

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

DEPARTMENTAL REGULATION	NUMBER: DR 1043-040
SUBJECT: Assignment of Responsibilities for Review and Oversight of Working Capital Fund Activities	DATE: November 22, 2021
OPI: Office of the Chief Financial Officer, Working Capital Fund	EXPIRATION DATE: November 22, 2026

<u>Section</u>	<u>Page</u>
1. Purpose	1
2. Special Instructions/Cancellations	1
3. Scope	2
4. Policy	2
5. Roles and Responsibilities	3
6. Inquiries	7
Appendix A – Acronyms and Abbreviations	A-1
Appendix B – Definitions	B-1
Appendix C – Authorities and References	C-1

1. PURPOSE

- a. This Departmental Regulation (DR) identifies United States Department of Agriculture (USDA) individuals and organizations responsible for the financial health and efficient operation of activities supported by the Departmental Working Capital Fund (WCF).
- b. The DR describes the roles and responsibilities of the Chief Financial Officer (CFO), the Chief Information Officer (CIO), the Assistant Secretary for Administration (ASA), the WCF Advisory Committee (the “Committee”), the Controller of the WCF, and others as they relate to the financial management of the WCF and as they conform to statutory requirements and Departmental policy.

2. SPECIAL INSTRUCTIONS/CANCELLATIONS

- a. This DR supersedes DR 1043-040, *Assignment of Responsibilities for Review and Oversight of Working Capital Fund Activities*, dated March 5, 2021.

- b. Policies, individuals, organizations, roles, and responsibilities described herein apply to the administration of the WCF under the authority of [7 United States Code \(U.S.C.\) § 2235](#), *Working capital fund established; use of central services by bureaus, etc., of the Department*. They do not apply to Shared Cost Programs or Central Cost Distribution Programs.

3. SCOPE

This directive applies to:

- a. The CFO;
- b. The CIO;
- c. The ASA;
- d. Under and Assistant Secretaries (Mission Areas);
- e. The Director, Office of Budget and Program Analysis (OBPA);
- f. Department-level General Officers;
- g. The WCF Controller; and
- h. Activity Centers.

4. POLICY

- a. The WCF is the Department's financing mechanism for the provision of centrally managed activities of a business-like nature. The recovery of all operating costs incurred by entities financed by the WCF must be via reimbursements from customer agencies unless there is a statutory exception.
- b. All WCF financed activity centers must use full cost recovery methods based on customer agency use of services provided. The methods must reflect the cost and volume of services provided to each customer agency. Allocation methods (e.g., those based on Full Time Equivalent (FTE) employee counts) are to be used as a last resort and only with the approval of the WCF Controller.
- c. The WCF has been designated as the Department's information technology (IT) WCF under provisions of the *Modernizing Government Technology (MGT) Act*, [Public Law \(P.L.\) No. 115-91](#), §§ 1076-1078. The WCF established a separate Technology Fund over which the CIO has sole authority. The Technology Fund supports IT

Modernization, Cybersecurity, and Cloud Migration efforts in accordance with the provisions of the MGT Act.

- d. The WCF Advisory Committee, a high-level senior management group, has been established to provide the CFO with advice and counsel concerning the management of the WCF.

The Committee consists of:

- (1) The CFO, who must serve as Chairperson of the Committee. The CFO may, at their sole discretion, delegate responsibilities under this section to the Deputy CFO;
- (2) The CIO, who must serve as Vice-Chairperson of the Committee. The CIO may, at their sole discretion, delegate responsibilities under this section to the Deputy CIO;
- (3) The ASA, who may, at their sole discretion, delegate responsibilities under this section to the Deputy ASA;
- (4) The Controller of the WCF. The WCF Controller may, at their sole discretion, delegate responsibilities under this section to the Office of the Chief Financial Officer (OCFO) WCF Division Director;
- (5) The Director, OBPA. The OBPA Director may, at their sole discretion, delegate responsibilities under this section to the OBPA Associate Director or a Deputy Director;
- (6) A WCF Work Group Chairperson and Work Group Vice-Chairperson. The WCF Advisory Committee will select a Work Group Chairperson and Vice-Chairperson from its full membership among the Mission Area representatives. The Work Group Chairperson serves as the principal point of contact between the Committee and WCF management; and
- (7) Department-level General Officers (Directors). These Directors may, at their sole discretion, delegate responsibilities under this section to their designated Deputy or Associate Director.

5. ROLES AND RESPONSABILITIES

- a. General

The CFO, the CIO, the WCF Controller, activity center managers, and the WCF Advisory Committee must cooperate to the greatest extent in carrying out all responsibilities, including studies, reviews, and other internal control processes aimed at improvement or oversight of the Fund's activities.

b. The CFO will:

- (1) Exercise overall management authority over financial aspects of the WCF activities, and those activity centers under the OCFO (or equivalent organizational unit) supported by the WCF;
- (2) Be ultimately responsible for the financial health of the WCF;
- (3) Approve the new or expanded centralized services financed under the WCF, before submission to the Secretary and transmittal to the Office of Management and Budget (OMB) per 7 U.S.C. § 2235. The WCF Controller will coordinate the submission of such requests with OBPA; and
- (4) Implement recommendations of the WCF Advisory Committee that the CFO deems to be in the best interests of the Department, its agencies, and its mission, subject to concurrence by the Secretary.

c. The CIO will:

- (1) Serve as a member of the WCF Advisory Committee;
- (2) Develop programs to improve the performance of IT activities financed by the WCF;
- (3) Oversee aspects of service delivery and activity operation over IT activity centers under the Office of the Chief Information Officer (or equivalent organizational unit) supported by the WCF;
- (4) Oversee the preparation of proposals for new or expanded centralized IT services per 7 U.S.C. § 2235. The CIO works in partnership with the CFO to submit the requests through the WCF Controller, who is responsible for coordination with OBPA;
- (5) Ensure that all activities, products, analyses, and directives from the Committee, including those with budgetary impact, are compliant with prevailing IT statutes and regulations;
- (6) Conduct technical reviews of all IT investment proposals to be funded by the WCF, including those to be funded by the WCF as the Department's IT WCF under the authority of the MGT Act; and
- (7) Have sole decision-making authority over the Technology Fund, including over its management and oversight. The Technology Fund supports IT Modernization, Cyber Security, and Cloud Migration efforts in accordance with the provision of the MGT Act.

- d. The ASA will:
 - (1) Serve as a voting member of the WCF Advisory Committee; and
 - (2) Develop programs to improve the performance of administrative service activities financed by the WCF.
- e. The Associate CFO for Financial Policy and Planning will:
 - (1) Serve as the WCF Controller;
 - (2) Exercise day-to-day management responsibilities for the WCF, including, but not limited to:
 - (a) Review of capital investment, operating, and WCF reimbursement estimates;
 - (b) Preparation of periodic financial reports (e.g., agency cost-share estimates, status of funds reports) and financial statements;
 - (c) Implementation of policies, procedures, mechanisms, and controls necessary to ensure the effective financial performance of the WCF; and
 - (d) Review and approve all cost recovery methodologies employed by activity centers to recover operating costs;
 - (3) Serve as the primary advisor to the CFO on matters of WCF financial operations and general management issues;
 - (4) Serve as a member of the WCF Advisory Committee;
 - (5) Serve as the Executive Secretary to the WCF Advisory Committee; and
 - (6) Reflect WCF decisions in Departmental Estimates to OBPA as part of the budget formulation process.
- f. The Director, OBPA, will:
 - (1) Serve as a member of the WCF Advisory Committee;
 - (2) Coordinate with the WCF Controller on WCF budget submission timelines to ensure alignment with Department-level dates; and
 - (3) In consultation with the CIO and CFO, ensure consistency between Departmental Budget estimates and *Federal Information Technology Acquisition Reform Act*

(FITARA), [P.L. No. 113-291](#), §§ 831-837 requirements for WCF IT budgeted amounts.

g. Activity Center Managers must:

- (1) Oversee and administer activity center operations per their organizational delegations of authority;
- (2) Administer the delivery of goods and services to customer agencies;
- (3) Develop, subject to the approval of the WCF Controller, cost recovery methods that recover all costs of services provided to customer agencies;
- (4) Present, at the discretion of WCF management and the WCF Advisory Committee, reports, requests, or proposals for the following:
 - (a) Annual estimates of operating budgets and staffing;
 - (b) New activity centers, reorganization of existing activity centers, or expansion of services in current activity centers;
 - (c) The financial position of the activity center (e.g., status of funds); and
 - (d) Provide the CFO, the WCF Controller, the CIO, and the WCF Advisory Committee with any other information and help requested to the fullest extent possible.

h. The WCF Advisory Committee will:

- (1) Serve as the primary representative body for Departmental Under and Assistant Secretaries whose agencies use goods and services financed by the WCF;
- (2) Serve as the primary representative body for Mission Areas, agencies, and staff offices benefitting from WCF-supported systems and services;
- (3) Provide recommendations to the CFO on the financial management of WCF activities, and reimbursements, including operating funding and staffing estimates;
- (4) Provide recommendations to the CFO on the management, administration, and oversight of WCF activities;
- (5) Provide, at the request of the CFO, recommendations on:
 - (a) Proposals for new services in the WCF;
 - (b) Proposals for the closing, consolidation, or transfer of existing activities;

- (c) WCF policies and procedures; and
 - (d) Other items that the CFO deems vital to ensure the effective management of the WCF;
- (6) Establish working groups to assist the Committee in fulfilling its responsibilities. The duties of the working groups may include, but are not limited to:
- (a) Select an individual from among its membership to serve as WCF Work Group Chairperson;
 - (b) Conduct detailed reviews of activity center operating estimates, and proposals for new WCF services (at the request of the CFO);
 - (c) Conduct special reviews of WCF financial and operational activities at the request of the WCF Advisory Committee (this does not prevent the CFO, CIO, or the WCF Controller from conducting reviews independently of the Committee in a manner consistent with their respective authorities and responsibilities for WCF management);
 - (d) Conduct special reviews of proposals to reorganize, merge, or end WCF activity centers or services; and
 - (e) Other such analytical and administrative support the WCF Advisory Committee deems necessary.

6. INQUIRIES

All USDA Mission Areas, agencies, and staff offices should direct questions and inquiries regarding the DR 1043-040 to the WCF via email at USDAWCF@usda.gov.

-END-

APPENDIX A

ACRONYMS AND ABBREVIATIONS

ASA	Assistant Secretary for Administration
CFO	Chief Financial Officer
CIO	Chief Information Officer
DG	Departmental Guidebook
DR	Departmental Regulation
FITARA	Federal Information Technology Acquisition Reform Act
FTE	Full Time Equivalent
IT	Information Technology
MGT	Modernizing Government Technology Act
OBPA	Office of Budget and Program Analysis
OCFO	Office of the Chief Financial Officer
OMB	Office of Management and Budget
P.L.	Public Law
U.S.C.	United States Code
USDA	United States Department of Agriculture
WCF	Working Capital Fund

APPENDIX B

DEFINITIONS

Activity Center. Activity Center is an entity financed, in whole or in part, under the WCF that provides one or more related business services to agencies of the Department as a centrally managed unit.

Agency. Organizational units of the Department, other than staff offices, whose heads report to officials within the Office of the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and Assistant to the Secretary. (Source: USDA, Departmental Guidebook [\(DG\) 0100-002](#), *USDA Departmental Directives Definitions Glossary*)

Customer Agency. A Customer Agency is any Mission Area, agency, or staff office of the Department or a Non-USDA entity that will reimburse operating costs to the WCF Activity Centers for its services.

Mission Area. A group of agencies with related functions that report to the same Under or Assistant Secretary. Research, Education, and Economics (REE) is an example of a Mission Area. (Source: USDA, DG 0100-002)

Staff Office. Departmental administrative offices whose heads report to officials within the Office of the Secretary. (Source: USDA, DG 0100-002)

APPENDIX C

AUTHORITIES AND REFERENCES

[7 U.S.C. § 2235](#), *Working capital fund established; use of central services by bureaus, etc., of the Department*

Federal Information Technology Acquisition Reform Act (FITARA), [P.L. No. 113-291](#), *National Defense Appropriations Act for 2015*, Title VIII, Subtitle D, §§ 831-837, December 19, 2014, as amended

Modernizing Government Technology (MGT) Act, [P.L. No. 115-91](#), *National Defense Authorization Act for Fiscal Year 2018*, Title X, Subtitle G, §§ 1076-1078, December 12, 2017

USDA, [DG 0100-002](#), *USDA Departmental Directives Definitions Glossary*, September 26, 2018