

WHAT IS ICASS?

The **I**nternational **C**ooperative **A**ministrative **S**upport **S**ervices (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 200 diplomatic and consular posts overseas. In the spirit of the Government Performance and Results Act, the ICASS system seeks to provide quality services at the lowest cost, while attempting to ensure that each agency bears the cost of its presence overseas. ICASS, through which more than 250 agencies and offices obtained support services valued at more than \$780 million in Fiscal Year 2002, is a break-even system; the charge to the customer agencies equals the cost of service inputs. The ICASS program was the recipient of the Vice President's Hammer Award in 1996 for reinvention in government.

ICASS Services

A full range of administrative services is available through the ICASS program. These include motor pool operations and vehicle maintenance, travel services, reproduction services, mail and messenger services, information management, reception and telephone system services, purchasing and contracting, personnel management, cashiering, vouchering, accounting, budget preparation, non-residential security guard services, and building operations.

Signing up for Service

ICASS is, for the most part, a **voluntary** system. Each agency selects which services it would like to receive via the ICASS system and may obtain services from non-ICASS sources or provide the services for itself.

Two ICASS services are mandatory for all agencies at post. The first is called the Basic Package, which is a cluster of functions that the Department of State performs for all agencies operating in a country. These include obtaining driver's licenses and other documentation from the host government, maintaining the post's Emergency Action Plan, hardship differential report, retail price schedule, and other reports, and similar actions that are either required by virtue of association with the post or benefit all employees. The other mandatory service is the community liaison function, which benefits the post community as a whole. Community Liaison Offices send out welcome packets to newly assigned employees, coordinate orientation programs for newly arrived employees and

their family members, arrange community activities and participation in cultural events, and act as a sounding board for employees with regard to living and working conditions at post.

Agencies subscribe to ICASS services by signing a **Memorandum of Understanding** (MOU) with the service provider. The post-specific MOU and its attachments describe the services offered by the service provider and the performance standards for each service. There is also an **ICASS Charter** that establishes the ICASS system at post and describes the basic operating procedures.

The ICASS Cast

The ICASS system is established at post under the authority of the **Chief of Mission**. The Chief of Mission is responsible for ensuring that the post has a functioning ICASS Council and that the relationship between the Council and service provider(s) is constructive such that ICASS services are delivered fairly and effectively. In the event that an ICASS Council cannot resolve a dispute with the service provider or between agencies on the Council, the Chief of Mission must make a ruling to resolve the dispute.

The post **ICASS Council** is comprised of the heads of any agency or office which receives its own ICASS invoice. The Council sets shared service priorities, selects service providers, approves the post's ICASS budget, approves all new ICASS support positions, develops service standards collaboratively with the service provider, and annually assesses the performance of all service providers at post. Some post ICASS Councils establish an **ICASS Working Group** to research ICASS issues and develop proposals for improving ICASS services.

The **service provider** is responsible for delivering services in accordance with the MOU. There may be different service providers for different ICASS services at post, and a service provider need not be an agency of the U.S. Government. As of the fifth year of full ICASS operations, however, the Department of State, with over 15,000 ICASS employees overseas, remains the principal, and most often only, service provider at our diplomatic and consular posts around the world. The head of a U.S. Government service provider – the **Administrative Counselor**, in the case of the Department of State – sits on the ICASS Council as an ex-officio member. The post's **Deputy Chief of Mission**, the Ambassador's alter ego, also sits on the Council as a non-voting member.

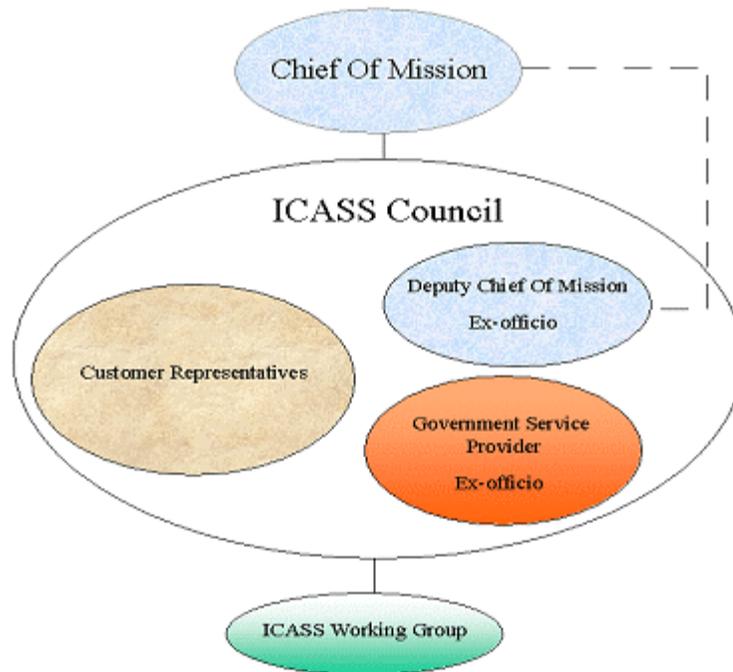
ICASS is a system for delivering shared services at overseas posts. It is supported in Washington by the **ICASS Executive Board**, composed of thirteen

senior representatives of cabinet level agencies and chaired by the Assistant Secretary of State for Administration. The Board, which meets at least twice a year, is the highest level policy making body in the ICASS system and the final court of appeals for ICASS disputes.

The Washington-based **ICASS Working Group**, which reports to the Board, is composed of representatives of any U.S. Government agency or program that receives its own ICASS invoice. The Working Group meets biweekly to address ICASS policies and practices, and its meetings are open to members and non-members.

The **ICASS Service Center** serves as the Secretariat to both the ICASS Executive Board and the ICASS Working Group. An interagency staffed and funded office within the Department of State's Bureau of Resources Management, the Center works with many other offices throughout the Department of State and other participating agencies to facilitate the effective operation of the ICASS system. With a staff of fourteen fulltime employees, it coordinates the ICASS budget process and develops and maintains the software on which the ICASS budget and cost distribution system is based. It also provides policy guidance, practical information, orientation materials and technical advice to those operating ICASS programs overseas.

POST ICASS GOVERNANCE STRUCTURE



ICASS Principles

Administered by the U.S. Department of State, ICASS is a truly interagency endeavor. Representatives from customer agencies on post ICASS Councils and on the Washington-based ICASS Executive Board and ICASS Working Group work together to ensure the integrity of the system's operating principles.

Local Empowerment Post ICASS Councils make decisions as to service priorities, service budgets and how services are to be obtained.

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

Transparency A new 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.

Selection of Service Providers Post ICASS Councils decide who will provide each service required. Although Department of State administrative personnel currently provide most ICASS services,

the ICASS Council can select other U.S. Government agencies (Alternate Service Providers) or commercial firms to provide services if those providers can demonstrate a competitive advantage.

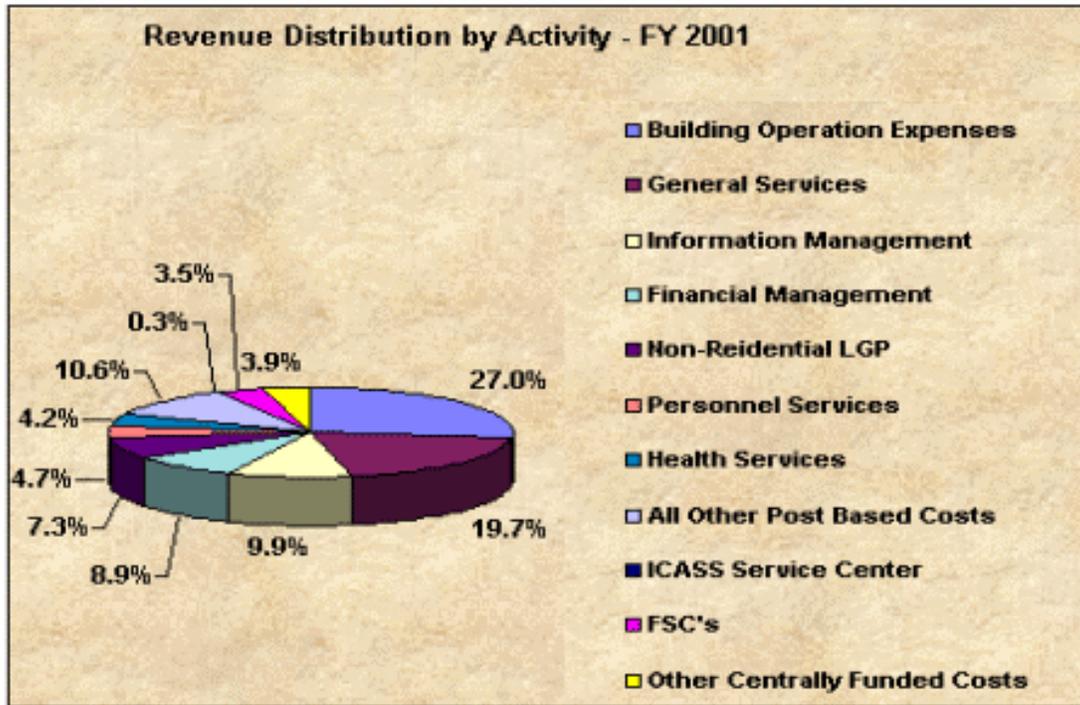
Customer Focus Customers, through their post ICASS Councils, express their preferences for service and their assessment of the services delivered. Councils and service providers collaborate in developing performance standards for each service offered.

Distributing ICASS Costs

The costs of shared administrative support are distributed to cost centers representing the services being offered. The ICASS system takes into account the differences between large posts and small. Large posts and most medium-sized posts distribute costs to 32 different ICASS cost centers. Smaller posts generally use a system called ICASS Lite, which distributes the cost of the same services to 16 cost centers for ease of administration.

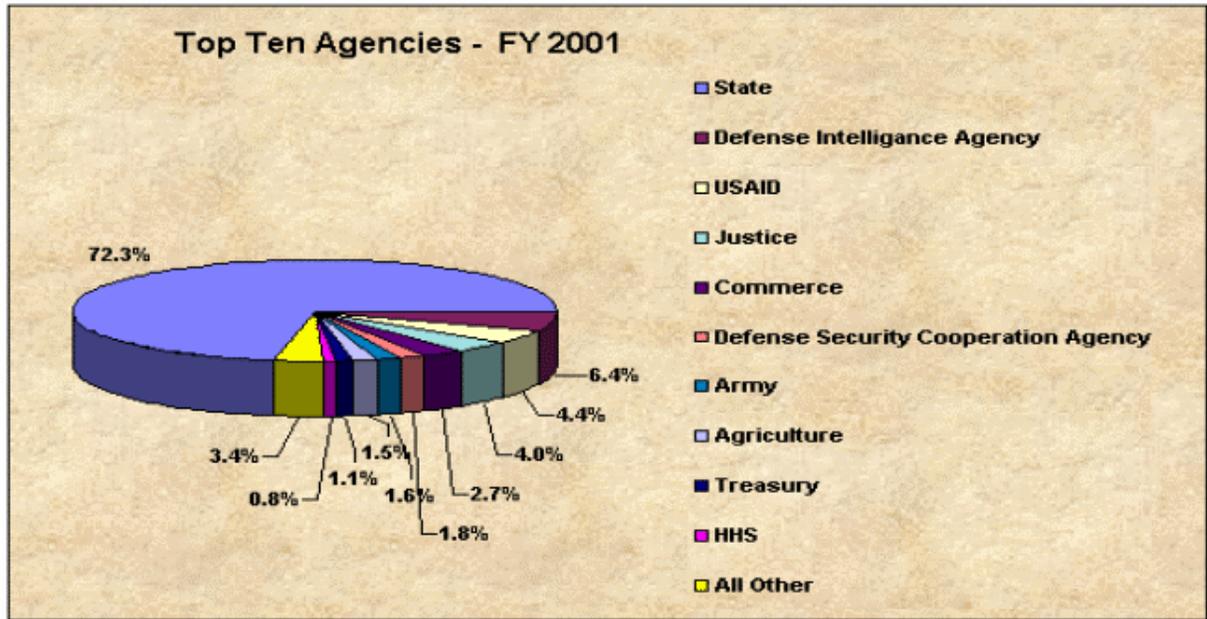
The factor for determining agencies' use of services varies by cost center. For some services, actual transactions (e.g., number of miles driven) are the basis for determining use. For others, use is calculated by allocating a percentage of the cost based on head count, number of square meters of office space occupied, number of computer peripherals serviced or a similar factor. 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 for that service. In such cases, the ICASS Council may agree to modify the agency's usage or workload count for that service either to 33 or 66 % of full service. Not all ICASS services are modifiable.

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 to establish a unit cost. The unit cost is then multiplied by the number of units used by agency to determine each agency's cost for that service. To this figure is added a proportional share of the cost of administrative overhead and the cost of services consumed by ICASS administrative personnel to arrive at each agency's invoice for services at that post. Agency heads at post sign their invoices at the time that the post's ICASS Council approves the budget.



Paying for ICASS Services

Washington consolidates posts' ICASS invoices and adds the costs of Washington ICASS programs which are not post-specific, such as the salaries and operating costs for the ICASS Service Center, the Office of Medical Programs and the Office of Overseas Schools. The ICASS Service Center sends an initial invoice representing 80 % of the estimated annual bill to ICASS customer agencies each March. A second and final invoice, adjusted on the basis of a mid-year budget review, is sent to each customer agency in August.



The ICASS Working Capital Fund

Unlike many U.S. Government programs, which operate on the basis of single-year appropriations or funding, the ICASS system uses a no-year Working Capital Fund. ICASS funds not spent at the end of the fiscal year are rolled over for use by post in the next fiscal year. This is a significant advantage because it allows posts to spend their funds for shared support more in accordance with their needs, without the fear of losing what is not spent by the end of the fiscal year.

ICASS and Innovation

The ICASS system's more flexible Working Capital Fund, its ability to track costs more precisely by service, and its explicit partnership between customer and service provider encourage posts to examine how they are providing ICASS services and to make changes to improve the quality, cost and timeliness of service delivery. Sharing best practices, optimizing the use of information technology and identifying business processes that might be automated, extending additional administrative authorities to posts, and exploring alternate staffing options for overseas operations are some of the ways those involved in the ICASS system are striving to provide and obtain quality services at the lowest cost.

For More Information

More information about the ICASS program can be obtained by visiting the ICASS websites on the Internet (www.icass.com soon to be www.icass.gov) and the Department of State's Intranet (<http://web.rm.state.gov/icass/>). The websites include information on the one-day and four-day ICASS courses offered by the Foreign Service Institute.

To receive a copy of the ICASS program's Annual Financial Report, please contact the ICASS Service Center on (202) 663-3260 or Patricia Garate by email.