**UNITED STATES DEPARTMENT OF AGRICULTURE**
Farm Service Agency
Washington, DC 20250

**For:** FSA Employees

**Soliciting Recommendations to Improve the Managerial Cost Accounting (MCA) System**

**Approved by:** Associate Administrator for Operations and Management

*Chris P. Beyerhelm*

# 1 Overview

## A Background

The MCA Governance Working Group met for its organizational meeting. The mission of the MCA Working Group is to provide a:

- vehicle for employees to contribute ideas for improvements, additions, and exclusion of existing procedure to the MCA system and its components

- process for adopting modifications to the MCA system and its components.

The MCA Working Group:

- provides an avenue for employee participation and oversight of MCA

- gives ownership of the purpose and message of MCA to the working group members and enables the working group members to also take information from the deliberative process back to their colleagues, to provide for better informed employees about the MCA data

- fosters collaboration across organizational boundaries to ensure a corporate approach to achieving and implementing the MCA strategies, plans, policy, and practice.

## B Purpose

This notice:

- obsoletes Notice AO-1543 to update recommendation submission instructions
- provides procedure for recommending improvements to the MCA system
- provides MCA Working Group review and implementation of the change process.

| Disposal Date | Distribution |
|---|---|
| September 1, 2016 | All FSA employees; State Offices relay to County Offices |

**1      Overview (Continued)**

**C    Contact Information**

If there are any questions about this notice, contact any of the following by e-mail:

- Catherine Kuhlmeier at **catherine.kuhlmeier@wdc.usda.gov**
- Mark Ounanian at **mark.ounanian@wdc.usda.gov**
- Ted Van Steyn at **theodore.vansteyn@wdc.usda.gov**.

**2      Improving the MCA System**

**A    Components of MCA System**

One of the main responsibilities of the MCA Governance Working Group is to ensure that any components of MCA that are subject to revision, addition, or exclusion are subject to review and proposal for improvement on an annual basis.  The components of MCA are:

- Activity Reporting System
- Cost Model
- FSA Staffing Model Development
- Operating Costs
- Program Data
- Salary and Benefit Costs
- Unit Counts or Program Performance Metrics
- Complexity Factors.

Salary, benefit, and operating cost data and program data is predetermined data that is **not** open to change or improvement.  The components that have the most effect on employees and also have flexibility for change or improvement are the Activity Reporting System, FSA Staffing Model, including the Unit Counts or Program Performance Metrics, and Model Complexity Factors.

**B    General Information About Recommendations**

Recommendations for MCA may be in the form of additions, revision, or exclusion of elements within the Activity Reporting System in WebTA or Unit Counts, or Program Performance Metrics.  Recommendations may include, but are **not** limited to the following:

- adding new programs/services provided and/or activities
- revising current programs/services provided and/or activities
- revising 21-AO
- improving activity reporting in the WebTA software
- considering and weighting complexity factors
- vetting data report proposals and enhancements.

**2	Improving the MCA System**

**C	Recommendation Categories and Submission**

Recommendations will be presented to the MCA Governance Board under the following:

- categories:

  - Activity Reporting System
  - staffing model
  - general

- subcategories:

  - programs
  - activities
  - reports
  - software
  - complexity factor (Staffing Model Only)
  - metric (Staffing Model Only)
  - program and/or activity combination (Activity Reporting System Only)
  - general
  - other.

**D	Recommendation Justification**

Recommendations submitted for review by the MCA Working Group **must** be specific, include a justifiable reason of how the change will have a positive result, and if applicable, how the change would out-weigh any known negative consequences.

**Examples:**	A general, nonspecific, unjustifiable statement would be, "We need fewer activities.  It takes too much time to find the correct activity".

A specific, justifiable recommendation would be, "Employees should be able to use the accounting code from another office when they are on detail.  This would ensure that the dollars and hours associated with the work completed would be captured in the correct office.  It would also guarantee that the employee's payroll office would not reflect more hours worked on their own office's programs and give the appearance of inefficiency in the office.  However, the average salary cost used by many State Offices to calculate individual County Office budget needs would not calculate correctly for the office where the detailed employees are located".

**3      Submission Action**

**A   Employee Action**

Employees may make recommendations for changes, as follows, at any time during the year; however, the annual submission request is the most opportune time for inclusion of accepted changes in approaching fiscal year (FY).

| Step | Action |
|------|--------|
| 1 | Write recommendations for improvements according to information provided in this notice. |
| 2 | Use the fillable electronic form that will be distributed by your organization's point of contact (POC) (Exhibit 1). |
| 3 | Submit to respective organization POC for review no later than the deadline established by each office's POC. |

**B   POC's**

Each State Office and National Office Deputy area shall be responsible for appointing POC's for their organization.  Appointed POC's shall do the following.

| Step | Action |
|------|--------|
| 1 | Provide POC names by e-mail to **mark.ounanian@wdc.usda.gov** and **theodore.vansteyn@wdc.usda.gov** to receive access to the OBF SharePoint web site.  POC's will receive an e-mail when access is granted. |
| 2 | Establish and publicize internal office deadline for submissions by employees to allow time for actions provided in this table to be completed by **May 31, 2016**. |
| 3 | Provide POC name and contact information to employees. |
| 4 | Distribute the electronic Exhibit 1 format to their areas.  The electronic Exhibit 1 format shall be distributed to administrative officers in State Offices and to the Deputies at the National Office.  Do **not** use stationary with office letterhead, headers or footers, columns, page numbering, or any other format other than Exhibit 1. |
| 5 | Each recommendation received and submitted shall be reviewed to ensure that the format provided in Exhibit 1 is followed, and includes the following:<br><br>• office submitting recommendation<br>• category<br>• subcategory<br>• specific 21-AO paragraph or exhibit, if applicable<br>• narrative explanation and justification of suggested change. |
| 6 | Collect, organize, compile, and submit recommendations to the MCA Governance Board. |

**3        Submission Action (Continued)**

**C    Deputy or State Office Submissions**

Employee suggestions shall be submitted through Deputy Administrators, Deputy Directors, Deputy CIO's, etc., or through State Offices to OBF.  Submit employee recommended changes on the OBF SharePoint web site at **https://sharepoint.fsa.usda.net/mgr/OBF/MCA/SitePages/Home.aspx**.  From the home page, open the document titled MCA Request Form InfoPath v3.0.

**Note:**  One new change request shall be submitted for each employee change recommendation or similar change recommendations compiled into 1 recommendation

Following is an example of the Managerial Cost Accounting Working Group change request.

**3      Submission Action (Continued)**

**C   Deputy or State Office Submissions (Continued)**

Complete 1 Managerial Cost Accounting Working Group change request form for **each**
employee change recommendation or similar change recommendations compiled into
1 recommendation, as follows.

| Field/Button | Action |
|---|---|
| Request Date | CLICK "**Calendar**" and select date of original employee submission to the State Office. |
| Employee Name | Enter employee's name.  This is an optional entry. |
| State or Division Name | Enter State or division name, as applicable. |
| County or Organization | Enter the county or organization name, as applicable. |
| Category | Use the drop-down box to select the appropriate category. |
| Subcategory | Use the drop-down box to select the appropriate subcategory. |
| 21-AO Paragraph or Exhibit | Enter or copy and paste from original employee submission.  Enter "**NA**", if not applicable. |
| Suggested Change and Justifiable Narrative | Enter or copy and paste from original employee submission.  The area provided will expand to include all text entered or pasted. |
| For National Office Use Only | Leave blank. |
| Page 2 | Do **not** click. |
| Submit Form | Click submit button on the home ribbon of InfoPath.  A pop-up dialog box will be displayed titled MCA Change Request Form Message.  Click "Send". |
| Print Version | From the file tab select print from the menu on the left of the window and from there select from the print options. |

**D   Submission Deadlines**

POC's shall establish an internal deadline for their areas to allow time for preparing the
package for submission to the MCA Working Group.  All recommendations must be
submitted to the MCA Working Group, through the appointed POC, in the correct format
according to Exhibit 1, no later **than COB May 31, 2016**.

**4       MCA Working Group Review and Implementing Changes**

**A   MCA Review Process**

The MCA Working Group will be provided a compiled document with all suggestions submitted by FSA employees for changes to the MCA system and its components.  The group members will review and contact fellow employees for feedback.  The MCA Working Group will identify priorities for the additions, changes, and revisions, and ensure that funding is available to cover costs for software changes, etc.  Finally, the MCA Working Group will prepare a statement of recommendations to present to the Executive Leadership Council (ELC) for approval.

**B   Implementing Approved Recommendations**

After final approval, determinations will be made on which changes will require software updates to the Activity Reporting System in WebTA, or other systems.  OBF will work with involved parties to write requirements for submission to NFC.  In addition, most changes will require preparing an amendment to 21-AO to reflect changes.  The changes made through the MCA Working Group will be implemented as soon as possible after FY rollover.

**Submitting Recommendations for Consideration for FY 2016 by the MCA Working Group**

The following is an example of the fillable electronic form for employees, that is available through their organization's POC.

## Managerial Cost Accounting Working Group Change Request

Request Date

Employee Name (Optional)

State or Division Name:

County or Organization, if applicable

Category

Subcategory

21-AO Paragraph or Exhibit, if applicable

SUGGESTED CHANGE AND JUSTFIABLE NARRATIVE:

**Submitting Recommendations for Consideration for FY 2016 by the MCA Working Group (Continued)**

| Instructions | |
|---|---|
| **Item** | **Step** |
| 1 | Enter the date of the request |
| 2 | Enter the requestor's name, this is an optional field. |
| 3 | Enter the State or Division Name |
| 4 | Enter the County or Ogranization name if applicable |
| 5 | From the Drop Down Box, Select the Category |
| 6 | From the Drop Down Box, Select the Subcategory |
| 7 | Enter the paragraph number or exhibit number from 21-AO, if applicable: |
| 8 | Enter the requested change and a justifiable narrative of the suggested change or enhancement |