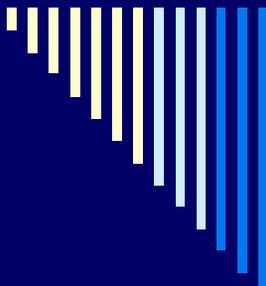# Cost Management System

**Office of the Inspector General**

Department of Transportation

The OIG needs to--

- ☐ Meet Government Performance Results Act (GPRA).
- ☐ Comply with CFO Act requirements for information on actual performance related to goals (Stmt on Federal Financial Accounting Standards No. 4).
- ☐ Obtain a green light on the DOT scorecard for the President's Management Agenda related to Financial Management improvements.
- ☐ Achieve DOT's goal for all modes to complete their managerial cost accounting systems by July 1, 2004.
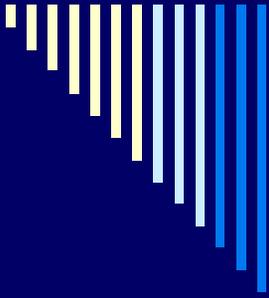
Initiated in February 2003 – Goal to be operational for FY04
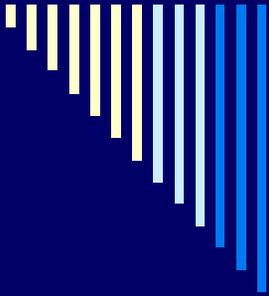
Based on Combining OIG existing management information system – TIGR – with Delphi.
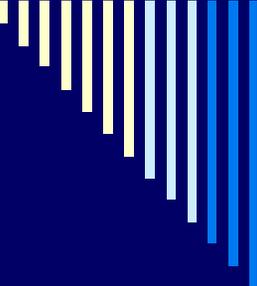
Identified primary products: Audits, Investigations, Testimony, and Correspondence – i.e., Project based

Key Factors

- Labor distribution system and culture already existed
- Delphi already up and running
- In-house expertise
- Oracle support contract
- Working groups
- Bi-weekly status meetings
- Indirect activity codes
- Provisional overhead rates
- Performance Goals
- Reporting

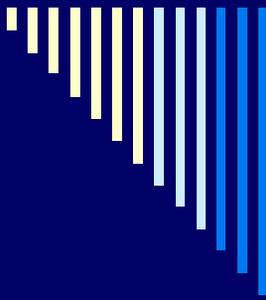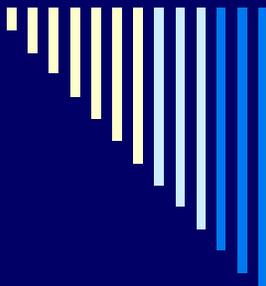# Benefits of Cost Management

- ☐ Use to manage your projects—audits, investigations and testimony--at full cost.
- ☐ Measure the success of obtaining annual performance goals and strategic plans.
- ☐ Increase awareness throughout OIG of the value of resources.
- ☐ Identify centers of excellence and lessons learned by defining return on investment.
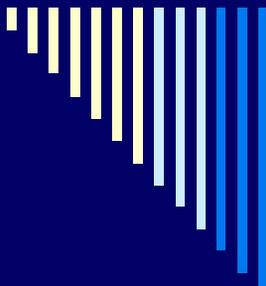
OIG Expenditures   vs.   Project Costs

Full cost of

- Compensation
- Benefits
- Operating Expenses
- Rent
- <u>Travel</u>

- Audits
- Investigations
- Testimonies
- <u>Correspondence</u>

$ What we spent   =   **$ What we bought**

==============   **================**

EXAMPLE of REIMBURSABLE EFFORT
at FULL COST

Description	Full-time GS-12	Full-time GS-14	Part-time GM-15	Total
Salaries (average)	$62,657	$85,411	$110,154	$258,222
Direct Labor	50,126	68,329	13,250	131,704
Overhead - Audit: 155.51%	81,078	106,258	20,605	207,941
Total G&A Base	131,204	174,587	33,855	339,646
	19,786	26,328	5,105	51,219
Full Cost of Effort	$150,989	$200,915	$38,960	$390,864
Proposed Amount of Interagency Agreement				$100,000
Under Recovery				$290,864

Assumptions:
  GS-12 and GS-14 are full time for one year and charged 80% of their time direct to this project.
  GS-15 charged 250 hours, or about 12% of one year, direct to this project.

Department of Transportation
Office of Inspector General
Cost Management System Flowchart
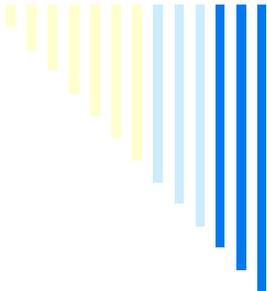
Audit Projects

Investigation Cases

- Direct Labor
- Direct Travel
- Other Direct Costs

OVERHEAD POOL
- JA-1 & JA-2 PC&B
- JA-10 – 60 AIG/DAIG , Program Directors Secretary, PC&B
- Audit Indirect Costs

TIGR

Delphi

Record Direct Costs

Apply Audit Overhead

Record Direct Costs

Apply Investigation Overhead

Apply G&A

Reconcile to Statement of Net Costs

Cost Reports

- Direct Labor
- Direct Travel
- Other Direct Cost

OVERHEAD POOL
- JI-1,2,3&4 PC&B
- JRI-1,2,4,5&9 SAIC, ASAIC & Secretary PC&B
- Investigation Indirect Costs

G&A POOL
- J-1 & J-2 PC&B
- J-3, JC-1, JM-10, 20, & 30 PC&B
- IG Indirect costs (rent, travel, supplies, etc.)

Sample of Cost Management Milestones

Milestones for Implementation of OIG Cost Management System
As of 07/31/2003

| MILESTONES	DATE TARGET	DATE ACTUAL	INVOLVEMENT	RESPONSIBLE LEAD
Additional Actions Required				
1. Obtain upper management endorsement of the cost management plan.	03/14/03	3/13/03	JA-20	T. Zinser, Deputy IG
2. Appoint full-time coordinator.	03/14/03	03/13/03	T. Zinser, Deputy IG	T. Zinser, Deputy IG
3. Prepare Scorecard Plans position for OIG.	04/23/03	04/22/03 06/06/03	JA 20 CAS DOT OST	Jackie Weber Update OIG points
4. Select staffing for the focus and CAS working groups.	02/03/03	02/03/03	Lex Stefani, PAIG for Audit Charles Lee, PAIG for Investigations	Lex Stefani, PAIG for Audit Charles Lee, PAIG for Investigations
5. Initiate Cost Accounting System (CAS) Working Group (WG).	03/31/03	03/20/03	CAS WG	Joanne Wallis/ Mike Weisz
6. Initiate Focus Group/Subgroups on identifying performance metrics (standards for measurement) for the OIG (See Milestones for *Scorecard CAS Implementation Status* number 1, below).	03/31/03	04/01/03	CAS Focus Group	Sue Murrin, Director of Audit Planning, Management and Technical Support
7. Pursue Oracle Account Manager for input, specific to our needs.	01/23/03	01/23/03	Jim Heminger Marisol Vasquez Syd Verinder Joanne Wallis	Joanne Wallis, CAS Team
8. Survey other IGs to determine the status of their cost management systems, if any.	03/27/03	03/27/03	Joanne Wallis/ Mike Weisz	Joanne Wallis/ Mike Weisz
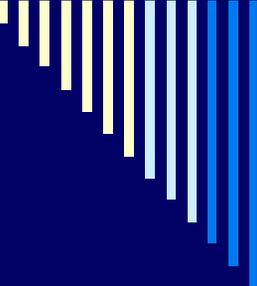
Milestone Progress Report

Sample Cost Summary Report

DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL

Cost Management Direct Cost Summary for 'JRI-4'
and Projects Active Between 10/05/2003 and 02/13/2004

Project No	Start Date	Closed Date	Direct Labor Hours	Direct Labor Cost	Applied Overhead	Travel Cost	Other Direct	Sub Total	Applied G & A	Total Cost
Office: JRI-4										
034H5924001	10/07/2003		275	$9,667.84	$6,767.49	$415.10		$16,850.43	$3,370.09	$20,220.52
034P0014000	10/07/2002	11/13/2003	0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
034P0024000	10/07/2002	11/13/2003	0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
034P0034000	10/07/2002	11/13/2003	3	$184.80	$129.36	$0.00		$314.16	$62.83	$376.99
034P0044000	10/07/2002	11/13/2003	0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
034P0064000	10/07/2002	11/13/2003	0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
034P007F000	08/07/2003	11/28/2003	0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
034R0034001	10/20/2002		171	$7,418.24	$5,192.77	$4,183.13		$16,794.14	$3,358.83	$20,152.97
034R0044001	10/21/2002		2	$69.40	$48.58	$0.00		$117.98	$23.60	$141.58
034R0094001	10/29/2002		221	$8,489.60	$5,942.72	$0.00		$14,432.32	$2,886.46	$17,318.78
034R0104001	11/26/2002		440	$15,237.34	$10,666.14	$26.49		$25,929.97	$5,185.99	$31,115.96
034R0134001	12/17/2002		318	$11,017.25	$7,712.08	$0.00		$18,729.33	$3,745.87	$22,475.20
034R0144001	12/06/2002		24	$815.45	$570.82	$0.00		$1,386.27	$277.25	$1,663.52
034R0304001	04/23/2003		2	$69.40	$48.58	$0.00		$117.98	$23.60	$141.58
034R0384001	06/11/2003		20	$694.00	$485.80	$279.09		$1,458.89	$291.78	$1,750.67
034R0414001	07/09/2003		0	$0.00	$0.00	$159.50		$159.50	$31.90	$191.40
034R0434001	07/16/2003		35	$1,197.15	$838.01	$0.00		$2,035.16	$407.03	$2,442.19
034R0474001	07/24/2003		0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
034R0484001	07/30/2003		13	$433.75	$303.63	$0.00		$737.38	$147.48	$884.86
034R0494001	07/30/2003		60	$2,082.00	$1,457.40	$325.35		$3,864.75	$772.95	$4,637.70
034R0504001	07/30/2003		69	$2,376.95	$1,663.87	$0.00		$4,040.82	$808.16	$4,848.98
034R0514001	07/25/2003	11/18/2003	2	$69.30	$48.51	$0.00		$117.81	$23.56	$141.37
034R0564001	08/26/2003		22	$736.95	$515.87	$0.00		$1,252.82	$250.56	$1,503.38
044H0154000			0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
044H0214000	10/08/2003	10/08/2003	0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
044H0224000	10/08/2003	10/08/2003	0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
044H0414000	10/15/2003	10/28/2003	0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
044H0504000			0	$0.00	$0.00	$0.00		$0.00	$0.00	$0.00
044H0544000	10/27/2003	10/31/2003	247	$9,447.29	$6,613.10	$5,374.36		$21,434.75	$4,286.95	$25,721.70
044H0544001	10/31/2003		4,178	$140,178.71	$98,125.10	$71,008.77		$309,312.58	$61,862.52	$371,175.10

Report Name: CA_DRCT_INVEST_SUM
Report Date: 02/13/2004 07:37:05 AM

Page 2 of 3
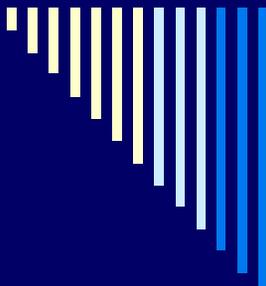
Training on TIGR's Time Module

- Username and Password to TIGR Help? E-mail *JM-10 Help Desk*
- Self-paced, 45-minute training video clip
- Training video accessed on OIG Intranet
- Indirect Activity Codes on OIG Intranet
- E-mail address to verify completion of training
- One-on-one training available upon request

Sample Employee Time Record

Oracle Forms Runtime - [Employee Time]

Action Edit Query Reports Window Help

TIME

User ID: ADHMJW   Date: 02/17/2004

Name: Wallis (Last) Mary (First) J (MI)   Pay Period: 24   Start: Nov 02, 2003   End: Nov 15, 2003   Mgr's Approval: Approved

Direct Hours

Dlt	Project No	Pay Type	Total	02	03	04	05	06	07	08	09	10	11	12	13	14	15
>	03F3009F000	R	37		8		4	6	7					6	6		
>	03A3010A000	R	1		1												
>	03F3016F000	R	11			3	3	1	1					2	1		
>																	
>																	
Direct Total:			49		9	3	7	7	8					8	7		

Indirect Hours

Dlt	Charge Type	Code	Total	02	03	04	05	06	07	08	09	10	11	12	13	14	15
>	Training - Atte	12	4			4											
>	Meetings and C	05	6			2		2							2		
>	Planning	08	3					2						1			
>	Annual Leave	19	9									9					
>	Holiday Leave	22	9										9				
Indirect Total:			31			6	2	2				9	9	1	2		

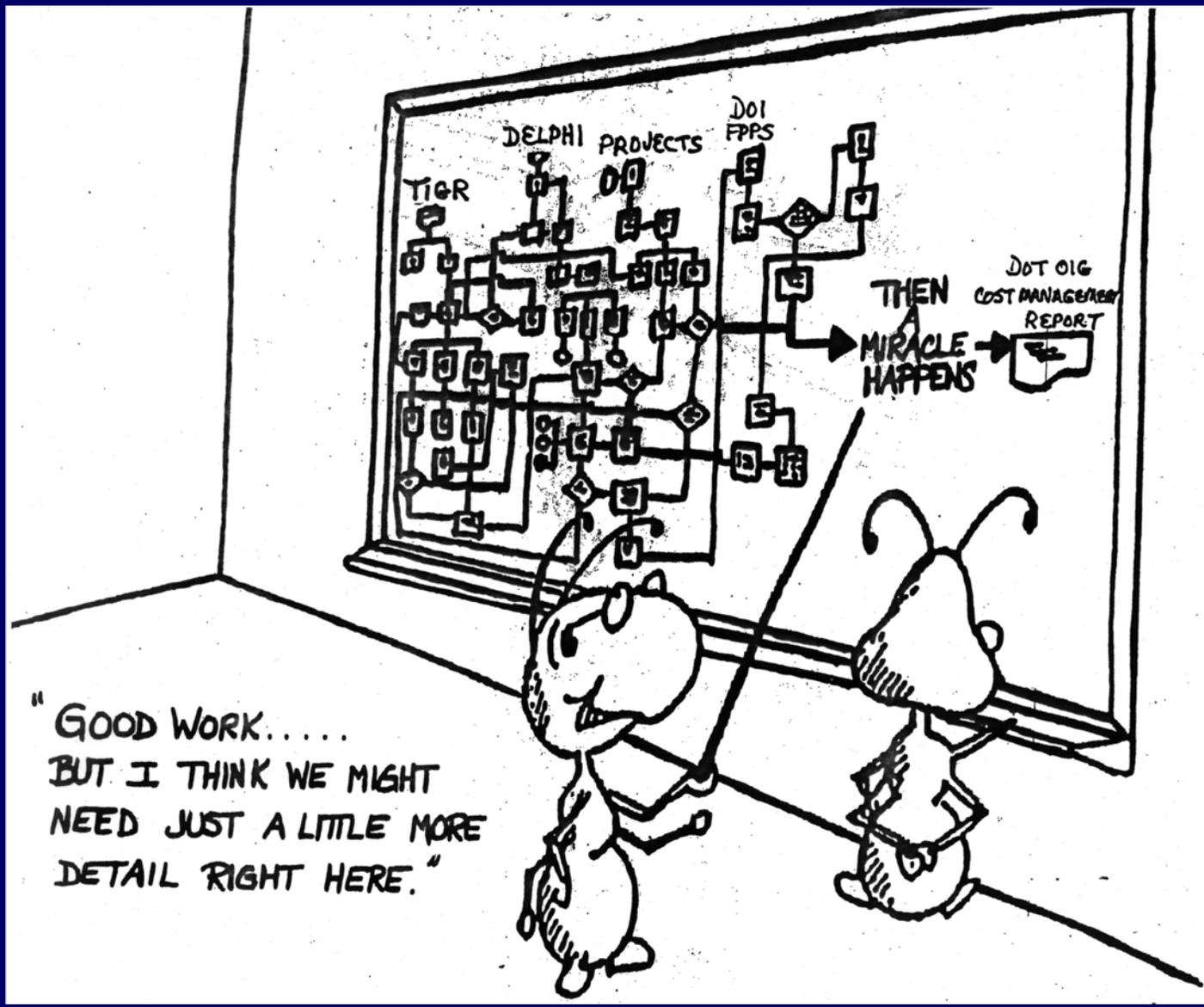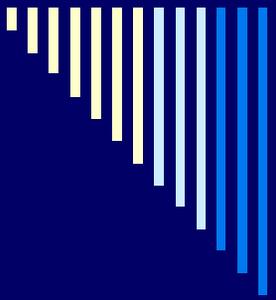| **Pay Period Totals:** | 80 | | 9 | 9 | 9 | 9 | 8 | | | 9 | 9 | 9 | 9 | | |

Record: 1/1   <OSC> <DBG>

Sample of
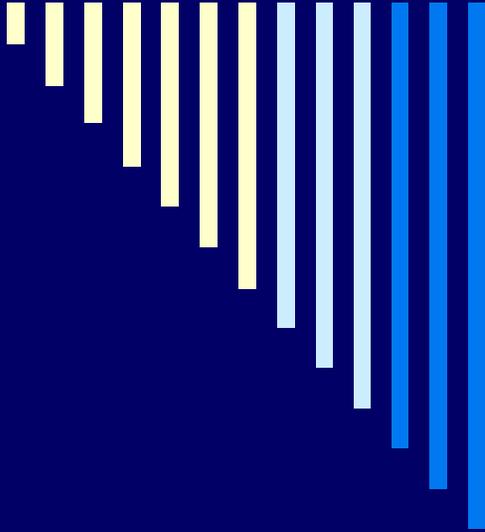# Indirect Costs for Investigation Offices

DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL

Indirect Costs for Investigation Offices
and Activities Between 10/05/2003 and 03/04/2004

Indirect Activity	Hours Worked	Cost Amount
ADP Hardware, WAN / LAN, and Software Management	25	$950
Administrative Leave (Military, Jury, Court, etc.)	1,368	$49,255
Administrative Practice	194	$5,746
Annual Leave	8,339	$308,262
Compensatory Time	714	$24,128
Complaint Intake	3,118	$98,330
Computer Forensic / SCERS Activity	396	$14,355
Detail to Other Organizations	68	$1,579
Evidence Custodian Activities	310	$10,991
External Management Reporting	64	$2,211
External Relations	25	$1,238
Family & Medical Leave	385	$18,377
Financial, Procurement and Administration Activities	122	$3,449
Firearms Qualification and Related Tactical Activities	953	$34,611
General Data Call	454	$14,604
Health Maintenance / Improvement Program	2,752	$100,406
Help Desk Operations	110	$4,483
Holiday Leave	7,397	$263,088
Human Resources Activity	79	$3,380
Internal Affairs Investigations	44	$1,644
Internal Management Reporting	1,076	$37,133
Leave Without Pay	1,849	$0
Legislative Research and Support	6	$214
Meetings and Conferences	1,154	$44,764
Operations Analysis and Research	35	$1,494
PCIE Activities	43	$1,893
Planning	131	$5,393
Program Management & Direction	13,351	$622,088
Quality Assurance Reviews	5	$228
Research and Support: Policies and Procedures	538	$20,216
Restored Annual Leave	61	$2,303
Secretarial / Administrative Assistance	6,709	$124,212
Sick Leave	3,420	$117,435
Special Projects	114	$4,216
TIGR Development and Maintenance	1,396	$65,687
Time-Off Award	42	$1,374
Training - Attend	2,130	$72,807
Training - Coordinator	148	$4,165
Training - Course Development and Preparation	243	$8,636
Training - Teaching and Lecturing	167	$6,188
Unassigned Time	506	$17,780
Vehicle Maintenance and Fleet Management	306	$10,673
Report Total:	**60,340**	**$2,129,986**

Questions and Answers