

SSI-108, "DCMA EVMS Cross Reference Checklist (CRC)"

DCMA Form Revised: 25 June 2015

GUIDELINE and QUESTIONS	INTENT MET?		SD REF and ASSESSMENT NOTES	DOCUMENTS
	YES	NO		
I. ORGANIZATION				
1. Define the authorized work elements for the program. A work breakdown structure (WBS) is commonly used in this process.				
a. Is a single product-oriented WBS extended to the level necessary for management action and represented by a hierarchical breakdown of program requirements?				
b. Are all program elements included in the WBS (e.g. hardware, software, services, data, or facilities)?				
c. Is all contract work included in the WBS, including a complete definition of work scope requirements?				
d. Is the WBS defined, developed, and maintained throughout the system life cycle?				
e. Does the WBS include all subcontracted work scope?				
2. Identify the program organizational structure, including the major subcontractors, responsible for accomplishing the authorized work, and define the organizational elements in which work will be planned and controlled.				
a. Is there a single OBS containing all organizational elements that are responsible for managing the resources assigned to a program?				
b. Is major subcontractor and inter-organizational unit work defined and identified with a single OBS within the proper WBS element(s)?				
3. Provide for the integration of the planning, scheduling, budgeting, work authorization, and cost accumulation processes with each other, and as appropriate, the program work breakdown structure and the program organizational structure.				
a. Are the Contractor's management control systems integrated with each other that would enable consistent and reliable data through unique coding structures established to interface between the material control system and the EVMS including the WBS, and OBS at the following levels:				
(1) Total contract?				
(2) Control account?				
(3) Subcontractor data?				
4. Identify the organization or function responsible for controlling overhead (indirect costs).				
a. Is there an indirect account organization structure with designated managers?				

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b. Do designated indirect managers have the following authority/responsibility:				
(1) Establishment of budgets and assignment of resources for overhead performance?				
2) Control of overhead performance of related costs?				
c. Is there an indirect budgeting and forecasting process?				
5. Provide for integration of the program work breakdown structure and the program organizational structure in a manner that permits cost and schedule performance measurement by elements of either or both structures as needed.				
a. Is each control account assigned to a single organizational element directly responsible for the work and identifiable to a single element of the WBS?				
b. Is each control account assigned to a manager designated as the Control Account Manager (CAM)?				
c. Is the CAM responsible for ensuring the accomplishment of work in the control account and the focal point of management control?				
II. PLANNING AND BUDGETING				
6. Schedule the authorized work in a manner which describes the sequence of work and identifies significant task interdependencies required to meet the requirements of the program.				
a. Does the scheduling system contain the following:				
1) Integrated Master Schedule (IMS)?				
2) Intermediate schedules, as required, which provide a logical sequence from the master schedule to the control account level?				
3) Detailed schedules which support control account and work package start and completion dates/events?				
b. Are significant decision points, constraints, and interfaces identified as key milestones?				
c. Does the scheduling system provide for the identification of work progress against technical and other milestones, and also provide for forecasts of completion dates of scheduled work?				
d. Are work package start, completion, and interim milestones formally scheduled to a specified date?				
e. Does the schedule support the development of a critical path?				

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7. Identify physical products, milestones, technical performance goals, or other indicators that will be used to measure progress.				
a. Are meaningful indicators identified for use in measuring the status of cost and schedule performance?				
b. Does the Contractor's system identify work accomplishment against the schedule plan?				
c. Are current work performance indicators and goals relatable to original goals as modified by contractual changes, replanning, and reprogramming actions?				
8. Establish and maintain a time-phased budget baseline, at the Control Account level, against which program performance can be measured. Budget for far-term efforts may be held in higher-level accounts until an appropriate time for allocation at the Control Account level. Initial budgets established for performance measurement will be based on either internal management goals or the external customer negotiated target cost including estimates for authorized but undefinitized work. On Government contracts, if an over target baseline is used for performance measurement reporting purposes, prior notification must be provided to the customer.				
a. Does the Performance Measurement Baseline (PMB) consist of the following:				
1) Time-phased control account budgets?				
2) Higher level WBS element budgets (where budgets are not yet broken down into control account budgets) also known as a Summary Level Planning Package?				
3) Undistributed budgets, if any?				
4) Indirect budgets, if not included in the above?				
5) Alignment with the Integrated Master Schedule?				
b. Is the entire contract planned in time-phased control accounts to the maximum extent practicable?				
c. In the event that future contract effort cannot be defined in sufficient detail to allow the establishment of control accounts, is the remaining budget assigned to the lowest practicable WBS level elements for subsequent distribution to control accounts?				
d. Does the Contractor require sufficient detailed planning of control accounts to constrain the application of budget initially allocated for future effort to current effort?				

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e. Do the control account budgets reflect the planned resources to perform the requirements and only exceed the CBB when an OTB/OTS has been authorized?				
9. Establish budgets for authorized work with identification of significant cost elements (labor, material, etc.) as needed for internal management and for control of subcontractors.				
a. Are the budgets assigned to control accounts planned and identified in terms of the following cost elements:				
1) Direct labor dollars and/or hours?				
(2) Material and/or subcontract dollars?				
(3) Other direct dollars?				
b. Does the work authorization system contain the following:				
(1) Authorization to proceed with all authorized work?				
(2) Appropriate work authorization documents which subdivide the contractual effort and responsibilities, within functional organizations?				
10. To the extent it is practical to identify the authorized work in discrete work packages, establish budgets for this work in terms of dollars, hours, or other measurable units. Where the entire Control Account is not subdivided into work packages, identify the far term effort in larger planning packages for budget and scheduling purposes.				
a. Do work packages reflect the actual way in which the work will be done and are they meaningful products or management-oriented subdivisions of a higher level element of work?				
b. Are planning packages time-phased with the known schedule requirements and detail planned into work package(s) at the earliest practicable point prior to any work performed on the scope contained in the planning package?				
c. Is a freeze period established where planning packages must be detail planned prior to the commencement of that work within the freeze period?				
d. Is subcontract effort identified (as applicable) and time-phased consistent with subcontractor baseline plans?				
e. Are work packages reasonably short in duration that is practical for the work scope or have adequate objective indicators/milestones to minimize subjectivity of the in-process work evaluation?				

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f. Do work packages consist of discrete tasks which are adequately described and are clearly distinguishable from all other work packages?				
g. Do work packages and planning packages represent a specific scope of work?				
h. Are work package and planning package budgets time-phased appropriately to support project plans?				
i. Are budgets or values assigned to work packages and planning packages in terms of dollars, hours, or other measurable units?				
j. Are work packages assigned to a single performing organizational element?				
k. Do the Integrated Master Schedule (IMS) and other supporting schedules identify work packages and planning packages?				
l. Do work packages have scheduled start and completion dates; and as applicable, interim milestones, all of which are representative of technical accomplishment?				
m. Is Material segregated from other elements of cost, planned in support of the need dates for the material items, and time-phased by dollar amount suitable for the type of material category?				
n. Are Work Package Earned Value Techniques (EVTs) established based on how the work is planned and is performance earned consistent with the EVT?				
o. Is Apportioned Method used on effort that is not readily measured or divisible into discretely planned work packages but can be directly proportional to the planning and performance of other discretely planned work?				
p. Are there requirements for documenting the factor used to establish the relationship between the base effort and the apportioned effort?				
q. Are high value production and/or critical materials planned discretely using objective milestones or other rational basis for measuring the amount of material consumed?				
r. Are material categories established with the associated EVT?				
s. Is subcontract effort identified (as applicable) and time-phased consistent with subcontractor baseline plans?				

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11. Provide that the sum of all work package budgets plus planning package budgets within a control account equals the control account budget.				
a. Does the sum of all work package budgets plus planning packages within control accounts equal the budgets assigned to those control accounts?				
12. Identify and control level of effort activity by time-phased budgets established for this purpose. Only that effort which is unmeasurable or for which measurement is impractical may be classified as level of effort.				
a. Are time-phased budgets established for planning and control of level of effort (LOE)?				
b. Does work properly classified as LOE contain efforts supportive in nature that do not produce technical content leading to an end item or product?				
c. Is LOE separately evaluated from discrete within the control account?				
13. Establish overhead budgets for each significant organizational component of the company for expenses, which will become indirect costs. Reflect in the program budgets, at the appropriate level, the amounts in overhead pools that are planned to be allocated to the program as indirect costs.				
a. Are overhead cost budgets (or projections) established on a facility-wide basis at least annually?				
b. Are overhead cost budgets established for each organization which has authority to incur overhead costs?				
c. Are all elements of indirect expense identified to overhead cost budgets?				
d. Are overhead budgets and costs being handled according to the Disclosure Statement when applicable, or otherwise properly classified (for example, engineering overhead, IR&D)?				
e. Are indirect budgets established at the appropriate organizational level by element of cost?				
14. Identify Management Reserve (MR) and Undistributed Budget (UB).				
a. Is Management Reserve (MR) defined with no scope and separately identified outside the PMB?				
b. Is major subcontractor Management Reserve (MR) incorporated and traceable to the prime contractor's EVMS?				
c. Is Undistributed Budget (UB) limited to contract effort which cannot yet be planned to WBS elements at or below the level specified for reporting to the Government?				

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d. Is Management Reserve (MR) always reported as a positive value and set aside for program risks or unplanned events that are in-scope to the contract?				
e. Does Undistributed Budget (UB) represent part of the PMB with defined scope that is separately identified and traceable to contractual actions?				
15. "Provide that the program target cost goal is reconciled with the sum of internal program budgets and Management Reserve.				
a. Does the Contractor's system description or procedures require that the Performance Measurement Baseline (PMB) plus Management Reserve (MR) equal the Contract Budget Base (CBB)?				
b. Does the Contractor's system description or procedures require that the sum of control accounts, Summary Level Planning Package (SLPP) budgets, Undistributed Budget (UB), and Management Reserve (MR) reconcile and trace to the CBB (or Negotiated Contract Cost (NCC) plus the estimated cost of AUW) for any recognized OTB?				
III. ACCOUNTING CONSIDERATIONS				
16. Record direct costs in a manner consistent with the budgets in a formal system controlled by the general books of account.				
a. Does the accounting system provide a basis for auditing records of direct costs chargeable to the contract?				
b. Are elements of direct cost (labor, material, subcontractor, and other direct costs) accumulated within control accounts in a manner consistent with budgets using recognized acceptable costing techniques and controlled by the general books of account?				
c. Are all estimated costs (estimated actuals) used for performance reporting reconcilable between the General Ledger and the EVMS?				
d. Are control accounts opened and closed based on the start and completion of work contained therein?				
17. Summarize direct costs from Control Accounts into the work breakdown structure without allocation of a single Control Account to two or more work breakdown structure elements.				
a. Are direct costs summarized from the control account level through the WBS to the total contract level without allocation of a lower level WBS element to two or more higher level WBS elements?				

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18. Summarize direct costs from Control Accounts into the contractor's organization elements without allocation of a single Control Account to two or more organization elements."				
a. Are direct costs summarized from the control account level to the highest functional organizational level without allocation of a lower level organization's cost to two or more higher level OBS elements?				
19. Record all indirect costs which will be allocated to the project.				
a. Does the cost accumulation system provide for summarization of indirect costs from the point of allocation to the contract total?				
b. Are indirect costs accumulated for comparison with the corresponding budgets?				
c. Are indirect costs charged to the appropriate indirect pools and incurring organization?				
d. Are the bases and rates for allocating costs from each indirect pool consistently applied?				
e. Are the bases and rates for allocating costs from each indirect pool to commercial work consistent with those used to allocate such costs to Government contracts?				
f. Are the rates for allocating costs from each indirect cost pool to contracts updated as necessary to ensure a realistic monthly allocation of indirect costs without significant year-end adjustments?				
g. Are the procedures for identifying indirect costs to incurring organizations, indirect cost pools, and allocating the costs from the pools to the contracts formally documented?				
20. Identify unit costs, equivalent units costs, or lot costs when needed.				
a. Does the Contractor's system provide unit costs, equivalent unit or lot costs in terms of labor, material, other direct, and indirect costs?				
b. Does the Contractor have procedures which permit identification of recurring or non-recurring costs as necessary?				

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<p>21. For EVMS, the material accounting system will provide for:</p> <p>1) Accurate cost accumulation and assignment of costs to Control Accounts in a manner consistent with the budgets using recognized, acceptable, costing techniques.</p> <p>2) Cost performance measurement at the point in time most suitable for the category of material involved, but no earlier than the time of progress payments or actual receipt of material.</p> <p>3) Full accountability of all material purchased for the program including the residual inventory.</p>				
a. Does the Contractor's system provide for accurate cost accumulation and assignment to control accounts in a manner consistent with the budgets using recognized acceptable costing techniques?				
b. Are material costs reported within the same period as that in which BCWP is earned for that material?				
c. Is cost performance measurement at the point in time most suitable for the category of material involved, but no earlier than the time of actual receipt of material?				
d. Are records maintained to show full accountability for all material purchased for the contract, including the residual inventory?				
IV. ANALYSIS AND MANAGEMENT REPORTS				
<p>22. At least on a monthly basis, generate the following information at the Control Account and other levels as necessary for management control using actual cost data from, or reconcilable with, the accounting system:</p> <p>1) Comparison of the amount of planned budget and the amount of budget earned for work accomplished. This comparison provides the schedule variance.</p> <p>2) Comparison of the amount of the budget earned and the actual direct costs for the same work. This comparison provides the cost variance.</p>				
a. Does the Contractor's system include procedures for measuring performance at the lowest level of management responsible for the control account?				
b. Does the Contractor's system include procedures for measuring the performance of critical subcontractors?				
c. Is cost and schedule performance measurement done in a consistent, systematic manner?				
d. Is budgeted cost for work performed calculated in a manner consistent with the way work is planned?				

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e. Are the following elements for measuring performance available at the levels selected for control and analysis (at a minimum at the control account level):				
1) Budgeted Cost for Work Scheduled (BCWS)?				
2) Budgeted Cost for Work Performed (BCWP)?				
3) Actual Cost of Work Performed (ACWP)?				
23. Identify, at least monthly, the significant differences between both planned and actual schedule performance and planned and actual cost performance, and provide the reasons for the variances in detail needed by program management.				
a. Does the Contractor have variance analysis procedures and a demonstrated capability for identifying (at the control account and other appropriate levels) cost and schedule variances resulting from the system which:				
1) Identify and isolate causes of favorable and unfavorable cost and schedule variances?				
2) Evaluate the performance of operating organizations?				
3) Identify potential or actual overruns and underruns?				
4) Identify and explain root causes of the variance?				
5) Identify corrective actions/mitigation plans?				
6) Identify potential or actual budget-based and time-based schedule variances?				
7) Evaluate the cause and impact of schedule changes and work-arounds in sufficient detail needed for program management?				
b. Does the Contractor use objective results, design reviews and tests to trace schedule performance?				
c. Does the Contractor's system provide for determination of price variance, usage variance, rate variance, and volume variance?				
d. Is schedule variance analysis supplemented with Integrated Master Schedule (IMS) analysis, and does this analysis assess the impact to activities on the critical path, near-critical paths, and driving paths?				
24. Identify budgeted and applied (or actual) indirect costs at the level and frequency needed by management for effective control, along with the reasons for any significant variances.				

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a. Are the variances between budgeted and actual indirect costs identified and analyzed at the level of assigned responsibility for their control (indirect pool, department, etc.)?				
b. Does the Contractor's cost control system provide for capability to identify the existence and root cause of cost variances resulting from:				
1) Incurrence of actual indirect costs in excess of budgets by element of expense?				
2) Changes in the direct base to which overhead costs are allocated?				
c. Are management corrective actions taken to reduce indirect costs when there are significant adverse variances?				
d. Are the results of indirect variance analysis provided to the appropriate level of management (functional and/or program) for use in evaluating cost variances and EACs?				
25. Summarize the data elements and associated variances through the program organization and/or work breakdown structure to support management needs and any customer reporting specified in the contract.				
a. Are data elements (BCWS, BCWP, and ACWP) progressively summarized from the detail level to the contract level through the WBS?				
b. Are data elements summarized through the functional organizational structure for progressively higher levels of management?				
c. Are data elements reconcilable between internal summary reports and reports forwarded to the Government?				
d. Are procedures for variance analysis documented and consistently applied at the control account level and selected WBS and OBS levels at least monthly as a routine task?				
26. Implement managerial actions taken as the result of earned value information.				
a. Is earned value information disseminated to the contractor's management on a timely, accurate, and usable basis (at least monthly)?				
b. Is earned value information being used by managers in an effective manner to ascertain program or functional status, to identify reasons of significant variances, and to initiate appropriate corrective action?				
c. Are there procedures for monitoring action items and corrective actions to the point of resolution and closure?				

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27. Develop revised estimates of cost at completion based on performance to date, commitment values for material, and estimate of future conditions. Compare this information with the performance measurement baseline to identify variances at completion important to company management and any applicable customer reporting requirements including statements of funding requirements.				
a. Is the EAC based on the Actual Cost of Work Performed (ACWP) to date plus the ETC for the remaining work?				
b. Are ETCs developed at the work package, planning package, and Summary Level Planning Package (SLPP) levels, or where resources are identified if lower than the work package level?				
c. Are ETCs developed based on resources that are time-phased commensurate with scheduled forecast dates?				
d. Are EACs reviewed at least monthly, updated as required, and based on EVM performance metrics, variance analysis, and assessment of remaining work?				
e. Is the latest information related to direct/indirect rates used for ETC/EAC development?				
f. Are projected risks in the contract EAC substantiated per the risks and opportunity management process and/or the Program Manager's assessment?				
g. Is the externally reported EAC and internal EAC reconcilable and traceable based on the identified risks and opportunities or other identified factors?				
h. Is a bottoms up Comprehensive EAC (CEAC) performed at least annually, or more frequently if performance indicates the current estimate is invalid?				
i. Does the Comprehensive EAC (CEAC) process identify ground rules and assumptions for the CEAC approach, an overall schedule for completing the CEAC, documentation that will be used to update the EAC, and the final approval process?				
j. Are VACs calculated and analyzed with corrective actions at the control account (at a minimum) and Summary Level Planning Package (SLPP) levels?				
V. REVISIONS AND DATA MAINTENANCE				

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28. Incorporate authorized changes in a timely manner, recording the effects of such changes in budgets and schedules. In the directed effort prior to negotiation of a change, base such revisions on the amount estimated and budgeted to the program organizations.				
a. Are authorized changes being incorporated into the Contract Budget Base (CBB) and program schedule in a timely manner?				
b. Are all affected work authorizations, budgeting, and scheduling documents amended to properly reflect the effects of authorized changes?				
c. Are internal budgets for authorized unpriced work/changes based on the Contractor's resource plan for accomplishing the work?				
d. If current budgets for authorized changes do not sum to the negotiated cost for the changes, does the Contractor compensate for the differences by revising the undistributed budgets, management reserve, budgets established for work not yet started, or by a combination of these?				
29. Reconcile current budgets to prior budgets in terms of changes to the authorized work and internal replanning in the detail needed by management for effective control.				
a. Are current budgets resulting from changes to the authorized work and/or internal replanning reconcilable to original budgets for specified reporting items?				
b. Are records maintained to show how Management Reserve (MR) is used (sources, control account affected, current value)?				
c. Are records maintained to show how undistributed budgets are controlled (e.g. use, control account affected, current value)				
d. Do procedures specify under what circumstances replanning of open work packages may occur and the methods to be followed?				
e. Are current indirect rates used for changes to future work and reconcilable to the prior indirect rates incorporated in the Performance Measurement Baseline (PMB)?				
f. Are procedures in existence that control replanning of unopened work packages?				
g. Do procedures specify that during the freeze period only customer approved contract actions, rate changes, and economic price adjustments can adjust the baseline?				

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30. Control retroactive changes to records pertaining to work performed that would change previously reported amounts for actual costs, earned value, or budgets. Adjustments should be made only for correction of errors, routine accounting adjustments, effects of customer or management directed changes, or to improve the baseline integrity and accuracy of performance measurement data.”				
a. Are retroactive changes to direct costs and indirect costs prohibited except for the correction of errors and routine accounting adjustments?				
b. Are direct or indirect cost adjustments being accomplished according to acceptable accounting procedures?				
c. Are retroactive changes to BCWS and BCWP prohibited except for correction of errors or normal accounting adjustments?				
d. Are retroactive changes to budgets for completed work specifically prohibited in an established procedure?				
e. Is a Single Point Adjustment (SPA) process defined with established controls?				
31. Prevent revisions to the program budget except for authorized changes.				
a. Are procedures established to prevent changes to the contract budget base other than those authorized by contractual action?				
b. Is authorization of budget in excess of the Contract Budget Base (CBB) controlled and approved by the customer contracting authority?				
32. Document changes to the Performance Measurement Baseline.				
a. Are changes to the Performance Measurement Baseline (PMB) made as a result of contractual redirection, formal reprogramming, internal replanning, application of Undistributed Budget (UB), or the use of Management Reserve (MR) properly documented and reflected in the Contract Performance Report/Integrated Program Management Report?				