

April 16, 2004

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TO: Distribution

FROM: B/Chief Financial Officer

SUBJECT: Clarification on Fiscal Year 2004 Miscellaneous Full Cost Issues

In many ways, FY 2004 marks the beginning of our quest toward excellence in resource and financial management. Due to the implementation of Core Financial, Full Cost, and the development of Budget Formulation, Integrated Asset Management, and other modules planned by the Integrated Financial Management Program, the financial community at NASA will be learning a lot of new material. This and subsequent interim policy statements will clarify the policy requirements necessary for us to reach our goal.

As we continue to execute and manage in full cost, it will be necessary to clarify policy and process issues to help you manage. The enclosed policy paper discusses the bases of consumption for the six FY04 Service Pools, cost assessments, charging and posting labor hours, and rate reviews. As you follow these policies for the remainder of FY04, please consider how they might be improved for the long term, and communicate these ideas directly or when they arise for discussion during the Financial Policy Advisory Group telecons.

Please contact Dr. Lloyd Blanchard at lloyd.a.blanchard@nasa.gov or 202-358-1153 if you have any questions related to financial policy at NASA. Thank you for your support.

Original Signed By

Gwendolyn Sykes Brown

Enclosure