

**WORKING CAPITAL FUND BOARD
MINUTES OF THE MEETING
August 21, 2002**

(1) Introduction

The Board Chair, Howard Borgstrom, called the meeting to order. Howard introduced Maria Mikitka from OMB to the Board.

(2) Approval of Minutes, April 10, 2002 Meeting

The Board adopted the minutes of April 10, 2002 WCF Board meeting without objection.

(3) Third Quarter Report

Howard Borgstrom presented the report to the Board with a discussion of cumulative net earnings and their impact on fund activities. He discussed the need for a working group to analyze cost factors in the mail business. He asked for members to let him know by the end of August, their interest in participating.

(4) OCR - Digitization

The copy business ran a pilot of this technology for Energy Efficiency for its Countries Study. John Millhone addressed the Board with his experience using this technology and expressed his satisfaction with the business support he received from the copy business. The Board supported the business decision to purchase the necessary equipment and approved without dissent to change the Copy pricing policy to allow the business to charge program customers through the Fund for digitization of DOE documents on a usage basis beginning FY 2003. The Charges will be: scan only - \$.20; scan and OCF - \$.28; and scan, OCR and microfilm - \$.35.

(5) Payroll Outsourcing – Status Update

The business reported progress analyzing Defense Finance and Accounting Service (DFAS) as an outsourcing alternative. They will call a session of the working group to discuss price proposals from DFAS in the next two weeks.

(6) Write-off of Telephone Asset

Howard Borgstrom reported to the Board efforts to adopt a shorter asset life for telephone equipment. That request is under review for impacts on other DOE field elements. This accounting treatment will result in a loss of approximately \$ 9 million in the year it is reported; however, it will have no impact on customer

billings or charges to appropriations accounts. If the write-off does not occur in FY 2002, we will expect it to occur in early FY 2003.

(7) Desktop Usage for Customer Billing in FY 2003

The current pricing policy for the Desktop Business was initiated after March 31, 2002 and charged infrastructure expenses to programs allocated by a percentage of LAN lines in each program. The Board unanimously approved a proposal to begin in FY 2003 charging specific business segments; software support, adaptive support, applix support, decontamination support, and virus support; to programs based on their share of the consumption of these services. The basis for monthly charges will be average actual usage over the past six months; for example, in October the charges for each program will be the average monthly usage for that program over the period April through September 2002.

(8) Fund Studies for Board Review

a. Business Line Five-year Plans

Building, Closeout, Payroll, IT, Mail, Copy and Printing and Graphics.

b. WCF Manual

Comments requested by August 30

c. Indirect Cost Analysis

On the Web site

(9) FY 2004 Budget Estimates

Budget Estimates for the OMB Budget have not changed since the Corporate Budget and can be found on the web site.

(10) The Board voted to adjourn.

DRAFT, August, 2002

Representing the Board:

ME	Howard Borgstrom	SC	John Rodney Clark
FE	Chuck Roy	EM	Barbara Male
EI	Steve Durbin	NE	Wade Carroll
SO	Rosalie Jordan	OA	Lesley Gasperow
NA	Roger Lewis	PI	Jon Mathis
CIO	Gordon Errington		

ATTENDEES:

Maria Mikitka – OMB
Ann Warnick - IM
Richard Minning - IM
Coreen Leonard - IM
Laura Brown – PA/CI
Barry Schrum – IG
Kent Hibben – HG
Camille Jagessar – PI
Maria Northington – PA/CI
Lang Soo Hoo – NE
Michelle Livingston - PML
Dick Levan - RW
Jeanne Beard – IM
Penny Gardner - IM
Dee Barnes – IM
Bill Marlow – BPA
Roger Seifert – BPA
Ron Shores – IM
Tim Fox – SO
Diane Friis - SO

ME

Roscoe Harris
John Harrison
Willie Mae Ingram
Tony Nellums
Enid Levine
Michael Fraser
Jeffrey Rubenstein
Kathryn Schanck
George Tengan
Bob Emond
Dianne Cane
David Melander
Dallas Woodruff
Louis D'Angelo
Denise Diggin
Terry Butler
Laurie Morman
Brian Costlow
Deborah Black
Mary Anderson
Jayne Ross
Adrienne Moss
Joann Luczak
Sandra Jackson
Shirley Woodruff
Al Majors
Michael Shincovich
Doug Bielan
Steven Apicella