ICASS

"Seven Simple Questions" to Ask Your ICASS Service Provider

The ICASS Service Provider should provide responses to each of these questions based on information provided in the *Report #17 Budget Summary* and *Report #32 Budget Summary Worksheet Year to Year Comparison.* The Addendum to this document provides more details on each question.

1. What is the total ICASS funding available and what are the significant budgeted amounts?

2. What are the major issues facing post that will impact management operations and the budget?

3. What are the significant cost increases reflected in the budget?

4. Are there changes to the ICASS Staffing levels? How are staffing increases and vacancies budgeted?

5. How are non-target funds (carryover) applied in this budget?

6. What are the unfunded priorities reported in the budget?

7. Are there any cost savings initiatives this year? What is the status of those identified in prior years?

> NOTE: BY APPROVING YOUR POST BUDGET, YOU CONFIRM YOUR APPROVAL OF ALL STATED REQUIREMENTS

Addendum to "Seven Simple Questions"

The following provides additional information and context to the Seven Simple Questions and highlights the specific issues that should be addressed by the ICASS Service Provider. The information needed to respond to the seven questions appears in *Report #17 Budget Summary (BSR)*.

1. **Budget Summary:** What is the total ICASS funding available and what are the significant budgeted amounts?

    a) What is the total target funding for regional, DS and OBO budgets?

    b) How much regional non-target funding (carryover) is available?

    c) For the regional budget, what are the major cost components making up the budget?

    d) How much of the non-target regional funding is related to the fenced Furniture and Appliance Pool (FAP)?

    e) Where did the non-targets originate from? What occurred or did not occur in prior years that resulted in the non-target funds?

    Note 1: For questions 1 a), b) and c) refer to the BSR pages 1 and 2. The first page "Budget Funding Summary" displays target and non-target funds that are available to meet post requirements. The "Target Amount" is the authorized funding for budgeting and invoicing. The "Total Available Non-Target Funds", also referred to as "carryover", are additional dollars available to post to support operations that are not invoiced to agencies. The third column "Total Resources Available" is the sum of the first two items.

    Note 2: For question 1 d) and e) refer to the BSR Non-Target Funds page located at the end of the BSR. Management should identify and explain the two parts of the non-target funds; non-FAP and FAP. The non-FAP non-target funds can be used more broadly for investment, training, or reserved for large expenses anticipated in the upcoming year. The FAP portion is fenced for the residential furniture pool.

    Note 3: Non-Target Funds may include carryover, recoveries, collections from TDY Invoices, FAP buy-ins (DN Collections), unused FAP target funds, and Proceeds of Sale. All Non-Target Funds may be applied to the budget. For question 1 e) post may also perform a detailed analysis of prior year budgeting and spending patterns by referring to *Report #32 Budget Summary Worksheet Year-to-Year Comparison.* In the prior year sections of the report, comparing the Budgeted amount to the Financial Plan and Prior Year Actuals. Any significant differences between these amounts may be contributing to an increase or decrease in your Non-Target funds.

2. **Financial Summary and Key Issues:** What are the major issues facing post that will impact management operations?

    a) Scene Setter: What are the external factors that impact the management platform and post's financial operations? Key issues may include inflation, changes in the security environment, government decrees, opening of a NEC, or evacuations.

b) LE Staff Wages: Describe the most recent LE Staff wage increase and the impact on post operations. When was the last LE Staff wage increase? Is there one planned for this year? What are the LE Staff recruitment and retention trends?

c) Customer and Service Provider Growth: Describe growth or reduction in the customer base and the service provider base, and the impact on operations.

d) New Guard Contract Award: Does post anticipate a new guard contract or a cost increase in the existing contract?

e) Under Target Budget: Are any of the three portions of the budget (regional, DS, or OBO) under the Washington-approved target?

Note: Refer to BSR third page titled "Financial Summary and Key Issues".

3. **Cost Increases:**
   a) What are the "significant" cost increases in the budget requirements?

   b) If post is experiencing an increase in its customer base, did post receive any additional funds in its target to accommodate this growth?

   c) Are there new contracts, or existing contracts up for renewal, that will result in significant cost increases?

   d) If post budgeted for vehicle replacement, identify the reason and explain the supporting data.

   Note 1: For question 3 a) refer to the BSR Financial Summary and the budgeted amounts within the BSR. Many cost increases are driven by factors beyond the control of post management, such as costs related to a New Embassy Compound, host country inflation, exchange rate impacts, and other factors. The budget should be clear as to what these cost drivers are and to note any that might be amenable to cost containment, as discussed in question 7. The post's analysis of data in the Management Analytics Portal (MAP) may reveal the need for additional resources to address performance issues.

   Note 2: For question 3 b) refer to the BSR Financial Summary and the target setting spreadsheet provided by the regional bureau.

   Note 3: For question 3 c), Contracts for services, such as local guard or janitorial, often have changes in price because of post's modifications in the scope of work, or because of other automatic or negotiated price changes. Also, contracts are usually re-competed every five years, resulting in price changes. Advise the Budget Committee of any impact on post's current or next-year funding.

4. **ICASS Staffing:** Are there changes to the ICASS Staffing levels and how are staffing increases and vacancies handled in the budget?
   a) Is post proposing any new ICASS USDH or LE Staff positions? If so, what is the total cost? Have these positions been approved by the ICASS Council?

b) What supporting data was used when requesting the new positions?

c) Is the budgeted amount for new positions based on actual hiring dates? Is target funding or non-target funding used?

d) Is the budgeted amount for vacant positions based on the number of months the positions are projected to be filled this year?

Note: There are several reports that can be used to justify the positions. These include 1) Post Growth Analysis; 2) LE Staffing Analysis; 3) Management Analytics Portal (MAP) performance data; 4) Rightsizing Review; and 5) ICASS software Budget Workload Trend Reports.

5. **Non-Target Funds:** How are non-target funds (carryover) applied in this budget?

a) What are the plans for the Non-Target Unapplied Balance? Are funds being held for future requirements? If so, what are those requirements?

b) How are the fenced furniture pool non-target funds being applied?

Note 1: Refer to BSR Non-Target Funds section for details on the sources of the funds. On the BSR second page, the "Non-Target Funds Applied" column shows by major object class expense grouping the funds applied. For a detailed listing of applied funds by specific type of expense, see the detailed budget portion of the BSR. Agencies are not invoiced for non-target funds since these funds were either budgeted or billed out to the agencies in prior years.

Note 2: Non-Target Funds may include carryover, recoveries, collections from TDY Invoices, FAP buy-ins (DN Collections), unused FAP target funds, and proceeds of sale. All Non-Target Funds may be applied to the budget except for FAP funding.

Note 3: The funding received for the Furniture and Appliance Pool (FAP) is "fenced" and can be spent only on the replacement requirements for the FAP pool. Post should identify their FAP sustainability coefficient as reported in the FAP Data Model. If it is greater than "1," identify the steps post is taking to reduce excess FAP carryover. The Budget Committee should ensure that the fenced FAP funds are being used appropriately and in accordance with established Department policies and procedures.

Note 4: In the BSR Non-Target Funds page, next to the Unapplied Balance should be a summary of post's plans on how unapplied Non-Target funds will be spent in coming years. The Committee should review and concur with the planned use of these funds.

6. **Unfunded Priorities Unfunded Priorities:** What are the unfunded priorities reported in the budget?

a) Do the unfunded priorities address critical needs?

b) What are the consequences of not funding the items listed?

c) What are the reasons for not applying available funds to these requirements?

d) Are the unfunded priorities one-time expenses or reoccurring (multi-year) costs? Discuss how reoccurring requirements impacting future years will be funded.

Note: Refer to BSR Unfunded Priority Section. The unfunded priorities listed are viewed as requests for additional funding. This may result in a possible target increase in the final budget target or next fiscal year. The Budget Committee should confirm the items listed as "Unfunded Priorities".

7. **Cost Savings/Cost Containment:**

   a) Are there any cost savings initiatives this year?

   b) What are the actual or projected cost savings?

   c) What is the status of those identified in prior years?

   Note 1: Refer to BSR Cost Saving Initiatives section.

   Note 2: The Overseas Cost Containment Initiative, or OCCI, identified specific programs that all missions were to focus on and identify any costs savings.

   Note 3: Budget Committee members should support and participate in any post working groups dedicated to cost savings or cost containment projects. If your post does not have such a working group, raise this issue with your service provider and suggest that post establish a working group to explore specific initiatives.