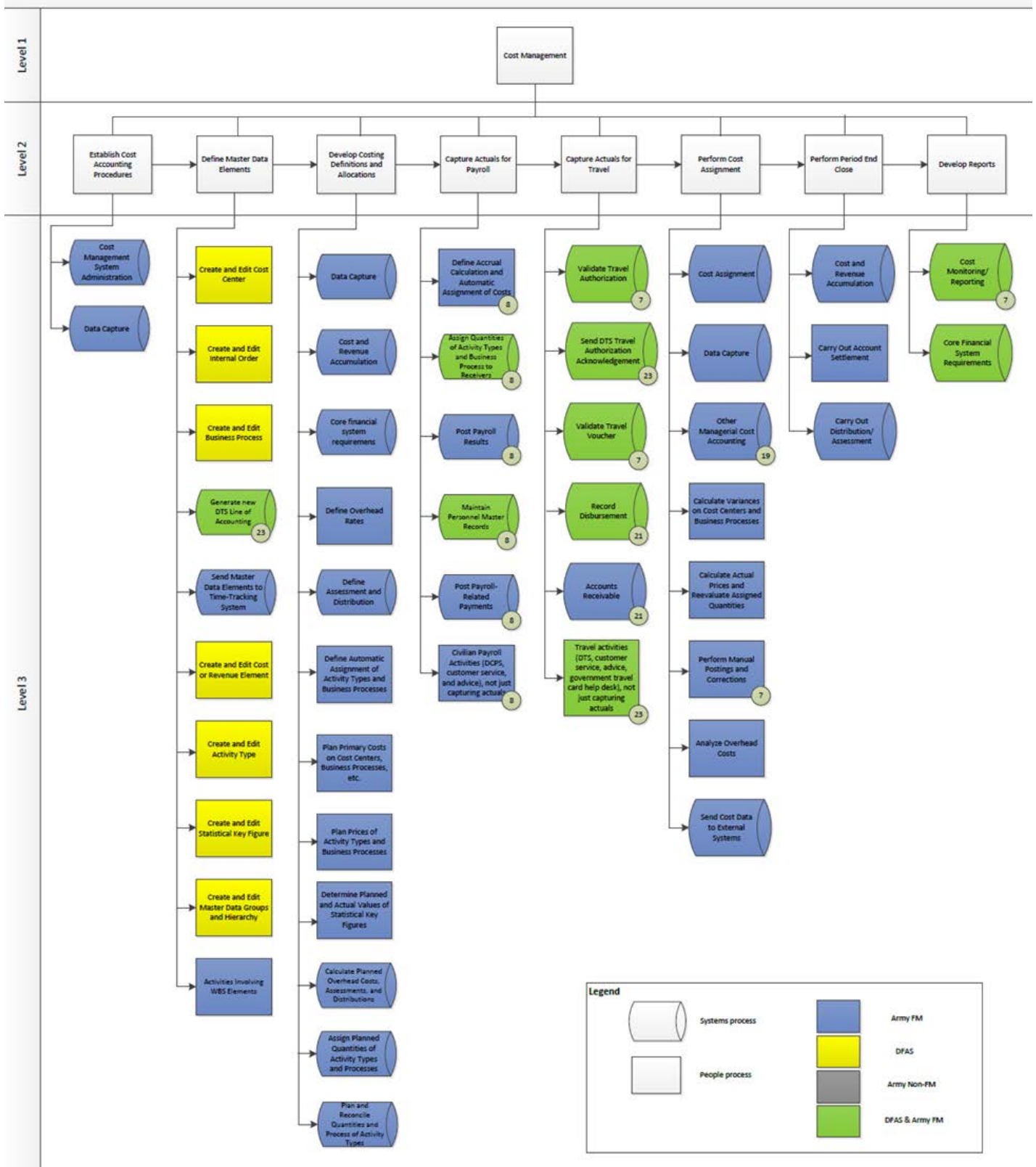


Cost Management Flow Chart provided by US Army Financial Management School

Cost Management



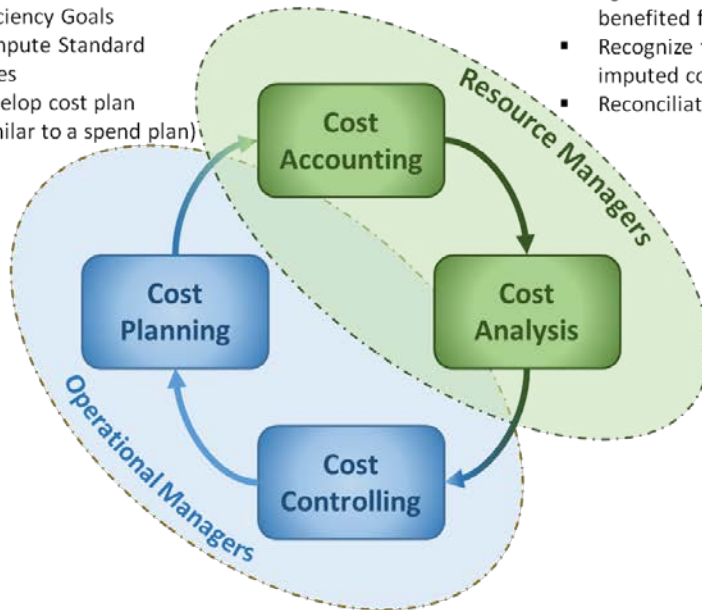
Army Cost Management Process reference ASA FM&C Cost & Performance Portal

Cost Planning

- Set cost Targets and Efficiency Goals
- Compute Standard Rates
- Develop cost plan (similar to a spend plan)

Cost Accounting

- Record Actual Costs (expenses) in period in which incurred
- Collect direct, indirect and overhead costs against the service, product or customer that benefited from the expenditure of the resource
- Recognize full costs to include unfunded and imputed costs
- Reconciliation of summary and detail



Cost Analysis

- Analyze rate variances
- Review trends and forecasting
- Review product, service or activity cost by various attributes
- Understand full costs of organizations, operations, products and services
- Analyze capacity and cost absorption variances

Cost Controlling

- Move to action based on analysis
- Revise output/performance measurement criteria
- Change allocation methods
- Change planned cost targets