

## Key Terms

**Activities** are the actions performed by programs.

**Cost of Performance** refers to the cost related to achieving a performance goal.

**Federal Financial System (FFS)** is a system designed especially for Federal government accounting, integrated budget execution and financial reporting.

**Federal Payroll and Personnel System (FPPS)** is a real-time personnel and payroll system. The system allows departments to maintain online records. The system database is flexible to support department needs and ensures data integrity.

**Outcome Measure** is a measure of the intended result or impact of carrying out a program or activity.

**Outputs** are a product or service produced or provided over a period of time or by a specific activity (e.g. number of leases or estates closed).

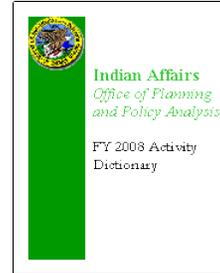
**Performance and Accountability Report (PAR)** combines detailed information regarding a department's financial statements and performance results achieved. The report is submitted to the President and Congress as well as the public. The purpose of PAR is to report on how well the department performed in managing its finances and programs.

**Performance measures** are the indicators or metrics used to gauge program performance. Performance measures can be either outcome or output measures, and may include consideration of resources, particularly in the context of cost efficiency or unit costs.

## ABC Fun Facts

- Millions of lines of financial data are used to calculate activity costs.

ABC captures over 700 activities, covering a wide range of Indian Affairs' responsibilities. These can be found in insde bie.edu <http://www.bie.edu/>



- These activities support approximately 80 key performance measures that Indian Affairs programs use to track their progress.
- Performance results are highly visible. The cost of performance figures are reported in the Budget Justifications and Performance & Accountability Report; and are submitted to the President and Congress.

## Additional References

### QuickTime Help Desk Information

[www3.nbc.gov/customer/PersonnelPay/Quicktime/cusquick.html](http://www3.nbc.gov/customer/PersonnelPay/Quicktime/cusquick.html)

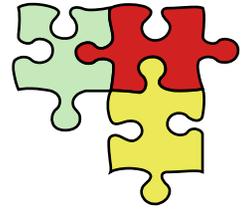
### Point of Contact

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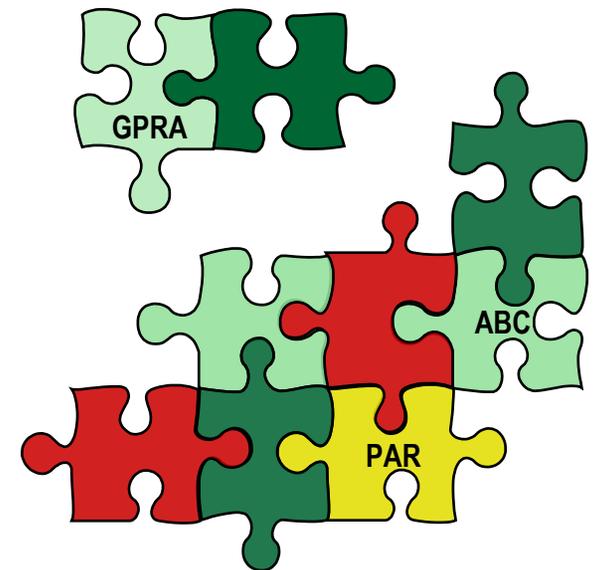


## REFERENCE GUIDE

# Activity Based Costing:



## Your Role in Providing Accurate Data



**Bureau of Indian Education  
Department of the Interior  
2012—v1**

# ACTIVITY BASED COSTING AT INDIAN AFFAIRS

## What is Activity Based Costing?

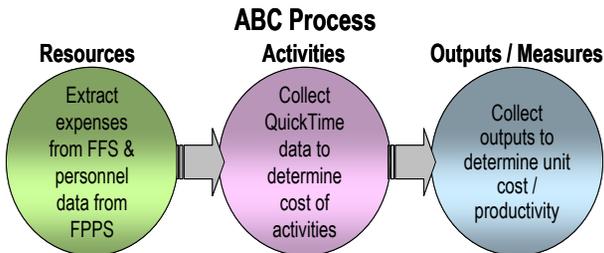
Activity Based Costing (ABC) is a method of calculating costs to carry out work activities and achieve performance results.

## Why is it Important?

ABC cost information is predominately used to support decision making; for example, justifying budget, planning for the programs' future, improving management and program efficiency and reporting on performance.

## How does it work?

- Activity Based Costing (ABC) measures the cost and performance of process-related activities.
- Federal Financial Systems (FFS), Federal Payroll and Personnel System (FPPS), and QuickTime are source data to calculate the activity cost.
- Costs are assigned to outputs and performance measures to determine cost of performance.



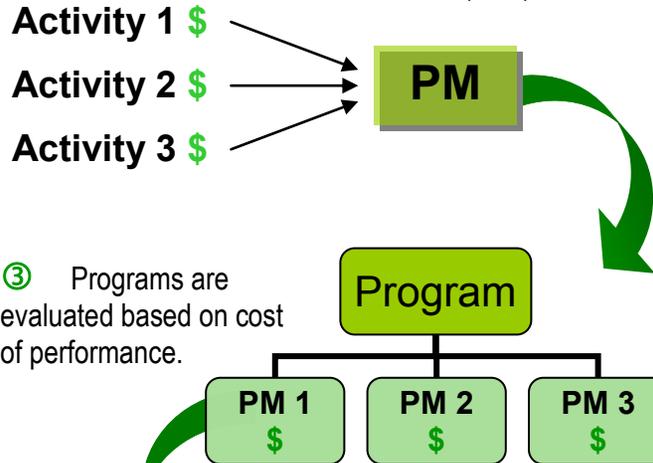
Employee responses (time allocation & output) directly impact the **quality** and **accuracy** of the cost and performance results.

## Your Role in Reporting Accurate Data



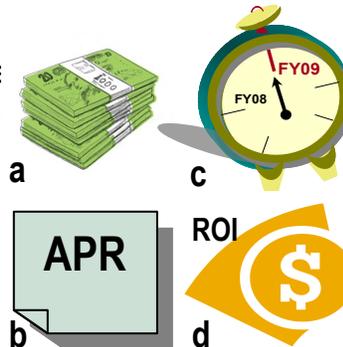
① Employee accurately enters ABC code into QuickTime System.

② Time is used to calculate cost of activities performed. Activity costs aligned to performance measures (PMs).



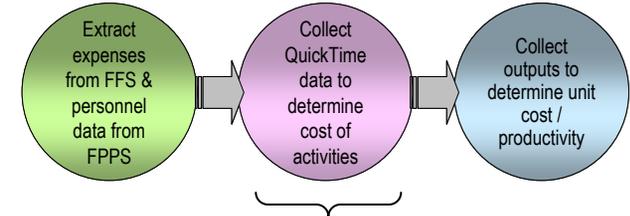
③ Programs are evaluated based on cost of performance.

④ Cost of Performance is used to a) justify budget b) report on performance, c) plan for the future and d) improve management efficiency (Performance Return on Investment).



## Specific Steps to Report Your Time

### ABC Process



Steps in reporting accurate QuickTime data:

1. Log in to QuickTime system.
2. Employee performing work must select the appropriate "Business Line" code.
3. Upon selecting a "Business Line," employee must select the appropriate "Function" code.
4. Upon selecting a business function, employee must select from list of activities.
5. Consult Activity Dictionary to locate the appropriate activity.
6. Ensure activity definition accurately reflects the task and locate the corresponding ABC QuickTime Code. See Example:

### Example:

#### Accounting Management

Develop Policies & Procedures

**Definition:** Travel administration, etc.

**DOI Alignment:** 62—Perform financial...etc.

**Mission Area:** Mgmt Excellence

**DOI End Outcome Goal:** Mgmt Excellence

**ABC Quicktime Code:** 6211