

Standardized Budgeting & Reporting for WAPA-wide Programs

Frequently Asked Questions



**Western Area
Power Administration**

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1. Why is WAPA changing its budget and reporting framework for WAPA-wide Programs?

Budgeting and reporting for WAPA-wide programs is complex, unpredictable, difficult to repeat and administratively burdensome.

Much of this complexity stems from the changes WAPA-wide Programs have experienced over the last decade. Specifically, the reorganizations of Information Technology, Safety, Security, Human Resources, Asset Management, and Risk and Reliability Compliance. Each of these functions existed in the regions in some form before being reorganized into HQ as WAPA-wide Programs. Much of the budgeting and reporting for these programs still reflect those regional origins which has resulted in inconsistent accounting, unclear allocations, and unpredictable results.

To address the inefficiencies and lack of financial transparency that resulted from this complexity, WAPA has developed a new Standardized Budget and Reporting Framework which is an activity-based costing model that efficiently and effectively allocates program costs WAPA-wide. WAPA believes this approach will increase visibility and transparency, predictability between formulation and execution, efficiency by reducing administration, and consistency in the method of allocating costs to their beneficiaries.

2. What organizations are included in WAPA Headquarters?

WAPA Headquarters consists of numerous organizations which operate as WAPA-wide Programs. The Standardized Budgeting and Reporting Framework for these WAPA-wide Programs can be divided between inherently enterprise-wide budgeting and inherently regional direct budgeting. Enterprise-wide activities are allocated across WAPA on a calculated basis while regional direct budgeting activities are allocated directly to the benefitting region, system, and/or project.

(Primarily) Enterprise-wide Budgeting	(Primarily) Regional Direct Budgeting
A00 Administrator A00 Strategy A05 Washington Liaison Office A08 Public Affairs A20 Chief Information Officer A21 IT Cyber Security/Business Office A22 IT Network A26 IT Infrastructure A28 IT Enterprise Applications A70 Chief Operating Officer A70 Risk & Reliability A70 Safety A73 Asset Management A78 Electric Power Training Center (EPTC) A78 Technical Support A80 Chief Financial Officer A82 Financial Management A84 Budget & Analysis A85 Compliance & Audit A85 Governance & Policy A90 Chief Administrative Officer A91 Procurement A92 Human Resources A93 Economic Impact and Diversity A98 Logistics A99 Records Management AWC Working Capital Fund	A02 Office of General Counsel A27 IT Supervisory Control & Data Acquisition (SCADA) A29 IT Power Marketing & Management A2A IT Operations & Maintenance Technology A70 Office of Security and Emergency Management (OSEM) A78 Aviation A79 Design & Engineering A94 Natural Resources

3. What regional activities are being consolidated into WAPA Headquarters because of this effort?

No activities are being consolidated into WAPA Headquarters because of this effort. This effort only applies to WAPA-wide Program activities that are already part of the WAPA Headquarters office.

4. Do you expect any change in total costs due to the new model?

No, the model has no impact on the amount of budgeted costs.

5. Has the decision been made to go to this new framework?

Yes, WAPA Senior Leadership has made the decision to implement Standardized Budgeting and Reporting to increase visibility and transparency, predictability between formulation and execution, efficiency by reducing administration, and consistency in the method of allocating costs to their beneficiaries.

6. When are you planning to implement this model?

The budgeting assumptions for the new model will be used to develop the FY 2023 budget request. The decision to implement for execution is to be determined as of this date. Options include implementation in FY 2022 or FY 2023.

7. How often will the allocations be updated?

The majority of WAPA's allocations for enterprise-wide activities are based on the following formula: indirect costs x direct labor. For budgeting, the indirect costs and direct labor costs are determined during the formulation process and remain fixed. During the execution year the allocations will occur based on actual indirect costs and direct labor costs incurred throughout the year.

8. Will organizations classified as regional direct budgeting have some activities costed out under a WAPA-wide allocation?

Yes, the distinction we used to classify organizations as enterprise-wide or regional direct was for simplicity. In practice, the decisions made to allocate costs are based on activities within each organization. Most activities within the organizations can be characterized as being enterprise-wide or regional direct but there are exceptions. For instance, each organization within the regional direct classification has indirect activities that require a calculated allocation such as travel, training and general supervision.