ICASS

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

OVERVIEW

▶ **Defining ICASS**

▶ **History and Authorities**

▶ **Governance***

▶ **Budgeting and Invoicing**

▶ **MOUs and Subscriptions to Services**

▶ **The ICASS Service Center***

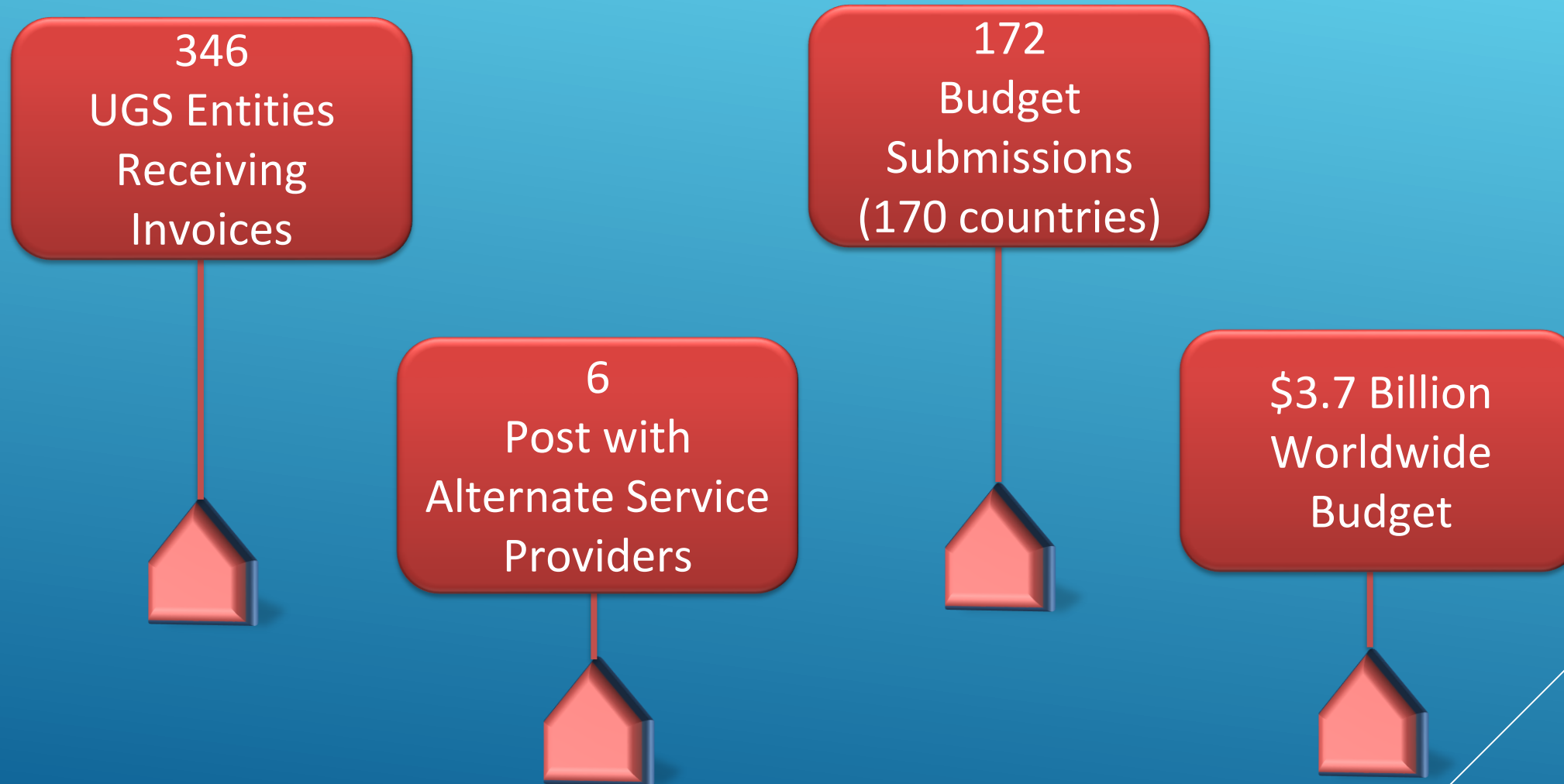*Did not exist in two predecessor shared services systems.

WHAT IS ICASS?

- The International Cooperative Administrative Support Services (ICASS) system is the principal means by which the U.S. Government provides and shares the cost of common administrative support at its more than 250 diplomatic and consular posts overseas.

- State Department is the primary service provider
  - American and LE workforce augmented by contractors for outsourced functions
  - USAID is an alternate service provider at a few posts, for a few services

- ICASS costs represent the costs of the management platform; Program costs for customers are direct-charged to them, including LE salaries, equipment, residential leases, etc.

CUSTOMER STATISTICS

ICASS

27,000
ICASS LE Staff
Service
Providers*

2,000
Employed
Family
Members

1,400
ICASS US Direct
Hire Employees

90,100
ICASS Customers

* Not counting about 26,000 direct hire and contracted local guards.

OPERATIONAL STATISTICS

ICASS

346
UGS Entities
Receiving
Invoices

6
Post with
Alternate Service
Providers

172
Budget
Submissions
(170 countries)

$3.7 Billion
Worldwide
Budget

HISTORY AND AUTHORITIES

- SAS, FAAS, and ICASS: more than 60 years of overseas shared services

- 22 USC 2695: authority from Congress for agencies to establish agreements for sharing management support functions overseas

- 22 USC 2684: Working Capital Fund (WCF) authority for the State Department

- OMB authorized ICASS to use the WCF mechanisms in 1996

- Regulations governing ICASS below the statutory level are created using an interagency drafting and approval process

GOVERNANCE

Interagency governance bodies have existed from the outset of ICASS

- An interagency working group designed the system

- Governance bodies exist in Washington and at Embassies overseas

  - Executive Board and Interagency Working Group in Washington

  - ICASS Councils and Budget Committees overseas

- Authorities are limited but well-defined, to strike a balance, allowing oversight while avoiding micromanagement

- Governance includes a mechanism to submit and adjudicate disputes

WASHINGTON COMPONENTS

BUDGETING AND INVOICING IN WASHINGTON

- "Forward Planning" briefing from State Department budget office to agencies preparing their Congressional budgets

- Budget Hearings for agencies to review and approve proposed funding levels: "Initial" in late summer before start-up; "Final" in the spring

- Post and Washington level agency invoices based on funding levels approved in the budget process

  - At least two invoices a year to each agency in Washington:

  - A "recapitalization" invoice in the fall

  - A final invoice for the year in the summer, net of "recap" amount paid
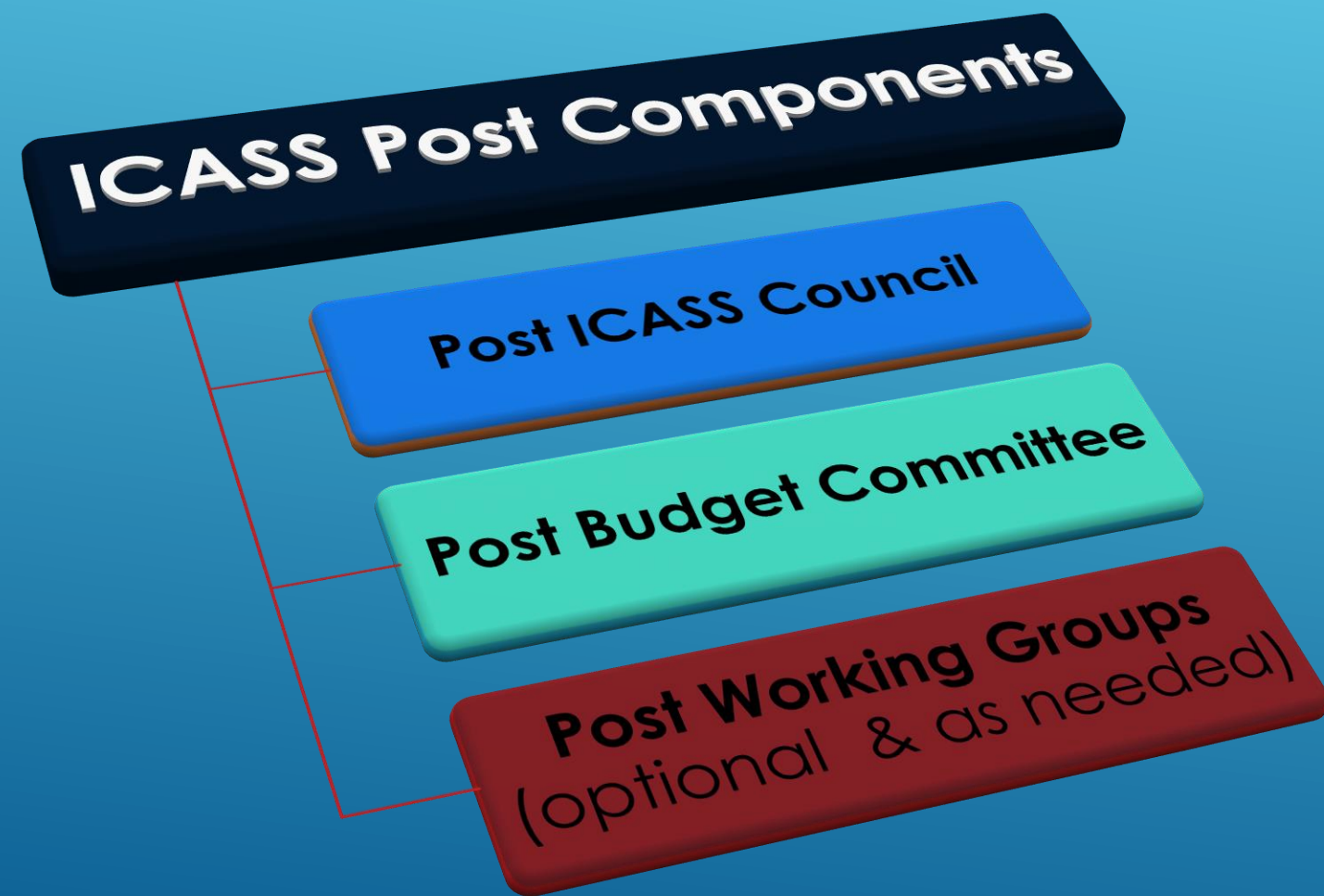
MOUS AND SUBSCRIPTIONS TO SERVICES AT POST

- ▸ Every agency requiring service signs a MOU with the Embassy where the agency is present

- ▸ Each agency subscribes to individual services, in three categories: mandatory, required, and elective

- ▸ Each service is associated with one or more "distribution factors": some quantifiable element associated with that service: headcounts, space occupied, or units/transactions

- ▸ Each agency's share of the total "distribution factors" for each service, called a "workload count", determines how much of the ICASS cost at the Embassy they pay

BUDGETING & COST DISTRIBUTION AT POST

ICASS

Cost Distribution: A system where costs are pooled in individual service areas called cost centers and then invoiced to customers based on one or two distribution factors for each service: headcounts, space, or transactions.

Cost distribution is based on the level of services used or accessible, and is much simpler than a Cost Accounting system.

BUDGETING & COST DISTRIBUTION AT POST

ICASS

▸ **Individual services each have a budget at post comprised of personnel and non-personnel costs of operations**

▸ **Each agency's "workload counts" drive the percent share of the budgeted cost for each service that they will pay**

▸ **The cost of the management operation's consumption of service is added to each agency's bill as a percent of their total cost of direct consumption**

▸ **Payment on the basis of budgeted cost is combined with a process to return invoiced, but unspent, resources back to each post that is used to cover operational costs and reduce current year invoiced amounts**

▸ **In this way, agencies don't get a rebate of unspent funds, but benefit from them at the posts where they were generated**

THE ICASS SERVICE CENTER

- Office of 20 Foreign Service, Civil Service, and Contractor staff who coordinate the system and work to "reduce friction", organized into three "teams"
  - Policy Coordination and Training
  - Reimbursements
  - Front Office

POLICY COORDINATION AND TRAINING

ICASS

▸ **Secretariat to the Exec Board and Working Group in Washington**

▸ **Coordinates policy development with the interagency**

▸ **Conducts Outreach and Training**

▸ **Staffs a policy Help Desk to answer questions and interpret policy**

▸ **Manages the websites**

▸ **Participates in quality assurance process for budgets**

REIMBURSEMENTS

- Coordinates the budget formulation process

- Manages the allotment of funds to embassies and bureaus

- Manages the invoicing and collections process and monitors cash flow in the WCF

- Oversees the quality assurance process for budgets

FRONT OFFICE

- Provides for overall coordination of the process and fosters communication among stakeholders

- Conducts data analysis and fosters the use of ICASS data to support decision-making

- Acts as the "business owner" for the ICASS software and Global Database

- Manages special projects and initiatives to improve the system

KEYS TO SUCCESS

ICASS

▶ **Interagency voice and empowerment in selected aspects of how the system operates, including policy formulation and funding levels**

▶ **Transparency afforded by a comprehensive set of reports and the maintenance of a database allowing trend analysis**

▶ **Perceived equity because all agencies pay for services at the same rate, demonstrable due to system transparency**

▶ **Existence of coordination and communication mechanisms to address issues and problems, thereby reducing "friction" in the system**