DCMA EVMS Cross Reference Checklist (CRC)

Reference: EVMSIG, dated 14 March 2019

Business Practice 2, Effective Date 28 February 2020

DCMA Form Revised: 22 March 2019

GUIDELINE and QUESTIONS	INTENT MET? YES	NO	SD REF and ASSESSMENT NOTES	DOCUMENTS
I. ORGANIZATION				
1. Define the authorized work elements for the program. A work breakdown structure (WBS), tailored for effective internal management control, is commonly used in this process.				
a. Does the process provide for developing a single product-oriented WBS extended to the level necessary for internal management control and represented by a hierarchical breakdown of program requirements?	X		3.1	
b. Are all program elements included in the WBS (e.g. hardware, software, services, data, or facilities) and are they decomposed to lower levels for planning, budgeting, scheduling, cost accounting, work authorization, measure progress, and management control purposes?	X		2.1.3.3, 3.1, 3.1.1, 3.1.3	CWBS Index (Figure 3-3) WBS Index (Figures 3-1, 3-2)
c. Is all contract work scope included in the WBS and does the WBS provide the project manager with a framework that defines all contract work scope and technical criteria for completion? (If a WBS index or dictionary is not used for this process, the SD should discuss how the work scope will be identified and expanded to ensure all work elements are included.)	X		2.1.3.2, 2.1.3.3, 3.1, 3.1.3	CWBS Index (Figure 3-3) CWBS Dictionary (Figure 3-4)
d. Does the WBS include all subcontracted work scope?	X		2.1.3.3, 3.1, 3.1.1, 11.2.1, 11.3	Figure 11-2
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. Does the SD identify the requirement to establish the program organization structure at the onset the contract that determines management control of cost, schedule, and technical execution?	X		3.2	
b. Is there a documented single program organizational structure hierarchy that represents the assignment of management accountability and authority for all work supporting program objectives and resources assigned to a program?	X		3.2, 3.2.2, 3.3, 3.6, 11.3	Figure 3-5, RAM (Figure 3-6)
c. Is major subcontractor and inter-organizational unit work defined and identified with a single OBS within the proper WBS element(s)?	X		2.1.3.3, 3.1, 3.1.1, 3.3, 11, 11.3	RAM (Figure 3-6)

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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. Does the SD describe the interconnection among the enterprise management systems (e.g., accounting, scheduling, estimating, procurement, Manufacturing/Enterprise Resource Planning (M/ERP) System, time card management systems, etc.) into an integrated framework?	X		3.5, 3.6, 4.1.3, 4.1.6, 4.1.7, 4.2, 5.1, 6.2	RAM (Figure 3-6), Figure 3-8
b. Does the SD address the use of coding structures with unique IDs and common data elements or a simple mapping method? These coding structures must integrate the planning, scheduling, budgeting, work authorization, material, and cost accumulation processes at the control account level (at a minimum) through the total contract level, to include subcontractor data?	X		3.5, 3.6, 3.6.1, 4.1.5, 4.1.6, 6, 6.2, 6.4.1, 6.4.2	RAM (Figure 3-6), Figure 4-4, Figure 5-14
c. For production environments, does the process address an M/ERP System for planning, scheduling, dispatching/authorizing, and statusing work with a unique coding structure established to interface between the material control system and the EVMS to support the transfer of data?	X		3.5, 3.6, 3.6.1, 4.1.7, 4.2, 6.4.2	Figure 3-8
4. Identify the organization or function responsible for controlling overhead (indirect costs).				
a. Does the SD have documented processes and organizations established to specifically manage and control indirect costs?	X		7.1	Figure 7-2
(1) Does the company identify the management position that is assigned the responsibility and authority for controlling indirect costs?	X		7.1	
(2) Does the company identify the management position that has authority to approve expenditure of resources?	X		7.1, 7.3	Figure 7-3
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. Does the SD describe a process to establish control accounts at the intersection of the WBS and a single organizational element where assigned responsibility for managing, controlling, and facilitating the allocation of resources to work scope and permits cost accumulation and performance measurement that considers the complexity of the work and efficiency of the organization?	X		3.3, 3.6, 5.1.3, 5.2.7, 5.3.1	RAM (Figure 3-6) CAWA (Figure 5-4)
b. Does the SD provide establishment of each control account with a corresponding Control Account Manager (CAM) who is responsible for ensuring the accomplishment of work in the control account and is the focal point of management control?	X		3.3, 3.6, 5.1.3, 5.2.7, 5.3.1	RAM (Figure 3-6) CAWA (Figure 5-4)

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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 contractor's process require all authorized, time-phased discrete work be reflected in the IMS?	X		4.1.6	Figure 4-4
b. Are processes in place that require the scheduling system to be vertically integrated (including subcontractor's schedules as applicable) to ensure there is consistency of data between all levels of the schedule?	X		4.1, 4.1.2, 4.1.4	MPS (Figure 4-2) Figure 4-5
c. Does the contractor address the network logic of the IMS (horizontal integration) that depicts the sequence of all authorized discrete work and is indicative of the actual way the work is planned and accomplished?	X		4.1.1, 4.1.2, 4.1.6, 4.3.1	Figure 4-1, MPS (Figure 4-2), IMS Figure 4-3, Figure 4-4, Figure 4-5
d. Does the contractor address an IMS that provides baseline, forecast, and actual dates at the level work is being performed?	X		4, 4.1.5, 4.2, 4.6, 4.8, 5.2.8, 5.4, 8.4.1, 8.4.2	IMS (Figure 4-3), CAP w/status (8-11), Figure 5-13, CAP (Figure 5-14)
e. Is there a documented process in place that supports development of a program Critical Path?	X		4, 4.1.2, 4.2, 4.3.2, 4.8.1	IMS (Figure 4-3)
f. If used, does the SD have a process defining the use, identification, and control of Schedule Visibility Tasks as non-PMB activities?	X		4.1.2	
g. If used, does the SD have a process defining the use, identification, and control of Schedule Margin and traceability requirements to a documented Risk process?	X		4.1.2, 12.2.2	
7. Identify physical products, milestones, technical performance goals, or other indicators that will be used to measure progress.				
a. Are objective completion criteria aligned with the accomplishment of the program's technical requirements/goals determined in advance, documented, and used to plan and measure the progress of program milestones and events?	X		3.6.2, 3.7.3, 4.1.1, 4.3.3, 4.6, 4.9, 5.2.11, 5.3, 5.3.2, 5.4, 8.4.1, 8.4.2, 9, 9.1, 9.1.2	IMS (Figure 4-3) CAP (Figure 5-14) CAP w/status (Figure 8-11), BCR (Figure 9-1)
b. Are current work performance indicators and goals relatable to original goals as modified by contractual changes, replanning, and reprogramming actions?	X		4.3.3, 4.9, 9, 9.1	
8. Establish and maintain a time-phased budget baseline, at the control account level, against which program performance can be measured. 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. The budget for far-term efforts may be held in higher level accounts until an appropriate time for allocation at the control account level. If an over-target baseline is used for performance measurement reporting purposes, prior notification must be provided to the customer.				
a. Is the PMB (UB+CAs+SLPPs+Indirect Budgets) a time-phased budget plan against which actual performance is assessed?	X		5.2.1, 5.2.3, 5.2.6, 5.2.7, 5.2.8, 5.2.10	Figure 5-7, Figure 5-8

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b. Does the process address the Contract Budget Base (CBB) value used to establish he PMB that is tied to the current value of the contract, including any Authorized, Unpriced Work (AUW).	X		5.2.3, 5.2.6	Figure 5-7 UB Log (Figure 5-10)
c. Is a process established to ensure alignment of the time-phased PMB with the IMS?	X		5.2.3, 5.2.8, 5.4	
d. Is the entire contract planned in time-phased control accounts to the maximum extent practicable?	X		5.1.3, 5.2.3, 5.2.7, 5.2.10 7.2.3, 9.3.4	CAWA (Figure 5-4) CAP (Figure 5-14)
e. 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 a Summary Level Planning Package (SLPP) that identifies scope, schedule and associated budget to the end of the contract?	X		5.1.3, 5.2.3, 5.2.10	CAWA (Figure 5-4)
f. 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 by the customer?	X		5.2.3, 5.2.7, 9.3.4, 9.4.1	
g. Does the Contractor require sufficient detailed planning of control accounts to constrain the application of budget initially allocated for future effort to current effort?	X		5.2.3, 5.2.9, 5.2.10	
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 authorized budgets established by the elements of cost (direct labor, subcontractor, material, and other direct costs) in terms of dollars and/or hours required to execute the control account's scope of work as identified, planned, and documented?	X		5.1.3, 5.2.3, 5.2.7, 5.2.8, 5.4, 10.1, 11.3.2	CAWA (Figure 5-4)
b. Is a formal work authorization process in place that identifies work scope description, authorizes scope, resources, and period of performance at the control account level (at a minimum) prior to the baseline start and actual start of the work?	X		5.1, 5.1.1, 5.1.2, 5.1.2.2, 5.1.3, 11.3	CAWA (Figure 5-2) PWA (Figure 5-3) CAWA (Figure 5-4) IWA (Figure 5-5) Sub CAWA (Figure 11-4)
c. Does the contractor's process require the use of current rates to budget for new work scope contractually added to the contract?	X		5.2.1, 9.2	
10. To the extent it is practicable 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. Does the SD establish continuous planning processes (e.g., rolling wave, block planning, etc.) used to convert the work scope in SLPPs into control accounts and control account planning packages into work	X		4.7, 5.2.9, 5.2.10	Figure 5-7

GUIDELINE and QUESTIONS	INTENT MET? YES	NO	SD REF and ASSESSMENT NOTES	DOCUMENTS
packages before the start of that work?				
b. Does the SD require identification of work packages and planning packages within the IMS or other supporting schedules?	X		4.1.3, 4.1.5	MPS (Figure 4-2), Figures 4-3, 4-4, & 4-5
c. Are Work Packages scheduled and budgeted in terms of how the work is expected to be accomplished and are there meaningful products or management-oriented subdivisions of a higher level element of work?	X		5.2.3, 5.2.8, 5.2.9, 5.2.10, 5.4, 9.3.4	Figure 5-6 IMS (Figure 4-4) CAP (Figure 5-14)
d. Is the work package duration limited and practical for the work scope? Does the SD require long duration work packages have adequate objective interim milestones representing measurable technical accomplishment?	X		5.2.8, 5.4	Figure 5-6
e. Do work packages consist of scope which is adequately described and are clearly distinguishable from all other work packages?	X		5.2.8, 5.4	CAP (Figure 5-14) Figure 5-13
f. Are work packages assigned to the applicable performing organization(s) for performing the work and assigned to one responsible organization for managing the work?	X		5.1, 5.1.3, 5.1.4, 5.1.5, 5.2.7, 5.2.8, 5.3, 5.4	CAP (Figure 5-14)
g. Do work packages have scheduled start and completion dates; and as applicable, interim milestones, all of which are representative of technical accomplishment?	X		4.1.5, 5.2.8	Figure 4-5 CAP (Figure 5-14)
h. For LOE work packages, does the SD require they contain budget and work scope, be supported by sound rationale, and are time phased to properly reflect when the work will be accomplished?	X		5.2.7, 5.2.8, 5.3.2.3, 5.3.2.4	
i. Does the SD prohibit the commingling of LOE and discrete effort within a work package?	X		3.7.3	
j. Does the contractor identify proper controls for comingled work packages within a control account when planned as either discrete or LOE to limit the amount of LOE and the potential for distortion of performance and variance analysis?	X		3.7.3, 5.3.2, 5.3.2.1, 5.3.2.4	
k. Are budgets or values assigned to work packages and planning packages in terms of dollars, hours, or other measurable units?	X		5.1.3, 5.2.8, 5.2.9, 5.4, 10.1, 10.3, 10.4.2	CAP (Figure 5-14)
l. Is a freeze period defined where planning packages must be detail planned prior to the commencement of that work within the freeze period?	X		9.3	
m. Are planning packages:				
1) time-phased with the known scope and schedule requirements?	X		4.1.2, 4.5.G., 4.7, 5.2.9, 5.2.10	Figure 5-7 Rolling Wave (Figure 5-11)
2) detail planned into work package(s) at the earliest practicable point prior to any work performed on the scope contained in the planning package?	X		5.2.9, 5.2.10	

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3) periodically reviewed for validity?	X		5.2.10	
4) not used to perform other scopes of work?	X		5.2.9	
5) identifiable within the IMS and other supporting schedules?	X		4.1.2, 4.1.5, 4.5-G.,	
n. Is Material segregated from other elements of cost, planned discretely and in support of the need dates for the material items, and time-phased by dollar amount suitable for the type of material category?	X		5.2.7, 10.4.3	
o. Are Work Package Earned Value Techniques (EVTs) established based on how the work is planned and performance is earned consistent with the EVT?	X		5.2.8, 5.3.2	CAP (Figure 5-14)
p. Is the Apportioned effort used on work that is not readily measured or divisible into discretely planned work packages but is directly proportional to the planning and performance of other discretely planned work?	X		5.3.2.2	
q. Are there requirements for documenting the factor used to establish the relationship between the base effort and the apportioned effort and does the process point out that the progress identified in the base account (percent complete) provides the progress percentage for the apportioned account?	X		5.3.2, 5.3.2.2,	Figure 5-7 Table in paragraph 5.3.2
r. Are establishment of EVTs for material consistent with the material category and the manner in which the material is planned?	X		10.2., 10.4.2., 10.4.2.1, 10.4.2.2, 10.4.3, 10.4.3.1, 10.4.3.2, 10.4.3.3, 10.4.3.4	
s. For subcontract effort, does the prime contractor ensure subcontract work scope and associated time-phased budgets are consistent with subcontractor baseline plans?	X		11.3, 11.3.1, 11.3.2, 11.3.3, 11.3.4	Figure 11-6
t. Are high value production and/or critical materials planned discretely using objective measures for measuring the amount of material consumed?	X		10.4.2, 10.4.2.1, 10.4.4.1, 10.4.5, 10.6-F,	Figure 10-7
11. Provide that the sum of all work package budgets plus planning package budgets within a control account equals the control account budget.				
a. Is a process in place that requires the sum of all work package budgets plus planning packages within control accounts equal the budgets assigned to those control accounts?	X		5.2.3, 5.2.7	Figure 5-7

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12. Identify and control level of effort activity by time-phased budgets established for this purpose. Only that effort which is not measurable or for which measurement is impracticable may be classified as level of effort.				
a. When using LOE are time-phased budgets established in terms of resources necessary to accomplish the effort and when it will occur?	X		3.6.2, 3.7.3, 4.1.5, 5.1.3, 5.2.3, 5.2.7, 5.2.8, 10.1, 10.3, 10.4, 10.4.1, 10.4.2, 10.4.2.1, 10.4.2.2	
b. Is a process in place:				
1) that ensures LOE is only utilized for efforts that are either supportive in nature or cannot be practically planned or measured?	X		3.6.2, 3.7.3, 5.1.3, 5.2.3, 5.2.7, 5.2.8, 5.3.2.1, 5.3.2.2, 5.3.2.3	
2) that is based on an understanding of the nature of the work rather than setting a threshold for the amount of LOE allowed?	X		3.7.3, 5.3.2, 5.3.2.3, 5.3.2.4,	
c. If LOE and discrete Work Packages exist within the same Control Account, is there a process for separately evaluating the performance identified within the Control Account?	X		3.6.2, 3.7.3, 5.2.7, 5.2.8, 5.3.2.3, 5.3.2.4	
d. Does the contractor's process provide for the proactive management of LOE WPs to avoid inaccurate performance reporting and therefore distorting performance measurement?	X		3.7.3	
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. Is there a process that ensures indirect budgets are established and projected, annually at a minimum, based on published rates for each organization which has authority to incur overhead costs?	X		7.2.4, 7.3, 7.4	
b. Are overhead cost budgets established for each organization which has authority to incur overhead costs?	X		7.1, 7.2.1, 7.2.2, 7.2.3, 7.2.4	Indirect Pools (Figure 7-2), Indirect Cost Areas (Figure 7-1)
c. Does the contractor's process require indirect budgets be incorporated into the PMB in concert with described processes and current rates (i.e., approved, provisional, proposed)?	X		7.3, 7.4	
14. Identify management reserves and undistributed budget.				
a. Is Management Reserve (MR) defined with no scope and separately identified outside the PMB?	X		5.2.3, 5.2.5	MR Log (Figure 5-9) Figure 5-7
b. Is major subcontractor Management Reserve (MR) incorporated and traceable to the prime contractor's EVMS?	X		5.2.3, 5.2.5	MR Log (Figure 5-9)
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?	X		5.2.3, 5.2.6, 9.2	UB Log (Figure 5-10) Figure 5-7

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d. Is Management Reserve (MR) always reported as a zero or positive value and set aside for program risks based on the program's risk management process and assessment or unplanned events that are in-scope to the contract?	X		5.2.5	MR Log (Figure 5-9)
e. Does Undistributed Budget (UB) represent part of the PMB with defined scope that is separately identified and traceable to contractual actions?	X		5.2.6, 9.2	UB Log (Figure 5-10) Figure 5-7
15. Provide that the program target cost goal is reconciled with the sum of internal program budgets and management reserves.				
a. Does the contractor's SD require that the performance measurement baseline plus management reserve equal the contract budget base, except when there is a customer authorized OTB?	X		5.2.3, 5.2.4, 9.1.2, 9.4.1	
b. Does the Contractor's SD 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 Contract Budget Base (CBB) or Negotiated Contract Cost (NCC) plus the estimated cost of Authorized Unpriced Work (AUW)?	X		5.2.3, 5.2.4, 9.1.1	Figure 5-7 CBB Log (5-8) Figure 5-11
c. Does the contractor's SD require that the Total Allocated Budget (TAB) reconcile to the CBB/NCC plus the estimated cost of AUW when there is an authorized OTB?	X		5.2.3, 9.1.2, 9.2, 9.4.1,	Figure 5-7, Figure 5-8
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 to include proper collection, recording and transfer of direct costs to the EVMS?	X		6, 6.1, 6.3, 6.5	
b. Does the contractor's SD address a direct cost-charging structure established in the accounting system that maps or traces to the control accounts at a minimum to ensure ACWP is directly compared with the associated BCWP to enable accurate calculation of cost variance information?	X		6, 6.3, 6.4.1, 6.4.1.1, 6.4.1.2, 6.4.2, 6.5, 8.2.1, 8.2.2.1, 10, 10.4.4, 10.4.5	
c. Are there documented processes that reconcile all estimated costs (estimated actuals) for performance reporting between the General Ledger and the EVMS?	X		6.5, 6.5.2, 10.4.4, 10.6-X	
d. If required, does the Accounting process state the Contractor's Cost Accounting Standards Board (CASB) Disclosure Statement identify the treatment of direct costs?	X		6.1, 6.5.1, 7, 7.2.3	

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e. Are charge numbers to control accounts or work packages, wherever costs are accumulated, opened and closed based on the start and completion of work contained therein?	X		6, 6.3 #7 & #8,	
17. When a work breakdown structure is used, 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. Does the contractor establish internal controls to ensure that direct costs collected within control accounts are accurately summarized up through the WBS without being allocated to two or more higher level WBS elements as facilitated by the unique charge number structure?	X		6.2, 6.3, 6.4.1, 6.4.2	
18. Summarize direct costs from control accounts into the organizational elements without allocation of a single control account to two or more organization elements.				
a. Does the contractor establish internal controls to ensure that direct costs collected within control accounts are accurately summarized up through the organizational structure without being allocated to two or more higher level organizational structure elements as facilitated by the unique charge number structure?	X		6.2, 6.3, 6.4.1, 6.4.2	
19. Record all indirect costs which will be allocated to the program consistent with the overhead budgets.				
a. Does the cost accumulation system provide for summarization of indirect costs from the point of allocation to the contract total?	X		6.2, 6.4.1, 6.5.4, 7.2.4	
b. Are there policies and procedures that ensure the allocation of indirect cost to a product, contract, or other cost objective is the same for all similar products, contracts or cost objectives?	X		7.2.3, 7.3, 7.4	
c. 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? The contractor has the responsibility to periodically review the allocation formula utilized for indirect costs to assure that they reasonably reflect the actual indirect costs being incurred. If incurred indirect costs vary significantly from those included in the allocation formula, periodic adjustments should be made to prevent the necessity for a significant end-of-year adjustment.	X		7.2.1, 7.2.2, 7.2.3, 7.2.4, 7.3-F,-I,-J, 7.4, 7.4-H, -I, -K	

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d. Are indirect costs accumulated for comparison with the corresponding budgets? Contractor budgets are established utilizing allowable labor and material estimates as the foundation for budget projections. Indirect budgets are applied, as a minimum, at the level where indirect budget control responsibility exists in the contractor's management control system. If the contractor's system does not accumulate indirect costs at the same level where indirect costs are budgeted, cost comparison analysis and potential corrective action cannot be appropriately made.	X		7, 7.2.2, 7.2.3, 7.4, 7.4-D, -E, -G, and-F	Figure 7-1
20. Identify unit costs, equivalent units costs, or lot costs when needed.				
a. Does the contractor's accounting system have the capability to produce unit, equivalent unit, or lot costs in terms of labor, material, other direct, and indirect costs?	X		6.4.2, 10, 10.1	
b. Does the contractor have procedures which distinguish identification of recurring or non-recurring costs as required by internal/external reporting requirements?	X		6.4.2, 10, 10.1	
21. For EVMS, the material accounting system will provide for: 1) Accurate cost accumulation and assignment of costs to control accounts in a manner consistent with the budgets using recognized, acceptable, costing techniques. 2) Cost recorded for accomplishing work performed in the same period that earned value is measured and at the point in time most suitable for the category of material involved, but no earlier than the time of actual receipt of material. 3) Full accountability of all material purchased for the program including the residual inventory.				
a. Does the contractor's processes provide for accurate material cost accumulation within charge numbers using recognized, acceptable costing techniques that are reported in the accounting system at various points in the material procurement process (from the point of receipt to the point of payment)?	X		6.3, 10.1, 10.2.1, 10.3, 10.4.3.1, 10.4.3.2, 10.4.3.3, 10.4.3.4, 10.4.4	
b. Are material costs reported within the same period as that in which BCWP is earned for that material?	X		10.1, 10.2.1, 10.4.4, 10.4.4.1, 10.4.4.2	
c. Does the contractor's processes address material planning and performance measurement at the suitable point of performance based upon when the material is needed to meet engineering or manufacturing need-by dates for developing hardware or for optimizing the production facility loading?	X		10.1, 10.2.1, 10.4.3, 10.4.3.1, 10.4.3.2, 10.4.3.3, 10.4.3.4, 10.4.4, 10.4.4.1, 10.4.4.2	
d. Are records maintained to show full accountability for all material purchased for the contract, including material issued to control accounts, return of unused material, scrap quantity and disposition, and residual inventory?	X		6.5.2, 10.5	

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e. Does the contractor's system provide a systemic and documented approach to handle material transfer and loans to ensure appropriate collection of direct costs and accurate performance measurement?	X		10.1, 10.4.5, 10.5	
f. Does the contractor's processes address the performance of material analysis to be able to distinguish between High Value/Low Value material and Critical/Non-critical material?	X		10.4.4.1, 10.4.4.2	
g. If the SD allows the use of PERT, does it specify a monthly EAC update?	X		10.4.4.2	
h. Does the SD address the following characteristics for planning material categories and supporting performance measurement: • Comparison of earned value (BCWP) to material budgets (Budgeted Cost for Work Scheduled (BCWS)) and Actual Cost of Work Performed (ACWP) requires that the appropriate point of performance measurement be established. • Generally acceptable points for measuring material item performance are: o Point of receipt, inspection, and acceptance o Point of stock o Point of issue to work in process for use in an end item o Point of issuance directly to the user • BCWP for high-value/critical material items may be claimed upon receipt, inspection, and acceptance, provided the material items are placed into use within a reasonable time or are specifically identified to a serially numbered end item.	X		10.1, 10.2.1, 10.2.2, 10.4.3, 10.4.2.1, 10.4.3.1, 10.4.3.2, 10.4.3.3, 10.4.3.4, 10.4.4.1, 10.4.5	
i. Is there a process that defines controls regarding price and quantity considerations for low value material that ensures performance measurement will not be skewed due to inadequate consideration of price variability, price ranges, as well as, similar or like categories of material?	X		10.4.4.2	
j. Does the SD require the use of estimated actuals for material to ensure actuals are recorded in the same period as performance?	X		6.5-V, -W, -X, 8.4.6.-H & -L, 10.4.4, 10.6-U, & -X	

IV. ANALYSIS AND MANAGEMENT REPORTS				
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: 1) Comparison of the amount of planned budget and the amount of budget earned for work accomplished. This comparison provides the schedule variance. 2) Comparison of the amount of the budget earned and the actual direct costs for the same work. This comparison provides the cost variance.				
a. Is cost and schedule variance calculated at least monthly in a consistent, systematic manner, minimally at the Control Account Level?	X		**5.3, 8.1, 8.2.1, 8.2.2, 8.2.2.1, 8.2.2.2, 8.2.2.3, 8.2.3, 8.2.4, 8.4, 8.4.6**	Monthly Reporting Cycle (Figure 8-1)
b. Is budgeted cost for work performed calculated in a manner consistent with the way work is planned?	X		**4.6.2, 6.3, 8.4.611.3, 11.3.3, 11.4**	Figure 8-13 Subcontract Flow-down (Figure 11-1)
c. Does the EVMS contain 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)?	X		3.6, 5.3, 5.3.1, 5.3.2, 8, 8.4	CAP (Figure 5-14)
2) Budgeted Cost for Work Performed (BCWP)?	X		3.6, 5.3, 5.3.1, 5.3.2, 8, 8.4	CAP (Figure 8-11)
3) Actual Cost of Work Performed (ACWP)?	X		3.6, 5.3.2.4, 6.3	CAP (Figure 8-11)
d. Does the contractor's system include procedures for measuring the performance of critical subcontractors/IOTs?	X		8.3, 8.3.4-J, 8.4.6-O,-P, 8.5.5-D, 11.3.1, 11.4	Figure 11-3
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 on at least a monthly basis (at the control account and summary levels) cost and schedule variances reported from the system which:				
1) Identify and isolate causes of favorable and unfavorable cost and schedule variances?	X		8, 8.2.1, 8.2.2, 8.2.2.1, 8.2.2.2, 8.2.2.3, 8.2.3, 10.4.5, 10.4.7, 11.4, 4.6, 4.6.1, 8.4.6, 8.3.4, 8.4.6-P	VAR (Figure 8-4)
2) Evaluate the performance of operating organizations?	X		8, 8.2.2, 8.2.2.4, 8.4.6-O, 8.5.3, 8.5.5-B,-C,-I,	
3) Identify potential or actual overruns and underruns?	X		8.2.2, 8.2.3,	Figure 8-2
4) Identify and explain root causes of the variance?	X		8.2.2, 8.2.2.4, 8.2.3, 8.4.6-P,	Figure 8-4
5) Identify corrective actions/mitigation plans?	X		8.2.2, 8.2.2.4, 8.3	Figure 8-3, Figure 8-4
6) Identify potential or actual budget-based and time-based schedule variances?	X		4.8, 4.8.1, 8.2.3,	
7) Evaluate the cause and impact of schedule changes and work-arounds in sufficient detail needed for program management?	X		4.8.1, 4.9, 8.2.2.2, 8.2.2.4, 9.1.12, 9.3.6, 9.7.2-G	Figure 8-3
b. Are corrective actions/mitigation plans required to be developed that exceed internal/external variance thresholds that address the variance/issue?	X		4.6, 4.6.1, 8.4.6	Figure 8-3 Figure 8-13

c. Does the Contractor's system have the capability to accurately calculate and analyze labor cost variances (rate and volume) and material variances (price and usage)?	X		10.3, 10.4.5, 10.4.7, 10.6.Y	Costed BOM (Figure 10-6)
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?	X		4.3.1, 4.6.2, 4.7, 4.8, 8.4.6	Figure 4-7
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.				
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.)?	X		7.4, 8	Indirect VAR (Figure 7-4)
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?	X		7.2.2, 7.4, 7.4-A, 8, 8.3.2	Indirect VAR (Figure 7-4)
2) Changes in the direct base to which overhead costs are allocated?	X		7.2.1, 7.3-F, 7.4-E,-F,-H, 8.3.3, 8.5.5-G, -I	
c. Are management corrective actions taken to reduce indirect costs when there are significant adverse variances?	X		7.4, 7.4-B,-C,-D,-G,-H,-J	
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?	X		7.4-C,-D,-F,-G,-H,-I	
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, ACWP, BAC and EAC) progressively summarized from the detail level to the contract level through the WBS?	X		8.2.1, 8.2.3, 8.4, 8.4.5, 8.5	MPR (Figure 8-12) CPR/IPMR F1 (Figure 8-14)
b. Are data elements summarized through the organizational structure for progressively higher levels of management?	X		8.2.1, 8.2.2, 8.2.3, 8.4, 8.4.5, 8.5	MPR (8-12)
c. Are data elements reconcilable between internal summary reports and reports forwarded to the Government?	X		8.4, 8.5	MPR (8-12) CPR/IPMR F2 (Figure 8-15) VAR (Figure 8-4) CPR/IPMR F5 (Figure 8-18)
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?	X		7.2.4, 7.4, 8, 8.1, 8.2.1, 8.3.2, 8.4, 8.4.5, 8.4.6-O, 8.5.5-F	VAR (Figure 8-4) Indirect VAR (Figure 7-4)
26. Implement managerial actions taken as the result of earned value information.				
a. Does the company have documented corrective action plans, implemented and monitored to closure with responsible individuals assigned with sufficient authority over required resources to resolve or	X		8.2.1, 8.2.2, 8.2.2.4, 8.2.3, 8.2.4, 8.4, 8.4.1, 8.4.2, 8.4.3, 8.4.4, 8.4.5, 8.4.6, 8.5, 8.5.5, 10.4.5, 11.4	Corrective Action Log (Figure 8-3)

recover from performance deviations?				
b. Does the contractor have procedures for incorporating identified cost, schedule and technical risks into a formal risk management process to monitor corrective actions (based on variances) that are tracked to resolution and closure?	X		8.2.1, 8.2.2, 8.2.2.4, 8.2.3, 8.2.4, 8.4, 8.4.1, 8.4.2, 8.4.3, 8.4.4, 8.4.5, 8.4.6, 8.5, 8.5.5, 10.4.5, 11.4	Corrective Action Log (Figure 8-3)
c. 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?	X		7.4-I,-J, 8.2.2.4, 8.4.6, 8.5.5-B,-C,-E,-F,-I,-K	Figure 8-20
d. Are there procedures for monitoring action items and corrective actions to the point of resolution and closure?	X		8, 8.2.2, 8.2.3, 8.2.2.4, 8.4.6-T,-V,-W, 8.5.5-D,-I,-L,-M,-N	
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 a bottoms up Comprehensive EAC (CEAC) performed at least annually, or more frequently if performance indicates the current estimate is invalid?	X		8.3.3	Figure 8-10
b. 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?	X		8.3.3	Figure 8-10
c. Are ETCs developed based on resources that are time-phased commensurate with scheduled forecast dates?	X		8.3.3, 8.4.4	Figure 8-10 Figure 8-13
d. Are EACs done (at a minimum) at the control account level?	X		8.2.1, 8.3, 8.4	
e. 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?	X		8.3, 8.3.1, 8.3.2, 8.3.3, 8.3.4, 8.4.6, 8.5.5	ETC/EAC Report (Figure 8-9)
f. Is the EAC based on the Actual Cost of Work Performed (ACWP) to date plus the ETC for the remaining work?	X		8.3, 8.3.1, 8.3.2, 8.3.3, 8.3.4, 8.4.6	ETC/EAC Report (Figure 8-9)
g. Are EACs reviewed at least monthly, updated as required, and based on EVM performance metrics, variance analysis, and assessment of remaining work?	X		8.3.3, 8.4.4	Figure 8-10 Figure 8-13
h. Is the latest information related to direct/indirect rates used for ETC/EAC development?	X		8.3, 8.3.1, 8.3.2, 8.3.3, 8.3.4.O	
i. Are projected risks in the program level EAC substantiated per the risks and opportunity management process or the Program Manager's assessment?	X		8.1, 8.2.3, 8.3, 8.3.1, 8.3.3, 8.3.4.K.L.&V, 8.5.5.L, 12.2.4, 12.2.4.1, 12.2.4.2	Figure 12-3

j. Do the contractor's externally reported EAC and internal EAC reconcile and have clear traceability based on the identified risks and opportunities or other identified factors.	X		8.2.1, 8.2.3, 8.3, 8.3.1, 8.3.3, 8.5, 12.2.4.2	ETC/EAC Report (Figure 8-9) Figure 12-3
k. Are VACs calculated and analyzed with corrective actions at the control account (at a minimum) and Summary Level Planning Package (SLPP) levels?	X		8.3, 8.3.1, 8.3.2, 8.3.3, 8.3.4, 8.5.5, 10.4.5, 11.4	Figure 8-10 Figure 8-13
V. REVISIONS AND DATA MAINTENANCE				
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 (as soon as practical prior to the commencement of work)?	X		9, 9.1, 9.2, 9.3	
b. Are all affected work authorizations, budgeting, and scheduling documents amended to properly reflect the effects of authorized changes (while maintaining the work scope and budget relationships)?	X		4.9, 9.1, 9.1.1, 9.1.2, 9.2, 9.3, 9.3.1, 9.3.2, 9.3.3, 9.3.4, 9.3.5, 9.3.6, 9.3.7, 9.4, 9.4.1, 9.4.2, 9.5, 9.6, 10.4.6	BCR (Figure 9-1)
c. Do the contractor's procedures address changes to the CBB in the form of Authorized Unpriced Work (AUW)? AUW must accurately identify all authorized changes to the scope on contract to include aligning AUW scope and associated budgets to the proposed values without constraint of funding or Not-to-Exceed (NTE) limitations.	X		9.1.1, 9.2, 9.3.7	
d. Does the contractor's process require UB be distributed to or removed from CAs or SLPPs as soon as practicable?	X		9.2, 9.3, 9.7.1.D, 9.7.2.K	
e. Does the SD prohibit modification to the CBB or PMB without having authorized work scope, period of performance, and associated budget?	X		9.1, 9.1.1, 9.2, 9.3.2, 9.3.5, 9.3.6	
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 prior budgets for specified reporting items?	X		5.2.4, 9, 9.1, 9.1.1, 9.1.2, 9.2, 9.6	BCR (Figure 9-1)
b. Are records (logs and/or reports) maintained to show how Management Reserve (MR) is used (sources, control account affected, current value)?	X		5.2.5	MR Log (Figure 5-9) CBB Log (Figure 5-8)
c. Are records (logs and/or reports) maintained to show how undistributed budgets (UB) are controlled (e.g. use, control account affected, current value)?	X		5.2.6	UB Log (Figure 5-10) CBB Log (Figure 5-8)
d. Do procedures specify under what circumstances changes to open work packages may occur and the methods to be followed?	X		5.2.4, 9, 9.1, 9.1.1, 9.1.2, 9.2, 9.6	
e. Are procedures in existence that control replanning of unopened work packages?	X		9.1.1, 9.3, 9.6.1	

f. Does the SD describe and establish a freeze period suitable for forward planning discipline and the integrity of the PMB.	X		9.3, 9.3.7	
g. Are current indirect rates used for changes to future work and reconcilable to the prior indirect rates incorporated in the Performance Measurement Baseline?	X		7.2.4, 7.3,-I,-L, 7.4, 7.4-I,-N	
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 routine accounting adjustments, definitization of contract actions, rate changes, economic price adjustments, customer-directed changes, or correction of errors?	X		6.3.13, 6.6, 9.3.7	
b. Do procedures specify controls for retroactive changes to BCWS, BCWP or ACWP including approval and explanation to ensure existing cost and schedule variances are not arbitrarily eliminated? (e.g. SPA)	X		9.3.7, 9.4.1	
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 authorization?	X		9.1, 9.1.1, 9.2, 9.3, 9.4, 9.4.1	
b. Are procedures established for authorization of budget in excess of the Contract Budget Base (CBB) controlled with requests for establishing an OTB or an OTS initiated by the contractor, and approved by the customer contracting authority?	X		5.2.4, 9.4.1, 9.4.2	
32. Document changes to the Performance Measurement Baseline.				
a. Does the contractor have documented processes to ensure authorized changes to the PMB are incorporated and documented before the commencement of work?	X		5.2.4, 5.2.5, 5.2.6, 9.1, 9.7.1-U, 9.7.2-N	Figure 9-3
b. Does the contractor have documented processes that address traceability and substantiation of baseline change controls that govern authorized changes to work scope, period of performance and budget in the CBB?	X		9.1.2, 9.2, 9.3.1, 9.3.5, 9.4.1, 9.6.2, 9.7.1, 9.7.2	Figure 9-2 Figure 9-3