U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

National Policy

ORDER
2700.37A

Effective date:
10/15/2021

SUBJ: Labor Distribution Reporting

1. Purpose. This order establishes agency-wide Federal Aviation Administration (FAA) policy on Labor Distribution Reporting (LDR).

2. Distribution. This order applies to all FAA employees and managers.

3. Where to Find this Order. You can find this order on the FAA website at http://www.faa.gov/regulations_policies/orders_notices.

4. Cancellation. FAA Order 2700.37 dated July 18, 2001.

5. Background. The 1996 FAA Reauthorization Act directed the FAA to implement a Cost Accounting System (CAS) to achieve financial and operational performance goals used for reporting to the Department. This Act supports the 1990 Chief Financial Officers Act and Managerial Cost Accounting Standards and Concepts FASAB SFFAS No. 4 financial reporting requirement to the Office of Management and Budget. Personnel costs are a substantial part of the FAA cost structure and must be reported accurately. The LDR process involves collecting data on: the time FAA employees, managers, and executives work on projects and tasks; determining the cost of the time; and providing management reports on the time and cost against projects and tasks. Information derived from the LDR process will allow all FAA managers and employees to understand staff resources required for achieving agency goals and objectives.

6. Policy. The FAA will collect paid hours worked by each employee, manager, and executive against identified projects and tasks. No manager may excuse employees from compliance with this LDR policy.

7. Definitions.

a. Alternate Labor Collection Systems: Any front-end labor data collection system that interfaces with the Federal Personnel and Payroll System (FPPS) and Consolidated Automated System for Time and Labor Entry (CASTLE). Examples of alternate labor collection systems include CRU-X/CRU-ART/Air Traffic Operations Management System (ATOMS).

b. Consolidated Automated System for Time and Labor Entry (CASTLE): The Department of Transportation's (DOT) system that provides for time and attendance recordkeeping. The hours reported include Project/Task time worked, overtime hours, compensatory time earned, credit hours earned, and leave taken.

c. Federal Personnel and Payroll System (FPPS): The Department of the Interior's payroll system of record that computes an employee's pay, benefits, aggregation of leave, and withholding amounts.

d. Labor Distribution Reporting (LDR) Implementation: The phases associated with preparing an organization for collecting labor data. LDR implementation begins with planning activities, followed by training, followed by the collection of labor data from all employees, and ends with routine and effective use of LDR data to support evidenced-based resource management decisions made by associate administrators, assistant administrators, and heads of offices.

e. Platform for Unified Reports for the Enterprise (PURE) reports: Labor Reporting system used for monitoring Labor Costs and Labor Distribution Compliance project and task charging.

f. Project: A discrete FAA product or service, an ongoing business process, or an engineering project.

g. Task: A work task, step, or activity actually performed in producing and delivering a product or service or supporting an ongoing business process or project.

8. Form. The CASTLE time and attendance system has an automated Biweekly LDR Input Form used to record projects and tasks for each employee. This form is used unless a Department approved alternate input labor collection system is used that requires different forms and procedures to interface with CASTLE. See appendix A CASTLE LDR form example.

9. Objectives. The primary objective of LDR is to provide accurate visibility of FAA personnel costs. Based on this data, organizational resources can be applied effectively to enable increased efficiency in achieving FAA's mission and accomplishing organizational performance goals. The specific objectives of LDR are to:

a. Provide timely and accurate information that increases the effectiveness of agency resources and program management. Resource management programs that will benefit from this information include budget formulation, budget execution, zero-based budgeting, recruitment strategies, staffing models and standards, allocation of human resources, and performance and accountability reporting.

b. Create employee awareness of how their work contributes toward the accomplishment of the agency's mission and organizational goals and objectives.

c. Support management reforms such as organizational cost and performance management.

d. Enhance FAA's credibility with external stakeholders, such as Congress and industry, by accurately allocating labor costs to the FAA service provided.

e. Maintain overall LDR Compliance Rate at 98% and above for hours reported to valid projects. At all times, all employees are to use codes recommended by their supervisor and avoid

using 12XXFANOPROJ. Organizations are expected to maintain an overall LDR Compliance Rate at 98% and above; that is, the number of hours reported against 12XXFANOPROJ is expected to be 2% or less.

10. Uses of Information. In an effective and meaningful labor distribution environment, employees, supervisors, managers, and executives accept shared roles and responsibilities to ensure the FAA's mission, goals, and objectives are accomplished. The FAA will protect and use the collected data in accordance with FAA Order 1370.121 FAA Information Security and Privacy Program & Policy and FAA policies, including, but not limited to, the Privacy Act, 5 USC 552a, and applicable Privacy Act System of Records Notice. As part of this process, FAA management will use labor distribution information to:

a. Determine investments of FAA resources.

b. Assess and measure through quantitative analysis the cost efficiency and effectiveness of the management of services, programs, projects, special initiatives, and assets.

c. Evaluate labor costs associated with specific projects, programs, services, and special initiatives to identify opportunities for reallocation of resources to achieve better FAA organizational cost and performance management goals.

d. Ensure work tasks and assignments are sufficiently balanced to achieve organizational goals and objectives.

e. Determine, monitor, and assess employee workload and deployment, staffing decisions, and hiring trends and projections.

f. Assess employee work tasks and assignments against organizational priorities.

g. Support budget formulation, allocation, and execution.

h. Capture and capitalize labor hours as appropriate to help support a clean audit opinion.

i. Create Indirect and Reimbursable Rates that are applied to agreements in the financial system.

11. SYSTEM INTERFACE REQUIREMENTS. The Department of Transportation's Consolidated Automated System for Time and Labor Entry (CASTLE) and the Department of the Interior Federal Personnel and Payroll System (FPPS) will be the systems used to collect time and attendance and labor distribution reporting data. These systems have gone through a formal assessment per the National Institute of Standards and Technology (NIST) and Order 1370.121A. The Department and Deputy Assistant Administrator for Financial Services (ABA-1) must approve any front-end alternate labor collection system. The front-end alternate labor collection system must also:

a. Interface with FPPS and CASTLE on a specific time schedule.

b. Have supervisor approval of labor distribution reporting data prior to interfacing with FPPS and CASTLE.

c. Identify each employee uniquely for reconciliation with FPPS and CASTLE.

d. Map the alternate system projects and tasks to the FAA Project Activity Dictionary (PAD) before the data is processed through FPPS and CASTLE. For example, if projects and/or tasks in the alternate system are not consistent with the CAS requirements, this data must be converted to valid Delphi Project Numbers and Tasks, which are mapped to CAS projects and tasks prior to being interfaced.

e. Be consistent with FPPS and CASTLE data requirements (e.g., data element format, length, type, etc.).

f. Meet audit requirements for data integrity (i.e., data must be traceable from its source through the system and the interface processed through FPPS and CASTLE).

g. Meet all Federal and agency privacy requirements, including the Privacy Act of 1974 and information system security requirements under Order 1370.121A FAA Information Security and Privacy Act Program and Policy.

h. Be funded and maintained by the line of business (LOB)/staff office desiring to develop/use the system.

i. Have adequate security controls in place to ensure data integrity, protect the confidentiality, integrity, and availability of the data as defined in NIST SP 800-53, DOT Compendium, and FAA Order 1370.121.

j. Have a solution in place that ensures data retention in accordance with the NARA-approved record retention schedule.

12. Responsibilities.

a. The Deputy Assistant Administrator for Financial Services (ABA-1) manages the overall LDR process, including developing and sustaining a corporate infrastructure that enables the collection of actual compensated time worked by FAA employees against defined projects and tasks. This infrastructure includes managing and maintaining the data quality of the FAA Project Activity Dictionary (PAD), and developing and delivery of FAA LDR training.

b. The Information Security and Privacy Office (AIS) is responsible for performing IT System Security Assessments. System Owners are responsible for complying with the assessment and providing any required artifacts.

c. The Director of Labor and Employee Relations (AHL-1) will work with all employee unions on LDR implementation.

d. Associate administrators, assistant administrators, and the head of each office will:

(1) Establish any unique organizational procedures necessary to meet the needs of their organization in collecting actual compensated time worked by their employees and against defined projects and tasks.

(2) Organizations that use alternate labor collection systems must comply with all the requirements in paragraph 9 and with procedures consistent with this order. Alternate labor collection systems are the responsibility of the individual LOB/SO with such a system to develop, fund, and maintain.

(3) Identify resources to serve as quality assurance resource focal points within the organization.

(4) Fulfill all negotiating obligations with unionized organizations.

(5) Customize, as required, FAA LDR training to meet organizations' needs.

e. FAA supervisors (or designees) will:

(1) Assign project/task codes to employees.

(2) Review and approve LDR data submitted by employees at the end of each pay period concurrent with review and approval of time and attendance.

f. Quality Assurance Resource (QAR) focal points will monitor organizational compliance with LDR policies and charging practices, ensure data integrity, manage the process for requesting new project/task codes, distribute project/task codes, and understand/answer questions about LDR data in the Platform for Unified Reports for the Enterprise (PURE) reports within each LOB/staff office.

g. The Department of Transportation will retain electronic CASTLE/LDR records for six years per applicable Office of Management and Budget (OMB), NARA GRS 2.4 Item 030, DAA-GRS-2013-0003-0001 Item 010, DOT, and FAA records management policies.

h. Each employee will submit their report of hours worked, by project and activity, at the end of each pay period in CASTLE or an approved alternate front-end labor collection system. Employees should record their time by project, at a minimum, on a daily basis. To ensure data integrity and proper financial treatment of labor distribution information, employees shall:

(1) Submit a CASTLE LDR entry form at the end of each pay period identifying hours worked by project and task. Hours identified for LDR must equal CASTLE paid time and attendance hours. A CASTLE electronic LDR form submitted by the employee is considered acceptable as a signature.

(2) Comply with the labor and leave policies described in the FAA Human Resource Policy Manual (HRPM), applicable collective bargaining agreements, as well as LOB or SO-specific labor reporting policies and guidance.

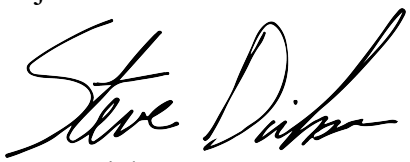
(3) Use only authorized project and task codes to ensure data quality. Hours not reported are recorded as "No Project" must be amended within two pay periods.

(4) Record only paid time, including preapproved overtime. Paid time is the number of hours (or minutes in the case of overtime) actually worked, plus leave taken during a pay period. Leave includes annual, sick, credit hours, compensation time, and all other types of leave.

(5) Only record compensatory hours and credit hours earned to projects and tasks when directed by the LOB QAR, and the CASTLE system has been set up to allow entry.

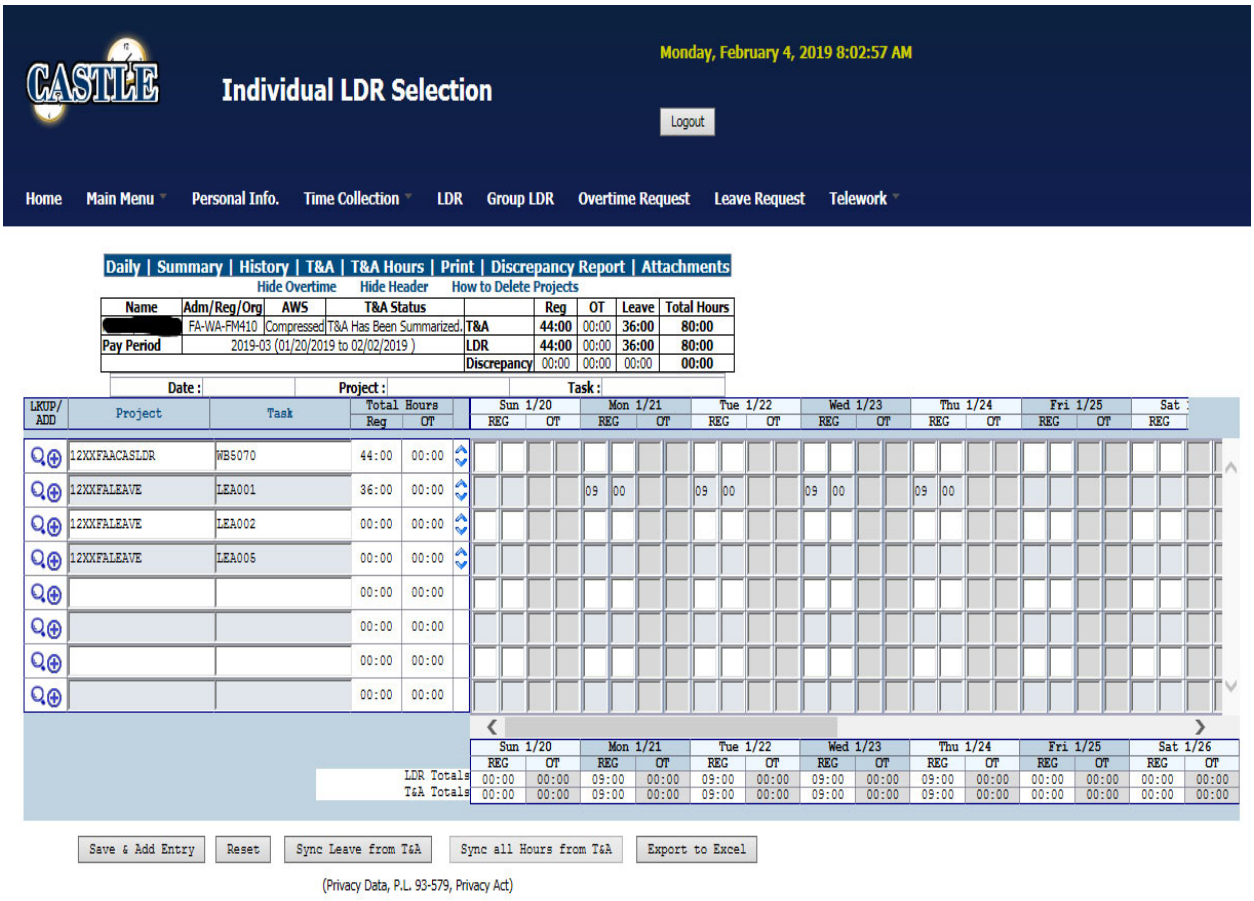
(6) When possible, record time in one-hour or 15-minute increments to valid project and task codes on a daily basis (at a minimum) in the CASTLE LDR system. Employees may charge time in smaller increments when charging leave or overtime. Although overtime may be earned in minute increments, charging time in one-minute increments can cause rounding errors between CASTLE T&A and LDR System; therefore, employees are encouraged to charge time in 15, 30, or 45-minute increments when needed.

(7) Employees may amend/correct LDR recorded time that falls within 26 prior pay periods. If an amendment/correction is necessary, employees are encouraged to take action within two pay periods of when the incorrect project and/ or task codes were used or when "No Project" hours occurred.



Steve Dickson
Administrator

Appendix A. Federal Aviation Administration
Castle Bi-Weekly Entry Screen Example



Appendix B. Administrative Information Distribution.

1. Distribution. This order is available to everyone in the FAA.

2. Authority to Change This Order. The issuance, revision, or cancellation of the material in this order is the responsibility of AFM-400.

3. Suggestions for Improvements. Please forward all comments on deficiencies, clarifications, or improvements regarding the contents of this order to FinancialServices@faa.gov. Your suggestions are welcome. FAA Form 1320-19, Directive Feedback Information, is located on the myFAA website at http://www.faa.gov/documentLibrary/media/Form/FAA_Form_1320-19_Directives_Feedback.pdf

4. Records Management. Refer to FAA Order 0000.1, *FAA Standard Subject Classification System*; FAA Order 1350.14, *Records Management*; or your office Records Management Officer (RMO)/Directives Management Officer (DMO) for guidance regarding retention or disposition of records.