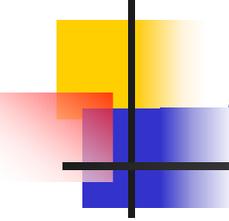


Cost Accounting at EPA

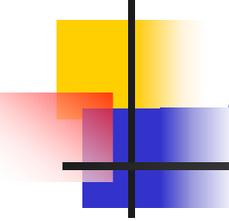
GPPRA Roundtable Council of IGs

March 11, 2004



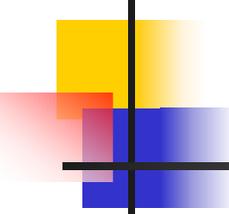
Agency Financial Information

- Single integrated core financial system
- Multi-dimensional accounting and budget structure supplies the Agency's financial information needed
- EPAs 71 allowance holders track spending in
 - 3500 organizations/cost centers
 - Combined with Strategic Plan
 - 16,000 unique combination
 - 120,000 data points
- Accounting structure provides considerable amount of cost accounting information



Agency Financial Information

- EPA has flexible accounting string
 - Budget FY
 - Appropriation
 - Organization
 - Program Results Code
 - Site/Project
 - Cost/Organization
 - Object Class



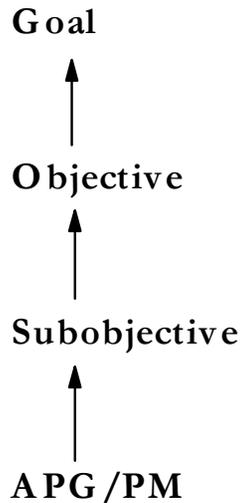
Cost Accounting to Support GPRA

- The Program Results Code captures
 - Goal, Objective of the Strategic Plan
 - Program/Project and Activities
 - National Program Office
 - Costs for Major Programs
- Annual Report assesses costs and programmatic performance by objectives
- Reports of expenditures by Goal, Objective, Sub-objective available to all agency managers

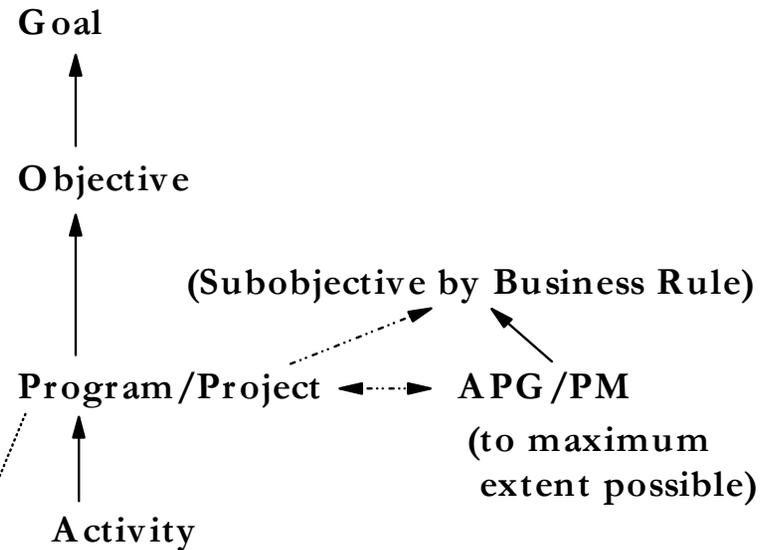
Implementing The New Strategic Architecture

Strategic Vision

Strategic Architecture



Budgeting/Accounting



Program Results Code (PRC)

Tactical/Day-to-Day



The New Program Account Environmental Example

Goal	Objective	NPM	Prog/Proj	Agency	RPIO	Activity
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Goal 4 – Healthy Communities & Ecosystems

Objective 03 – Ecosystems

Headquarters NPM B – Office of Water

Program/Project E2 – Wetlands

Agency Activity E – Financial Transfer to Governmental Orgs.

RPIO Activity – None designated

The New Program Account

Enabling/Support Example



Goal Z – Distribution Account

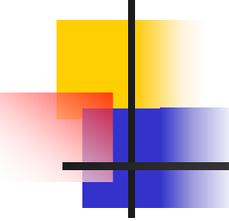
Objective ZZ – Distribution Account

Headquarters NPM J – OCFO

Program/Project E5 – Central Planning, Budgeting, and Finance

Agency Activity M – Planning and Resource Management

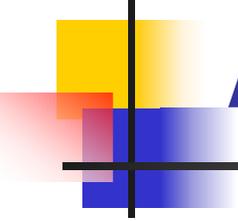
RPIO Activity SP – Strategic Planning



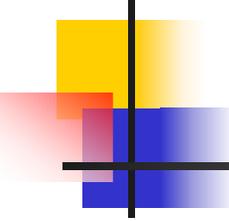
Getting Financial Data to Decision Makers

- Reports are accessible, accurate, and timely
- Program offices extract financial data to link to program applications and results
- Financial Data Warehouse eases access to core financial information
- Business Objects Reporting Tool provides easy access and expands executive reporting

Cost Accounting Needs Assessment

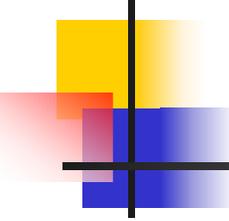


- Communicate to program and budget managers the nature and benefits of using managerial cost information
- Identify cost information needs
- Assess trends in the use of cost information and identify how we might optimize reporting tools, including ORBIT



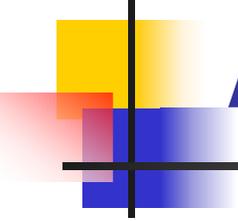
Methodology

- Distributed discussion questions to program offices and regions
- Conducted briefings with program offices and regions
- Hosted follow-up meetings



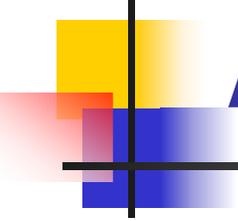
Key Findings and Actions

- Confirmed that most cost and financial information needs are being met
- Identified opportunities to further enhance the use of cost data
 - Education
 - Communication
 - Analysis
 - More detailed data
 - Electronic interfaces



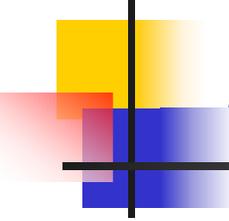
Key findings and Actions...Education

- Need: Improve understanding of financial systems
 - Example: Information available in OCFO systems
- Progress to date:
 - Developed Fact Sheets on IFMS, Cost Account Fields, and more
 - Training on cost accounting under the new strategic plan



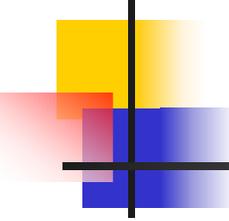
Key Findings and Actions...Communication

- Ongoing communication
 - Example: Continuous feedback from budget and program managers on cost information needs.
- Progress to date
 - Following up to identify any additional needs under the 5-goal structure



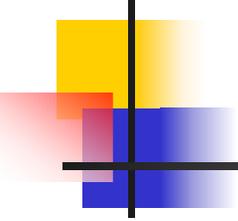
Key Findings and Actions...More Detailed Data

- Need: More detailed cost information
 - Example: Use of Site/Project to track program costs below PRC
- Progress to date:
 - Addressing programmatic needs by Office
 - OARM: RPIO Activities (Rent, Utilities, Security)
 - OECA: Cost of Environmental Justice Activities across the agency
 - OSWER: Brownfields grants—types and legal restrictions
 - OIA: Detailed project tracking



Key Findings and Actions

- Need: Links between Financial Management and Program Office Systems
 - Example: OPPTS employee hour system linked to PeoplePlus
- Progress to date
 - Identifying existing interfaces that can facilitate further integration of finance and program data
 - Discussing use of Business Objects to link cost and program data



Next Steps

- Develop effective process for continuing feedback
- Continue interface with ORBIT team on office specific reporting needs
- Identify opportunities to electronically link financial data with program data