

CHAPTER 1**APPENDIX 2****OBJECTIVES OF THE NATIONAL AERONAUTICS AND SPACE
ADMINISTRATION WORKING CAPITAL FUND**

A. The National Aeronautics and Space Administration (NASA) Working Capital Fund (WCF) is designed to:

1. Provide a more effective means for controlling the costs of goods and services produced or furnished by NASA WCF business entities, and a more effective means for financing, budgeting, and accounting for the costs thereof.
2. Create and recognize contractual relationships between NASA WCF business entities and those activities that budget for and order the end goods or services.
3. Provide managers of NASA WCF business entities the financial authority and flexibility required to procure and effectively use manpower, materials, and other resources.
4. Encourage more cross servicing within NASA and among the federal departments and agencies, with the aim of obtaining more economical use of facilities.
5. Facilitate budgeting for and reporting of the costs of end products. This will underline the cost consequences of choosing between alternatives.

B. Specific objectives include the following:

1. Furnish managers of NASA WCF business entities with modern management tools comparable to those utilized by efficient private enterprises engaged in similar types of activities.
2. Improve cost estimating and cost control through comparison of estimates and actual costs.
3. Obtain alert, forward-looking financial planning at NASA WCF business entities by making them financially dependent on reimbursements received for goods and services furnished in fulfilling orders from customers.
4. Encourage producers of goods and services to coordinate labor forces and inventories with workload, budgeting, and cost control.
5. Instill in the officials of ordering activities a greater sense of responsibility and self-restraint in balancing the cost of specific goods and services to be ordered against the benefits and advantages of their procurement, especially in the light of alternative or competing demands.

6. Place ordering agencies in the position of critically evaluating purchase prices (that is, costs of performing business entities) as well as quality and timely delivery of goods and services ordered.

7. Enable ordering agencies to budget and account on an “end-product” basis (the same as when buying from commercial contractors), thereby simplifying budget planning, budget presentations, budgetary control, and accounting procedures for both producers and ordering agencies.

8. Establish, whenever feasible, standard prices or stabilized rates and unit prices for goods and services furnished by NASA WCF business entities, thus enabling ordering Agencies to more confidently plan and budget.

9. Encourage ordering agencies’ management to improve program planning and scheduling in response to producers’ efforts to plan and negotiate for orders as far in advance as feasible.

10. Provide flexibility within budget cycles to respond to changes in supply and demand.