CHAPTER 3

DEFINITIONS

0301 DEFINITIONS

030101. Center General & Administrative (G&A). The costs of Center activities such as the Center Director and his immediate staff, Center Management, Center Operations and Systems Management, will be managed through a Center G&A pool and allocated to individual projects based upon on-site workforce.

030102. Cost. Cost is the monetary value of resources used or sacrificed, or liabilities incurred to achieve an objective, such as to acquire or produce a good or to perform an activity or service. Costs incurred may benefit current and future periods. In financial accounting and reporting, the costs that apply to an entity's operations for the current accounting period are recognized as expenses of that period unless resulting in a capitalized asset.

030103. Corporate G&A. The costs of Headquarters activities such as the Administrator and his immediate staff, Mission Directorate management, Headquarters Operations management and Functional management will be managed through a Corporate G&A pool and allocated to individual projects, including Corporate G&A activities implemented and managed by the Centers on behalf of the Agency.

030104. Cost Objective. A cost object or cost objective is an activity, output, or item whose cost is to be measured. In a broad sense, a cost object can be an organizational unit, a function, task, product, service, or customer. The basic cost objective will be a single program or project.

030105. Direct Costs. Direct costs are costs obviously or physically related to a project at the time they are incurred and are subject to the influence of the project manager. Examples include contractor-supplied hardware/software and project labor, whether provided by Civil Service or contractor employees.

030106. Expenditure. A term generally used interchangeably with disbursement. An expenditure/disbursement is a payment to an individual or organization for goods furnished or services rendered that liquidates an obligation.

030107. Expense. Expense is the outflow or other use of resources or incurring of liabilities (or a combination of both), the benefits from which apply to an entity's operations for the current accounting period, but do not extend to future periods.

030108. General and Administrative (G&A) Costs. G&A costs are support costs that cannot be directly related or traced to a specific project in an economical manner, but benefit all activities. Such costs are allocated to a project based on a reasonable, consistent basis. Examples of G&A costs include costs associated with financial management, procurement,

security, and legal activities. Functions included in G&A costs are listed in Appendix 1 to this Chapter.

030109. Indirect Cost. Costs that cannot be specifically or immediately identified to a project, but can subsequently be traced or linked to a project and are assigned based on usage or consumption. The three main groups of indirect costs are Corporate G&A, Center G&A and Service pool costs.

030110. Project. A NASA project is defined as an element of a program that is separately managed, separately budgeted, and uniquely identified within the NASA budgeting and accounting system. Further, a project is generally the lowest level at which a performing Center will budget and account for its direct costs and service costs, and to which it allocates its G&A cost.

030111. Program. A program represents one or more projects that address a common theme or higher-level priority activity within NASA.

030112. Service Pools. Service pools, also known as service accounts, are an accumulation of similar costs and cost types that are distributed to projects by an assignment or allocation methodology that best represents the types of costs in the pools.

030113. Service Pool Costs. Service pool costs are costs that cannot be specifically and immediately identified to a project, but can be subsequently traced or linked to a project and assigned based on usage or consumption. Service pool costs will be “charged” or assigned to a project based on project-controlled use of the service. Examples of service pool costs include information technology and fabrication.