

SOFTWARE GUIDELINES FOR INITIAL ICASS BUDGET PREPARATION

- *Baselining Initial Requirements - FY 2009*

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1. Introduction

This is the second in a set of two budget preparation guidelines. It provides important information on baselining the ICASS FY 2009 Initial Requirements (IR) to the Initial Budget (IB) stage, meeting targets, entering available funds to create the Financial Plan and submitting your Initial Budget plan to DC.

2. Baselining Your Initial Requirements

- A. The purpose of a baseline is to create a record of your initial funding requirements before adjustments are made to meet the Initial Targets given to post. Once you baseline the Initial Requirements (IR) (Stage 1), you are in the Initial Budget (IB) stage (Stage 2) of the budget process.
- B. How to baseline: Open the Budget Summary Worksheet (BSW) and click the Baseline Initial Requirements button at the bottom of the worksheet. Once you baseline the "Initial Requirements", you are at the IB stage and the format of the BSW changes. In addition to the "Prior Year Actuals", "Initial Requirements" and "Comments" columns, the "General Adjustments", "Specific Adjustments", "Initial Budget", "Available Funds Adjustments" and "Financial Plan" columns are activated.

- C. Since you may not exceed the target levels provided, you must make either specific or general adjustments to your Initial Requirements at the IB stage in order to meet your targets. The results appear in the "Initial Budget" column. If no adjustments are made, then the Initial Requirements equal the Initial Budget.
- D. Once in the IB stage, there should be no need to revert the budget back to the IR stage.

TIP: In many cases (with the exception of the Leases, Compensation Plan and Depreciation worksheets), you can make any corrections on IR data at the IB stage without reverting to the IR stage. For example, a user can open any of the position or OBI worksheets and select the Initial Requirements worksheet from a drop-down box located at the top of the worksheet. Changes can be made and the results are carried over to the IB and the BSW without the data showing up as an adjustment in the BSW.

3. Meeting Targets Using the Specific and General Adjustment Features

- A. After baselining you can make either specific or general adjustments to meet targets. You may not exceed the target levels issued by Washington but may build a budget that is less than the approved target. If you submit a budget that is under target, send notification by email to Mattie Harms (HarmsMR@state.gov) citing the reason.

Note: For Posts that come in below target, operating allowances will be reduced to the lower budgeted level.

- B. A **specific adjustment** is the process of opening a sub-object worksheet, such as the OBI Worksheet, and manually adjusting costs in that worksheet. Once completed, the adjustments are reflected in the "Specific Adjustments" column in the BSW.
- C. A **general adjustment** is the process of making an adjustment to a cost or costs associated with a sub-object in the BSW. Entering an adjustment in the "General Adjustments" column causes the software to spread a proportionate amount of the adjustment to all occurrences of the sub-object in all relevant worksheets. Once the general adjustment has been made and you click the "Save" button, the general adjustment automatically moves to the "Specific Adjustments" column. Should you wish to look at how the adjustment affected a particular budget item, go to the worksheets that contained the adjusted sub-object code and view the new amount.

D. Adjustments to Salary-Related Costs

- i. In the IB stage, post cannot make general adjustments on the BSW for sub-objects used in compensation plans.
- ii. To make an adjustment that will affect **all employees'** salary and/or benefits that are linked to a particular compensation plan, go to the compensation plan itself and make the change there. The total adjustment will appear as a specific adjustment in the BSW.
- iii. To make an adjustment to **one employee's** salary and/or benefits that are linked to a compensation plan, go to the relevant positions worksheet and de-link the employee from the compensation plan by selecting "None" under "Compensation Plan." You can then make the required adjustment on the LES

Positions Worksheet without affecting any other employee. Once you have made your adjustment, the difference will appear as a specific adjustment in the BSW.

- iv. You can however, use the general adjustment feature in the BSW to adjust salary-related costs like overtime that are not linked to any compensation plans. For example: Post has overtime costs (sub-object code 1134) of \$10,000 for 4 LES positions and each position has \$2,500 or 25% of the total OT costs ($\$2,500 / \$10,000 = 25\%$). If you want to reduce the total OT costs from \$10,000 to \$9,000, you can simply enter an adjustment of \$1,000 (a negative number) for sub-object code 1134 on the BSW. The software will spread the reduction of \$1,000 among those 4 positions based on each position's percentage of the total OT costs. In this example, each position will receive a reduction of \$250 ($\$1,000 * 25\%$).

E. Adjustments to Leases and Maintenance & Repair

- i. In the IB stage, you cannot make general adjustments to sub-objects on the BSW for leases/LQA and M & R costs in order to meet your OBO target. Nor can you make specific adjustments on the USDH or OBI worksheets for leases/LQA and M & R costs. To make any adjustments to meet your OBO target, you must go to the ICASS Leases Worksheet and make your adjustments there. Then click the Apply to Budget button in order for the adjustment to be transferred to the respective budget worksheet/s. This will change the costs on the respective USDH and OBI worksheets, as appropriate.
- ii. If, for example, your budgeted M & R costs (sub-object 2511) for a specific non-residential lease is \$10,000 and you want to reduce this by \$1,000. Then go to the Leases Worksheet, change the amount to \$9,000, save and click "Apply to Budget". The reduced M & R costs or \$9,000 will be carried over to the OBI Worksheet and the difference/reduction of \$1,000 will appear as a negative specific adjustment on the BSW.
- iii. If your budgeted requirements are less than your OBO target, do not make upward adjustments by creating dummy leases or inflate your requirements in order to come up to your OBO ICASS target.
- iv. If the target amount issued exceeds your true requirements, it is O.K. to come in under the target. (**Note:** This is also applicable to Regional Bureau and LGP targets.)

4. Financial Plan

After you have met your initial target amounts at the IB stage and if you have available funds, you may enter the amount that you require of your available funds for unfunded initial requirements in your ICASS overall Financial Plan (FP).

The Financial Plan represents the amount that post plans to operate within the fiscal year. The FP amount includes the sum of the data in the "Initial Budget" column and "Available Funds Adjustments" column.

4.1 Applying Available Funds to Create the Financial Plan

- A. "Available Funds" is equal to post's prior year carryover (including partial year or TDY funds), proceeds of sales, and recoveries.
- B. Update the Available Funds Worksheet in the BSW. Available funds are defined as follows:
 - i. Prior Year Carryovers:
FY 2008 unobligated balances brought forward to the current fiscal year.
 - ii. Proceeds Received this FY:
Proceeds of sales for ICASS vehicles/assets and other collections reported in FY 2008 that are yet to be allotted in FY 2009.
 - iii. Estimated Current Year Proceeds:
Estimated proceeds of sales of ICASS vehicles/assets that will be generated and allotted to post in FY 2009.
 - iv. Prior Year Unobligated Recoveries (Prior to Last Year):
Amounts resulting from deobligating unliquidated obligations that were established in FY 2008 (and before), and expenditure refunds from prior years that become available in FY 2009.
- C. ICASS available funds have been "fenced" by funding source (i.e., Regional (Traditional) Bureau, Leases/LQA (OBO) and LGP (DS) since FY 2004 ([see State 301365, dated 10/24/2003](#)). Post must enter the available funds in the Available Funds Worksheet by funding source.
- D. Entering Available Funds: Once you have updated the numbers in each category of the "Available Funds" Worksheet, you may make up funding shortfalls by applying your available funds to the sub-object codes in the BSW that require additional funding. Only positive numbers may be entered in the "Available Funds Adjustments" column of the BSW for each sub-object. By entering numbers in the "Available Funds Adjustments" column, you are also reflecting in your budget how you intend to spend a portion or, in some instances, all of your available/carryover funds in the current fiscal year.

4.2 Justifying the Balance of Your Available Funds

It is important that you provide justifications for what you plan to do with this balance in the Comments section of the Available Funds Worksheet and in the "Carryover" box of the Narrative Summary Worksheet (see [6-2D](#)). Example: \$25,000 will be carried forward for replacing an ICASS vehicle in next fiscal year. FYI: Please refer to [6 FAH-5 H-432.1-3](#) (Identification of Carryover Funds).

5. Applying Available Funds to Meet "Zero" Initial Targets

For posts with "zero" LGP (DS) or Leases/LQA (OBO) initial target:

If either LGP (DS) or Leases/LQA (OBO) available funds exceeded post's initial ICASS LGP or lease requirements, your corresponding ICASS DS or OBO target was set to "zero." Do not

reduce your true IR to meet the “zero” target; instead make specific adjustments at the IB Stage (Stage 2) so that your initial budget amount is equal to zero. Then enter the amount of available funds required on the “Available Funds Adjustments” column of the BSW for each sub-object to meet your initial requirements.

Note: Your financial plan amount should be less than or equal to the IR amount. If you still have a balance of carryover funds, the balance should be reflected in the “Available Funds” Worksheet and carried over to the next fiscal year.

6. Final Steps: Justification, Narrative Summary and Final Verification

6.1 Justifying Unfunded Requirements

To alert Washington offices to your need for additional operating funds to meet unfunded requirements, post must provide strong impact statements in the “Comments” column of the BSW for unfunded requirements. These impact statements or comments should be provided at the sub-object level of the budget. **IMPORTANT: Please precede any comments in the Initial Budget plan with “INITIAL:”**

TIP: If you write your justification in MS Word outside of the software, you can copy text and paste it in the “Comments” box by pressing ctrl-V. Using the MS Word allows you to more easily edit the narrative as well as perform a spell check.

6.2 Providing Information in the Narrative Summary

Posts **MUST** provide information in the “Narrative Summary” tab of the BSW for post’s top three unfunded priorities and other financial management information even if you already noted these in the Comments section of your BSW. The data fields in the Narrative Summary include:

A. Top 3 Unfunded Priorities

Identify post’s top three unfunded needs for FY 2009 with required dollar amounts in the Top 3 Unfunded Priorities section.

B. ICASS Financial Summary and Key Issues

Provide information of post’s key issues related to the ICASS budget for FY 2009 and, if known, your out-years in the ICASS Financial Summary and Key Issues section. Also [see 6.4](#) Final Verification below for new reporting requirements for Miscellaneous Costs and Basic Package.

C. New Facilities Projects

Describe in detail in the New Facilities Projects section the plans and funding needs for new facility projects that will take place within the next five years.

D. Available Funds

Regardless of the total amount of your available funds or the percent that this amount represents of your target, you **MUST** provide a plan for the future use of any available funds NOT utilized in the “Available Funds Adjustments” column in the BSW of your FY 2009 budget. The degree of detail in your plan should be commensurate with the amount of the available funds balance.

E. Cost Saving Initiatives

It is important that you identify post-level cost saving initiatives to demonstrate post's efficient financial management. Quantify the dollar amount of your savings where possible.

6.3 NEW: Workload Variance Tab

- A. You **MUST** complete the "Workload Variance" tab to provide justification for any unique workload count situations related to scorecard elements.
- B. You are able to type in unlimited amount of text without worrying about truncation. The report will be displayed in Internet Explorer and you can copy and paste to and from MS Word.

6.4 Final Verification

- A. Look for data errors by running the "Verify" procedure one last time. Print verification reports and correct any errors.
- B. Review Key Report No. 3 (ICASS Data Summary). Your budgets should not exceed the targets issued.
- C. **REMINDER:** The Initial Budget plan must be submitted **at or below** the approved target levels or budgets will be returned to post for further adjustments. If under target, send an email to ISC-Mattie Harms (HarmsMR@state.gov) citing the reason you submitted a plan under target.

7. Submit Budget Plan to DC

The final step is to submit the budget plan to the ICASS Service Center for approval. This feature is available in the Plan Maintenance file. For further details about this process, see "Budget Stages and Submission" on [page 65 through 69 of the Web.ICASS Software User's Manual](#). Also, see [Volume 5, Issue 4 of The Web.ICASS Feed](#) for helpful tips & tricks on avoiding common submission errors.

8. Contact Information for Assistance

For technical questions regarding the software please contact:
ICASS Technical Support (ICASSstechsupport@state.gov; Tel: 202-663-1973)

For software and budget data entry related questions please contact:
Bob Braganza (BraganzaRG@state.gov; Tel: 202-663-1419)
Jim Nunno (NunnoJM@state.gov ; Tel: 202-663-1237)
Michelle Frederick (FrederickMA@state.gov; Tel: 202-663-3271)