**AGENCY REQUEST FOR ICASS COST CENTER MODIFICATION AND APPROVAL FORM**

**Date:**

**To:** Embassy ICASS Budget Committee (or ICASS Council if no BC)

**From:**  (Name of Agency’s Point of Contact at Post)

**Re:** Request for an ICASS Cost Center Modification effective for FY 20

**Agency:**

**ICASS Agency Code**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Modifiable Cost Center Name(s): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Based on the criteria of **6 FAH-5 H-332.1**(see attached),my agency requests a modification of either **0.3** or **0.6**, (circle one) for the cost center(s) based on the following documented justifications:

**Per Post Policy:**

* **Geographic Proximity:**
* **Agencies that Self-Provide**:

**Other Justification**:

**Budget Committee (BC) Input Only:**

Modification Approved \_\_\_\_ Modification Denied \_\_\_\_

**BC Comments:**

 **BC Chair Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BC Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**6 FAH-5 H-332.1 Modification**

*(CT:ICASS-108; 11-30-2021)
(Applies to participating ICASS agencies)*

a. Since not all customer agencies require the same level of services, certain cost centers allow for modifications of the workload counts. In each cost center outlined in 6 FAH-5 H-340, the “How to Count” section explains the respective distribution factor(s) and whether or not the workload count is modifiable. It also provides guidelines which describe the circumstances for granting a modification. Because modifications have a direct impact on all agencies’ invoices, they should be granted only in clearly documented situations. Working with the post budget committee (see 6 FAH-5 H-222.4-3) the service provider must establish a post-specific policy for granting modifications for each modifiable cost center, ensuring transparency and equity. The annual review of the post modification policy should be done in the February/March meeting of the post budget committee (see [6 FAH-5](https://usdos.sharepoint.com/sites/A-GIS/dir/fam/Pages/06FAM/06FAH05.aspx) Exhibit 223.5) in preparation for the development of workload counts for the upcoming fiscal year.  Samples of post modification policies can be found on the ICASS website.

b. Post must review the core services outlined in each cost center in 6 FAH-5 H-340, and any additional essential post-specific circumstances, when establishing objective criteria for the granting of modifications. Once these criteria are established, the post budget committee does not need to review each individual agency request for modification if it meets one of the post’s established criteria. The budget committee should ensure that the criteria are uniformly applied by the service provider. The agency seeking a modification has the responsibility to justify and document the basis for all modifications requested.

c. In Standard or Lite, a modification to a workload count will reduce the cost of that service for the subscribing agency and create a corresponding increase for other subscribing agencies. The service provider must ensure that granting a modification represents an equitable sharing of the costs for that service. The following example shows in very basic form the effect of a modification on the cost of a service to a customer agency (it does not factor in ICASS Redistribution):

(1) Example without a modification: Post has budgeted $3,000 to this cost center and the total agency workload is shown in the first column. The modification factor is “1” for all agencies (i.e., full service).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Workload Count** | **Modification Factor** | **Modified Workload** | **% Share Workload** | **Agency Invoice** |
| 10 | 1.0 | 10 | 33.3% | $1,000 |
| 10 | 1.0 | 10 | 33.3% | $1,000 |
| 10 | 1.0 | 10 | 33.3% | $1,000 |
| 30 |  | 30 | 100.0% | $3,000 |

Unit Cost is $3,000/30 = $100

(2) Example with a modification: The next chart takes the same cost center and modifies the workload for two of the agencies.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Workload Count** | **Modification Factor** | **Modified Workload** | **% Share Workload** | **Agency Invoice** |
| 10 | 1.0 | 10 | 52.6% | $1,579 |
| 10 | 0.6 | 6 | 31.6% | $ 947 |
| 10 | 0.3 | 3 | 15.8% | $ 474 |
| 30 |  | 19 | 100.0% | $3,000 |

Unit Cost is $3,000/19 = $157.90

d. In ICASS, the only modification factors that may be applied to workload counts are as follows:

|  |  |
| --- | --- |
| 1.0 | Full service |
| 0.6 | Mid level service |
| 0.3 | Low level service |

 In establishing post policies for modifications, all relevant factors must be considered. Some cost centers cover services that are not typically used on a regular basis (e.g., Security Services) but are available when you need them (e.g., a new locally employed staff [LE staff] employee is being hired and needs a background check, or an employee is in a car accident and needs assistance with the local authorities) and are not otherwise available from any other source. Modification to this kind of cost center is difficult to justify and is allowable only in very limited circumstances. For example, all agencies must subscribe to the four mandatory cost centers: 5624-Health Services, 5880-Security Services, 6150-Basic Package Services, and 6443-CLO Services. These four cost centers are described as the “firehouse” equivalent in ICASS—the services are provided if and when you need them and exist as a basic platform serving all customer agencies. While all four cost centers are modifiable, the rationale for modification is very different for each one.

e. There are two basic reasons for a modification: An agency self-provides some of the services, or geographic proximity limits access to the services. If an agency believes it should get a modification, that agency must be able to document its justification as outlined below.

(1) **Geographic proximity**: The issue of geographic proximity is considered differently in each cost center and each post should establish appropriate criteria. For example, granting a modification in Basic Package Services would depend less on the amount of usage/access to services that an agency has because all Basic Package Services must be available to all employees. CLO Services, however, uses a similar distribution factor (head count), but whether a modification is given is more dependent on an agency’s ability to access those services. In CLO services, geographic proximity would play a more important role in determining a level of modification; and

(2) **Self Provision**: Many agencies self-provide some of the services provided in ICASS, either using their own local staff or headquarters staff. For example, an agency manage its own requirements for human resources (HR) services for LE Staff and only use the local compensation plan to set its salary and benefit levels. This would be an appropriate justification to modify the level of service in 6451-HR Services-LE Staff at the .3 level (see paragraph f for modifications at a Lite post). In another example, at a Standard post an agency has two LE Staff employees and it subscribes to 6451—Human Resources—LE Staff Services. Unless that agency “self-provided” a significant portion of the services outlined in this cost center, it would subscribe at the full level of service. The fact that the agency has only two employees would not be a justification for a modification.

f. **Modifications in ICASS Lite**: In ICASS Lite posts, modifications have an added level of complexity. Three of the 21 Lite cost centers contain a wide-range of services and are equal to 15 of the cost centers provided in the Standard software system (see chart below). In Lite posts, it is recommended that service providers establish “bundles” of services in each cost center (particularly in the three “compressed” cost centers) as part of its policy on cost center modifications. In establishing “bundles” of services, post should consider the level of effort, time, and resource allocations required for each service so that each bundle represents an equal share of the costs. This will facilitate a standardized approach to granting modifications. Modification is the preferred method for adjusting customer agency workload counts at Lite posts.

|  |
| --- |
| **Cost Center Comparison** |
| **Service** | **Standard** | **Lite** |
| **General Services** | 9 cost centers | 1 cost center |
| **Human Resources (see Note 2)** | 2 cost centers | 1 cost center |
| **Information Management** | 3 cost centers | 1 cost center |

**NOTE 1:** Requests for additional workload count modifications not addressed in the post policy must be documented and submitted to the post budget committee who is responsible for reviewing and approving modification requests (see 6 FAH-5 H-222.4-3).

**NOTE 2**: The Human Resources cost center at a Lite post includes Payrolling Services. This function may be performed by HR or Financial Management staff and the time allocation process captures the staff time required for this service.