

Department of Transportation

Office of the Secretary

Washington, D.C.

ORDER

DOT 1700.8

8/2/67

SUBJECT: WORKING CAPITAL FUND

1. PURPOSE. This order provides for and assigns to the Assistant Secretary for Administration responsibility for the establishment, development, and operation of the Departmental working capital fund authorized by the Department of Transportation Act.

2. BACKGROUND.

a. Section 9j of Public Law 89-670, Department of Transportation Act, provides, in part, as follows:

"The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department. . . . The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are hereby authorized) and the fair and reasonable value of such stocks of supplies, equipment and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain said fund.

b. A working capital fund of the kind contemplated by the Act is an administrative means of achieving the efficiencies and cost benefits of centralized management, and usually of centralized operation, of common administrative services, while at the same time providing a means for the distribution of costs to the users.

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3. POLICY. An administrative service required by more than one organizational component of the Department (OST and operating administrations) will be placed under working capital fund financing and management, wherever an evaluation of the relevant factors makes it evident that economies without a derogation of service, or improved service without offsetting increases in cost, will accrue from working capital fund treatment of the function.
4. RESPONSIBILITY AND AUTHORITY. The Assistant Secretary for Administration is hereby authorized and directed:
 - a. To identify services which warrant study for possible placement under the working capital fund.
 - b. To provide for an objective review and analysis of the factors to be taken into account in evaluating the desirability of assigning a service to the working capital fund; in so doing, to utilize the assistance of special study groups, with appropriate operating administration representation, in the gathering and analysis of the facts relevant to the economic and management advantages of the proposal.
 - c. To present to the Secretary each report on which he supports the recommendation that working capital fund treatment of a service will be advantageous to the Department, together with the views of the heads of the operating administrations concerned, and his own recommendations.
 - d. To establish and operate the working capital fund to cover services approved by the Secretary for such treatment.
 - e. To report to the Secretary and the heads of the operating administrations, not later than 15 working days following the end of each quarter, on the status of the working capital fund.
 - f. To establish procedures, criteria, and systems, as necessary to the exercise of the foregoing responsibilities.
5. SCOPE. The provisions of this Order apply to the Office of the Secretary and the operating administrations. In addition, pursuant to delegation by the National Transportation Safety Board under Section 5(m) of the Department of Transportation Act, this directive is applicable to the National Transportation Safety Board.



Alan S. Boyd
Secretary of Transportation