COURSE SYLLABUS

Non-Defense Working Capital Funds Course

Build a working knowledge of revolving fund operations in civilian federal agencies, including budgeting, cost accounting, and rate stabilization.

Group classes in Live Online and onsite training is available for this course. For more information, email onsite@graduateschool.edu or visit: https://sdfm.graduateschool.edu/courses/nondefense-working-capital-funds

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Course Outline

Module 1: The Legislative and Historical Basis of Working Capital Funds

- Examine the origin of Working Capital Funds (WCF) and their legislative foundation.
- Differentiate between appropriated funds and WCFs, including their operational characteristics.
- Explore the historical development of WCFs in defense and civilian agencies.
- Understand the role of WCF charters and regulations in guiding fund operations.

Module 2: The Operating Objectives of a Working Capital Fund

- Identify the primary objectives of WCF operations in efficiency, cost recovery, and customer service.
- Understand customer-provider relationships and incentives in a WCF environment.
- Analyze the role of cost allocation and pricing in achieving full cost recovery.
- Learn methods to promote cross-servicing and effective resource use in federal agencies.

Module 3: The Financial Concepts Used in a Working Capital Fund

- Understand key WCF financial terms and objectives.
- Analyze the relationship between financial statements such as the Balance Sheet and Net Cost Statement.
- Explore concepts like Net Operating Results, Accumulated Operating Results, and break-even principles.
- Review the reporting and accounting requirements for WCF operations.

Module 4: Cost Elements of a Working Capital Fund

- Distinguish between direct, indirect, fixed, variable, and semi-variable costs in WCF operations.
- Understand cost allocation methods and their effect on pricing and performance.
- Learn unit cost concepts and methodologies for cost control.
- Explore the impact of depreciation, maintenance, and cancellations on WCF costs.

Module 5: Budget Formulation in a Working Capital Fund

- Understand the steps in developing a performance-based budget for WCF operations.
- Analyze the role of customer orders in shaping WCF budgets.

- Review congressional and OMB requirements for budget submissions.
- Identify the importance of accurate rate projections in customer budgeting.

Module 6: Rate Development in a Working Capital Fund

- Learn types of rates and pricing strategies in WCFs, including actual and allocated costs.
- Understand stabilized rates and their importance for budget planning.
- Develop methods for calculating surcharges and add-on percentages.
- Explore cost allocation fairness and customer engagement in rate-setting.

Module 7: Budget Execution

- Review the budget execution process from apportionment to outlay in WCF operations.
- Understand allotment, obligation, and expenditure procedures.
- Learn strategies for modifying budgets in response to changing conditions.
- Explore reporting requirements and mid-year review processes.

Module 8: Project Orders and Economy Act Orders

- Differentiate between Project Orders and Economy Act Orders in WCF operations.
- Understand legal requirements and funding rules for each order type.
- Review processes for accepting and recording customer orders.
- Examine rules for serving non-federal customers and managing reimbursable agreements.

Module 9: Cash Management and Cost Control

- Define cash management and its importance in WCF operations.
- Identify causes and prevention of negative cash balances and Antideficiency Act violations.
- Implement strategies for revenue generation and timely collections.
- Review fiduciary responsibilities for all WCF stakeholders.

Module 10: Capital Investment

- Understand the purpose and funding of Capital Investment Programs (CIP) in WCFs.
- Learn capitalization and depreciation rules under federal accounting standards.
- Apply criteria for capitalizing improvements and upgrades.
- Review agency requirements for justifying and budgeting capital assets.

Module 11: Managing Inventory

- Recognize the types and costs associated with WCF inventory.
- Learn best practices for inventory control, including JIT and supply chain management.
- Understand the relationship between inventory management and NOR.
- Identify and address inventory variances and inefficiencies.

Module 12: Revenue Recognition in a WCF

- Apply appropriate revenue recognition methods for various WCF activities.
- Understand the percentage of completion method for manufacturing operations.
- Differentiate between revenue recognition and billing cycles.
- Recognize the impact of revised cost estimates on recognized revenue.

Module 13: Financial Analysis

- Use key financial ratios such as current, quick, and inventory turnover in WCF analysis.
- Understand the significance of the Net Operating Result in WCF performance.
- Evaluate financial health using ratio trends and industry benchmarks.

- Identify performance indicators affecting solvency and efficiency.

Module 14: Cost Accounting

- Learn the role of cost accounting in tracking and allocating WCF costs.
- Distinguish between job cost and process cost systems.
- Identify direct, indirect, fixed, variable, and semi-variable costs.
- Understand how cost allocation impacts pricing and NOR.

Module 15: Reporting Results

- Understand the GPRA framework and performance reporting requirements.
- Identify internal, OMB, congressional, and public reporting requirements.
- Recognize the link between performance data and funding decisions.
- Comply with quarterly and annual financial reporting obligations.

Module 16: Creating New Working Capital Funds—Internal and External

- Identify opportunities for adding new business lines or creating new WCFs.
- Differentiate between internal and external WCF creation processes.
- Understand OMB and congressional requirements for WCF authorization.
- Prepare the business case for a new WCF or expansion.

Module 17: Terminating Working Capital Funds and Their Products

- Recognize conditions under which a WCF or product line should be terminated.
- Identify financial, legislative, and competitive factors in termination decisions.
- Follow congressional procedures for WCF de-authorization and fund closure.
- Evaluate customer base viability and long-term sustainability.