

WORKING CAPITAL FUND

INTRODUCTION

In FY 2014, FDA launched a multi-year initiative to define and evaluate the cost of centrally administered services provided internally to Centers and Offices. The aim of this initiative was to create a structure to be managed under a Working Capital Fund (WCF) that provides FDA with greater visibility into budget and management decisions for these services.

As an intra-governmental revolving fund, the WCF allows FDA to operate in a more efficient business environment by relying on the collection of funds through customer billings. The fund helps FDA achieve the following:

- Enhance budget justifications and user fee negotiations with additional cost information on centrally administered services
- Streamline budget decisions under an integrated governance and financial infrastructure
- Create a customer-focused and service-oriented mechanism by improving customer investment and management decisions.

STRUCTURE

Program Management

To directly support the operation of the WCF, FDA has established a WCF program management team to be responsible for the fund's management and execution, communications, financial and performance reports, policy and documentation management, and change management activities. The Cost Allocation and Recovery Services group serves as the WCF program management team. The group is in the Office of Finance, Budget and Acquisitions within the Office of Operations.

Governance

In FY 2017, FDA established a governance structure to support the WCF. This governance structure, referred to as The Working Capital Fund Council (WCFC), consists of:

- FDA's Chief Operating Officer (COO)
- Chief Financial Officer (CFO)
- Center Directors (customers)
- Service Provider Directors (providers).

This group serves as a steering committee for the WCF Program at large and represents the decision-making body for topics such as budget, cost recovery methodology, and policy direction.

A Working Group made up of Executive Officers from each of FDA's Centers supports the WCFC by reviewing Program operations and making recommendations to the WCFC. Additionally, the Working Group includes representatives from service providers, customers, and the Office of Finance, Budget and Acquisitions (OFBA). This Working Group reviews service catalogs, consumption metrics, and proposed budgets for the annual Cost Allocation assessments associated with the WCF.

While the scope of these governance bodies is expected to evolve as the Program matures, its roles and responsibilities will, at a minimum, include the following:

- Provide direction and oversight to activities and policies of the Cost Allocation Program
- Review activities and services to be included or excluded in the WCF
- Coordinate with councils to review and approve cost allocation frameworks, resulting service rates, efficiency and performance targets, and approval parameters to manage risk
- Provide support for any needed reviews of WCF financial and operational processes and present findings to FDA leadership.

PROGRAM DESCRIPTION

The WCF provides funding for a wide array of services across FDA's programs, managed by Offices housed in FDA Office of Operations. Each of the services fall under categories described in more detail in this section. Each service was identified as an ideal candidate for a WCF based on the following criteria:

- Services are centrally managed and provided for internal customers across FDA, appropriate for a charge-back structure
- Data regarding consumption-based activities and services with appropriate and suitable cost data is available to assess and approximate the full costs to FDA
- Services provided at the Agency level reduce or eliminate redundancy and achieve economies of scale.

Information Technology

Information Technology (IT) services provide FDA customers with information, communication, knowledge infrastructure and quality customer service delivery to enhance and sustain systems and IT operations. These services support:

- personal and mobile computing
- enterprise applications
- professional IT services
- related training and support resources.

Informatics and technology-based innovation needs are addressed through the study, development, and testing of prototypes to make recommendations addressing:

- key mission activities related to big data and analytics
- cloud and high performance scientific computing
- mobility
- digitization
- open data.

IT support further ensures the appropriate security controls are applied to FDA systems to protect privacy and ensuring confidentiality, integrity, and availability of FDA information in accordance with Federal, Department and Agency regulations. The IT function manages technology strategies to reduce costs through the elimination of duplication efforts and adopting new technology to improve services, and leverage knowledge and resources to reduce security and system failures.

Human Resources

Human Resources (HR) services support FDA's workforce through the provision of labor support services. These support services include:

- benefits and retirement
- worker's compensation
- HR policy development and accountability
- staffing services
- FDA University employee development programs and training opportunities.

HR support allows FDA to work with labor unions and address labor practices through the employee and labor relations programs, as well as the ability to address the Commissioned Corps' unique needs. Additional information systems support, workforce and demographic data reporting, and information dissemination strategies are managed Agency-wide to support enterprise human resources system needs.

Facilities and Environmental Management

Facilities and Environmental Management services incorporate a broad range of vital needs to support a safe and sustainable working environment. These services include:

- lease and facilities project management
- maintenance and logistics support
- strategy and performance management.

To maintain a safe working environment, FDA centrally manages occupational safety and health programs, special security operations, and physical and personnel security. These services require collaboration and communication with the Department's other HHS Operating Divisions to meet a wide range of policy requirements.

Finance and Procurement

Finance and Procurement services enable FDA to perform budgetary, financial, acquisition, and grants functions. The support includes:

- contracts, grant awards and administration
- the implementation of all FDA policies and procedures governing acquisitions
- inter-agency agreements
- grants management.

In addition, financial, accounting, managerial and reporting services are provided to stakeholders, along with policy guidance and travel support in accordance with standards and requirements. Budget execution, control and compliance services further enable FDA to provide guidance, high-level analysis, and reliable data to ensure dollars are utilized in accordance with the Congressional intent and FDA's mission.

Administrative

Administrative operations provide FDA employees and stakeholders with additional services to further support day-to-day functions and needs. These services include:

- equal employment opportunities

- a work environment that values and supports diversity
- ethics and integrity assistance to help current and former employees avoid conflicts of interest and follow laws and regulations in their business activities.

The Paperwork Reduction Act (PRA) Team also is made available to FDA customers requiring information collection guidance, and related compliance reporting and rulemakings.