

CHAPTER 18

PUBLIC ENTERPRISE AND TRUST FUNDS1801 GENERAL

This chapter identifies the policies and procedures to guide budget execution for public enterprise and trust funds.

1802 BACKGROUND

180201. This guidance is applicable to the following Funds:

Public Enterprise Funds

National Defense Stockpile Transaction Fund

Army Conventional Ammunition Working Capital Fund

Pentagon Reservation Maintenance Revolving Fund (PRMRF)

National Defense Sealift Fund

Buildings Maintenance Fund (BMF)

Trust Funds

National Security Education Trust Fund

Department of the Navy Trust Revolving Funds *

Department of the Air Force Trust Revolving Funds *

Surcharge Collections, Sales of Commissary Stores, Defense

* Exempt from apportionment

180202. Appropriations usually are provided to start, increase the size, or replace significant losses of a public enterprise or trust fund. Also, existing resources in other accounts may be transferred to a revolving fund as capitalized assets to serve these same purposes in lieu of an appropriation. The resources used to commence or increase the size of a revolving fund are commonly referred to as “the corpus of the public enterprise or trust fund.” The corpus forms the nucleus of resources used to acquire the items needed to perform the mission of the public enterprise or trust fund.

180203. Revenues are generated in DoD public enterprise or trust funds from customers buying goods or services. The funds collected from customers are used to pay for the acquisition of resources needed to operate the public enterprise or trust fund. In public enterprise or trust funds that are apportioned by the OMB, the ability to incur obligations is limited to the amount of authority approved for obligation during the budget review as amended by unanticipated events during execution. A DD Form 1105, “Apportionment and Reapportionment Schedule,” is required to be submitted to the OMB for approval of the amount of obligation authority needed for the operation of the public enterprise or trust fund for a fiscal period, usually a full fiscal year.

Budgetary resources available for apportionment action include:

- A. New budget authority (appropriations).
- B. Available unobligated balances at the beginning of the fiscal period.
- C. Reimbursements and other income (also known as offsetting collections credited to the appropriation or fund account).
- D. Recoveries of prior year obligations.
- E. Restorations.
- F. Anticipated contract authority.

180204. The apportionment of anticipated reimbursements as obligational authority in no way authorizes a public enterprise or trust fund to obligate in excess of the orders received from within the Federal Government and advances received for orders outside the Federal Government. Orders from state, local, and foreign governments are considered to be orders from the public.

180205. Other assets, whether of a working capital nature such as inventories of stock or of a fixed asset nature, are not considered as a budgetary resource. Such assets, therefore, do not enter into the determination of unobligated balances. However, claims against budgetary resources, such as accounts payable and undelivered orders, are obligations of a public enterprise or trust fund and must be subtracted from unobligated balances when incurred. Obligations for the procurement of inventories, as well as for the acquisition of other public enterprise or trust fund assets, must be recognized, recorded, and reported along with other obligations.

180206. The amount of contract authority apportioned or the available balance of contract authority may be less than the total budgetary resources available in a working capital fund. The difference, which cannot be obligated unless it is apportioned, may be characterized either as an unapportioned balance of a public enterprise or trust fund or a restrictive withholding. The concept of an unapportioned balance is one of preserving a portion of the fund's capital so it may continue to revolve or represents those resources not scheduled for obligation within a fiscal year.

180207. The incurring of obligations or authorizing the incurrence of obligations in excess of apportioned budgetary resources must be reported as an apparent violation of the Antideficiency Act, as required by DoD Directive 7200.1. This reporting requirement applies whether or not a public enterprise or trust fund has unapportioned budgetary resources or nonbudgetary assets greater than the amount of the deficiency.

1803 EXECUTION REQUIREMENTS

180301. Apportionment - A DD Form 1105 (Apportionment and Reapportionment Schedule) is to be prepared by the managing DoD Component and submitted to the ODC(P/B)

Directorate for Revolving Funds or Directorate for Investment for the National Defense Stockpile Transaction Fund the William Langer Jewel Bearing Plant Revolving Fund; the National Defense Sealift Fund (Investment); the Emergency Response Fund; the Surcharge Collections, Sales of Commissary Stores, Defense account; the Army Conventional Ammunition Working Capital Fund; the Pentagon Reservation Maintenance Revolving Fund; the Buildings Maintenance Funds; and any other Public Enterprise or Management Fund to which the Congress appropriates funds. The DD Form 1105 will be reviewed and submitted by the OUSD(C) to the OMB for approval.

180302. Annual Operating Budget - The ODC(P/B) Directorate for Revolving Funds or Directorate for Investment will issue funding documents to the applicable DoD Component granting authority to incur cost or obligate funds for the National Defense Stockpile Transaction Fund; the William Langer Jewel Bearing Plant Revolving Fund; the National Defense Sealift Fund (Investment); the Emergency Response Fund; the Surcharge Collections, Sales of Commissary Stores, Defense account; the Army Conventional Ammunition Working Capital Fund, the Buildings Maintenance Fund; and the Pentagon Reservation Maintenance Revolving Fund. Each operating budget provides an obligation limitation (subject to 31 U.S.C. 1517a) which, if exceeded, is a statutory violation. Each Component is responsible for taking actions that maintain a positive cash balance in order to remain solvent and enable operations (disbursements) to continue. It is a statutory violation for a Component's cash to go below zero at any time. A sample of a funding document is on the next page.

180303. Adjusting Component Resources Based on budget execution experience, Components periodically request the ODC(P/B) Directorate for Revolving Funds or Investment to adjust their obligation limitations. Unless the Congress has provided a specific limitation or other direction that would preclude making a requested adjustment, a Component's request will be evaluated on the merit of the justification provided. If approved by ODC(P/B), a revised apportionment will be requested from OMB and, if approved by OMB, the Component-requested revision will be reflected as a revised limitation of the applicable operating budget.

180304. Execution Review The ODC(P/B) Directorate for Revolving Funds or Investment receives a monthly DD Form 1176 Report (Report on Budget Execution) for each account (see Chapter 4, Volume 6 of this Regulation). In addition, revenue and expense statements, similar to the statement of operations for working capital funds (see Chapter 70, Volume 11B of this Regulation), are received for the PRMRF and BMF accounts. Each account is reviewed to determine actual results of operation in comparison with plans provided by the Components by month for obligations, disbursements, and collections, as well as revenue, expense, and net operating results for those using income statements, and for civilian full-time equivalents (FTEs) or military strength for those whose budgets include personnel support. When there are significant deviations from plan in actual execution, the ODC(P/B) analyst and the Component mutually determine the management actions that may be required to bring execution back into line with the plan, or the need for and justification to revise plans consistent with current and more realistic financial expectations.

(NAME OF FUND AND APPROPRIATION CODE) (FISCAL YEAR) RESOURCE AUTHORITY			
ACTIVITY	LIMITATIONS		
	Previously Approved	This Adjustment	Revised Approved
FY 19CY Program Cost of Goods/Services Produced Obligations Appropriation Capital Purchase	\$ \$ \$ \$	\$ \$ \$ \$	\$ \$ \$ \$
<p>LIMITATION: Although the Cost of Goods/Services Produced shown in the Revised Approved column does not represent a limitation subject to the provision of the Antideficiency Act (31 U.S.C. 1517), costs are not to be incurred in excess of the Revised Approved amounts shown without the specific prior approval of the Director for Revolving Funds, Office of the Deputy Comptroller (Program/Budget).</p> <p>The Revised Approved column for Obligations, Appropriation, and Capital Purchase authority do represent limitations subject to the provision of the Antideficiency Act (31 U.S.C. 1517).</p> <p>AUTHORITY: Resource Authority provided is no greater than the OMB-apportioned budgetary resources, if applicable, or is equal to current estimated requirements based on known workload and is within the scope and intent of the program approved by the Congress.</p> <p>DESCRIPTION OF SUPPORT: (A general description of goods or services provided for which obligation authority is required.)</p>			
Authorization No. ACCOUNT (FY)-1	Date		Approved