained.

## **6 FAH-5 H-803.1-1 Office of Budget and Planning, Bureau of Finance and Management Policy (RM/BP)**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Manages the State Department American (U.S. citizen) Salaries (AmSal) component of ICASS.
- b. In conjunction with the ICASS Service Center (RM/ICASS), recommends to CFO what centrally-funded costs should be considered for collection from agencies.
- c. Recommends through CFO to ICASS Interagency Working Group the standard factors for distributing centrally-funded costs by post and agency.
- d. Based on budgetary data provided by ICASS Service Center (RM/ICASS), prepares/transmits billings to agencies showing post-specific and centrally funded costs separately by post within total bill for agency supported by workload counts, costs by cost center, and unit costs by service for payments by agencies.
- e. Separates total anticipated reimbursements from billings into post-specific component and headquarters/overhead component.
- f. Holds the ICASS central allotment and with clearance of the ICASS Service Center (RM/ICASS) issues operating allowances with post-specific components.
- g. Based on workload distribution of collected headquarters/overhead balances in 19X4519.1, as reviewed by the ICASS Service Center (RM/ICASS), advises DFS/WCF of amounts to be transferred from 19X4519.1 collections to functional and management allowances as reimbursements.
- h. Provides data to OMB as required for WCF Program and Financing

Schedules for inclusion in annual President's Budget.

- i. Reconciles recorded anticipated reimbursements to actual collections made by DFS/AR.

### **6 FAH-5 H-803.1-2 Accounts Receivable, Domestic Financial Services, Bureau of Finance and Management Policy (RM/F/DFS/FO/AR)**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Collects ICASS funds from agencies billed by Office of Budget and Planning (RM/BP/FCR).
- b. Records ICASS revenue and its collection in the Working Capital Fund (19X4519.1) by allotment and function code in accordance with the ICASS Accounting Model.
- c. Follows up on billings until collected.
- d. Provides status reports of amounts collected vs. billed, with copies to ICASS Service Center (RM/ICASS).

### **6 FAH-5 H-803.1-3 Working Capital Fund Accounting, Domestic Financial Services, Bureau of Finance and Management Policy (RM/F/DFS/FO/A/GAFR/WCF)**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Responsible for all detailed accounting related activities for ICASS Washington allowance holders.
- b. Performs periodic reconciliations of ICASS reports from posts abroad to CFMS, cash balances, and other amounts as required.
- c. Provides year-end data on carry-over balances to RM/BP and ICASS Service Center (RM/ICASS).
- d. Responsible for periodic preparation of ICASS-wide financial statements.

### **6 FAH-5 H-803.2 Director General of the Foreign Service and Director of Personnel, Department of State (M/DGP)**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Manages the post assignment travel component of ICASS (PER/EX).

- U.S. Department of State Foreign Affairs Handbook Volume 6 Handbook 5—International Cooperative Administrative Support Services
- b. Manages the medical component of ICASS (M/DGP/MED).

## **6 FAH-5 H-803.3 Assistant Secretary for Administration, Department of State (A)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Chairs ICASS Executive Board.
- b. Exercises management oversight of Working Capital Fund, excluding the ICASS component.
- c. Approves non-ICASS WCF overall management goals, performance standards and evaluation, and reviews of results.
- d. Establishes performance measures and criteria for semi-annual assessment of ICASS WCF program progress in conjunction with CFO and ICASS Executive Board.

## **6 FAH-5 H-803.3-1 Working Capital Fund Office (A/EX/WCF)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Manages non-ICASS Working Capital Fund operations.

## **6 FAH-5 H-803.4 Regional Bureau Assistant Secretaries, Department of State**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Provide overall direction, coordination, and supervision of interdepartmental activities of the U.S. Government in countries within the region, including bureau designations of personnel, infrastructure, and funds for effective operation of post ICASS installations.
- b. Directly supervise the policy and operations of the bureau and provide overall guidance to Foreign Service establishments within the region, ensuring commitment to support of ICASS and oversight of activities to achieve ICASS objectives.

## **6 FAH-1 H-803.4-1 Regional Bureau Executive Directors**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Provide overall direction for all administrative and management activities for the bureau and for State Department components of Foreign Service posts in the region, including participation in ICASS.
- b. Develop and execute programs for the bureau in support of substantive policy decisions, including bureau support of ICASS concept.
- c. Maintain liaison and coordinate with other components of the Department and other agencies with respect to requirements for and utilization of personnel and financial resources, ensuring best qualified staff and operating environment for ICASS service provider groups at posts.
- d. Ensure effective State representation in Post ICASS Councils as serviced agency, including selection of services and establishment of performance standards for services, evaluation of services received by State, review and approval of annual post ICASS budget and allocations to State, and preparation of assessment reports on service provider personnel for Council submission to raters and reviewers.
- e. Direct bureau evaluations of ICASS post costs for State against available bureau funds as bureau's share of ICASS support at posts.
- f. As applicable, prepare bureau portion of the Department of State budget submission for ICASS costs.
- g. Based on input from posts, recommend changes in ICASS operations to enhance achievement of ICASS objectives.

## **6 FAH-5 H-803.5 Assistant Secretaries, Participating Agencies**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Provide effective agency representation in overall policy reviews and decisions by ICASS Executive Board.
- b. Provide guidance to his/her Chief Financial Officer for preparation of ICASS funding portion of Congressional Budget, and when necessary, participate in budget preparation or negotiation with ICASS Service Center (RM/ICASS) and service provider agency.
- c. Based on input from posts, recommend changes to ICASS operations to enhance achievement of ICASS objectives.

## **6 FAH-5 H-803.5-1 Participating Agency CFOs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Direct, manage and provide policy guidance and oversight of agency's financial management activities and operations, including preparation of agency Congressional budgets to include funding of participation in ICASS worldwide.
- b. Review ICASS charges to agency for services rendered at posts and make recommendations to ICASS Executive Board, based on principal representatives' recommendations, for revising ICASS definitions of cost, cost allocation, or billing procedures.

## **6 FAH-5 H-803.6 Inspector General, Department of State (OIG)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Audits Department of State Annual Financial Statements, including the Working Capital Fund and its related ICASS component.
- b. Reviews implementation and evolution of ICASS by providing assistance and guidance for issues presented by the Department of State CFO and Assistant Secretary for Administration (A).
- c. Reviews ICASS operations during post inspections and prepares recommendations.
- d. Coordinates with other agency Inspector General reviews

## **6 FAH-5 H-803.7 Financial Services Centers (FSCs)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Provide full range of financial services (i.e., accounting, disbursing, and payroll) for serviced posts in accordance with agreed upon written standards.
- b. Provide financial information to posts as part of the 60/62 reports and input monthly data to CFMS.
- c. Provide total operating cost data for review by Interagency Working Group.

## **6 FAH-5 H-803.8 Financial Management Centers (FMCs)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Provide financial services, except disbursing, for posts where they are located. Disbursements are processed at the three FSCs (Bangkok, Charleston, Paris) for all posts. The FSCs provide disbursement information to FMCs and posts as part of the 60/62 reports.
- b. In some cases they also provide accounting and vouchering services to a small number of serviced posts.

## **6 FAH-5 H-804 INTERNAL CONTROL REQUIREMENTS**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Office of Management and Budget (OMB) Circular A-123 requires agencies to establish and maintain a cost-effective system of internal controls to provide reasonable assurance that Government resources are protected against fraud, waste, mismanagement, or misappropriation and that both existing and new programs and administrative activities are effectively and efficiently managed to achieve agency goals.

### **6 FAH-5 H-804.1 Internal Control Objectives**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The purpose of the Department's internal control structure for ICASS is to ensure that the following objectives are achieved:

- (1) Obligations and expenditures comply with applicable laws and approved budgets
- (2) Assets are safeguarded against waste, unauthorized use, and misappropriation
- (3) Revenues and expenditures applicable to ICASS operations are recorded and accounted for properly, and are not commingled with other State appropriations or WCF revenues and expenditures.

## 6 FAH-5 H-804.2 Internal Control Techniques

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Internal Control techniques identified by the General Accounting Office (GAO) under the Federal Managers Financial Integrity Act which are applicable to ICASS operations include:

- (1) **Documentation.** Clearly document internal control systems and all transactions and other significant events, and have the documentation be readily available for examination.
- (2) **Recording Transactions and Events.** Promptly record and classify transactions and other significant events.
- (3) **Execution of Transactions and Events.** Only persons acting within the scope of their authority shall authorize and execute transactions and other significant events.
- (4) **Separation of Duties.** Separated among individuals key duties and responsibilities in authorizing, processing, recording, and reviewing transactions.
- (5) **Supervision.** Provide qualified and continuous supervision to ensure that internal control objectives are achieved.
- (6) **Access to and Accountability for Resources and Records.** Limit access to resources and records to authorized individuals, and assign and maintain accountability for the custody and use of resources. Compare periodically resources and records to determine if the two agree. The frequency of the comparisons is to be a function of the vulnerability of the asset.
- (7) **Prompt Resolution of Audit Findings.** Managers are to:
  - (a) Promptly evaluate findings and recommendations reported by auditors;
  - (b) Determine proper actions in response to audit findings and recommendations; and
  - (c) Complete, within established time frames, all actions that correct or otherwise resolve the matters brought to management's attention.

## **6 FAH-5 H-804.2-1 Domestic Internal Control Objectives and Techniques**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Although ICASS operates in accord with the working capital fund concept, it will not be managed by the Bureau of Administration's Working Capital Fund Office. The process of budgeting, billing, collecting and payment of expenses will be performed by many different individuals at posts and domestic offices. Yet the final domestic products, ICASS WCF financial statements, must be as realistic and auditable as any other WCF activity. This increases the importance of internal control techniques applied at various other steps and locations—namely, documentation and recording of accounts receivable, revenues, and payments, and proper authorization of expenses—in order to allow domestic internal control.

## **6 FAH-5 H-804.2-2 Post Internal Control Objectives and Techniques**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. The ICASS operation follows the same internal and financial control practices as many other U.S. Government programs:
  - (1) An approved Memorandum of Understanding (MOU) or signed contract between the service provider and the ICASS Council is necessary before funds can be collected.
  - (2) An operating allowance is necessary before an amount can be obligated at the post. (The financial manager at the post controls the obligating process.)
  - (3) An obligation of funds is necessary before a payment can be made.
  - (4) Periodic reports of each obligation against the operating allowance are available to the obligating officer, allowing adjustment of the obligation if necessary. The FSC/FMC-62 report provides information on each obligation, showing amount obligated, liquidated, and balance available.
  - (5) Periodic reports of funds obligated for each cost center (FSC/FMC-60) are available to the ICASS funds control officer and the WCF. (The Post ICASS Council monitors the actual costs against the budgeted costs and the WCF monitors total costs versus total collections.)
- b. At each of these points, there is opportunity to apply internal control

techniques of documentation, promptness of recording, authorization of cost, and segregation of duties.

## **6 FAH-5 H-805 ACCOUNTING SYSTEM REQUIREMENTS**

### **6 FAH-5 H-805.1 Use of the Department of State Financial Systems**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The Department of State's account code structure will be used to identify and record ICASS allotted funds, obligations, liquidations and balances. If an agency other than State Department is chosen as the financial services service provider at a post, State's accounting system is the required official system of record. The financial records will record the obligation and expenditure as a purchased service from a non-Department of State entity, similar to a contractual purchase.

### **6 FAH-5 H-805.2 Specific Accounting System Requirements**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. In accordance with 4 FAM 014 paragraph b, the Department's financial management program provides for:
  - (1) An effective accounting system on an accrual basis;
  - (2) Cost-based budgeting practices effectively integrated with the accounts to provide adequate support, as required, for budget requests;
  - (3) Simplification of appropriation and allotment structures and development of the most effective methods of control of appropriations, funds, obligations, expenditures and costs;
  - (4) Consistency of classifications used for planning, programming, budgeting, accounting, reporting, and synchronization with the Department's organization structure;
  - (5) Development of accurate and useful Departmental reports on fiscal status, financial reports of operations, and cost of performance of assigned functions for internal and external use.

- b. These requirements are fully applicable to ICASS activities recorded in the accounting system.

## **6 FAH-5 H-806 FINANCIAL MANAGEMENT SYSTEMS**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Accounting records for the Working Capital Fund are maintained on the Department's primary domestic financial system, the Central Financial Management System (CFMS). This links domestic and subsidiary financial systems abroad, so that ICASS transactions recorded by posts in their systems are captured and reported in the CFMS Working Capital Fund accounts. Details of these systems and their interrelationship are described below and are also shown on the schematic at 6 FAH-5 H-806 Exhibit H-806.

### **6 FAH-5 H-806.1 Domestic Systems**

#### **6 FAH-5 H-806.1-1 Central Financial Management System (CFMS)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. The ICASS general ledger is maintained in the Central Financial Management System (CFMS). CFMS provides a full range of accounting and financial reporting functions for the WCF, including a general ledger based on the OMB Standard General Ledger (SGL) chart of accounts. It also links domestic and subsidiary financial systems abroad.
- b. CFMS is designed to meet the unique requirements of Federal Government accounting—that is, recording and reporting budgetary transactions such as appropriations, apportionments, allotments, commitments, and obligations. CFMS also provides for recording and reporting proprietary accounting transactions. Each data-entry screen captures only the data necessary for a specific type of transaction. Each transaction results in debit and credit entries based on a table-driven processing approach.
- c. 4 FAM 033.1 (Cash Resources), requires general ledger accounts to be maintained by appropriation or fund and to disclose complete and current information on:
  - (1) Receipts and disbursements by appropriation or fund symbol; and

(2) Cash with Treasury.

Accounting records are closed as of the end of the period for which reports are to be prepared to ensure that all transactions, and only such transactions posted during that period, are included.

## **6 FAH-5 H-806.1-2 ICASS Consolidated Database**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. The ICASS Service Center in the Bureau of Finance and Management Policy (ICASS Service Center (RM/ICASS)) maintains the consolidated ICASS database that captures ICASS data electronically from posts' ICASS budget and distribution software, and adds centrally funded budget data. Individual post data will be aggregated to provide cross-cutting management reporting at both regional and global levels regarding workload counts and dollar costs by cost center and comparative unit costs for each service and generate billings to each agency. Agencies are to be provided comparative information on the above elements for each post where they have a presence.
- b. The database is used to allocate the costs of Washington, D.C. headquarters-based administrative support first by post and then by agency. Itemized post-specific costs and headquarters costs allocated to each post will reflect on billings generated by RM/BP and submitted to each agency as substantiation for billings.

## **6 FAH-5 H-806.1-3 Accounts Receivable System**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

ICASS implementation requires no changes in existing accounts receivable processing procedures.

## **6 FAH-5 H-806.1-4 Consolidated American Payroll Processing System (CAPPS)**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

ICASS implementation requires no change in existing CAPPS procedures for locally-hired employees.

## **6 FAH-5 H-806.1-5 Time and Attendance System**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

TATEL is the system currently used to input time and attendance data. This data then enters CAPPs through an interface. A second interface, between CAPPs and CFMS, records the data at the fund level only in the Department's official accounting records. ICASS requires no changes in existing time and attendance procedures.

## **6 FAH-5 H-806.2 Post Systems Abroad**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

ICASS uses the Department's Overseas Financial Management System.

### **6 FAH-5 H-806.2-1 FSC/Paris Accounting and Disbursing System**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. The FSC/Paris Accounting and Disbursing (A&D) System is used by FSC/Paris, which serves a large number of different U.S. Government agencies at posts in Western and Central Europe, Africa, the Confederation of Independent States, and the Near East. FSC/Paris serves many posts for both accounting and disbursing, and these posts operate entirely within the Paris A&D System.
- b. When FSC/Paris services posts for accounting, it sends accounting reports to posts periodically, usually every two weeks. By preference, most posts receive these reports in hard copy. One of these reports, the FSC/FMC-60, Status of Funds Report, is the principal input into the post ICASS Budget and Cost Distribution Software system and is sorted by function code (equivalent to ICASS cost center) rather than by object code as is now the case.

## **6 FAH-5 H-806.2-2 Financial Management Centers and FSCs Bangkok and Charleston—Overseas Financial Management System**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

FSC/Bangkok and FSC/Charleston, which respectively provide accounting and disbursing services to posts in the EAP and NEA regions, and the ARA and EUR regions, use the Overseas Financial Management System (OFMS). FMCs also use OFMS and provide accounting services. OFMS also produces the FSC/FMC-60/62 reports for each post serviced for accounting. Data in this report is sorted first by function code and then by object code. One of these reports is the principal input into the post ICASS Budget and Cost Distribution Software system and therefore is sorted by function code (equivalent to ICASS cost center) rather than by object code.

## **6 FAH-5 H-806.2-3 FSN Pay System**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. The FSN Pay System pays the Department of State direct hire FSNs and Personal Services Contracts (PSCs/PSAs) as well as Rockefeller Amendment personnel, (U.S. citizen local residents who are hired to fill FSN positions). The Department of State also payrolls other agency FSNs.
- b. These employees are payrolled by all three FSCs, using the same basic FSN Pay System. Their salaries and benefits are charged to the post operating allowances.
- c. Posts make bulk obligations for FSN payroll. The FSCs disburse based on the post's T&A reports and, when the FSC provides accounting services, these disbursements are included directly in the FSC/FMC-60/62 reports. For FMCs, however, these disbursements are reported by FS-477s that are read directly into the FMC database to update the data files which produce 60s and 62s for the post serviced for accounting.
- d. Data appearing on the FSC/FMC-60/62 reports is in the aggregate; that is, liquidations are reported in totals for three basic categories: base pay, overtime, and benefits without regard for section or timekeeper code. Two additional payroll reports, the Payroll Expenditure Report and Comprehensive Payroll Report are sent to posts to provide detailed information for each FSN/Rockefeller Amendment employee.

## **6 FAH-5 H-806.2-4 Post Level Systems Abroad**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. In addition to the FSN Payroll System, there are five basic post level systems in use abroad:
  - (1) SPFMS (Serviced Post Financial Management System);
  - (2) DATEL (Disbursing and Accounting Telecommunications Line);
  - (3) OFMS (Overseas Financial Management System);
  - (4) Remote logon; and
  - (5) Hard copy.
- b. FMCs send disbursement data to the FSCs by electronic SF-1166s (Voucher Payment Schedules). Liquidation data is returned to the FMCs as electronic FS-477s which are automatically entered into FMC accounts, updating accounting files and 60 reports.
- c. Posts serviced by FMCs for accounting use SPFMS which enables accounting documents to be prepared in a PC or VS format that can be sent by E-mail or as a telegram directly to the servicing post or FSC. Alternatively some posts have a remote logon to their servicing post's computer so that they can enter data directly. A few posts send hard copy documents.
- d. FSC/Paris A&D serviced posts that are not FMCs send obligations and disbursement data to Paris by DATEL, a system that has been adapted for use on either a PC or a VS system. It produces accounting data in a format that can be sent to the post's communications center, read by an optical character reader and sent as a telegram to Paris where it is read directly into the FSC computer.
- e. Most FSC/Bangkok and FSC/Charleston (OFMS) serviced posts send accounting data by SPFMS. Some serviced posts have remote logon and others send hardcopy documents.

## **6 FAH-5 H-806.2-5 Post ICASS Budget and Cost Distribution Software System**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

RM/ICASS provides Post ICASS Budget and Cost Distribution Software to each post to facilitate the budget formulation and execution process for identifying the actual costs of shared administrative services by cost center (function code) and each agency's share. The ICASS Councils use this

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information to manage their resources including preparing their budget submissions, making decisions on service providers, reshaping the workforce, developing benchmarking data, establishing long-range mission objectives (such as the promotion of U.S. national interests) and determining the availability of resources. Post ICASS Budget and Cost Distribution Software is further described in 6 FAH-5 H-808.1-3.

## **6 FAH-5 H-807 PERSONAL PROPERTY ACCOUNTABILITY SYSTEMS**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

ICASS personal property will be accounted and recorded in accordance with the Department's personal property regulations. Accountable personal property is recorded in one of the Department's three approved automated systems. Currently, the Non-Expendable Property Application (NEPA) system is used to account for general non-expendable property. The Automotive Vehicle Inventory System (AVIS) is used to account for the Department's overseas vehicle fleet. The Property Accountability Management System (PAMS) is used to account for security equipment.

## **6 FAH-5 H-808 COST ASSIGNMENT**

### **6 FAH-5 H-808.1 Distribute Costs to Agencies**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Any costs that can be attributed to a specific agency will be directly charged to that agency. Only those support service costs that cannot be **easily** attributable to an agency will be shared by the ICASS serviced agencies. All ICASS costs distributed to the participating agencies come from two sources:

- (1) Post costs, and
- (2) Centrally funded costs.

#### **6 FAH-5 H-808.1-1 Post Costs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Post ICASS costs include all post originated former FAAS (4 FAH-2) costs that are normally reflected on the FSC/FMC 60/62 reports such as FSN

U.S. Department of State Foreign Affairs Handbook Volume 6 Handbook 5—International Cooperative Administrative Support Services salaries and benefits, supplies, and fuel. ICASS also includes the non-residential Local Guard Program (LGP), the Community Liaison Office (CLO), and Building Operating Expenses (BOE) expenses (addressed in 6 FAH-5 H-802.1-3).

## **6 FAH-5 H-808.1-2 Centrally Funded Costs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Centrally funded (Washington, D.C. headquarters) costs are American Salaries (AmSal), Foreign Service National Separation Liability for Department ICASS FSN personnel at the posts, post assignment travel, medical services, and the ICASS Service Center (RM/ICASS) staff.

## **6 FAH-5 H-808.1-3 FSC Costs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

All FSC costs will be distributed at the agency level and not to the post level. Billings will be made for the combined FSC services and not by individual FSCs. RM/F/IFS has established service agreements with each agency using FSC services—disbursing, accounting and payroll processing and reporting. The ICASS Service Center (RM/ICASS) reviews the performance standards and costs for the FSCs. The cost centers for the FSCs are limited to disbursement processing, accounting processing, U.S. citizen payroll and FSN payroll. The workload factors used to allocate disbursing, and accounting cost center costs is the number of strip code lines processed by agency/appropriation. The payroll workload factors are the number of active and inactive files as of a standard date. Communication charges are allocated by actual telephone lines and other communications links used by each cost center. Management, administrative, and ADP staff salary costs are allocated based on the percentage of employee time devoted to each cost center. Utilities and other building operating expenses are allocated by the space occupied by each cost center. Supplies and other general overhead costs are allocated based on the number of personnel working in each cost center and then further distributed by agency workload factors.

## **6 FAH-5 H-808.2 Cost Assignment and Distribution Methods**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Once the costs to be distributed in ICASS are identified, the method for distributing those captured costs must be fair, reasonable, and agreed

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upon by all participating agencies. This issue, along with identifying the costs to be included, determines how much each agency pays for its ICASS support.

- b. This handbook provides the detailed policy and procedures for this determination of each agency's share of ICASS costs.

## **6 FAH-5 H-809 BUDGET DEVELOPMENT**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

ICASS budget development is explained in detail in this section and is shown as a flowchart at 6 FAH-5 H-809 Exhibit H-809.

### **6 FAH-5 H-809.1 ICASS Budget Call**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

The ICASS Budget Call is developed by the ICASS Service Center (RM/ICASS) in coordination with RM/BP and Regional Bureaus. It contains all the guidance that the post ICASS councils need to develop their budget. It includes the Washington overhead rates, inflation rates, asset acquisition guidance, detailed administrative instructions, etc. The CFO will forward the ICASS interagency-approved Budget Call to the posts for implementation.

#### **6 FAH-5 H-809.1-1 ICASS Capital Budgeting**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

ICASS will use capital budgeting for those assets which meet or exceed the Department capitalization thresholds. For further information on ICASS capital budgeting see 6 FAH-5 H-809 Exhibit H-809.3, ICASS Modified Cost Basis, and 6 FAH-5 H-809 Exhibit H-809.4, ICASS Capital Asset Acquisition Requirements.

#### **6 FAH-5 H-809.1-2 Department Share of ICASS**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

Under ICASS, the Department of State is a customer of ICASS at each post, subject to the same terms and conditions as all other U.S. agencies at that post.

## **6 FAH-5 H-809.1-3 Taxes, Including Value Added Tax (VAT), Goods and Services Tax (GST), Sales Tax, and Other Common Taxes**

*(CT:ICASS-4; 12-19-2005)*

*(Applies to participating ICASS agencies)*

- a. Please see 2 FAM 260 for an index of common taxes and tax guidance.*
- b. Taxes are separately obligated on the obligation document. A tax refund is applied against the original obligation as an expenditure refund, which reduces the total obligation. Fully refunded tax reduces the obligation to that required only for the goods or services. If not fully refunded, the remaining tax in the obligation becomes a part of the cost of the goods or services.*
- c. Procedures have been developed to account for taxes incurred under ICASS. The budgeting, obligation, and refund of taxes within the Working Capital Fund (ICASS) is described in 6 FAH-5 H 809 Exhibit H-809.1-3, Taxes.*

## **6 FAH-5 H-809.1-4 Modified Cost Basis for ICASS**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

One of the primary goals of ICASS is to establish a simple, transparent, and equitable cost distribution system. Currently, billings are based only on obligations, not liquidations. ICASS will gradually move towards a system based on cost. One of the steps toward this goal is the recognition of depreciation as a cost to be tracked and shared. This is a modified approach because ICASS will be keying on the capitalization and depreciation components of cost at this time. For information on the concept, computing and billing of depreciation cost as a source of funding for replacement of capital assets, please refer to 6 FAH-5 H-809 Exhibit H-809.1-4, ICASS Modified Cost Basis.

## **6 FAH-5 H-809.1-5 Providing Funds for ICASS Capital Asset Acquisition**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

Under the modified cost basis that ICASS has adopted (please refer to 6 FAH-5 H-809 Exhibit H-809.1-4, ICASS Modified Cost Basis) depreciation is entered in the post software. This entry is made to identify depreciation costs associated with ICASS. Since obligations are not made directly against

depreciation costs, depreciation is excluded from the post normal budget request. This amount is handled as a “below-the-line” activity, in conjunction with the normal budget and budget execution activities at the post. The purpose of the below-the-line activity is to segregate in one control account the funding received from several sources for capital assets, so the funding can be monitored, used for obligations, and carried forward between fiscal years. This process is described in 6 FAH-5 H-809 Exhibit H-809.1-5, ICASS Capital Asset Acquisition Requirements.

## **6 FAH-5 H-809.1-6 Foreign Building Operations (FBO) Funds**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The Security and Maintenance of U.S. Missions appropriation (usually referred to as FBO) Short-term lease (STL) costs for shared office and support facilities and for residential properties of ICASS U.S. citizen administrative personnel will be funded through the post ICASS operating allowance. No other FBO costs have been approved for ICASS funding.

## **6 FAH-5 H-809.1-7 Washington, D.C. Funded Costs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Budgets must include estimates for centrally funded costs. For simplicity and consistency, standard labor rates and nonlabor cost factors will be used in the budget. The standard costs will be provided to the posts annually after approval by the ICASS Interagency Working Group (IWG). For budgeting and billing purposes, these estimates of domestic costs are distributed by the post to functions (cost centers) and agencies in the same manner as for post-obligated funds. Analysis of variances between the estimates used by the post and the actuals recorded for nonpost obligated funds will be done for those organizations that establish the yearly rate. Posts may be asked to assist with data analysis associated with this reconciliation.

## **6 FAH-5 H-809.1-7(A) American Salaries (AmSal)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. The American Salaries (AmSal) account is centrally managed by RM/BP to cover the salaries, benefits (e.g., health and life insurance, retirement contributions) and, where applicable, post hardship differential costs of permanent, full-time U.S. citizen employees. The account is centrally estimated and managed based on liquidations posted each pay period.

The variability of U.S. citizen personnel cost elements and their dispersion over approximately 260 locations abroad precludes individual bureaus or posts from budgeting and managing their own salaries and benefits on an obligation basis. Examples of confounding factors include:

- (1) The mobility of Foreign Service officers between domestic assignments, long-term training and posts abroad;
  - (2) Multiple appropriations from which personnel are payrolled;
  - (3) Changeable rates in numerous allowances; long lead times required to process personnel actions; and
  - (4) Significant retroactive payroll adjustments following grievances, class actions and other events.
- b. For these and other technical reasons, ICASS salary costs will be identified on an average per capita basis and prorated back to individual posts based on respective staffing levels. In FY97, this average cost will be calculated at step 4 of each established position grade, and the prevailing average benefits rate will be added. This factor will be reviewed annually. (See 6 FAH-5 H-809 Exhibit H-809.1-7(A) for a sample standard factor computation.)

## **6 FAH-5 H-809.1-7(B) Post Assignment Travel (PAT)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Post Assignment Travel (PAT) is an allotment centrally held by the Bureau of Personnel to fund permanent change-of-station transfers by Foreign Service Officers (and Civil Service personnel on excursion tours) between Foreign Service posts and domestic U.S. assignments. It includes home leave and foreign transfer allowances. The variability in PAT costs mirrors that encountered in the related AmSal account for many of the same reasons. Accordingly, PAT under ICASS will be budgeted on an average cost basis, and will be shared among ICASS participating agencies.

## **6 FAH-5 H-809.1-7(C) Medical Services (MED)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Washington, D.C. medical costs are included in the factor applied per ICASS U.S. citizen position at an estimated cost per authorized user per year provided by the Office of Medical Services (M/DGP/MED), and approved by the Interagency Working Group.

## **6 FAH-5 H-809.1-7(D) Diplomatic Security**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The Bureau of Diplomatic Security manages centrally-held funds in the ICASS Working Capital Fund to fund post requests for vehicles and equipment to support the non-residential local guard program. These costs will be distributed to the participating agencies using an Interagency Working Group approved methodology and added to agencies' invoices in Washington, D.C. as part of the ICASS billing process. These costs will not be reflected in the post generated ICASS invoices

## **6 FAH-5 H-809.1-7(E) ICASS Service Center**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

All costs associated with the operation of the ICASS Service Center (RM/ICASS), e.g., salaries, rents, travel, supplies, and service contracts, will be funded from the central ICASS Working Capital Fund by all participating agencies and added to their ICASS invoices using an Interagency Working Group approved distribution methodology. These costs will not be reflected in the post generated ICASS invoices.

## **6 FAH-5 H-809.1-7(F) Foreign Service National (FSN) (Voluntary) Separation Liability**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Consistent with local law or standard practice, FSN compensation plans at some posts require a lump-sum "separation liability" payment to FSNs who separate their service with the U.S.G voluntarily (e.g., retirement or resignation). RM/BP centrally manages the FSN Separation Liability Trust Fund (FSNSLTF) by depositing the accrued liability annually and by allotting funds to make payments to eligible separating FSNs as needed. Annual deposits into the Fund are based on the estimated accrued liability from each appropriation which funds the salaries of FSNs whose compensation plan calls for separation liability payments. These estimates are based on individual post FSN employment levels, their payroll costs, and the precise terms of local compensation plans. Agencies participating in ICASS at applicable FSN separation liability posts will share in these annual costs, through a methodology to be determined by the Interagency Working Group.

## **6 FAH-5 H-809.1-7(G) FSN Involuntary Separation Costs (Severance)**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Posts may change the size of their FSN staff due to workload, budgetary, or other mission adjustments. Although every attempt is made to avoid involuntary separations (such as RIFs) by implementing other personnel management procedures, in some cases RIFs are the only way to reduce staff to conform with available funding. The State Department is required to make involuntary separation payments (severance) as specified in individual post compensation plans.
- b. Whether or not the FSN involuntary separation occurred at a Separation Liability Trust Fund post, determines the sources of funding for the severance payments (current year appropriations, the Foreign Service National Separation Liability Trust Fund, or a combination of both). The distinction between the severance costs at a Separation Liability Trust Fund post and the severance costs at a Non-Separation Liability Trust Fund posts follows:
  - (1) **Severance Costs at Separation Liability Trust Fund Posts.** For posts where involuntary separation (severance) payments must be made (e.g., due to RIF) and where voluntary separation liability funding has been accrued in the FSNSLTF (i.e., where the compensation plan calls for payment upon voluntary separation), the severance payment is made from two funding sources. First, payment will be made from the centrally-managed FSNSLTF in an amount equal to the payment which would have been made had the separation been voluntary. Then, if the total involuntary (severance) payment is greater than the amount payable from the FSNSLTF, the difference between these amounts will be paid from current year funds.
  - (2) **Severance Costs at Remaining (Non-Separation Liability Trust Fund) Posts.** For posts where involuntary separation (severance) payments must be made (e.g., due to RIF) and where the compensation plan has no provisions for voluntary separation liability funding the total severance cost must be paid from current year appropriations.
- c. For fiscal year 1998 and FY 1999, State will continue to fully fund these costs, however, effective FY 2000, these costs will be fully distributed to participating agencies.

## **6 FAH-5 H-809.1-7(H) Retained Earnings**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The Working Capital Fund of the Department of State will centrally accumulate and retain earnings to a level that the Chief Financial Officer and the ICASS Executive Board determine is reasonable, to provide for: near term working capital since the fund was not initially capitalized; losses from currency fluctuations, inflation, and losses due to the charging of insufficient service fees; emergency funding during war, civil unrest, disaster, government shutdown, or other contingency; and the fund's requirements for asset replacement and new assets for service expansion. Sound, prudent financial management prescribes that earnings retained for these purposes are not excess to the fund's needs.

## **6 FAH-5 H-809.1-7(I) Carryover of ICASS Unobligated Balances at Year End**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. One of the principal advantages of using the Department of State's Working Capital Fund (WCF) for ICASS funds is the ability to carry over unobligated balances from one fiscal year to another. The WCF provides the flexibility to plan on a long term basis and avoid wasteful year-end spending. Post ICASS Councils can determine to use the carryover funding for any authorized/approved budget purposes including the reduction of ICASS bills for the next fiscal year, meeting capital infrastructure needs, or if time permits, returning the funds to the respective agency headquarters for use elsewhere.
- b. The unobligated ICASS funds remaining in the post operating allowance at the end of the fiscal year are brought forward to the next fiscal year where they continue to be available for obligation. For technical reasons, the unobligated balances brought forward will not be immediately available to the posts. After reconciliation of the year-end obligated balances, RM/BP must include the carryover amount in the request to OMB for apportionment for the next fiscal year. After apportionment, RM/BP will issue ICASS funding including the carryover amounts to the posts through the regional bureaus. Unobligated balances are returned intact to the originating posts and separately identified in the allowance allocations. The detailed procedures used to carry the unobligated balances forward are provided in 6 FAH-5 H-809 Exhibit H-809.1-7(I), ICASS Carryover of Unobligated Balances at Year-End.

## **6 FAH-5 H-809.1-7(J) ICASS Process for Addressing Unanticipated Normal and Extraordinary Events**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

ICASS has empowered post ICASS Councils to deal with many anticipated problems such as anticipated inflation, expected FSN pay raises, allowances changes, and high priority program changes in their post ICASS budgets. However, even with the best planning, unanticipated normal and/or extraordinary issues or events may occur. Unanticipated normal events include unexpected mandatory FSN wage increases decreed by host governments; unanticipated utility increases; unbudgeted increases in post allowances, introduction of danger pay, local legal support, and unanticipated health and safety requirements. Extraordinary events are catastrophic in nature and include monsoons, fires or terrorist incidents. It is a fundamental business practice to establish a process for handling these events to protect the integrity and viability of ICASS operations, particularly in the early years. The instructions for handling unanticipated normal and extraordinary events are provided in 6 FAH-5 H-809 Exhibit H-809.1-7(J), Process for Addressing Unanticipated Normal and Extraordinary Events.

## **6 FAH-5 H-809.1-8 Regional Costs**

### **6 FAH-5 H-809.1-8(A) Regional Bureau Funded Costs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The regional bureaus of the Department currently fund the costs of several administrative functions that benefit their whole region. Examples of these costs are administrative training and conferences, NIS support flights, TDY support; etc. These costs do not fall under ICASS review.

### **6 FAH-5 H-809.1-8(B) Regional Support Costs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The costs of individual regional support personnel (e.g., Regional Medical Officers, Regional Budget and Fiscal/Personnel Officers) are budgeted for under ICASS and charged entirely to the "home" posts. Regional costs for the FSCs will be billed directly to agencies and not distributed to posts.

## **6 FAH-5 H-809.1-9 Consulates and Multiple Mission Posts Costs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. For FY 1997, consulate and multiple mission post (e.g. Brussels, Geneva) ICASS financial activity will be recorded under the embassy.
- b. However, the value of separate financial activity reporting for consulates and missions is recognized and can be partially accommodated by the ICASS structure and software.

## **6 FAH-5 H-809.2 Post ICASS Budget**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Upon receipt of the ICASS Budget Call, the local ICASS Council will convene. ICASS Councils will determine which services are needed, the desired level for each service, relative priorities on the quantity and quality of service, and the selection of an agency or local vendor which will provide them. These decisions will be codified for each service using Memoranda of Understanding (MOUs) as contract documents. The MOUs will establish service goals and standards. Local Councils thus will establish post administrative ICASS budgets based upon the net results of their decision making as stated in the service MOUs. Budget targets will be provided by the service center to assist posts in the budget formulation process.
- b. Post administrative support costs will be distributed among all supported agencies, including the Department, through a two-step process. First, a budget for each cost center (e.g., motor pool, budget/fiscal office) as defined by each individual post Council will be constructed to include both personnel and non-personnel costs (e.g., utilities, supplies, equipment) to be shared. Second, the costs of each cost center will be distributed among all agencies subscribing to the service in proportion to their consumption of services according to a cost distribution factor for that service.
- c. Upon agreement between the ICASS Council representing all customer agencies and all service providers, the post budget is approved and forwarded to the ICASS Service Center (RM/ICASS).
- d. See also the other parts of 6 FAH-1 H-809, as well as 6 FAH-1 H-810, and 6 FAH-1 H-811.

## **6 FAH-5 H-809.3 ICASS Service Center Actions**

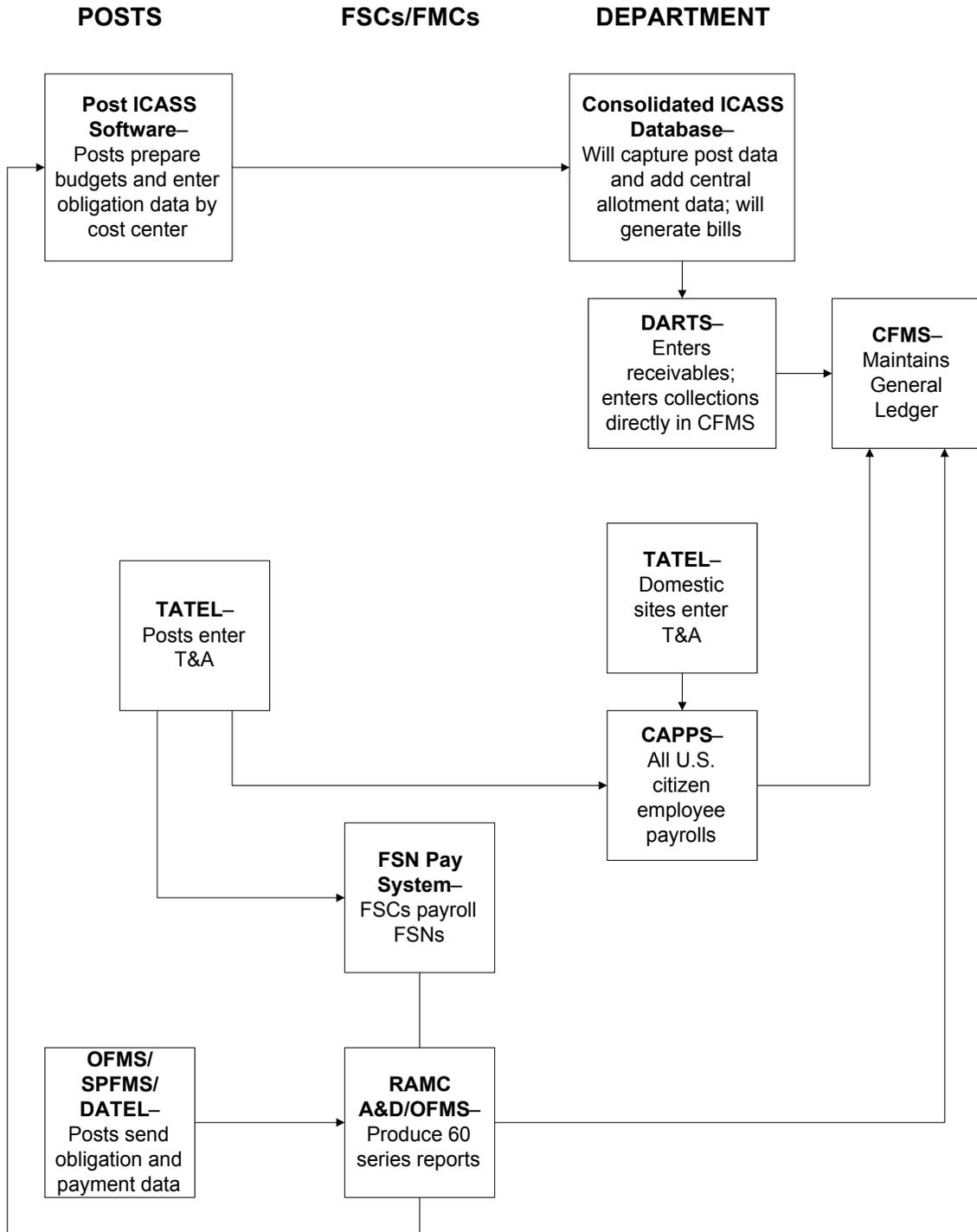
*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

Upon receipt of post ICASS budgets, the ICASS Service Center (RM/ICASS) conducts an interagency review of the submissions. After approval, a consolidated copy is forwarded to RM for billing and collection (covered in Chapter 6 FAH-5 H-811). RM/ICASS forwards agency summaries to customer agency headquarters for their information in advance of formal billing.

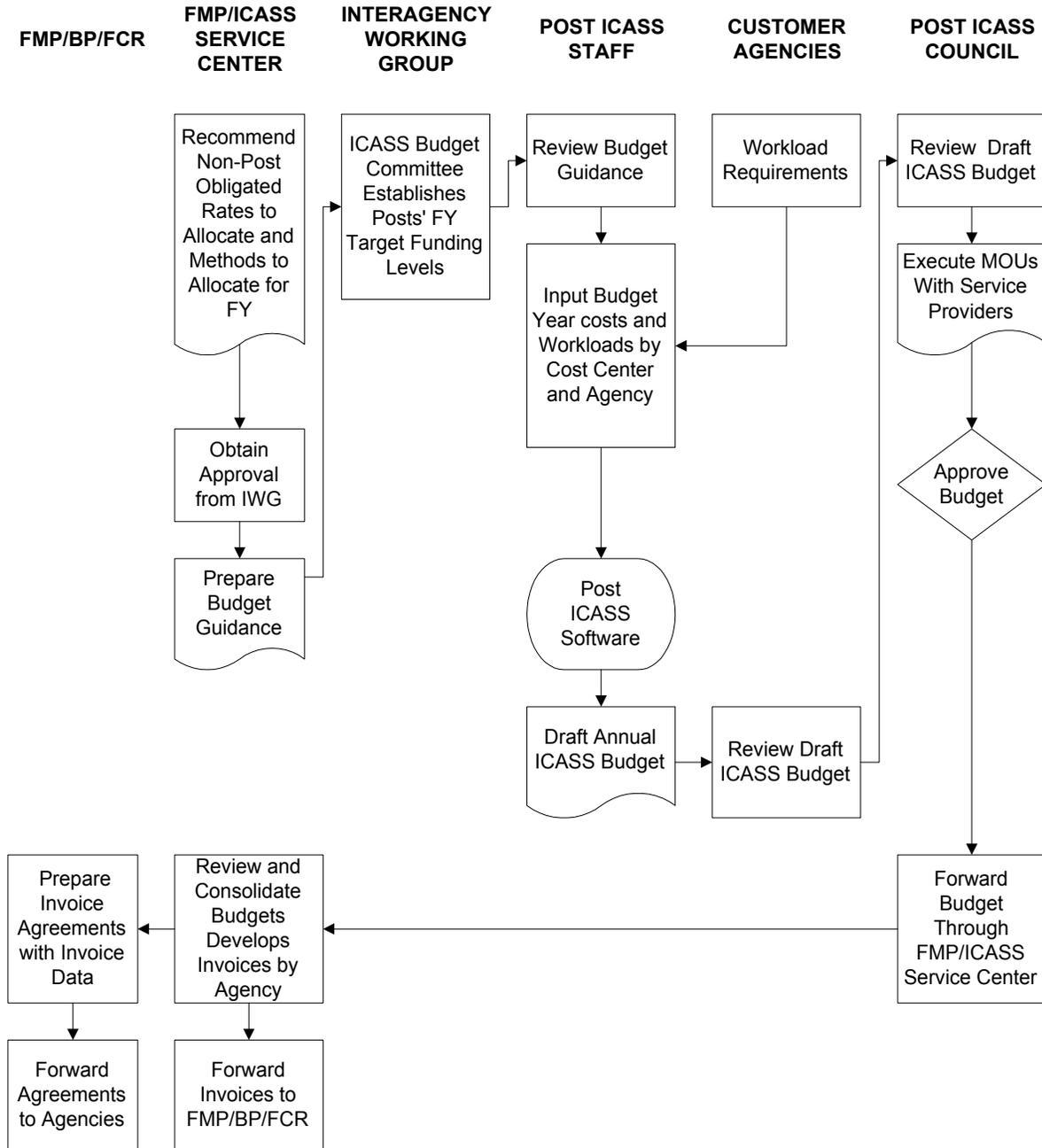
# 6 FAH-5 H-806 EXHIBIT H-806 ICASS FINANCIAL MANAGEMENT SYSTEMS SCHEMATIC

(TL:ICASS-2; 04-01-1998)



# 6 FAH-5 H-809 EXHIBIT H-809 ICASS BUDGET DEVELOPMENT FLOWCHART

*(TL:ICASS-2; 04-01-1998)*



## **6 FAH-5 H-809 EXHIBIT H-809.1-3 TAXES, INCLUDING VALUE ADDED TAX (VAT), GOODS AND SERVICES TAX (GST), SALES TAX, AND OTHER COMMON TAXES**

*(CT:ICASS-4; 12-19-2005)*

*Taxes are separately obligated on the obligation document under budget object code 4161. A tax refund from the taxing authority is applied against the original obligation as an expenditure refund, which reduces the total obligation. Fully refunded consumption tax reduces the obligation to that required only for the goods or services. If not fully refunded, the remaining tax in the obligation becomes a part of the cost of the goods or services.*

### **(A) Recording and Distribution of Taxes to Agencies**

*a. Throughout the fiscal year, uncollected consumption tax remains a component of cumulative obligation amounts reported in the FSC 60 under BOC 4161, and is therefore a component of costs distributed to agencies quarterly through the Post Software. As refunds are received and credited to obligations, these obligations are reduced to the net cost of goods or services. At later quarterly distributions of these obligation totals, the functions and agencies are charged only for the net cumulative costs of goods and services without tax. For the fiscal year, fully refunded tax has no impact on costs distributed to agencies. Partially refunded tax leaves a balance of tax which becomes part of the distributed cost of goods and services for agencies.*

*b. At year-end, on the principle that obligated tax remains an obligation until it is refunded, the year-end FSC-60 for each applicable fiscal year must include all obligated tax which was not refunded during that year. On the further principle that agencies are charged only for net obligations after anticipated refunds, the post must extract by an off-system analysis of BOC 4161 the expected amount of remaining obligated tax to be ultimately refunded. (At posts where the refund normally is less than 100 percent, some portion of the obligated tax amount will remain to be included in costs distributed to agencies.) At a summary level, the anticipated tax collections are applied against each cost center to determine the summary cost center obligation amounts excluding tax to be distributed.*

**(B) Carry-Over of Uncollected Taxes**

*At year-end, uncollected taxes are part of the obligation balances which retain their fiscal year identity and are carried to the next year as unliquidated balances for adjustment. Detailed FSC-62 reports of prior year obligation balances at obligation level identify the tax amounts remaining in BOC 4161 for applying refunds. Referring to the off-system analysis described above, the post can monitor the actual refunds against those anticipated at prior year-end. This comparison permits an informed judgment by the post and ISC whether the obligated amounts previously distributed to cost centers and agencies in the prior fiscal year warrant up or down adjustments due to differences in anticipated and actual tax refunds.*

**(C) Budgeting and Billing for Taxes**

*a. The budgeting and corresponding billing of ICASS funding should remain as uncomplicated by taxes as possible. Under no-year operations, the tax anomaly can be administered during budget execution.*

*b. The budget call will instruct posts to build budgets as usual, separately identifying but not including anticipated balances at next year-end of tax obligations remaining to be collected. (This requires an off-budget analysis of BOC 4161. In effect, the post predicts the final fiscal year costs to be distributed to agencies, taking into account all anticipated tax refunds, following the procedures described above.)*

*c. Following present ICASS procedures, billings to agencies would be based on the approved budgets excluding the anticipated year-end tax obligations to be collected. At posts where the year-end uncollected tax in BOC 4161 is substantial, the billing to agencies may identify this as a potential item for future adjustment.*

**(D) Budget Execution for Taxes**

*a. The post's operating allowance based on each agency's approved budget (i.e., appropriation) is tax-neutral in that it equals the expected net cost of operations. At year-end, uncollected tax must be a recognized obligation in the FSC 60s. The uncollected tax amount should be separately monitored throughout the year and reconciled at year-end under BOC 4161 against the amount identified in the operating allowance as anticipated year-end tax to be refunded. As noted above, this analysis may require adjustment in mid-year or subsequent year billings to agencies.*

*b. Under this budget execution, the post remains separately accountable for its total net costs budgeted and its anticipated tax refunds. Costs distributed through the post software are only for net*

*costs after taxes. Budgets and billings can therefore treat taxes as a separately identified and monitored factor within the ICASS financial operation. This monitoring and adjustment of current year taxes can continue in future years under prior year methodology until refunds are complete.*

## **6 FAH-5 H-809 EXHIBIT H-809.1-4 MODIFIED COST BASIS**

*(TL:ICASS-2; 04-01-1998)*

### **(A) INTRODUCTION**

a. One of the primary goals of ICASS is to establish a simple, transparent and equitable cost distribution system. Implicit in this goal is the requirement that costs be identified, captured, and shared. By so doing agencies can:

- (1) Determine their “true cost” of doing business abroad;
- (2) Be better able to judge the value of their overseas presence on a post-by-post basis; and
- (3) Make more informed management decisions.

b. Currently, ICASS billings are based only on obligations. Changing to a billing system based on cost will occur gradually over the next several years. This will bring us into conformity with our WCF legislation provision to charge based on cost recovery. Arriving at the “full cost” of doing business abroad is a long standing goal; however, we must recognize that changes must be made incrementally in order to continue the successes achieved to date.

c. For FY 1998, ICASS will implement a modified cost recovery approach by tracking and depreciating capitalized personal property using 24 capitalized object codes. The treatment of all other object codes will remain unchanged. This is a modified approach because ICASS will be keying on the capitalization and depreciation components of cost at this time.

d. The capitalization threshold in the Department for property, plant and equipment is \$25,000, with the exception of vehicles which will be capitalized regardless of cost. There are additional capitalization thresholds of \$100,000 on bulk buys, \$100,000 for commercial off-the-shelf software purchases, and \$250,000 for direct costs of internally developed software. See 4 FAM 030 for more detailed information on the Department’s capitalization policy.

### **(B) MODIFIED COST PROGRAM**

The following ICASS modified cost program will be followed for FY 1998:

- (1) Post’s ICASS Software will continue to be based on obligations for all non-capitalized assets. Since the majority of activity in ICASS pertains to non-capitalized assets, the majority of activity in ICASS will remain unchanged from FY 1997.

(2) For capitalized assets, a depreciation charge (depreciation is a non-expenditure charge that allocates an asset's cost over its useful life) will be included in the fee computation and budgeted to, although not necessarily funded by, participating agencies. There are relatively few capitalized assets purchased by ICASS which will simplify the implementation of this cost recovery measure.

(3) An additional cost factor will be incorporated in FYs 1998 and 1999 budgets in an effort to fund anticipated capitalized equipment replacements. This, plus the inclusion of depreciation in the fee computation, will establish a financial base by which ICASS can replace its assets. This base is essential given that ICASS did not begin with "seed" funds, and therefore, does not have available funds (retained earnings) to fund the replacement of assets in the initial years.

## **(C) IMPLEMENTATION**

### **(i) Post Actions**

#### **Noncapitalized Assets**

There will be no change in the current procedures for recording the obligation, transferring the obligation data to the FMC/FSC, and receiving the 60 report information from the FMC/FSC. This information will continue to be entered into the Post ICASS Budget and Cost Distribution Software through an interface which spreads the obligations to the appropriate cost centers. The cost center charges will be allocated to the various participating agencies.

#### **Capitalized Assets**

a. The Post ICASS Budget and Cost Distribution Software should begin tracking capitalized assets recorded in the newly created capitalized object codes and record depreciation in the Post ICASS Budget and Cost Distribution Software.

b. Depreciation is a non-expenditure charge that allocates an asset's cost over its useful life. By charging for depreciation, the post is ensuring that funds will be available to replace assets as needed. By allocating the cost of personal property over its useful life, the burden of replacing the asset is likewise spread. In addition, it would move ICASS toward compliance with the "Managerial Cost Accounting Concepts and Standards" published by the Federal Accounting Standards Advisory Board.

c. ICASS will use NEPA to calculate depreciation on the straight-line method (the acquisition cost of the asset less the salvage value divided by its estimated useful life). Depreciation is not charged in the year an asset is put in operation, however, a full year of depreciation is taken on the last year of its estimated life. The GSO staff will continue to

enter the data into the Post NEPA system (if NEPA is not available, then property records will be used to track depreciation as prescribed in 6 FAM 225.2 and 6 FAM 225.3).

d. Capitalized assets must be processed through the FMCs/FSCs so that 60 reports are created to update CFMS. Therefore, the recording of the obligation, inputting the obligation data to the FMC/FSC, receiving the 60 report information from the FMC/FSC, and then entering the information into the Post ICASS Budget and Cost Distribution Software through an interface will remain the same.

e. However, the Post ICASS Budget and Cost Distribution Software will need to be reprogrammed to omit all capitalized personal property budget object codes when spreading costs to participating agencies. If the capitalized personal property budget object codes were not ignored by the system, and the participating agencies are charged for them, the participating agencies would be paying for the asset once as it is depreciated and then again when the asset is replaced. Therefore, the capitalized personal property budget object codes will have to be recorded in the Post ICASS Budget and Cost Distribution Software as a "below the line" item. This means that the software will not include those charges within the costs to be spread to the cost centers and billed to the participating agencies.

### **NEPA System**

The General Services staff enters in NEPA all personal property purchases when received at post, whether capitalized or not. All non-program vehicles (old FAAS) are to be included in NEPA, however, since State program funded vehicles have not been transferred to ICASS, they are exempted. At year end the following steps will be taken to record the depreciation:

(1) The post will reconcile the NEPA reports with the totals recorded in the 3100 series BOCs in the Post ICASS Budget and Cost Distribution Software;

(2) The GSO will notify the B&F Officer of the amount of depreciation ICASS should record;

(3) The B&F officer will manually enter the depreciation calculated by NEPA in the Post ICASS Budget and Cost Distribution Software under BOC 3195 where the depreciation will be spread to the appropriate cost centers (this charge will be shown as a line item in the Post ICASS bill);

(4) All posts will notify their FSC of the amount of depreciation ICASS recorded for that year; and

(5) The FSC will compile the information and notify DFS of the depreciation to be recorded in CFMS.

### **Additional Cost Factor**

ICASS budgets will include an additional cost factor that represents a charge that will be based on the replacement cost of all capitalizable assets that have a remaining life of two years or less. It is anticipated that this ICASS additional cost factor will only be charged for FYs 1998 and 1999. The estimated replacement cost of each capitalized asset will be calculated. This cost will be spread over its remaining life (either one or two years). See example below.

### **(ii) Domestic Financial Services Directorate Actions**

RM/F/DFS will receive the depreciation reports from the FSCs and create a manual journal entry for input to CFMS.

### **(D) EXAMPLES**

#### **EXAMPLE 1 DEPRECIATION**

##### **Post Purchase:**

Post purchases a \$35,000 copier in 1998.

Post includes a \$35,000 copier in the 1998 Post ICASS budget request. The Post ICASS Council approves the request. The obligation is created charging Function code 6135 (Reproduction Services) and Budget Object Code (BOC) 3124 (Capitalized Office Equipment/Machines (CGL)), and the copier is purchased 1/97. The obligation data is sent to the FMC/FSC for processing and a 60 report is generated and sent both to the post and to CFMS. By means of the automated interface, the 60 report information is entered into the Post ICASS Budget and Cost Distribution Software. The Post ICASS Budget and Cost Distribution Software posts the data to the appropriate function code and BOC.

The Post ICASS Budget and Cost Distribution Software will be programmed to accept the 60 report information for capitalized personal property, but will omit all capitalized personal property budget object codes from its billing computations (as explained above).

##### **Post Depreciation Charges:**

At year-end the post will reconcile the NEPA reports with the totals recorded in the 3100 series BOCs in Post ICASS Budget and Cost Distribution Software. The post will manually enter the depreciation calculated by NEPA in the Post ICASS Budget and Cost Distribution Software to the appropriate function codes under BOC 3195 where the depreciation will be spread to the appropriate agencies. This charge will be shown as a line item in the Post ICASS bill. (See example 2, below.)

**Post Additional Cost Factor:**

In this example, the purchase of the copier would not affect the calculation of the additional cost factor. The additional cost factor charge is based on property records kept at posts for all capitalized assets with a remaining life expectancy of two years or less. For example, let's calculate the additional cost factor charge for an x-ray machine that has two years left on its expected five years life, a cost of \$50,000, an annual depreciation charge of \$10,000 and a current book value of \$20,000. Since the asset has two years remaining in its expected life, post must first determine the replacement cost for that x-ray machine. Assume that the replacement cost is \$60,000. The additional cost factor charge is calculated as follows: \$60,000 (replacement value) less \$20,000 (the depreciation to be taken over the next two years) divided by two (the years remaining) equals a \$20,000 charge. This \$20,000 charge will be made in 1998 and 1999. This calculation will be made for all applicable assets and then the total will be entered into the Post ICASS Budget and Cost Distribution Software to the appropriate function code (cost center) under the additional cost factor account (BOC 3197). The Post ICASS Budget and Cost Distribution Software will then spread this charge to the appropriate agencies. (See example 2, below.)

**EXAMPLE 2**

**POST ICASS BUDGET AND COST DISTRIBUTION SOFTWARE**

**FY 1998**

<b>BOCs</b>	<b>Function Codes Cashiering</b>	<b>6441 Reproduction</b>	<b>6135 Totals</b>
<b>1121</b>			
	(Temp Base Pay)	\$50,000	\$150,000
<b>2630</b>			
	(Printing Supplies)	\$75,000	\$75,000
<b>3124</b>			
	(Capitalized Office Equipment)	\$35,000 <sup>1</sup>	\$35,000
<b>3195</b>			
	(Depreciation)	\$5,000 <sup>2</sup>	\$5,000
<b>3197</b>			
	(Additional Cost Factor)	\$20,000 <sup>3</sup>	\$1,000
<b>Totals</b>			<b><u>\$185,000</u></b>

1. This is a nonrecurring obligation and will not be picked up by the Post ICASS Budget and Cost Distribution Software when spreading costs. However, this asset will be entered in NEPA to determine the

depreciation. The depreciation associated with this asset will be charged at year-end to 3195 (see 2 below).

2. At the end of FY 1998, this entry will be made per the NEPA depreciation report which will include the new copier. This \$5,000 is not supported by obligations and therefore will be a reconciling item when the post reconciles the annual 60 information with the totals in the Post ICASS Budget and Cost Distribution Software. This is a manual entry in the Post ICASS Budget and Cost Distribution Software and will be Journal Vouchered in CFMS. At year-end each post will notify RM/F/DFS of the depreciation charged. RM/F/DFS will then input this information in CFMS.

3. This additional cost factor is based on the example given above for only one piece of equipment.

### **(E) RECONCILIATIONS PERFORMED AT POST**

a. Reconciliations will be required between the year-end 60 report and the information recorded in the Post ICASS Budget and Cost Distribution Software.

b. Posts will use the final 62 report from the FMCs/FSCs to reconcile to NEPA and the Post ICASS Budget and Cost Distribution Software capitalized asset accounts. This will serve as a check on the NEPA reports and will ensure that the Post ICASS Budget and Cost Distribution Software is recording the correct depreciation.

c. Both the depreciation and the additional cost factor are not supported by obligations and therefore will be a reconciling item when the post reconciles the annual 60 information with the totals in the Post ICASS Budget and Cost Distribution Software.

d. At this time, CFMS cannot create asset reports by posts to be used to reconcile the CFMS system to Post ICASS Budget and Cost Distribution Software. Initially, we can depend on the interface correctly recording the 60 report information through the interface to CFMS. If this information is being correctly recorded, then when the post uses their 60 report to reconcile to NEPA, they are reconciling to CFMS.

## **6 FAH-5 H-809 EXHIBIT H-809.1-5 CAPITAL ASSET ACQUISITION**

*(TL:ICASS-2; 04-01-1998)*

The section 6 FAH-5 H-832.1-4(B) on the modified cost basis for ICASS describes the concept of depreciation as well as how to compute and bill for amounts equal to the depreciation schedule to fund replacement of capital assets. It also describes how to determine what additional amounts will be necessary, considering inflation, to procure replacement assets sometime in the future. The process is inter-related with the ICASS budget preparation which provides a means, through the ICASS invoice, to obtain funding for replacement of capital assets. While amounts budgeted for capital assets are part of the normal budget, amounts received and accumulated to replace such assets are recorded in the accounting reports as unobligated balances, generally carried forward from one fiscal year to another until assets need to be replaced. The carried forward amounts are identified annually in the ICASS Budget Summary. Guidance below addresses this activity. Additional information is available in 6 FAH-5 H-900.

### **(A) REQUEST FOR FUNDING IN POST BUDGETS**

#### **(i) Depreciation**

a. At the end of a fiscal year, the post generates from its NEPA system or from post records the amount of capital asset depreciation to be recorded in the following fiscal year. This amount is included in the ICASS "Original" Budget under budget object code (BOC) 3195—Depreciation, along with all other BOC estimates for the budget year. This entry has only one purpose—to include the depreciation cost as part of the amount to be budgeted to serviced agencies. For example, if post determined that the annual depreciation cost for their vehicle fleet is \$40,000, this amount would be budgeted as part of the motor pool cost pool expense in the ICASS system under BOC 3195. It would then be included in the invoices for serviced agencies. Once invoiced funding is received, if post decides to retain it for some future purchase as planned, it remains unobligated on post's accounting reports and may be carried forward until it is utilized for a capital asset procurement. The carried forward amount is included on the post's annual Budget Summary as the last line item in the Prior Year's Actuals Column entitled Prior Year Capital Replacement Carry Forward. The amount therein that is intended for various types of asset replacement is noted in the comments column to the right of the amount.

b. In addition to the amount invoiced for the depreciation cost of the assets being used at post, an amount must be budgeted for the estimated additional cost of replacement assets due to inflation. This estimated amount is budgeted under BOC 3197 (Additional Cost Factor) along with all other motor pool cost pool expense projections, then invoiced to services agencies as appropriate.

**(ii) Funding New Capital Asset Acquisitions**

a. When post needs to replace a capital asset, it must include the projected cost of the item in the ICASS Original Budget using the appropriate BOC for the capital asset involved, never 3195 (Depreciation) or 3197 (Additional Cost Factor). If there are adequate Prior Year Unobligated Funds Brought Forward available, shown in the schedule at the bottom of the sample ICASS Budget Summary Worksheet below, some of these funds may be used to offset the budget requirement. To do so, post includes the requirement in the Original Budget column of the ICASS budget using the appropriate BOC (e.g. 3117—truck), then deducts the amount in one of the adjustment columns to reflect that it cannot be afforded within the target funding level, then offsets the adjustment by including the same amount in the Available Funds Applied column as shown below. By doing so, the carry forward amount will automatically be reduced, and post will essentially be using the carry forward funds to procure the desired assets. The serviced agencies will not be billed for the asset procurement. In the year after the purchase, post will begin including a depreciation amount for the truck in each year's budget (under BOC 3195) in an effort to begin accumulating funds for future replacement of the vehicle.

b. If there are inadequate funds in the Prior Year Capital Asset Replacement Carry Forward balance, or if the capital asset is an entirely new asset for which replacement funds were not accumulated, then post must budget new funds for the item using the appropriate BOC for the item in question (e.g. BOC 3113 Truck), invoice the serviced agencies, and obligate the funds against the budgeted BOC to effect procurement.

Budget Summary Worksheet for BANGKOK1's Target Budget							
Worksheets							
Object Code	Original Budget	General Adjustments	Specific-Total Adjustments	Target Budget (Invoice)	Available Funds Applied	Financial Plan	
2621	\$756		\$0	\$756		\$756	
2622	\$320,000		\$0	\$320,000		\$320,000	
2641	\$40,000		\$0	\$40,000		\$40,000	
2652	\$104,565		\$0	\$104,565		\$104,565	
2659	\$83,432		\$0	\$83,432		\$83,432	
3105	\$18,896		(\$18,896)	\$0	\$18,896	\$18,896	
3123	\$18,888		(\$18,888)	\$0	\$18,888	\$18,888	
3131	\$10,204		(\$10,204)	\$0	\$10,204	\$10,204	
Post Total:	\$3,789,425		(\$348,947)	\$3,440,478	\$47,988	\$3,488,466	
Non-Post Total:	\$98,000			\$98,000		\$98,000	
Grand Total:	\$3,887,425			\$3,538,478		\$3,586,466	
Summary of Available Funds				Amount	Comments		
Prior Years Unobligated Brought Forward				\$49,000	\$44,712 is being carried forward		
Prior Years Collections/ Sales Proceeds Reported not Received				\$28,700	for procurement of three carryalls		
Projected Proceeds of Sale				\$15,000	in the next fiscal year		
<b>Total Available</b>				<b>\$92,700</b>			
Total Available Applied to Current Year				\$47,988			
Balance of Capital Asset Replacement Carry Forward				\$44,712			
Exit	Save	UnLock	Prior Year Actuals				
Start	Inbox - Micro...	Microsoft W...	ICASS 4.0 B...	Budget Sum...	5:21 PM		

**(B) CAPITAL ASSET FUNDING IN THE OPERATING ALLOWANCE**

When the post receives its operating allowance for the budget which was submitted, the depreciation and new capital asset amounts which were budgeted are not separately identified, since they were in the depreciation and capital asset BOCs in the budget approved by the post ICASS Council.

**(i) Other Sources of Capital Asset Acquisition Funds**

a. In addition to the amounts included in an operating allowance for depreciation charges and new capital asset acquisitions, other funds may be earmarked by the ICASS Council for capital asset acquisitions. In the ICASS environment, proceeds of sale (from capital assets) are not restricted to the purchase of similar or like items; they can be used for any purpose. Further, any funds in the operating allowance which were saved or not required in the current year may be used for capital assets as well as savings from prior years activity carried over to the current year. Such funds are summarized at the beginning of each fiscal year and the post ICASS Council will decide on the use of the funds.

b. Post must account for the use of all amounts brought forward, proceeds of sale and anticipated proceeds of sale in the budget document, describing what amounts will be used in the current fiscal

year for which purposes and which will be carried forward for Capital Asset procurement in accordance with scheduled replacement. Explanations will be partially evident by where amounts are entered in the Summary Budget Worksheet shown above, and partly by explanations in the comments columns for all amounts used and to be carried forward.

## **(D) SEGREGATION OF CAPITAL ASSET ACQUISITION FUNDS**

### **(i) New Function Code 9673—Capital Asset Acquisition**

a. The segregation and administration of capital asset acquisition funds separately from non-capital funds is the central feature of the below-the-line activity. A new function code (9673—Capital Asset Acquisition) has been created for this purpose. It will be the repository for funds as described above (1) included in the operating allowances for the depreciation charges and new capital asset acquisitions, (2) derived from other sources (proceeds, savings) earmarked by the Council, less amounts transferred out for obligation under capital asset BOCs.

b. The balance in this account at any time is the amount available to the Council for acquisition of capital assets without requiring new funding. The total funds are available without limitation, unless the Council earmarks certain amounts of funds for specific uses.

### **(ii) Administering Function Code 9673**

Upon receipt of an operating allowance, the post prepares its usual spreadsheet financial plan at the BOC level, and includes the new Function Code 9673 for segregated capital asset acquisition. All budgeted amounts in the operating allowance relating to capital assets are to appear in the plan under Function Code 9673. For example, amounts budgeted for capital assets (e.g., vehicles, Capitalized ADP Equipment) are transferred to the Function Code 9673, along with the amount footnoted in the budget for BOC 3195 depreciation. The remaining amount in the financial plan will cover only non-capital items as usual.

### **(iii) Making Funds Available for Obligation**

The use of Function Code 9673 does not change the total funds made available in the operating allowance. It only segregates the capital asset funds from other funds because of the unique character of the depreciation charge and the diversity of other sources from which they derive.

## **(E) CAPITAL ASSETS ACQUISITION**

Although funds in Function Code 9673 are part of the post's total operating allowance available for obligation, actual obligations are not

made against this function. An amount needed for any capital asset acquisition is first transferred in the spreadsheet financial plan from Function Code 9673 to the applicable function and capital asset BOC for obligating. Both transfers in (from various sources) and transfers out (making funds available for obligation) will appear under the backup for Function Code 9673. The balance remaining in the account at any time will be the funds available for capital asset acquisitions.

**(F) IDENTITY OF FUNCTION CODE 9673 FUNDS**

When available acquisition funds are transferred from other BOCs into Function Code 9673 in the spreadsheet, identifying and tracking the details of their source and their ultimate use is at post discretion. Irrespective of the component sources of funds in the balance (depreciation, proceeds, savings, or new unobligated asset funds), the available balance may be used for capital asset acquisitions as needed in the current year. For example, if an asset fails before the end of its useful life, a replacement may be procured from the available balance even if the depreciation schedule did not provide all the funds needed for replacement, as long as the total balance is sufficient. If a new-technology capital asset would be cost-effective, it may be procured with available funds transferred from Function Code 9673.

**(G) CARRYOVER OF UNUSED CAPITAL ASSET ACQUISITION BALANCE**

a. At year-end, after adjustment of obligations and the financial plan for savings in other BOCs, for proceeds of sale made available by the bureau, and for delays in procurement of budgeted new capital assets, all unused funds earmarked for capital assets are transferred to Function Code 9673. Since the funds in Function Code 9673 came from operating allowances and are available for obligation (after transfer to applicable BOCs), the balance in Function Code 9673 is an unobligated balance carried over for reapportionment and return to the post in the next year's operating allowance.

b. In summary, through the use of this below-the-line activity, funds available for capital asset acquisition are segregated, monitored, and made available for capital asset obligations at the discretion of the ICASS Council at any time.

## 6 FAH-5 H-809 EXHIBIT H-809.1-7(A) EXAMPLE OF STANDARD FACTORS FOR WASHINGTON, D.C. ALLOTMENTS

*(TL:ICASS-2; 04-01-1998)*

**(FY 1996 as an example)**

Grade	Base Pay	Benefits * \$0	PAT † \$28,000	MED ‡ \$600	Differential § 20% X Base Pay	Total
FE-5 MC	\$120,886	\$33,365	\$28,000	\$600	\$24,177	\$207,028
FE-4 OC/MC	\$116,008	\$32,018	\$28,000	\$600	\$23,202	\$199,828
FE-3 OC	\$110,070	\$30,379	\$28,000	\$600	\$22,014	\$191,063
FE-2 OC	\$105,298	\$29,062	\$28,000	\$600	\$21,060	\$184,020
FE-1 OC	\$100,526	\$27,745	\$28,000	\$600	\$20,105	\$176,976
FO-1/4	\$75,726	\$20,900	\$28,000	\$600	\$15,145	\$140,372
FO-2/4	\$61,361	\$16,936	\$28,000	\$600	\$12,272	\$119,169
FO-3/4	\$49,721	\$13,723	\$28,000	\$600	\$9,944	\$101,988
FO-4/4	\$40,289	\$11,120	\$28,000	\$600	\$8,058	\$88,067
FO-5/4	\$32,646	\$9,010	\$28,000	\$600	\$6,529	\$76,785
FO-6/4	\$29,185	\$8,055	\$28,000	\$600	\$5,837	\$71,677
FO-7/4	\$26,090	\$7,201	\$28,000	\$600	\$5,218	\$67,109
FO-8/4	\$23,323	\$6,437	\$28,000	\$600	\$4,665	\$63,025
FO-9/4	\$20,850	\$5,755	\$28,000	\$600	\$4,170	\$59,375

\* Managed by RM/BP

† Managed by PER

‡ Managed by M/DGP/MED

§ Country differential (5% increments from 0% to 25%); 20% used as example

## **6 FAH-5 H-809 EXHIBIT H-809.1-7(I) CARRYOVER OF UNOBLIGATED BALANCES AT YEAR-END**

*(TL:ICASS-2; 04-01-1998)*

### **(A) GENERAL**

a. Unobligated ICASS funds remaining in a post operating allowance at year-end are brought forward to the next fiscal year, where they continue to be available for obligation. The amount brought forward is added to the amount of the post ICASS budget approved by ISC for the next fiscal year, to arrive at the total operating allowance available for obligation in the next (current) fiscal year. For the post's information, the operating allowance document separately identifies the amounts included from the post budget and the unobligated balances brought forward.

b. Unobligated balances brought forward are not immediately available to posts. After reconciliation of the year-end unobligated balances between the FSC-60 Reports and the CFMS, RM/BP includes the total carryover with ICASS budgeted amounts in the request to OMB for apportionment for the next fiscal year. After apportionment, RM/BP issues operating allowances to regional bureaus which, in turn, issue operating allowances to posts. Unobligated balances brought forward are returned intact to the originating posts and separately noted in their allowance documents. Some rare extenuating circumstances may require reallocation of the unobligated balances, to be determined by the ICASS Working Group in consultation with the Regional Bureaus.

c. This capability to roll over unobligated ICASS funds maintains the no-year funds feature of ICASS. It also allows post management to plan its obligations according to the timing of service needs rather than timing limitations of fiscal year availability.

### **(B) PRIOR YEAR RECOVERIES OF UNLIQUIDATED OBLIGATIONS**

a. In subsequent fiscal years, an unliquidated obligation retains the identity of the fiscal year in which it was obligated. Prior year recoveries is defined as the deobligated amount resulting from any cancellations or downward adjustments of obligations incurred in prior fiscal years.

b. In the past, posts primarily dealt with single year funds (FAAS or program), that treated cancellations or downward adjustments of prior year obligations as available only to the fiscal year of the original obligation. The adjustments to obligations were not an available

resource and consequently, were lost to the post and Department. However, since ICASS is a no-year fund, these downward adjustments are now prior year recoveries which remain available to be apportioned until expended.

c. There are three possible liquidation scenarios regarding prior year recoveries. If the final liquidation of a prior year obligation is:

(1) **Less than the prior year obligation**—the prior year unliquidated obligation is reduced to “zero” and its unobligated balance is treated as a prior year recovery.

(2) **Equal to the prior year obligation**—the prior year unliquidated obligation is reduced to “zero”. No prior year recoveries.

(3) **Greater than the prior year obligation**—the prior year unliquidated obligation is reduced to “zero” and the additional amount is obligated and expended from current year funds. No prior year recoveries.

d. Getting these available resources back to the post, requires that the Department request from OMB as part of its apportionment request an amount that is or will be made available from these downward adjustments to prior year unliquidated obligations. When RM/BP receives the approved apportionment from OMB, the Department can allocate through the allotment and allowance process the additional resources derived from prior year recoveries.

e. Given the frequency and volume of prior year recoveries, a request for the release of these funds from OMB will be done quarterly.

### **(C) PROCESSING ICASS TRANSACTIONS BY FISCAL YEAR**

a. The advice of operating allowance document issued from the bureau to the post authorizes only the total amount of funds available for new obligations in the current year. Under the ICASS fund symbol 19X4519.1, systems record, maintain and separately report all transactions according to the fiscal year in which the transaction funds were first obligated. The FSC-62 reports therefore show the unliquidated balances of new obligations under the year in which the obligation was made.

b. Because prior unliquidated obligation balances may potentially need to be increased and liquidated from the current operating allowance, the post financial management officer must monitor the unliquidated balances of obligations as a potential source of unbudgeted charges against the operating allowance.

c. The ICASS post software system for distributing costs to agencies will continue to distribute only the current year obligations against the operating allowance, as reported by the FSCs, since prior year

obligation balances were previously distributed. As payments and adjustments are entered against prior year obligation balances, the post financial management officer monitors the FSC reports of prior fiscal year transactions and decides when the prior year balances can be reduced to zero.

## **6 FAH-5 H-809 EXHIBIT H-809.1-7(J) UNANTICIPATED NORMAL AND EXTRAORDINARY EVENTS**

*(TL:ICASS-2; 04-01-1998)*

### **(A) BACKGROUND**

a. Under ICASS principles, posts operate as separate administrative entities. They will continue to account for anticipated inflation, expected FSN pay raises, allowances changes, non-recurrals, annualizations and high-priority program changes, in their post ICASS budgets. Currently, post targets are as comprehensive as possible. Therefore, recurring pricing and program adjustments are not unanticipated events. However, even with the best planning, unforeseen or extraordinary issues or events may occur. In FY 1996, more than \$5 million above initial targets was needed to supplement post administrative support operations for unforeseen expenses. ICASS has empowered post Councils to deal with many such items, but when posts cannot handle such emergencies within their budgets, a process must be in place upon which they can rely.

b. Unanticipated "normal" events include unexpected mandatory FSN wage increases decreed by host governments; unanticipated utility increases; unbudgeted increases in post allowances (higher than anticipated education allowances, including education allowances for learning disabilities and unanticipated number of dependents); introduction of danger pay; emergency replacement of vehicles or equipment; and unanticipated health and safety requirements. "Extraordinary" events are catastrophic in nature and include monsoons, fires or terrorist incidents that results in extensive damage or loss. It is a fundamental business practice to establish a process for handling unanticipated events to ensure the ongoing viability of ICASS operations.

c. Regional bureaus, with their responsibility for post operations, have an important role to play. The regional bureaus have vast experience handling unpredictable political, social, or economic events that can lead to funding shortages of varying magnitudes. The regional bureaus' experience in this area dictates that a process be established to meet unanticipated and extraordinary expenses and this process must be timely and responsive.

d. The ICASS Working Group (IWG) has the responsibility to monitor the process outlined below. In the event that an unanticipated event should occur that is difficult to resolve through the identified

process, the IWG should be consulted. In addition, the IWG in collaboration with the regional bureaus and RM/BP will determine annually the sufficiency of the amount to be withheld as described below.

## **(B) DISCUSSION**

a. Posts have at their disposal the means to handle the majority of funding issues that arise. However, when this is not possible, a process must be in place to resolve the shortfall. ICASS Agencies have agreed that one percent of each post's ICASS target, which is made up of State and other agency funding, be withheld from the posts at the beginning of each year. The amount is based upon prior year experience of the regional bureaus in dealing with events of this nature. When posts are unable to resolve funding shortfalls themselves, they may seek relief for the remainder of the current fiscal year through the process described below. The amounts not allocated to posts will be identified within the ICASS Working Capital Fund by regional bureau. The ICASS Service Center (RM/ICASS), regional bureaus, and RM/BP will track the process to ensure timely resolution, equity, and transparency.

b. This paper provides the guidance on how to deal with both the normal and extraordinary events that will affect ICASS operations. These events do not include exchange rate gains/losses, which is covered under 6 FAH-5 H-811 Exhibit 811.1.

## **(C) IMPLEMENTATION**

### **(i) Unanticipated Normal Event**

a. A normal unanticipated event is defined as being unknown when the ICASS budget was established and one that cannot be handled at the post level (examples are listed above in the background section). The process described below is envisioned to be timely and responsive and is divided into steps to increase understanding and clarity. The steps in the process are:

(1) Post attempts to deal with the situation locally through either the mid-year review, or reprogramming (a decision by the Council to adjust priorities to cover the shortfall).

(2) If the event cannot be handled locally, either because of time constraints or the amount of the shortfall, the post (with the concurrence of the ICASS Council) will then notify both the appropriate regional bureau and the ICASS Service Center (RM/ICASS), which has the formal action, to request assistance. This request for assistance will include the actions taken by the post to resolve the issue itself.

(3) The request will then be reviewed and, if valid, the regional bureau will make a recommendation to the ISC.

(4) The ISC, acting as agent for all ICASS agencies and using criteria established by the IWG, will notify RM/BP if approved.

(5) RM/BP, as the allotment holder, will make the appropriate adjustment to the post operating allowance.

b. The balance of the contingency fund will be carried forward to the next fiscal year. To replenish drawdowns of the contingency fund, agency bills will be centrally adjusted annually based upon their ICASS usage rates. Since drawdowns will be replenished as described above, the only time that bills will reflect an additional adjustment is when the IWG has determined that the overall amount of the reserve needs to be increased. If the one percent is totally exhausted for a bureau, the ISC will consult with the regional bureau, RM/BP, and the ICASS Working Group to determine the appropriate course of action, giving consideration to the options mentioned below for extraordinary unanticipated events.

## **(ii) Unanticipated Extraordinary Event**

An extraordinary unanticipated event is defined as being catastrophic in nature, expensive to resolve, and non-recurring at the post level (examples are listed above in the background section.) This process, like the one above for “Normal Unanticipated Events”, will be responsive and timely in dealing with these events. The steps in the process are as follows.

(1) The post attempts to deal with the situation locally through either the mid-year review or through the local ICASS Council (a decision by the Council to adjust other programs to cover the shortfall).

(2) If the event cannot be handled locally, either because of time constraints or the amount of the shortfall, the post will then notify both the appropriate regional bureau and the ICASS Service Center (RM/ICASS), which has the final action, and request assistance. This request for assistance will include the actions taken by the post to resolve the issue.

(3) The regional bureau and the ISC will review the request and the amount of funding required. The regional bureau will make a recommendation to the ICASS Service Center (RM/ICASS), which will coordinate with RM/BP and the ICASS Working Group to resolve the problem. The following options will be considered:

(a) Evaluate the impact on the WCF of running a negative position at the post for that year. (The Working Capital Fund allows operations to be run at a loss if:

There is a sufficient cushion in the total fund to absorb the loss; and  
The loss will be recovered in the next billing period.)

(b) Request additional funding from all the affected agencies, including State, through an assessment process.

(c) Request supplemental funding from Congress (if the magnitude or nature of the event which drove the shortfall warrants).

## 6 FAH-5 H-810 BUDGET EXECUTION

*(TL:ICASS-2; 04-01-1998)*  
*(Office of Origin: RM/ICASS)*

### 6 FAH-5 H-810.1 Fiscal Coding of Transactions

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. The entire process begins with the budget clerk entering the proper function code of a transaction into the system. The success of the ICASS system rests on the correct use of function codes. FSCs cannot accept documents without function codes.
- b. Under ICASS, the function code relates to the individual cost centers used by the posts to capture costs. Since ICASS is divided into cost centers that must be tracked individually, the function codes must be used to ensure that each cost center is recovering its costs. Therefore, all ICASS reports will first be sorted by the function code and then the object code. The FSC/FMC-60/62 reports will be in this function code/object code sort. New function codes will be created to accommodate new ICASS cost centers, as necessary. Aside from the prominence of the function code and the use of the WCF fund cite (19X4519.1), the rest of the accounting strip (allotment, BOC and obligation number) will remain the same as under the existing allotment structure.
- c. Following is an illustration of how the posting of an obligation at post was made prior to ICASS compared to the same posting under ICASS:

#### **Posting an obligation prior to ICASS:**

<u>Fund</u>	<u>Allotment</u>	<u>Obligation</u>	<u>Function</u>	<u>BOC</u>
<b>1960113</b>	5102	123456	XXXX	2622

#### **Posting an obligation under ICASS:**

<u>Fund</u>	<u>Allotment</u>	<u>Obligation</u>	<u>Function</u>	<u>BOC</u>
<b>19X4519.1</b>	5102	123456	6150	2622

## **6 FAH 5 H-810.1-1 Fiscal Coding Errors**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. If an ICASS obligation has been coded to a non-ICASS account (e.g., budget object code), a journal voucher must be prepared to transfer the charge to the proper ICASS account.
- b. To correct a fiscal coding error, use a journal voucher to debit the correct function and/or object code, and credit the incorrect function and/or object code.

## **6 FAH 5 H-810.1-2 ICASS Collections at Post**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The procedures for collecting and depositing are:

- (1) ICASS service requirements that are beyond those currently budgeted for in a given year and not incorporated in the central billings, and
- (2) Refunds to the U.S. Government for personal or unauthorized use of Government property that must be recovered are described in 6 FAH-5 H-810 Exhibit H-810.1-1 , ICASS Collections at Post.

## **6 FAH-5 H-810.2 Reconciling Post Obligated Costs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. OFMS and CFMS are the Department's official accounting systems. However, to run ICASS properly, post ICASS managers must have a tool to budget, track, and distribute costs. OFMS and CFMS are not designed for this purpose. Therefore, the Department developed the post ICASS Budget and Cost Distribution Software. (See 6 FAH-5 H-808.1-3 for details.)
- b. Post originated obligations will be entered quarterly at the post from FSC/FMC-60/62 Reports into the post ICASS Budget and Cost Distribution Software system by cost center. The same FSC/FMC-60/62 Report data passes through an interface to CFMS which creates financial statements for the WCF and the post. The post Financial Management Officer (FMO) is responsible for reconciling the FSC/FMC-60/62 totals to Post ICASS Budget and Cost Distribution Software totals and the CFMS WCF reports of post-originated obligations and expenditures with the post software report at least quarterly.

## **6 FAH-5 H-810.3 Reconciling Non-Post Obligated Costs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Nonpost obligated costs will be reconciled against the disbursements from the domestic operating allowances. AmSals, as an example of the largest component of domestic charges, will be direct charged to the WCF. The WCF report generating program will include the AmSal charges in the financial reports prepared for ICASS. The AmSal charges will be reconciled to ensure that all charges are properly accounted for. RM/F/DFS/WCF Accounting will be responsible for reconciling all Washington, D.C. held ICASS operating allowances.

## **6 FAH-5 H-811 BUDGET ADJUSTMENTS— MIDYEAR REVIEW**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Budgets formulated by Post ICASS Councils at the beginning of the year will inevitably require changes as the year progresses. Some examples of unanticipated cost-change factors are:
  - (1) Exchange rate fluctuations;
  - (2) Host government wage/price decrees; and
  - (3) Emergency equipment purchases.

The ICASS mid-year adjustment guidance will be provided and include revised resource needs. Any such adjustments which materialize after the mid-year review will be “rolled over” into the subsequent fiscal year ICASS budget for relevant posts unless the amounts are material enough to place the viability of the WCF in jeopardy.

- b. The results of the midyear review can be used by agencies in developing their marks for the next fiscal year.

## **6 FAH-5 H-811.1 Exchange Rate Gains and Losses**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Adjustments for exchange rate gains and losses will be part of the post mid-year review and will be performed periodically as warranted. The goal is to ensure budget neutrality among posts and reduce the risk to changes in their buying power from the time of budget submission to the end of budget execution. The accounting treatment for Exchange Rate Gains and Losses is covered in 6 FAH-5 H-811 Exhibit H-811.1, ICASS Exchange Rate Gains and Losses.

## **6 FAH-5 H-812 APPROPRIATION AND APPORTIONMENTS**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Chapter III of OMB Circular A-34 provides detailed guidance for apportioning all resources, not merely appropriated funds. Agencies participating in ICASS will need to determine how amounts actually appropriated to them should be apportioned to ensure that first quarter availability is sufficient to establish and liquidate obligations for paying all of their annual ICASS bills into the Department's Working Capital Fund (WCF), appropriation 19X4519.1.
- b. OMB requires apportionment for the WCF and such entities are depicted in the President's annual budget with schedules similar to those of appropriated funds.

## **6 FAH-5 H-813 ALLOTMENTS AND OPERATING ALLOWANCES**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Chapter II of OMB Circular A-34 requires agencies to prescribe by regulation a system for administratively controlling funds in accordance with 31 U.S.C. 1514. Allotments comprise the fundamental subdivision of this administrative funds control procedure since it is at this level that obligations are established and liquidations are made against those obligations. In turn allotments are subdivided into operating allowances.
- b. With respect to ICASS in FY97, funds allotted to RM/BP will be provided

by operating allowances through regional bureaus to posts. The bureaus will provide the full post allowance received from RM/BP to each post. The primary source of these reimbursements will be the Department's Diplomatic and Consular Programs (DCP) appropriation (19\_0113), as well as other departmental accounts which contribute capital for cost-shared post operations, such as Security and Maintenance for U.S. Missions (formerly Acquisition and Maintenance of Buildings Abroad), 19X0535; Migration and Refugee Assistance, 19\_1143; and International Narcotics and Law Enforcement Affairs, 19-11\_1022. Additional reimbursements anticipated from other contributing agencies' appropriations on the basis of their participation in Post ICASS Councils will be included in the aggregate WCF allotment. This office will also issue WCF reimbursement operating allowances to management bureaus, as appropriate, for them to obligate and liquidate into the WCF for the costs of administrative support they provide centrally on behalf of overseas posts. The sources of the reimbursements anticipated by management bureaus will be the Department's relevant appropriations and appropriations from other participating agencies.

- c. Under ICASS, the initial post operating allowance in a fiscal year will comprise the sum of funds requested in the initial post budget for all administrative support costs to be shared among participating agencies at the post. A post allowance will comprise funds for multiple services to be costed and shared according to factors relevant to each service. For example, administrative supply services support may be provided by the U.S.AID staff and the costs shared in proportion to the number of permanent full-time U.S. citizen employees on board for each agency, while non-residential building operations may be provided under contract by a private vendor and costs shared on the basis of office square footage occupied by each agency.
- d. Revised allowances may be provided to posts based on revised ICASS budgets in accordance with instructions issued for a mid-year ICASS adjustment and subject to funds availability of parent agencies.
- e. Following is an example of the relationship between appropriations, apportionments, allotments, and operating allowances:
  - (1) **Appropriation.** Appropriations from agencies participating in ICASS will be the source of reimbursements to the Department. RM/BP controls this funding for Department of State appropriations.
  - (2) **Apportionment.** Agencies participating in ICASS will need to determine how amounts actually appropriated to them should be apportioned to ensure adequate first quarter availability sufficient to establish and liquidate obligations for reimbursing their annual ICASS bills into the Department's Working Capital Fund (WCF), appropriation 19X4519.1 and thereby ensure adequate ICASS

revenue.

- (3) **Allotment.** RM/BP will retain WCF allotment authority upon apportionment by OMB.
- (4) **Operating Allowance.** RM/BP will issue operating allowances to the regional and management bureaus early each fiscal year to provide funding for State portion of ICASS operations. Additional operating allowances will be issued to achieve necessary funding levels determined by ICASS mid-year adjustment or by other extraordinary review. Regional bureaus in turn will issue operating allowances promptly to individual posts against which they establish obligations and pay administrative support service costs.

## 6 FAH-5 H-814 OBLIGATIONS AND LIQUIDATIONS

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. In the working capital concept under which ICASS operates, an obligation has the same characteristic as under appropriated fund operations, namely, an action that creates a liability or definite commitment on the part of the government to make a disbursement at some future time. The obligation must meet the same tests:
  - (1) The purpose of the obligation must be authorized;
  - (2) It must occur within the time limits applicable to the appropriation from which it will be paid;
  - (3) It must be supported by documentary evidence of transactions authorized by law, and
  - (4) Certifications and records shall be kept in a form which makes audits and reconciliations easy.
- b. The financial management office or individual supporting the ICASS service provider determines whether a proposed obligation meets the general criteria above and specific requirements for the type of obligation—contract, purchase of supplies or services, lease, and other transactions which commit the government to future payment. The obligation must be recorded if it meets any of the general criteria above. OMB Circular A-34 provides definitive instructions for how to record the most commonly occurring forms of an obligation.
- c. The obligation is recorded when it is entered into the Department's official financial records (Paris A&D, OFMS, and CFMS). Disbursements against the recorded obligation are made as for appropriated funds, and reports

of the obligation, its disbursements and remaining outstanding balance are reported to the ICASS service provider financial officer.

- d. In addition to confirming the legal validity of the obligation, the financial management officer ensures that the obligation has been assigned the appropriate fiscal coding which will record it under the available operating allowance, the correct object class (see 6 FAH-5 H-814 Exhibit H-814) describing its purpose, and, most important for ICASS operations, the correct function code for the cost center. Since agency costs are computed from the obligation amounts recorded in cost centers, this fiscal coding step is one of the most critical in the distribution, reporting and management of ICASS funding received from participating agencies.
- e. Under the 19X4519.1 operating allowance, the post follows the normal rules and criteria for legal obligation of funds. The post enters each obligation in the Department's official financial system, and receives reports of obligation status from the servicing Financial Service Center or Financial Management Center.
- f. The post certifies ICASS payments, processes them through the post's normal vouchering procedure, and enters them in the Department's financial system with other liquidating documents.
- g. The most essential fund control factor, available funds, is reported at the obligation level and post operating allowance level by FSC reports. Obligation balances no longer needed can be deobligated and the validity of funds status can be assured when adjustments are made from this report.
- h. As a summary to the detailed report of obligations status for the post, the Financial Service Centers and the Financial Management Centers issue the Status of Funds (FSC/FMC-60/62 reports) at function code (cost center) and sub-object class level. Since ICASS budgets are prepared at the cost center level, this report at the same level is the post's monitoring tool for the rate of obligations to date compared to the budgeted amount for the year. For general ledger recording, the report shows both obligations and liquidations to date for recording at the post operating allowance level under 19X4519.1.

## **6 FAH-5 H-815 FUNDS CONTROL**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The Department's fund control system will be used for the ICASS WCF. Operating allowances will be issued based on the approved budgets. As the ICASS allotment holder, if RM/BP exceeds its obligation authority, it will incur a violation of the Anti-Deficiency Act. Unobligated balances at year-end

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are not automatically carried forward into the next fiscal year. Allotments and operating allowances are issued by fiscal year and the holder must wait for the next fiscal year's allotment.

## **6 FAH-5 H-816 REVENUE AND EXPENSE FLOW FOR ICASS**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

See the Revenue Cycle and Expense Cycle Flowcharts at 6 FAH-5 H-816 Exhibit H-816.

### **6 FAH-5 H-816.1 Approved Budgets and Anticipated Reimbursements**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. The sum total of anticipated reimbursements from all appropriation sources (e.g., Diplomatic and Consular Programs (DCP), Security and Maintenance for U.S. Missions (formerly Acquisition and Maintenance of Buildings Abroad), Migration and Refugee Assistance (MRA) and International Narcotics and Law Enforcement Affairs for the Department, and relevant appropriations for agencies participating in ICASS) will be reimbursed into the Department of State's WCF.
- b. Revised operating allowances will be issued after posts and service-providing bureaus have revised their budgets as part of a regularly scheduled ICASS mid-year adjustment and update submissions from posts and service-providing bureaus have been entered into the ICASS Service Center (RM/ICASS) consolidated database.

### **6 FAH-5 H-816.2 MOUs**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Post ICASS Councils are empowered to determine necessary administrative services, desired service levels, priorities and service providers. These determinations will be formalized using MOUs which constitute interagency agreements, subject to budget availability of parent agencies. Billings for post costs will be based on these empowerment-derived agreements.

## 6 FAH-5 H-817 BILLING

### 6 FAH-5 H-817.1 Form and Frequency

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. RM/ICASS generally will forward reimbursable billings twice a year to agencies participating in ICASS. Initial billings will be sent after all post budget submissions have been received and entered into the ICASS Service Center (RM/ICASS) consolidated database, and all functional and management service-providing bureaus have furnished their program cost levels and agency/post cost distributions.
- b. **Billings:** RM/ICASS will do domestically all billings for the agencies participating in ICASS. Posts will submit their budget and the copies of the bill for each agency to the ICASS Service Center (RM/ICASS).
- c. **Support for Billings:** The posts will include with their budgets and signed agency bills sufficient back-up documentation that would identify each agency's costs by function code. In addition, the post ICASS Budget and Cost Distribution Software will be used to identify costs by agency by post costs (FSN salaries, BOE, supplies) versus centrally funded costs (AmSals, PAT). This last break-down is necessary so that RM/BP can properly distribute the collected funds to either the overseas post operating allowance or to the appropriate domestic operating allowance.
- d. **Billing Adjustments:** If a post portion of WCF is determined to be under-funded or over-funded, billing adjustments will be allowed at mid-year and in rare circumstances at the end of the year. However, since most adjustments would require additional billings to all participating agencies, this should be done as seldom as possible. Adjustments for gains or losses can be made in the next fiscal year by changing the cost structure of the relevant cost centers to adjust for any gains or losses.
- e. **Collections:** All ICASS bill collections will be done domestically. The Accounts Receivable section collect (On-Line Payment and Collection (OPAC) where possible) of the ICASS fees in October, for that year or as soon as the agencies receive their annual appropriation.

## 6 FAH-5 H-817.2 Document Flow, Account Transactions in RM and Posts

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. RM analysts will enter agreed-upon reimbursement amounts, sources and receiving accounts/organizations into the ICASS Service Center (RM/ICASS) consolidated database within one work week after documentation is obtained. Send the request to bill reimbursing agencies to Domestic Financial Services (RM/F/DFS) in the following work-week.
- b. **Billing process document flow:** The Post ICASS Council will create an operating budget that will be approved by all participating agencies. This budget will break-out by agency and by cost center the costs to each participating agency. The agency representatives to the Post ICASS Council will be responsible for getting the approved budgets to their headquarters so that when RM bills the agencies, they will be aware of the charges. When the post budgets are approved, the Post ICASS Council sends them to the ICASS Service Center (RM/ICASS) so that the consolidated bills to the participating agency can be prepared (by post and function code).
- c. Once the ICASS Service Center (RM/ICASS) provides RM/BP with the needed information, RM/BP will prepare a comprehensive interagency reimbursement agreement (the supported bill) for each agency and send it to each agency. When the agencies complete and sign the interagency reimbursement agreements, they return them to RM/BP, which will then send the appropriate collection information to the Accounts Receivable section for collection.

## 6 FAH-5 H-817.3 Disputed Billings and Adjustments

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Billings for post costs are based on MOUs which constitute agreements derived from local empowerment inherent in ICASS. Billings for the costs of Washington, D.C.-based administrative support are determined by allocating those costs first by post and then by agencies upon approval by the IWG. In the event of a dispute, the IWG will address the issue and seek resolution. Should the IWG be unable to resolve the issue, it will be referred to the ICASS Executive Board for a final, written determination.

## **6 FAH-5 H-818 COLLECTION**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The Accounts Receivable Division (ARD) of the Office of Domestic Financial Services establishes receivables in the Department's Domestic Accounts Receivable Tracking System (DARTS) upon receiving copies of reimbursement agreements from the Funds Control and Reimbursements Division of the Office of Budget and Planning (RM/BP/FCR), and then bills customer agencies. ARD records collections in the Central Financial Management System (CFMS) after receiving payment via On-Line Payment and Collection (OPAC) or check.

### **6 FAH-5 H-818.1 OPAC vs Direct Billing**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. The via On-Line Payment and Collection (OPAC) system is an automated intragovernment system used to electronically bill and pay for services and supplies. Immediate billing is accomplished when the billing agency credits its own Agency Location Code (ALC) and charges the customer agency's ALC.
- b. Form SF-1080, Voucher for Transfers Between Appropriation and/or Funds, is used when the customer agency is not on OPAC and the Department must request a check for payment.

### **6 FAH-5 H-818.2 Recording Collections**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

When it receives payment from an agency (by OPAC or check), ARD records the collection in CFMS using the ICASS accounting model. Cash is increased and the receivable is decreased.

### **6 FAH-5 H-818.3 Document Flow**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

When ARD receives the reimbursable agreement billing packages from RM/BP/FCR, it establishes receivables by operating allowance and function code in DARTS. When an agency submits payment by OPAC or check, ARD records the collection in CFMS. RM/BP/FCR then reconciles collections to anticipated reimbursements.

## 6 FAH-5 H-819 ICASS PROPERTY AND ASSETS

### 6 FAH-5 H-819.1 Accountability and Recording

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Personal property purchased with ICASS funds will become ICASS property. The accountability and recording of all ICASS personal property will be in accordance with the Department's personal property regulations, see 6 FAM 220 for specifics. They will be recorded in a manual system or in one of the Department's three approved automated property accountability systems:

<b>SYSTEM:</b>	<b>ACCOUNTS FOR:</b>
Nonexpendable Property Application (NEPA) system	General nonexpendable property
Automotive Vehicle Inventory System (AVIS)	Department's vehicle fleet abroad
Property Accountability Management System (PAMS)	Security equipment

### 6 FAH-5 H-819.2 Transfer

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

All FAAS ( 4 FAH-2 ) property was transferred to ICASS in fiscal year 1997. The Department will send separate property transfer instructions to posts. Program funded property that supports ICASS operations should have been transferred to ICASS. Additionally, upon the termination of providing services to the ICASS Council, the service provider will transfer to ICASS all property purchased with ICASS funds.

## **6 FAH-5 H-819.3 Capitalization and Depreciation**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

All ICASS vehicles, general assets costing \$25,000 or more, commercial off-the-shelf software costing \$100,000 or more, and software developed in-house costing \$250,000 or more will be capitalized and depreciated. Those costing less will be expensed in the period acquired. Capital and non-capital assets will be differentiated at procurement by the use of unique 3100 series budget sub-object codes. Posts will submit their capital asset requirements as part of their annual budget submission.

## **6 FAH-5 H-819.4 Disposal and Proceeds of Sale**

### **6 FAH-5 H-819.4-1 Disposal and Collection**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Each year the Department sells personal property abroad because the property items are at the end of their useful life, damaged beyond economical repair, or are no longer needed. ICASS property may be disposed of at the post.
- b. The proceeds of sale will be deposited in the WCF and are the resources of ICASS. It is ICASS policy to return the proceeds of sale to the post that disposed of the property. See 6 FAH-5 H-819 Exhibit H-819.4, Collections of Proceeds of Sale.

### **6 FAH-5 H-819.4-2 Collection of Proceeds of Sale**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. This section sets forth the procedures for recording and depositing the proceeds of sales of ICASS personal property at post. Only personal property items that were transferred to ICASS (e.g., former FAAS property) or purchased with ICASS funds are covered by this section. All ICASS personal property including furniture, equipment, supplies, appliances, machinery and vehicles not centrally funded and controlled is covered by this section.
- b. Since ICASS is a component of the Working Capital Fund (WCF), which has no-year status, this section has been prepared independently of the guidance for the proceeds of sale for other types of property, under either single or multi-year appropriations. Guidance dealing with the proceeds of

sale of other non-ICASS personal property will be issued separately.

- c. The procedures in this section must be implemented by the post and the Bureau of Finance and Management Policy (RM) to ensure accurate, timely recording, and allocation of proceeds.

## 6 FAH-5 H-819.4-2(A) Legislative Background

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. ICASS, as part of the Department of State’s WCF, is subject to the Department’s WCF legislation. Public Law 88-205, dated December 16, 1963, established the Department’s WCF and states that the fund “shall be available without fiscal year limitations.” It further states that “The fund shall also be credited with other receipts from sales or exchange of property...” The legislative language contains no limitations or restrictions constraining the use of the collected receipts from the proceeds of the sale or exchange of property.
- b. Since the WCF operates as a no-year business-like entity, the proceeds can be used as management deems appropriate. Posts are not to follow the standard proceeds of sale calendar (July 1–June 30) used for program or FAAS property. In a no-year fund, the proceeds are available indefinitely. It is ICASS policy to return the proceeds of sale to the post that disposed of the property.

## 6 FAH-5 H-819.4-2(B) Post Operations

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Collection and deposit of ICASS proceeds of sale will be handled in accordance with current procedures with the exception of coding changes which are described below. These coding changes affect all posts serviced by FSC Bangkok, FSC Paris, and FSC Charleston. Posts should consult with their servicing FSC/FMC with any questions regarding these instructions.
- b. The cashier will require the following information to complete the strip code for the OF-158, General Receipt. This example represents the first ICASS proceeds of sale from Caracas in FY 1999.

**19X45190001**      -      **9904**-      **9904914001**      -  
**9671**      -      **AAAC**  
**A**      **B**      **C**      **D**      **E**

- A.** The fund symbol to be used by ICASS is as follows:  
OFMS serviced posts - 19X45190001

Paris A&D serviced posts - 19X4519.0001

The last four digits (0001), with or without the period, are critical to identifying the proceeds of sale as belonging to ICASS.

**B.** All ICASS personal property proceeds of sale will use 9904 in the Expenditure Authority/Allotment Field. This is a domestically controlled revenue reporting code. This code identifies the transaction as a "Proceeds of Sale - All Other Personal Property."

**C.** The obligation number is reported in a ten digit field. In order to ensure that the proceeds of sale information is recorded correctly the post will create the obligation number. All ICASS obligations will conform to the following format:

**9 9 0 4 Y P P P N N**

**9904** - 9904 will be used in the first four positions. It represents the reporting code used with ICASS personal property proceeds of sale (see (B) above).

**Y** - The fifth digit is the last digit of the current fiscal year.

**PPP** - The sixth, seventh and eighth digit of the obligation number represents the post code.

**NN** - The ninth and tenth digit will be serially numbered and will identify the number of sales of property to date for that post for that fiscal year.

**D.** All ICASS personal property proceeds of sale will use function code 9671. This code is to be used by ICASS only. For non-ICASS proceeds of sale, posts will continue to use the existing procedures for recording the sale.

**E.** Generally AAAC (see description below) will be the Revenue Source Code (RSC) used in this field. RSCs are entered in the same field as the budget object code and there are currently six RSCs that could be used by ICASS.

AAAA—Proceeds of Sale, passenger vehicles

AAAB—Proceeds of Sale, non-passenger vehicles

AAAC—Proceeds of Sale, all other personal property

AAAG—Proceeds of Sale, generators and power supply equipment

AAAJ—Proceeds of Sale, DS, sale of security equipment

AAAZ—Proceeds of Sale, capitalized assets, not vehicles

d. Any assets with an original cost of \$25,000 or more must use the AAAZ RSC. Vehicles (irrespective of original cost) are the exception to this rule and will be coded as appropriate to either the AAAA or AAAB RSC.

## **6 FAH-5 H-819.4-2(C) Nonconvertible Currency**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

When a large dollar amount asset is to be sold (e.g., a vehicle or copier), if the nonconvertible currency proceeds would exceed the U.S.DO's immediate disbursing needs, the FMO should consult with the servicing U.S.DO and contact RM/F/IFS for advice prior to the sale.

## **6 FAH-5 H-819.4-2(D) Cashier Receipt and Deposit of Proceeds**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The post cashier receives the proceeds of sale for personal property along with information identifying the accounts to be credited. The cashier promptly prepares an OF-158 for the amount of the proceeds received. Accurate preparation of the OF-158 is key to the funds being properly credited to the post and to ICASS. The OF-158 will be prepared as follows:

Blocks 1-9 are prepared in accordance with the post's Service Post Cashier Procedures (SPUM Appendix A).

In Block 10, enter the fiscal strip as described above.

In Block 11, enter information in narrative form to indicate the source of the proceeds and a description of the item(s) as provided by the GSO or FMO. For example, "Sale of ICASS property in Caracas—FF&E (Furniture, Furnishings and Equipment)".

## **6 FAH-5 H-819.4-2(E) Updating Post Financial Systems**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

- a. Entry of collection data into the post Financial Management System will be handled in accordance with the procedures located in the post's Service Post Cashier Procedures (SPUM Appendix A).
- b. Upon deposit of the proceeds of sale with the cashier, the property will be removed from the post's Nonexpendable Property Application system (NEPA).
- c. RM will make these proceeds available for post use only after the collection transaction has been verified in CFMS. Only those amounts that have been verified are made available for allotment to post."

## **6 FAH-5 H-819.4-2 (F) Allotting Proceeds of Sale Back to Posts**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. When a sale occurs at post, the proceeds are deposited with the post cashier who prepares an OF-158 receipt for the amount received. Post personnel enter collection transactions in the post financial system and transmit them to the servicing FSC. These transactions are then transmitted on a monthly basis to the Department through the interface to CFMS. CFMS updates the domestic accounting files to reflect the deposits. Each sale transaction is located in DFMS and identified by post. A report of confirmed proceeds deposits by post is manually prepared for RM/BP. Only when these steps are complete can RM/BP issue an operating allowance to the regional bureau for reissue to the post.
- b. The purpose of the above steps is to align the Department's CFMS status of post proceeds with that of the post, especially for ICASS, so that reallocations to posts can be made as quickly and accurately as possible.

## 6 FAH-5 H-810 EXHIBIT H-810.1

### FUNCTION CODES

*(TL:ICASS-2; 04-01-1998)*

#### ICASS COST CENTERS

STANDARD	LITE	
6150	6150	<b>BASIC PACKAGE</b>
	6445	<b>PERSONNEL SERVICES</b>
6441		American Personnel Services
6443	6443	Community Liaison Office
6451		Locally-Engaged Staff Services
	6225	<b>FINANCIAL MANAGEMENT SERVICES</b>
6211		Budgeting and Financial Plans
6221		Accounts and Records
6222		Payrolling
6223		Vouchering
6224		Cashiering
	6145	<b>GENERAL SERVICES</b>
6462		Travel Services
6139		Direct Vehicle Operations
6132		Vehicle Maintenance
6133		Administrative Supply Services
6134		Procurement Services

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<b>STANDARD</b>	<b>LITE</b>	
6135		Reproduction Services
6136		Shipment and Customs Services
6148		Leasing Services
6143		Non-Expendable Property Management
		<b>RESIDENTIAL BUILDING OPERATIONS</b>
7850	7850	STL Residential Building Operations
7810	7810	GO/LTL Residential Building Operations
		<b>NONRESIDENTIAL BUILDING OPERATIONS</b>
7860	7860	STL Nonresidential Building Operations
7820	7820	GO/LTL Nonresidential Building Operations
	6196	<b>INFORMATION MANAGEMENT SERVICES</b>
6192		Pouching Services
6194		Mail and Messenger Services
6195		Reception and Switchboard Services

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<b>STANDARD</b>	<b>LITE</b>	
		<b>SECURITY</b>
5880		Security Services
5826	5826	Non-Residential Local Guard Program
5624	5624	<b>HEALTH SERVICES</b>
5590	5590	<b>COMPUTER SYSTEMS</b>
8790	8790	<b>OVERHEAD</b>

**OTHER ICASS FUNCTION CODES**

<b>(9600)</b>	<b>ICASS COST DISTRIBUTION POOLS</b>
<b>(9610)</b>	<b>ICASS ADMINISTRATIVE OFFICERS AND SECRETARIES (U.S. CITIZEN)</b>
9611	Senior Admin Officer/ Counselor
9612	#2 Admin Officer; or Secretary
9613	#3 Admin Officer; Consulate Admin Officer; or Secretary
9614	#4 Admin Officer; Consulate Admin Officer; or Secretary
9615	#5 Admin Officer; Consulate Admin Officer; or Secretary
9616	#6 Admin Officer; Consulate Admin Officer; or Secretary
9617	#7 Admin Officer; Consulate Admin Officer; or Secretary
<b>(9620)</b>	<b>ICASS GENERAL SERVICES OFFICERS AND SECRETARIES (U.S. CITIZEN)</b>
9621	Senior GSO
9622	#2 GSO
9623	#3 GSO; Consulate GSO; or GSO Secretary
9624	#4 GSO; Consulate GSO; or GSO Secretary
9625	#5 GSO; Consulate GSO; or GSO Secretary
9626	#6 GSO; Consulate GSO; or GSO Secretary
9627	#7 GSO; Consulate GSO; or GSO Secretary
<b>(9630)</b>	<b>ICASS PERSONNEL OFFICERS AND SECRETARIES (U.S. CITIZEN)</b>
9631	Senior Personnel Officer
9632	#2 Personnel Officer
9633	#3 Personnel Officer or Personnel Secretary
<b>(9640)</b>	<b>ICASS FINANCIAL MANAGEMENT OFFICER</b>
9641	Senior Financial Management Officer
9642	#2 Financial Management Officer
9643	#3 Financial Management Officer
<b>(9650)</b>	<b>ICASS DUAL-PURPOSE POSITIONS</b>
9651	Dual-purpose positions such as FMO/Personnel
<b>(9660)</b>	<b>ICASS—OTHER COST DISTRIBUTION POOLS</b>
9661	Wages, Benefits and Allowances
9662	Non-Residential FSN/PSC LGP
9663	Motor Pool
9664	Warehouse
<b>(9670)</b>	<b>SPECIAL FUNCTION CODES</b>
9671	ICASS Collections
9672	Personal Use of Government Property
9673	Capital Asset Acquisition

## **6 FAH-5 H-810 EXHIBIT H-810.1-1 ICASS COLLECTIONS AT POST**

*(TL:ICASS-2; 04-01-1998)*

a. There are two basic types of ICASS collections. The first type of ICASS collection is performed in Washington, D.C. and results from the central billings to the ICASS serviced organizations. The procedures for handling ICASS central billings and collections are covered in 6 FAH-5 H-817 and 6 FAH-5 H-818.

b. The second basic type of ICASS collections includes all other funds charged and collected at post for use of ICASS services or assets. (ICASS Proceeds of Sale are not included in this exhibit, but are covered separately under 6 FAH-5 H819, Proceeds of Sale.) The collections covered in this exhibit are divided into:

(1) ICASS service requirements that are beyond those currently budgeted for in a given year and not incorporated in the central billings; and

(2) Refunds to the U.S. Government for personal or unauthorized use of U.S. Government property that must be recovered.

c. The following procedures for collecting and depositing these two types of collections at post shall be used.

### **(A) COLLECTIONS AT POST FOR ICASS SERVICE REQUIREMENTS NOT INCLUDED IN CENTRAL BILLINGS**

a. Sometimes the additional agency service requirements not included in central billings requires additional resources for the ICASS provider beyond those originally budgeted. By estimating the costs associated with the anticipated additional services, and collecting the funds up front at the post, funding for the additional resources is assured.

b. The Post ICASS Council is responsible for determining whether or not to charge for instances that require the use of ICASS services beyond that which was budgeted. The Council will determine the charges for those instances on a reimbursable cost basis. Whatever additional costs it takes to deliver the ICASS services may be charged at the post to the agency requesting the services. Whenever possible, use direct charges.

c. The procedures in this handbook must be implemented by the post and the Bureau of Finance and Management Policy (RM) to ensure accurate and timely recording and allocation of amounts charged and

collected. These collections will be handled in accordance with existing post collection procedures with the exception of the coding changes described below. These coding changes affect all posts. Posts should consult with their servicing FSC or the ICASS Service Center (RM/ICASS) with any questions including how to “charge” an agency.

**(i) Cashier Receipt and Deposit of Collections**

a. The post cashier receives the collection along with information identifying the account(s) to be credited. The cashier promptly prepares an OF-158 for the amount of the funds received. Accurate preparation of the OF-158 is key to the funds being properly credited to the post and to ICASS. The OF-158 will be prepared as follows:

b. Blocks 1-9 are prepared in accordance with the Cashier Manual (SPUM Appendix A). In Block 10, enter the fiscal strip as described below. In Block 11, enter information in narrative form to indicate the reason for the billing and what activities it includes. For example:

**TDYers Smith and Jones from U.S.AID. For copies, telephone calls, and mileage driven at post for period January 97 through June 1997.**

c. The cashier will require the following information to complete the strip code for the OF-158, General Receipt:

d. This example represents the collections at Kingston, Jamaica for charges for ICASS services not included in central billings. Explanations are footnoted:

<b>19X4519 0001</b>	<b>9906</b>	<b>990691 2701</b>	<b>9671</b>	<b>ABBA</b>
Fund Symbol <sup>1</sup>	Expenditure Fund Allotment/ Authority <sup>2</sup>	Obligati on Number <sub>3</sub>	Funct ion Code <sub>4</sub>	Revenue Source Code <sub>5</sub>

**1. ICASS Fund Symbol.** Use:

OFMS serviced posts —19X45190001  
Paris A&D serviced posts —19X4519.0001

The last four digits (0001), with or without the period, are critical to identifying the collection as belonging to ICASS.

**2. Expenditure Authority/Allotment Field.** All ICASS collections will use 9906. This is a domestically controlled revenue reporting code that identifies the transaction as an ICASS collection.

**3. Obligation Number** (ten digit field). To ensure that the collection information is recorded correctly, the post will create the obligation number. All ICASS obligation numbers will conform to the following format:

**9 9 0 6 F P P P N N**

- **9906** Use 9906 in the first four positions. It represents the reporting code used with ICASS collections (see paragraph d, footnote 2 above).
  - F** The fifth digit is the last digit of the current fiscal year.
  - PPP** The sixth, seventh, and eighth digits represent the post code.
  - NN** The ninth and tenth digit will be serially numbered and will identify the number of additional collections to date for that post for that fiscal year.
- 4. **Function Code.** Use 9671 for all of ICASS collections of this type. This code is to be used by ICASS only.
- 5. **Revenue Source Code (RSC).** Use ABBA in this field for ICASS collections (other than Proceeds of Sale). Enter RSCs in the same field as the budget object code.

**(ii) Funding**

a. The additional funding ultimately provided to the post ICASS operation, based on collections at post, increases the total ICASS funds available. Irrespective of the amount of funds involved, in order for the 19X4519.1 fund in total and its agency shares to be reconcilable between agency ICASS accounts, the additional funds must be recorded in the ICASS Working Capital Fund and be reallocated by RM/BP through adjustments to bureau operating allowances for allocation to the post. RM will make collections available to the posts only after the collection transactions have been verified in CFMS.

b. If the post service provider has under-utilized capacity sufficient to handle ICASS service workload increases without additional resources, the workload counts in cost centers resulting from a new participant (or increased workload) will reduce per unit cost for all agencies, shift part of the current costs to the new participant, and reduce other agency shares without an increase in total ICASS cost. However, if a collection for the additional services is made, the additional operating allowance funds from the participant becomes available for a refund to the other participants in that cost center, or at the ICASS Council's discretion, will become available for other needs not otherwise possible under the post ICASS budget.

**(B) REFUND COLLECTIONS FOR PERSONAL OR UNAUTHORIZED U.S.E OF U.S. GOVERNMENT PROPERTY**

a. ICASS services and supplies, and the use of U.S. Government facilities and equipment to provide them, are not available to the public

or to employees for their personal use. U.S. Government-wide standards of employee conduct (5 CFR 2635.704) provide that an employee shall not use, or allow the use of, U.S. Government property for other than uses authorized in law or regulation. (See Footnote, below.)

b. When post management determines that U.S. Government property or services have been used for personal or unauthorized purposes, the procedure below will be used to credit ICASS funds for the personal or unauthorized amount, establish a separate account for the personal payments and then zero out the separate account when the collection for the personal payment is received.

**(i) Instructions for Refund Collections**

a. Once the use of U.S. Government property for personal or unauthorized purposes has been identified, a journal voucher (JV) will be prepared to transfer the charges from the original function code from which the disbursement was made or the service was provided, to function code 9672, to recognize the amount to be collected. This is a new ICASS function code which serves as the account to be monitored for collections and for the total costs of instances of personal or unauthorized use of Government property. This JV will restore the funds in the proper function and Budget Object Code (BOC).

b. If the personal or unauthorized purposes charges are identified prior to establishing the obligation, then those charges will be directly obligated to function code 9672 at the time the obligation is established.

c. The following example will illustrate the correcting JV:

**(1) Journal Voucher**

This example represents the personal use of a FAX machine in Kingston, Jamaica. The charges are removed from function code 6195 from which the cost would have otherwise been collected from agencies (the credit entry) and transferred to function code 9672 (the debit entry).

	<u>Fund</u>	<u>Allotment</u>	<u>Obligation</u>	<u>Function</u>	<u>BOC</u>
DR	19X45190001	5127	0123456789	9672	2322
CR	19X45190001	5127	0123456789	6195	2322

The fund, allotment, obligation number and BOC will remain the same as the original obligation. Only the function code changes for the Debit entry (use 9672). This effectively transfers the charge to function code 9672.

**(2) Deposit**

The post must immediately collect the cost from that individual per 4 FAH-3 H-490 (Debt Collection) and the collection document must credit the new function code 9672 to recognize the refund collected to balance out the payment made or services utilized. This use is not a U.S. Governmental service and, as such, the credit to function code 9672 is a refund to the obligation and is not ICASS revenue.

The cashier will require the following information to complete the strip code for the OF-158, General Receipt. The following example represents a refund for the personal use of a FAX machine in Kingston, Jamaica. (This is the refund for the above example under Journal Voucher.)

<u>Fund</u>	<u>Allotment</u>	<u>Obligation</u>	<u>Function</u>	<u>BOC</u>
19X45190001	5127	0123456789	9672	2322

The fund, allotment, obligation number and BOC will remain the same as the original obligation. Only the function code changes to 9672. This credit entry effectively transfers the collection to function code 9672 where it will match the Debit entry from the earlier journal voucher.

**Footnote**

For this purpose, "U.S. Government property" includes U.S. Government-held real or personal property, office supplies, telephone and other telecommunications equipment and services, U.S. Government mail, automated data processing facilities, printing and reproduction facilities, and Government records or supplies. The notable authorized use is for employee transportation with U.S. Government vehicles under specified conditions, for which a collection is required (see 6 FAM 228).

## **6 FAH-5 H-811 EXHIBIT H-811.1 EXCHANGE RATE GAINS AND LOSSES**

*(TL:ICASS-2; 04-01-1998)*

a. Local economic conditions including exchange rates, while not controlled by the ICASS post, affect the buying power of ICASS funds and other post allotted funds. In budget formulation and execution for posts, the goal of exchange rate gains and losses policy is to maintain for the post the same buying power as originally budgeted. For uniformity, the exchange rate ("budget rate") used for the original budget and for monitoring exchange rate gains and losses is as of October 1 of each fiscal year. Regional bureaus (along with IO and RM) provide RM/BP with percentages of each post budget expected to be liquidated in local currency and thereby impacted by exchange rates. Maintaining buying power is accomplished by providing additional post funds to make up for exchange rate losses, while withdrawing extra post funds generated by exchange rate gains.

b. To provide data for monitoring gains and losses, overseas Financial Service Centers (FSCs) generate monthly reports of the actual exchange rate gain or loss from the budgeted rate for each liquidation, which is then totaled by post and by bureau. From these reports, RM/BP working with the ICASS Service Center (RM/ICASS) prepares quarterly updates of actual cumulative exchange rate gains and losses by post and bureau. (More frequent analyses can be performed for those posts which warrant special monitoring.)

c. In addition, projections of estimated gains and losses through the end of the fiscal year are made by applying the latest exchange rate of the reporting month to the local currency liquidations remaining in the fiscal year. The projections are added to the cumulative actual gains and losses to determine a total annual exchange rate gain/loss estimate. Post projections are modified based on local conditions, historical trends, or other RM/BP experience factors. Posts which experience hyperinflation will require further monitoring and adjustments. Exchange rate gains from such a post should first be applied to offset wage and price increases at that post, in order to maintain the same buying power as originally budgeted for that post. The resulting projections of total fiscal year exchange rate gains or losses by post are provided by RM/BP to regional bureaus and the ICASS Service Center (RM/ICASS).

d. In consultation with regional bureaus and the ICASS Service Center (RM/ICASS), and based on the above-described analysis, RM/BP

determines the resultant adjustments in post ICASS operating allowances which are required through the end of the fiscal year. These allowance adjustments will provide additional funding to make up for exchange rate losses, or withdraw excess funding arising from exchange rate gains. RM/BP will issue quarterly adjustments to bureau operating allowances, confirming the agreed upon additional or withdrawn funding at post level. The bureaus in turn pass the revised allowances to their posts with the ICASS Service Center (RM/ICASS) clearance. Following the same consultative process, adjustments to post allowances may be made at other intervals when conditions warrant such action.

e. The midyear financial plan review represents a major reevaluation of resource distribution. Accordingly, RM/BP repeats the process of projecting exchange rate gains and losses at the post level through the end of the fiscal year, and compares those results to the initial results obtained in the first quarter exchange rate analysis. Working with the regional bureaus and the ICASS Service Center (RM/ICASS), RM/BP determines what, if any, adjustments since the first quarter funding changes are needed for the remainder of the fiscal year, and issues new bureau operating allowances with post-specific detail, for allocation to posts. The same approach is used in conducting a third quarter review.

f. After adjustments in post operating allowances have been issued to effect exchange rate losses or gains following the third quarter, RM/BP determines the cumulative annual ICASS net loss or net gain. This ICASS net gain or loss is divided among ICASS agencies in the ratio used for ICASS billings to agencies. If total ICASS exchange rate losses exceed ICASS exchange rate gains, the ICASS Service Center (RM/ICASS), in consultation with RM/BP, will decide:

(1) Whether to bill agencies for additional reimbursement in the ratios determined above, and, if yes,

(2) When the billing will be done.

g. If a net exchange rate loss is determined to be extraordinary by the Interagency Working Group at any time, based upon a recommendation from RM/BP, the ICASS Service Center (RM/ICASS) and the regional bureaus, the loss will be addressed in the same manner as an extraordinary unanticipated event at the ICASS Working Capital Fund (WCF) fund level rather than at post level.

h. The fourth quarter exchange rate analysis will be conducted just prior to the end of the fiscal year. RM/BP and the ICASS Service Center (RM/ICASS) determine final cumulative ICASS and agency exchange rate gains and losses for the year. If cumulative annual ICASS

exchange rate gains exceed ICASS exchange rate losses, the ICASS Working Group in consultation with RM/BP will determine the disposition of this ICASS cumulative gain. The ICASS gain might be returned to ICASS agencies or retained in the WCF. Alternatively, taking into account any previous billing adjustments, it will be determined whether exchange rate losses will be used to adjust agency billings for the current or the next fiscal year.

## **6 FAH-5 H-814 EXHIBIT H-814 COMMONLY USED POST ICASS BUDGET OBJECT CLASSES**

*(TL:ICASS-2; 04-01-1998)*

**Code Object name or description**

1113 FSN BP  
1121 Temporary BP U.S. Citizen  
1122 Part Time BP U.S. Citizen  
1124 Temporary and Part Time Pay FSN  
1125 WAE BP U.S. Citizen Other  
1126 WAE BP FSN  
1131 OT and Holiday Pay U.S. Citizen  
1132 Night Differential Pay U.S. Citizen  
1134 OT Holiday and Night Differential FSN  
1135 Sunday Differential Pay U.S. Citizen  
1136 SP Allowance FS Officers  
1141 Contracted Personal Service U.S. Citizen  
1142 Contracted Personal Service FSN  
1145 OT and Holiday Pay Personal Service Contract U.S. Citizen  
1148 OT, Holiday and Night Differential PSC FSN  
1151 Danger Pay Allowance  
1153 Language Incentive  
1161 Terminal Leave U.S. Citizen  
1162 Terminal Leave FSN  
1166 Terminal Leave PSC FSN  
1186 Cash Awards FSO  
1187 Cash Awards FSN  
1197 Other Allowances NOC  
1201 Post Allowances  
1204 Separate Maintenance Allowance  
1206 Dependent Education Allowance  
1208 Cost of Living Allowance FSN  
1211 Living Quarters Allowance  
1212 TQSA  
1219 Miscellaneous Allowances NOC  
1221 FEGLIA Empire Contribution  
1222 FEHBA Employer Contribution  
1223 FICA Contribution Employer  
1227 Civil Service Retirement FSN  
1228 Benefit Plans FSN  
1229 Medicare Hospitalization Insurance Tax

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- 1230 Old Age Survivor/Disability Insurance Tax
- 1231 FERS Employer Contribution
- 1233 Thrift Savings Plan Basic 1%
- 1242 Other Allowances FSN
- 1245 FICA PSC U.S.CIT
- 1246 Benefit Plan Personal Service Contract FSN
- 1302 Severance Pay FSN
- 1304 Severance Pay PSC/USCIT
- 1305 Severance Pay PSC FSN
- 2153 Travel Regulations Conference
- 2156 Field Travel NOC
- 2161 Rest and Recuperation Travel
- 2162 Education Travel
- 2163 Other Travel—Taxis, Etc.
- 2164 Family Visit Travel
- 2165 Emergency Visit Travel
- 2169 Travel Children Separate
- 2201 Transport Government Property
- 2221 Transport Government Vehicles
- 2222 Unaccompanied Pouch
- 2288 Dispatch Agency Service
- 2299 Miscellaneous Freight NOC
- 2321 Telephone Equipment Installation and Service
- 2322 Telephone Tolls
- 2323 Leased Telephone Lines
- 2325 US Postal/DHL/Other Service
- 2341 Postage/PO Box Rent
- 2361 Electricity
- 2362 Gas
- 2363 Water
- 2364 Sewerage
- 2365 Garbage, Trash Disposal
- 2366 Metered Hot Water Hear
- 2371 Office Equipment Rental
- 2372 Real Property Rent Residential
- 2377 Real Property Rent Non-Residential
- 2379 Miscellaneous Rentals NOC
- 2450 Miscellaneous Printing NOC
- 2511 Maintenance and Repair Satellite Buildings
- 2521 Motor Vehicle Maintenance and Repair
- 2552 Service Facility Operations
- 2554 Contracted Security Guard
- 2558 Post Language Training
- 2561 Contracted Medical Personnel and Services
- 2562 Contracted Immunization and Medical Examination

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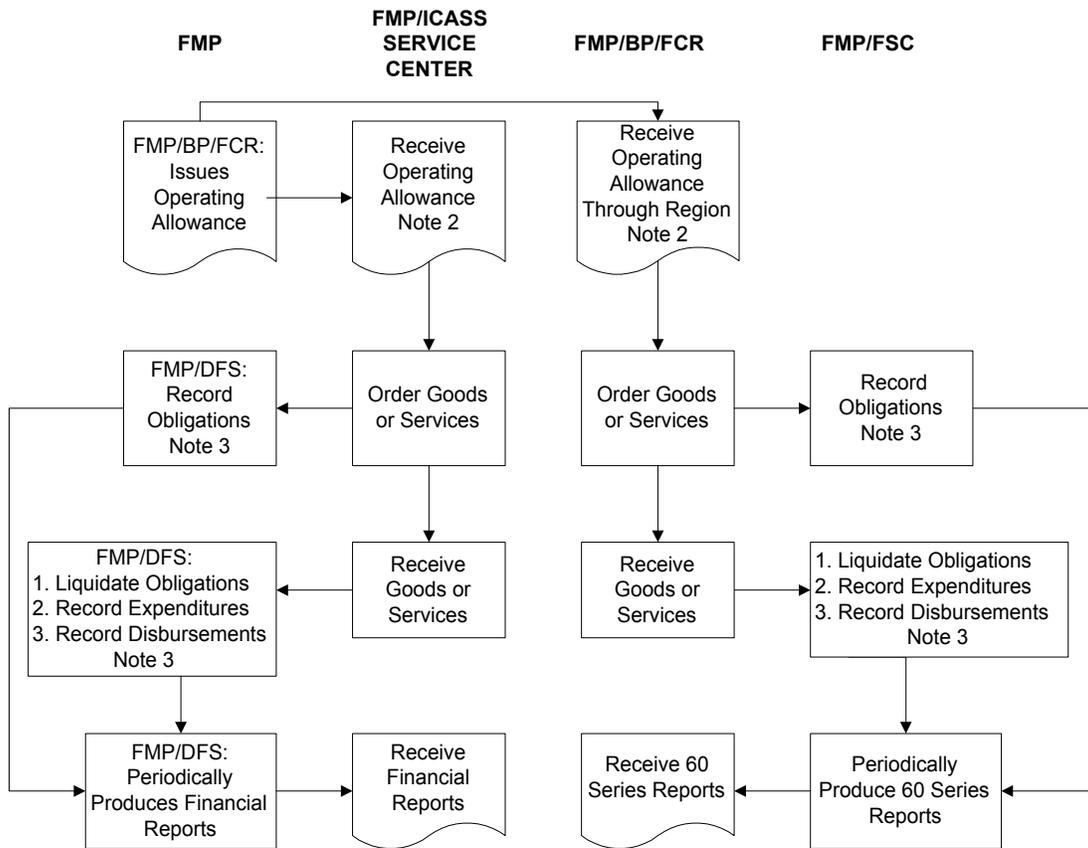
- 2569 Other Contracted Person NOC
- 2585 Office Machine Maintenance
- 2586 Reproduction and Maintenance Equipment
- 2589 Other Contracted Services NOC
- 2595 Security Equipment Maintenance and Repair
- 2596 Miscellaneous Contracted Security
- 2611 Auto Fuels and Lubricants
- 2612 Auto Parts and Supplies
- 2621 Reference Materials
- 2622 Office Supplies
- 2630 Printing and Reproduction Supplies
- 2641 Medical Supplies
- 2652 Building Repair Supplies and Materials
- 2653 Furnishings Representation Items
- 2654 Space Heat and Operating Fuel
- 2659 Custodial Items NOC
- 2661 Special Clothing
- 2662 Material and Supplies Security Guards
- 2693 Security Supplies
- 2699 Miscellaneous Supplies
- 3106 Heavy Equipment
- 3114 Sedans NOC
- 3115 Station Wagon
- 3116 Carryalls
- 3117 Trucks 1 Ton or Less
- 3118 Trucks 1.5–2.5 Tons
- 3119 Trucks 3 Tons or More
- 3121 Office Equip/Machines
- 3122 Office Furnishings
- 3123 Household Furnishings
- 3124 Capitalized Office Equip
- 3125 Capitalized Office Furnishings
- 3126 Capitalized Household Furnishings
- 3135 Capitalized Medical Equipment
- 3136 Security Equipment
- 3137 Books and Maps
- 3138 Telephone Equipment
- 3139 Medical Equipment
- 3141 Miscellaneous Equipment NOC
- 3143 Capital Miscellaneous Equipment NOC
- 3151 ADP Equipment Purchased
- 3155 Capitalized ADP Software
- 3159 Capitalized ADP Equipment
- 3165 Capitalized Communication Equipment
- 3171 Security Vehicles

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- 3175 Capitalized Security Equipment
- 3195 Depreciation
- 3197 Additional Capitalization Requirements
- 3289 Prompt Pay Act Penalty
- 4120 Grants
- 4140 Gratuities
- 4161 Value Added Taxes
- 4162 Assessments and Miscellaneous Taxes
- 4210 Tort Claims



## ICASS EXPENSE CYCLE



1. Recording ICASS expense transactions is the same as recording the old FAAS expenses.
2. Department Fund Control Policies and Procedures do not change for ICASS, except as noted in 6 FAH-5 H-815.
3. See 6 FAH-5 H-814 for details.

## **6 FAH-5 H-820**

# **FINANCIAL REPORTING OVERVIEW**

*(TL:ICASS-2; 04-01-1998)*  
*(Office of Origin: RM/ICASS)*

- a. There is no major difference between current Department financial reporting and reporting with ICASS. For ICASS implementation to be successful though, all transactions must now include the correct function codes. In the past, their use was not critical, but to make the ICASS concept a reality, they must now be used and used correctly.
- b. The posts' copies of the RMC 60 series of reports will continue to be used as the source of financial management information for the post and in Washington, D.C. headquarters. CFMS will provide financial reports modified to function code level. See 6 FAH-5 H-820 Exhibit H-820 for the relationship between reports.
- c. The post ICASS Budget and Cost Distribution Software provides the post a new financial management tool to improve the quality of financial information available to managers.

## **6 FAH-5 H-821 FINANCIAL REPORTING ABROAD**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Reports from the FMCs and FSCs which use OFMS are identical in format. Reports produced by the Paris A&D system at FSC Paris, however, are slightly different but both Paris A&D and OFMS report obligations and disbursements for the current month, and cumulative obligations and disbursements for the current fiscal year classified by function/object codes. Differences in format are superficial. On the 60 Status of Funds report, OFMS reports net undisbursed balance of obligations for the fiscal year for each function/object code, but the Regional Area Management Center (RAMC) A&D report only shows the total unliquidated balance. To derive this information for each function/object code, a user of the report would be required to subtract cumulative liquidations from cumulative obligations.

## **6 FAH-5 H-821.1 Reports to Posts**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. Financial Service Centers and Financial Management Centers furnish 60 and 62 reports to posts for which they provide accounting services. The 60 report is the Status of Funds, showing total funds obligated, classified according to function code and object code. The 62 report is the Status of Obligations, showing total funds obligated classified by individual obligation first and then by function and object codes. The Status of Funds shows obligations and liquidations for the current month, and cumulative to date for the fiscal year. The Status of Obligations shows each separate liquidation against individual obligations, and the balance remaining in each obligation. Normally these reports are provided to the post biweekly. In special situations, such as near the end of the fiscal year, they can be provided at more frequent intervals, as necessary.
- b. When the FSC disburses but does not provide accounting services, as for FMCs, it reports disbursements by FS-477, sent electronically and read directly into the FMC database which updates the data files and produces periodic 60 and 62 reports. Frequently the FMC reports are for FMC serviced posts in addition to the one where the FMC itself is located, and are normally provided biweekly.

## **6 FAH-5 H-821.2 Reports to Department**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

FSCs and FMCs provide the same reports, 60 and 62, to RM on a monthly basis.

## **6 FAH-5 H-821.3 Reports to Other Agencies**

*(TL:ICASS-2; 04-01-1998)*

*(Applies to participating ICASS agencies)*

- a. When an FMC or FSC provides accounting for a serviced agency, 60 and 62 reports are provided for the allotments serviced. These 60 and 62 reports are consistent with the 60 and 62s provided for State. However, certain agencies may use elements of strip coding that are not used by State, or may use zeros in a field normally utilized by the Department. Thus, it will not be feasible to use ICASS function codes when one of these agencies provides an administrative service if the cost is to be charged directly to 19X4519.1.

- b. When accounting services are not provided to the other agency, the other agency provides its own fiscal data. Payment documents are presented by the other agency for disbursement. The FSC issues a SF-1221 report for the agency and Voucher Auditors Detailed Reports (VADRs) are provided. If an agency were to provide an administrative service, it should send ICASS a bill because direct charging 19X4519.1 would not be feasible.

## **6 FAH-5 H-822 POST GENERATED REPORTS— ICASS AGENCY COST DISTRIBUTION**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The post ICASS Budget and Cost Distribution Software will produce a report that aggregates obligations by cost center (function code) and then distributes them by agency. Such reports not only show the portion of each function attributable to each serviced agency, but also will serve as the basis for billing the participating agencies.

## **6 FAH-5 H-823 DEPARTMENT GENERATED REPORTS**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

CFMS is the official accounting system for the Department and all departmentally generated reports will come from its general or subsidiary ledgers.

### **6 FAH-5 H-823.1 ICASS Financial Statements**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

CFMS will produce monthly Statements of Revenue and Cost for all ICASS allotments and a consolidated Statements of Financial Condition. The WCF Accounting Section will distribute these reports. (See 6 FAH-5 H-823 Exhibit H-823.1 for a list of CFMS reports used by WCF.)

## **6 FAH-5 H-823.1-1 The Statement of Revenue and Cost (SRC)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The SRC, CFMS Report RGLSRC, is currently being produced for the domestic portion of the WCF and will be modified for ICASS use by producing two different statements of revenue and cost to reflect:

- (1) **RGLSRCPA**—Post-held Activity at the post (Allowance Level) and cost-center (Function Code Level) which will be distributed monthly to posts; and
- (2) **RGLSRCDA**—Washington, D.C.-held Activity at the domestic level for Department use. These reports are the equivalent of a commercial income statement. (See 6 FAH-5 H-823 Exhibit 6 FAH-5 H-823.1-1 for examples.)

## **6 FAH-5 H-823.1-2 The Statement of Financial Condition (SFC)**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The SFC, CFMS Report RGLSFC, is currently being produced for the domestic portion of the WCF and will be modified for ICASS use. This report is the CFMS equivalent of the commercial balance sheet and will be produced annually at the ICASS consolidated level. (See 6 FAH-5 H-823 Exhibit 6 FAH-5 H-823.1-2 for an example.)

## **6 FAH-5 H-823.2 External Reports**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The Department is required by statute and government regulations to periodically report its financial activity by fund externally to the federal central management agencies. The more common reports are the SF 133, SF 224, and the FMS 2108. The DFS Reports Preparation Section, RM/F/DFS/FO/A/GAFR/RP, prepares these reports and ICASS implementation will require the additional reporting for fund 19X4519.1

## **6 FAH-5 H-824 DEPARTMENTAL AUDITED FINANCIAL STATEMENT**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

The Department's Office of Inspector General (OIG) is responsible for the audit of the Department's annual financial report and statements prepared by RM/F/DFS.

## **6 FAH-5 H-825 RECONCILIATION REQUIREMENTS FOR POST AND DEPARTMENT REPORTS**

*(TL:ICASS-2; 04-01-1998)*  
*(Applies to participating ICASS agencies)*

Sound financial management requires periodic reconciliation between detail and summary records and systems. All revenue cycle transactions are entered at department level. Both the post ICASS Budget and Cost Distribution Software and departmental CFMS use the FSC/FMC-60/62 reports for the expenditure cycle transactions. The CFMS reports for post allowances will be sent to posts for reconciliation and analysis. For Washington allowances the reports will be reconciled by RM/F/DFS/WCF and analyzed by the ICASS Service Center (RM/ICASS).

## **6 FAH-5 H-826 THROUGH H-899 UNASSIGNED**



## **6 FAH-5 H-823 EXHIBIT H-823.1 REPORTS PRODUCED BY CFMS AND U.S.ED BY THE WORKING CAPITAL FUND**

*(TL:ICASS-2; 04-01-1998)*

### **(A) Automated Disbursements Reports (AD)**

1. Check Cancellation Reconciliation Report (RADARC)
2. Suspended Disbursements Report (RADSUS)

### **(B) Accounts Receivable Reports (AR)**

1. Aged Billings Report (RARAAB)
2. Closed and Open Billing Details Reports (RARBDRC and RARBDCO)
3. Daily Collections and Adjustments Report (RARADC)

### **(C) External Reporting Subsystem Reports (ER)**

1. SF-133: Report on Budget Execution (RER133)
2. SF-220: Report on Financial Position (RER220)
3. SF-221: Report on Operations (RER221)
4. SF-222: Report on Cash Flow (RER222)
5. SF-223: Report on Reconciliation (RER223)
6. SF-224: Statement of Transactions (RER224)
7. SF-224: Monthly Disbursement Activity Report (RER224A)
8. SF-224: Active File of Disbursements and Collections (RER224D)
9. SF-225: Report on Obligations (RER225)
10. TFS-2108: Year-end Closing Report (RER2108)

### **(D) General Ledger Reports (GL)**

1. Detail Accounting Transactions Report (RGLAAT)
2. General Ledger Accounting Entries Report (RGLAAE)
3. Summary Trial Balance by Fund Report (RGLATF)
4. Statement of Financial Condition Report (RGLSFC)
5. Statement of Revenue and Cost Report (RGLSRC)
6. Trial Balance by Accounting Distribution Report (RGLATB)
7. Working Capital Fund (WCF) Detailed Payment Report (RGLDPAY)
8. Working Capital Fund (WCF) Detailed Financial Statement Report (RGLDFS)
9. Working Capital Fund (WCF) Revenue and Expense Report (RGLRVEX)
10. Annual Close Trial Balance and Exception Report (ACEXCP)

### **(E) Travel Reports (TA)**

1. Open Travel Orders Report (RRTAOPTO)
2. Travel Advance Report (RTAATA)
3. Travel Advance Detail Report (RTAATD)
4. Unprocessed Travel Vouchers Report (RTAOUV)

5. Travel Advance Aging Report (RTAAAA)

**(F)Accounts Payable Reports (AP)**

1. Accounts Payable Aging Report (RAPAAR)
2. Payment Voucher Line Report (RAPPVLR)

# 6 FAH-5 H-823 EXHIBIT H-823.1-1 STATEMENTS OF REVENUE AND COST (SRC)

## POST

(TL:ICASS-2; 04-01-1998)

REPORT ID:  
RUN DATE: 07/31/96

RGLSRCDA

\*\*\* U.S. DEPART  
TIME: 12:56

PRELIMINARY REPORT FROM 01/99 TO 12/99

FUND/TITLE: XX X45191 ICASS  
FINANCIAL STATEMENTS —POST HELD ACTIVITY  
STATEMENT OF REVENUE AND COST  
ALLOTMENT: 5250

OF DOLLARS

ROME, ITALY AMOUNTS ARE IN THOUSANDS

FUNCTION CODE	REVENUE	SALARIES + EXPENS	TRAVEL + TRANSP	RENTALS	PRINTING + REPROD	MAINT + REPAIR	SUPPLIES	MISC	OPERATE EXP.	DEPR/INT OVERHEA D	OPERATIN G RESULTS
6132 VEHICLE MAINTENANCE	14,000	1,000	1,000	0	1,000	1,000	0	2,000	6,000	0	8,000
6316 SHIPMENT AND CUSTOMS SVC	14,000	1,000	1,000	0	1,000	1,000	0	2,000	6,000	0	8,000
6221 ACCOUNTS AND RECORDS	14,000	1,000	1,000	0	1,000	1,000	0	2,000	6,000	0	8,000
6222 PAYROLLING	14,000	1,000	1,000	0	1,000	1,000	0	2,000	6,000	0	8,000
6224 CASHIER AND DISBURSING OPS	14,000	1,000	1,000	0	1,000	1,000	0	2,000	6,000	0	8,000
6462 TRAVEL SERVICES	14,000	1,000	1,000	0	1,000	1,000	0	2,000	6,000	0	8,000
7810 GOV'T OWNED RESID REAL PROP	14,000	1,000	1,000	0	1,000	1,000	0	2,000	6,000	0	8,000
XXXX NON-ICASS FUNCTION CODE CITED	14,000	1,000	1,000	0	1,000	1,000	0	2,000	6,000	0	8,000
NO FUNCTION CODE CITED	14,000	1,000	1,000	0	1,000	1,000	0	2,000	6,000	0	8,000
TOTAL FOR ALLOTMENT 5250	154,000	11,000	11,000	0	11,000	11,000	0	22,000	66,000	0	88,000
TOTAL FOR BFY/FUND XX X45191	154,000	11,000	11,000	0	11,000	11,000	0	22,000	66,000	0	88,000
TOTAL GRAND TOTAL	154,000	11,000	11,000	0	11,000	11,000	0	22,000	66,000	0	88,000

U.S. Department of State Foreign Affairs Handbook Volume 6 Handbook 5—International Cooperative Administrative Support Services

**WASHINGTON, D.C.**

REPORT ID:  
RUN DATE: 07/31/96

RGLSRCDA

\* \* \* U.S. DEPART  
TIME: 12:56

PRELIMINARY REPORT FROM 01/99 TO 12/99

FUND/TITLE: XX X45191 ICASS  
FINANCIAL STATEMENTS — POST HELD ACTIVITY  
STATEMENT OF REVENUE AND COST  
ALLOTMENT: 5250  
THOUSANDS OF DOLLARS (\$000)  
(Applies to participating ICASS agencies)

ROME, ITALY AMOUNTS ARE IN

BENEFITTING ORGANIZATION	REVENUE	SALARIES		TRAVEL OPERATING	RENTALS	PRINTING	MAINT	SUPPLIES	MISC	OPERATE	DEPR/INT	OPERATING RESULTS
		+ EXPENS	+ TRANSP			+ REPAIR	EXP.			OVERHEA D		
TOTAL FOR 312056												
120	19,000	1,000	2,000	1,000	0	1,000	2,000	0	6,000	1,000	11,000	
TOTAL FOR 312078												
250	19,000	1,000	2,000	1,000	0	1,000	2,000	0	6,000	1,000	11,000	
TOTAL FOR 3125413												
254	19,000	1,000	2,000	1,000	0	1,000	2,000	0	6,000	1,000	11,000	
TOTAL FOR 3126412												
264	19,000	1,000	2,000	1,000	0	1,000	2,000	0	6,000	4,000	11,000	
TOTAL FOR OVERSEAS	76,000	4,000	8,000	4,000	0	4,000	8,000	0	6,000	1,000	44,000	
TOTAL FOR 212025												
212025	19,000	1,000	2,000	1,000	0	1,000	2,000	0	6,000	1,000	11,000	
TOTAL FOR 281256												
281256	19,000	1,000	2,000	1,000	0	1,000	2,000	0	6,000	1,000	11,000	
TOTAL FOR 225698												
225698	19,000	1,000	2,000	1,000	0	1,000	2,000	0	6,000	1,000	11,000	
TOTAL FOR DOMESTIC	57,000	3,000	6,000	3,000	0	3,000	6,000	0	6,000	3,000	33,000	
TOTAL FOR NO BENEFITING ORGANIZATION	19,000	1,000	2,000	1,000	0	1,000	2,000	0	6,000	1,000	11,000	
TOTAL FOR ALLOTMENT 1097	152,000	8,000	16,000	8,000	0	8,000	16,000	0	66,000	8,000	88,000	
TOTAL FOR BFY/FUND XX X45191	152,000	8,000	16,000	8,000	0	8,000	16,000	0	66,000	8,000	88,000	
TOTAL GRAND TOTAL	152,000	8,000	16,000	8,000	0	8,000	16,000	0	66,000	8,000	88,000	

# 6 FAH-5 H-823 EXHIBIT H-823.1-2

## STATEMENT OF FINANCIAL CONDITION (SFC)

*(TL:ICASS-2; 04-01-1998)*

REPORT ID:  
DEPARTMENT OF STATE \* \* \*  
RUN DATE: 05/01/96

RGLSFC  
PAGE:  
  
PRELIMINARY

\* \* \* U.S.  
1  
TIME:12:01

ICASS X45191  
FINANCIAL STATEMENTS  
STATEMENT OF FINANCIAL CONDITION  
ALL ALLOTMENTS

ACCOUNT DESCRIPTION	BALANCE AS OF 03-31-99
* * * ASSETS * * *	
CASH	3,000,000,000.00
ACCOUNTS RECEIVABLE	1,000,000,000.00
OTHER CURRENT ASSETS	1,000,000,000.00
INVENTORY	1,000,000,000.00
NET FIXED ASSETS	1,000,000,000.00
-TOTAL ASSETS	7,000,000,000.00
* * * LIABILITIES * * *	
ACCOUNTS PAYABLE	3,000,000,000.00
ACCRUALS	1,000,000,000.00
OTHER LIABILITIES	1,000,000,000.00
-TOTAL LIABILITIES	5,000,000,000.00
* * * INVENTORY * * *	
CURRENT FY GAIN/LOSS	1,000,000,000.00
RETAINED EARNINGS	1,000,000,000.00
TOTAL INVESTMENTS	2,000,000,000.00
TOTAL LIABILITIES AND INVESTMENTS	7,000,000,000.00