

EACs and the Gate Month in MPM

Control Account EACs

Do Control Account level EACs on the IPMR have to reflect the latest actuals (actuals through the current reporting period)?

- In Deltek MPM, the Control Account EAC uses a Gate Month
 - Actuals through the Gate Month
 - Timephased ETC beyond the Gate Month
- In the past, we moved the gate month only during CEACs
 - EACs would stay the same between comprehensive EACs (barring PMB change)
 - Overruns and underruns would not be reflected between CEACs

Results of Compliance Review

- We received a finding on GL27 during a Compliance Review
 - The Control Account EAC did not equal cum ACWP + timephased ETC
 - (CAM struggled to explain the difference)
- Started to become clear that holding the gate month was going to cause a compliance problem
 - Investigate letting the gate month roll each month
 - Impacts to monthly reporting
 - Impacts to Control Account documentation

Pros and Cons

- Holding the gate month...
 - Does not account for overruns/underruns since the Gate Month
 - Keeps the Control Account EACs the same unless the ETC is adjusted
 - The gate month would often represent the last Comprehensive EAC
 - Adding $ACWP_{cum}$ and Timephased ETC does not equal the Control Account EAC*
- Rolling the gate month each month...
 - Accounts for overruns/underruns through most recent reporting period
 - Results in the Control Account EACs fluctuating somewhat each month (either way)
 - Unless the ETC is adjusted each month to offset (not desirable)
 - The concern was that Control Account EACs fluctuate while the program Most Likely EAC remained the same

* Resulted in a finding in a recent compliance review

Findings

- Using actuals through the most recent account period in EAC calculations increases EAC validity.
- Allowing the Control Account level EACs to fluctuate with monthly overruns/underruns requires change to management culture.
 - Identify thresholds for EAC change documentation
 - Thresholds should be based on VAC to eliminate EAC creep.
 - VAC changes of 10% or more, changes to ETC require documentation
- Assessing EAC Validity (CPI-TCPI) on a monthly basis is required to ensure that EACs are achievable.
 - CPI/TCPI deltas of .1 or more require justification for (or change to) ETC
- Differences between sum of Control Account EACs and the Most Likely EAC in IPMR header should be identified and explained in Format 5.