
PRICING POLICIES

General

Working Capital Fund “pricing policies” provide the methodologies approved by the Board for translating program customer behavior into financial transactions with the Fund. Pricing policies are intended to advance the objectives of the Fund – efficiency, fairness, and flexibility – and to satisfy the requirements of (i) the Fund’s authorizing legislation, (ii) the criteria set forth in congressional report language, and (iii) general Federal practices and procedures for full-cost accounting and intragovernmental transactions.

One of the main purposes of the Blue Book is to explain to customers how their monthly Working Capital Fund bills are calculated. The detailed methodologies are set forth in separate tabs for each business line in this edition. This section provides an overview of those policies and a summary of the linkages between program customer efforts to become more cost-conscious in use of Fund services and the Department’s efforts to become more efficient. Customers should rely on the detailed methodologies described for each business, rather than this overview, when planning transactions with the Fund.

Supplies

The Board’s policy is that each Headquarters element will pay the actual cost of its supplies. Supplies may be purchased at the self-service supply store operated through the Fund or purchased directly from authorized vendors (subject to the laws and regulations government acquisition of Federal office supplies). For FY 2003, in addition to the normal Working Capital Fund bill, organizations will receive monthly detailed reports on their purchases from the supply stores and be asked to validate that these purchases reflect official uses.

Mail Services

The Board’s policy is to divide the mail services into seven components:

1. Offices will pay the actual dollar meter value for outgoing United States Postal Service mail;
2. Offices will pay actual cost for Federal Express or other special mail;
3. Offices will pay for internal mail distribution based on the number of mail stops;
4. Offices pay for Mail Security based on their percentages of incoming USPS mail;
5. Offices pay for Express Mail labor based on their percentage of both incoming and outgoing special mail;
6. Offices pay for USPS Outgoing labor based on their percentage of outgoing mail; and
7. Offices will pay for special services on a negotiated basis.
8. Copying
9. The Board’s pricing policy is that each office pay the full cost to maintain and supply its assigned dedicated copiers. For walkup and staffed copiers, a cost per copy is calculated and programs are charged based on the number of copies made by program staff. Starting in FY 2003, the business will also be offering digitization services to customers on a cost-reimbursable basis.

Printing and Graphics

The Board's pricing policy is that organizations will pay for direct printing and graphics costs as well as Federal Register costs. Additionally, customer organizations pay a share of internal distribution costs, based on printing activity, plus a share of graphics contractual, maintenance and depreciation costs as a percentage allocation of costs incurred in the previous fiscal year.

Building Occupancy

On a building-by-building basis, direct rental value of the space assigned to each organization is calculated, using General Services Administration factors. Then the common use space costs in each building are divided among the tenants of that building based on their proportional shares of direct cost. Space costs are based on areas expected to be assigned to each organization at the beginning of the Fiscal Year. Certain additional costs, such as common use area alterations and health and safety programs, are allocated as a percentage addition to the building-by-building charges described above. Program specific building alterations are charged directly to the programs.

Telephones:

The Board's policy is to allocate telephone charges as follows:

1. First, the infrastructure costs, including the CENTREX charges for staff located in leased facilities, will be allocated among program organizations based on the number of phone lines. Since the Fund's inception, program customers have been validating, and reducing, the number of phone lines.
2. Second, the costs of dedicated communication circuits will be allocated to those organizations requesting installation of such lines.
3. Finally, long distance and local and international calls will be charged to programs based on the actual billing information received from long-distance service providers.

Desktop Support

The Board's policy is to divide the Desktop Support into two components:

1. Help Desk Services such as virus protection, decontamination support, adaptive workstation support, software support, and applix support will be charged to benefiting organizations;
2. Costs to facilitate day-to-day operations of standard hardware plus the costs for desktop equipment repair will be charged as an annual subscription for maintenance or warranty administration, or on a Time and Material basis, where program managers have the option to obtain such services from private vendors.

Networking:

The Board's policy is to allocate Networking charges as follows:

1. Local Area Network infrastructure is charged to each program organization based on the number of Local Area Network (LAN) connections to the system; and
2. DOEnet Infrastructure related to DOE Wide Area Network is charged to each program organization based on measured transmission usage, with incremental CHRIS usage charged according to proportion of DOE population for each program.

Contract Closeouts

The Board adopted a policy that each Headquarters element pay for actual closeout cost, determined by the unit price of each contract instrument type and chosen level of service.

Payroll and Personnel

The Board adopted the policy to charge each organization an annual fee based on the number of employee on board at the beginning of the fiscal year.

Online Learning

The Board's policy is to recover costs for the OLC through a fixed base annual cost paid by participating DOE organizations plus the cost per user for course subscriptions.

Schedule of Payments

Barring a lapse in appropriations, customers should authorize advance payment to the fund no later than the effective date of the December financial Plan (AFP). Timely payments to the Fund are required so that the various business lines can acquire goods and services within established procurement deadlines as well as to ensure payments are made to vendors within the guidelines of the Prompt Payment Act. CFO written guidance, "Working Capital Fund, Administrative Control of Funds", was approved by the Executive Board of the Fund at its meeting of September 16, 1997 and reads as follows:

"Funds shall be (1) collected at the beginning of the fiscal year and (2) sufficient to cover estimated costs of providing the goods and services for the fiscal year. In situations where full funding is not appropriated; i.e., during the period of a continuing resolution, a pro rata share of the customer organization's advance payment shall be paid to the WCF until full funding becomes available".

In order to facilitate advances to the Working Capital Fund, we have developed a standard Funding Authorization Memorandum, a copy of which follows this page. Upon receipt of the memorandum, the Fund staff enters funding advances or adjustments into the WCF Billing System. The funding information is compiled monthly and transferred to the Department's accounting system, DISCAS.

Sample Advance Memorandum

memorandum

DATE:

TO: Bob Emond
Working Capital Fund, ME-15

FROM: (Program Office)

SUBJECT: Authorization for Advance Payment to the Working Capital Fund

This memorandum provides this organization=s FY 2003 operating plan for goods and services provided through the Working Capital Fund. The Fund is hereby authorized to record advance payments toward total projected annual requirements, as itemized below. As more information becomes available concerning actual usage rates for each business line, additional authorization may be necessary to adjust funding to actual costs incurred.

Appropriate funding classifications and corresponding funding amounts are shown on the Advance Payment Authorization Table, below. Where no payment allocations are indicated for individual business lines, apportion funding in proportion to annual costs projected to be incurred, based upon actual historical costs for the current and/or prior fiscal year. Where more than one Budget and Reporting (B&R) code and/or fund type is indicated, actual costs incurred may be assessed in the same proportion as funding is provided, within each business line, unless otherwise specified. It is understood that the amounts hereby specified do not constitute constraints on spending and that Working Capital Fund charges are assessed based upon actual costs incurred by this organization.

Appropriation:

Allotment Symbol:

Fin Plan/Fund Type:

B&R (first six digits):

Amount this action:

Total Payment YTD:

CC: George Tengan, ME-14