

## **CHAPTER 6: INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES (ICASS)**

### **6.1 PURPOSE**

This chapter describes the general principles of ICASS and the organizations that manage the system, plus suggestions for SCO review of cost centers for fractional capitation are also provided.

### **6.2 GENERAL PRINCIPLES**

6.2.1 The ICASS system is the principal means the U.S. Government (DoS) provides and distributes the costs of common administrative support at its more than 200 diplomatic and consular posts overseas. In accordance with Government Performance and Results Act and the National Performance Review, ICASS seeks to provide quality services at the lowest cost, while attempting to ensure each agency bears the cost of its presence overseas.

6.2.2 ICASS establishes locally empowered councils representing all agencies at a Post to manage and evaluate all shared administrative services. Local costs are funded at the Post level, and local managers retain cost savings as an incentive to develop initiatives to reduce costs and provide better service. The goal of the Post ICASS Council is to focus on customer needs. Clear cost reports are available to all customers to evaluate service alternatives. The Council shares responsibility with the service provider for cost-efficient and effective administrative service, and the customer has input into the evaluation of the service providers.

6.2.3 All executive agencies with personnel stationed overseas participated in the formulation of the policies and procedures contained in the [International Cooperation Administration Support Services \(ICASS\) Handbook, 6 FAH 5](#). This handbook is updated regularly by the Interagency Working Group. All records are made available to each customer to ensure overall transparency. Each Service provider should be prepared to explain ICASS data, and each customer should be prepared to work with the service provider.

6.2.4 Administered by the DoS, ICASS is a true interagency endeavor. Representatives from local ICASS Councils and the Washington-based Executive Board, and Interagency Working Group work to ensure operating principles integrity.

6.2.4.1 Local Empowerment - Post ICASS Councils make decisions as to service priorities, budgets, and providers.

6.2.4.2 Equity - All agencies are charged for services according to use, based on workload factors that vary by service.

6.2.4.3 Transparency - A budget and cost distribution software system makes it possible to explain to customers how their invoices are developed, the extent of their use by service, and the unit cost of the service consumed.

6.2.4.3 Selection of Service Providers - Post ICASS Councils decide who will provide each service required. Although DoS administrative personnel currently provide most ICASS services, the ICASS Council can select other U.S. Government agencies or commercial firms to provide services if those providers can demonstrate a competitive advantage.

6.2.4.4 Customer Focus - Customers express their preferences for service and their assessment of the services delivered through their post ICASS Councils. Councils and service providers collaborate in developing performance standards for each service offered.

## **6.3 DEPARTMENT OF DEFENSE POLICY**

Policy for ICASS is established in [Department of Defense Instruction \(DoDI\) 7060.6, International Cooperative Administrative Support Services \(ICASS\)](#). DoD elements will participate in ICASS to the extent that such participation is determined to be the most economical means of obtaining support. DoD elements stationed at U.S. Diplomatic Missions shall draw support from DoD installations if it is reasonable to do so based on distance and other factors.

### **6.3.1 DSCA Guidance**

6.3.1.1 The DSCA/CMP is the bill-paying organization for Agency Code 1150. The bills are paid centrally; SCO SAAF budgets are not affected. Where there is no SCO, the Defense Attaché Office and Embassy that manage security assistance programs should coordinate with the appropriate GCCMD to execute an ICASS agreement to pay for the incremental support costs of security assistance program management. ICASS agreements for security assistance support must be sent to the GCCMD for review.

6.3.1.2 There must be a separate ICASS agreement for each source of funding in the SCO. FMS case-funded positions must be supported through standalone ICASS agreements billed to the case. For example, FMS case funded personnel must work through the appropriate case manager to ensure available funding is provided to execute an ICASS agreement to support in-country personnel.

6.3.1.3 O&M funded positions must be supported through separate ICASS agreements as directed by the GCCMD. The SDO/DATT should make every effort to ensure that TDY personnel are supported through an appropriate ICASS agreement (e.g., exercise personnel funded by the GCCMD). See the ICASS Handbook for policy on support of TDY personnel.

6.3.1.4 The SDO/DATT should ensure that the SCO is subscribed only to services required by the organization and that the SCO receives the services billed. If the SDO/DATT determines that a service is not required, that service should be discontinued. Many ICASS service cost centers allow a fractional rate (modification) charge if an office is not using all the services included within a particular cost center. The SDO/DATT should review such cost

centers as defined in the ICASS Handbook to determine if the office is eligible for modification. The Post ICASS Council may approve fractional charges.

## **6.4 COST DISTRIBUTION**

6.4.1 The costs of shared administrative support are distributed to cost centers providing the services. There are two types of ICASS billings (ICASS Standard and ICASS Lite), to take into account the differences between large Posts and small Posts. Large Posts and most medium-sized Posts distribute costs to approximately 31 different ICASS cost centers. The smaller Posts generally use a structure of cost centers called ICASS Lite, which distributes the cost of services to approximately 16 cost centers for ease of administration.

6.4.2 The factor(s) for determining the actual cost of services varies by cost center. For some services, the number of actual transactions (e.g., number of vouchers processed) are the basis for determining use. For others, use is calculated by allocating a percentage of the cost based on head count, number of square feet/meters of office space occupied, number of computers and/or peripherals serviced. In some cases, an agency may perform portions of a service itself and not require the full range of functions offered by the ICASS service provider. In such cases, the ICASS Council may agree to modify the usage or workload count for that service either to 30% or 60% of full service. Not all ICASS services are modifiable.

6.4.3 When the initial budget for the fiscal year is prepared at each diplomatic mission, the Post utilizes each agency's actual use of services in the prior year or projects usage for new subscriptions. The expenses for each service are then divided by the total number of units used by the entire Post, to establish a unit cost. The unit cost is multiplied by the number of units used by each agency to determine each agency's cost for that service. A proportional share of the cost of administrative overhead and the cost of services consumed by ICASS administrative personnel is added to this base number. This allows the determination of the invoices that will be provided for services at that particular Post. Leadership at each Post must sign their invoices at the time that the Post's ICASS Council approves the budget.

### **6.4.1 WORK COUNTS**

6.4.1.1 The SDO/DATT must verify the work counts for each service cost center and for each source of funding (i.e., SA and O&M) are valid, and the Council should review the distribution of Service Provider time to cost centers. Some cost centers use the number of direct-hire Americans as the basis for charges; the SDO/DATT should ensure that locally hired American civilians and Locally Employed Staff (LES) (FSNs and Personal Service Agreements (PSAs)) are not counted for those cost centers.

The SDO/DATT should request the following reports from the Service Provider:

- Budget Summary (Locked) – printed from the Budget Summary Worksheet
- Budget by Cost Center and Agency by Post

- Invoice Detail by Agency
- Invoice Detail by Cost Center and Agency
- Budget Summary by Cost Center
- Summary of Cost Center Data Entry by Percentage Assigned – printed from the Cost Center Worksheet

6.4.1.2 After reviewing these reports, he/she should be able to evaluate the workload amounts and percentages of Service Provider time assigned to each of the cost centers. If there is a disagreement about the work counts that cannot be resolved between the SDO/DATT and the ICASS Service Provider, the issue should be referred to the Council. All questions concerning the work counts should be resolved prior to post budget preparation. Once agreement is reached on the work count data, the SDO/DATT should be prepared to sign the ICASS invoice after it is provided by the Service Provider. If any dispute remains at the time the invoice is provided, the SDO/DATT should sign the invoice and record the nature of the dispute on the invoice.

## **6.5 COST CENTER ANALYSIS**

6.5.1 The SDO/DATT should be familiar with the details of services being provided and ensure that the SCO is receiving the services paid for and required, and that excess or unneeded services are not being requested. Many ICASS cost centers may be counted at a modified rate, especially under ICASS Lite. The SDO/DATT must examine those cost centers that can be modified and ask the ICASS Council for a modified rate, if eligible. (See the [International Cooperative Administrative Support Services Handbook, 6 FAH-5 H-400, Cost Distribution System at Post](#)). If the Council disapproves a request for fractional capitation, the SDO/DATT may appeal the Council's decision to the COM.

6.5.2 ICASS Lite offers fewer choices to the SCO, since several ICASS standard cost centers are grouped under general categories. However, many of these general cost centers may be modified with the agreement of the local Council if the SCO does not use all of the included services.

### **6.5.1 BASIC PACKAGE & COMMUNITY LIAISON OFFICE**

The Basic Package and Community Liaison Office (CLO) are mandatory cost centers, although they are modifiable under certain circumstances. The Basic Package and CLO are based on the number of direct-hire Americans. There should be no charge under these cost centers for LES personnel.

### **6.5.2 INFORMATION MANAGEMENT TECHNICAL SUPPORT SERVICES**

This charge is based on the number of devices serviced and the number of Post-issued OpenNet user accounts. The SCO may choose to have some, all, or none of its devices serviced.

For instance, service for some devices may be obtained through warranties, if warranty service is available locally or by mail. Because the Embassy cost center includes personnel costs for the persons performing the service, it is sometimes less expensive to have devices serviced locally, even if warranty service is not available. The SCO should evaluate the availability and quality of local service before signing up for this cost center.

### **6.5.3 GENERAL SERVICES**

6.5.3.1 Non-Expendable Property Management. This cost center includes the cost of conducting and maintaining an inventory and the personnel costs for the employees performing those services. Because the SCO must conduct its own inventory to satisfy DoD requirements, it is sometimes less expensive for the SCO to lease warehouse space and perform the property management function with its own personnel.

6.5.3.2 Vehicle Maintenance. If the SCO has a driver, it is often cheaper to have the driver obtain maintenance services locally, rather than pay the Embassy costs, which includes personnel costs. The SCO should evaluate the availability and quality of local service before signing up for this cost center.

6.5.3.3 Direct Vehicle Operations. Since many of the SCO's own their vehicles, there is usually no requirement for direct vehicle operations. In most cases, vehicle support for TDY personnel should be charged to an ICASS agreement, with the visitor's fund cite. The SCO may also rent vehicles and charge TDY personnel directly.

6.5.3.4 ICASS Lite. Since the SCO's usually use neither maintenance nor direct vehicle operations, the SCO should make its case to the Council for a modified rate for the General Services cost center.

### **6.5.4 PERSONNEL SERVICES**

6.5.4.1 American Personnel Services. MILDEP personnel offices perform all personnel services for the SCO's U.S. civilian employees. The SCO should not subscribe to this service. (If the Service Provider insists, the SCO should ask that the Service Provider demonstrate provided services. Note also exactly which services are provided under the Basic Package, so that such services are not charged a second time under this cost center.)

6.5.4.2 ICASS Lite. If services are for only required LES personnel, the SCO should make its case to the Council for a modified rate for this cost center. If there are U.S. civilians, but no SAAF-funded LES, there is no requirement for this cost center.

### **6.5.5 FINANCIAL MANAGEMENT SERVICES**

6.5.5.1 Budgeting & Financial Plans. The SCO does not use or require this service. Budget preparation is performed through SAARMS.

6.5.5.2 Accounts & Records. The SCO should not use or require this service. Budget Execution is performed through SAARMS, with DFAS-IN providing accounting services.

6.5.5.3 Payroll. Since U.S. civilians are paid through the DoD, the SCO only requires this service if there are SAAF-funded LES positions.

6.5.5.4 Vouchering. When reviewing the work count for this cost center, the basis for the count is the number of strip codes (fund cites) processed.

6.5.5.5 ICASS Lite. Since the SCO does not use two (or sometimes three) of the five services offered under this cost center, the SCO should make its case to the Council for a modified rate.

## **6.6 ALTERNATE SERVICE PROVIDERS**

6.6.1 If an SDO/DATT determines that an alternate service provider can provide a service cheaper, better, or faster than the Embassy Service Provider, they should inform the local ICASS Council and assist the Council in evaluating whether all agencies at Post might benefit by switching to the alternate provider. If the SCO chooses to pursue the services of an alternate provider without Council support, the SDO/DATT must notify the Council of withdrawal from a specific service in writing. This must be done at least six months in advance and it must also provide details of the cost savings benefit of the switch. The SCO must provide DSCA and the GCCMD a copy of the notification.

6.6.2 If a SCO plans to withdrawal from a specific ICASS service, the GCCMD and DSCA must approve the withdrawal in advance and in writing. The SCO should submit a request to the GCCMD that includes anticipated cost benefits. If approved, DSCA will transfer funds to GCCMD. The GCCMD will provide the SCO funding for the new direct (non-ICASS) cost incurred. Any additional savings may be transferred to the SCO and/or used to meet higher priority requirements of the GCCMD.

## **6.7 BEST PRACTICES**

Local empowerment is a basic principle of ICASS. Post ICASS Councils are encouraged to develop and implement the more cost-effective and efficient ways of providing administrative services, including the evaluation of alternate service providers.

## **6.8 ICASS ORGANIZATION IN WASHINGTON**

6.8.1 DSCA appoints a representative to the ICASS Interagency Working Group (IWG), this group meets monthly and informally as required. The DSCA representative is a member of the Budget and Training Committees, in addition to other standing committees to include; Awards, Handbook, Personnel, and Information Technology.

6.8.2 The Interagency Executive Board (IEB) meets semiannually; the DoD representative on the IEB is the Defense Intelligence Agency (DIA) Director. [Department of Defense Directive \(DoDD\) 7060.6 International Cooperative Administrative Support Services](#) states that the Under Secretary of Defense (Comptroller) shall provide an overall DoD representative to the IWG, as necessary.

6.8.3 The ICASS Service Center (ISC), which serves all the customer agencies including State, is staffed with both State Department personnel and personnel detailed from the other executive agencies. The organization of the ISC is shown on the ICASS web site ([www.icass.gov](http://www.icass.gov)), along with e-mail addresses for all ISC personnel.

6.8.4 The IWG meetings address questions from the field concerning policy and procedures. Issues that affect the entire ICASS community are generally referred to the IWG for discussion and evaluation. Issues that cannot be resolved by the IWG are often referred to a sub-committee or to the ISC for research, with a report back to the IWG. The IWG works to develop consensus on issues, if consensus cannot be reached, the issue is usually referred to the IEB.

### **6.8.1 COMMUNICATIONS**

Minutes of IWG and IEB meetings are distributed by DoS cable and posted on the ICASS web site. If a SCO has questions, problems, or productive ideas that may be useful to the group, they should send them to the DSCA/CMP via e-mail, fax or phone, with an information copy to the GCCMD. ISC staff members can also be reached directly by e-mail through the “Contacts” listings on the ICASS web site.

The DSCA POC for ICASS Agency Code 1150 and ICASS IWG Representative is Ms. Karen Nai, DBO/CMP, 703-604-6551, DSN 664-6551, facsimile 703-604-6536, e-mail [Karen.Nai@dsc.mil](mailto:Karen.Nai@dsc.mil).

### **6.9 SUMMARY**

ICASS provides a viable method of providing administrative services at a Post. The SCO should subscribe to only to services required, while continually reviewing work counts and service provider reports to ensure the SCO is paying for only the services needed. The SDO/DATT should actively participate as a member of the local ICASS Council.