

VOLUME 3, CHAPTER 18: “PUBLIC ENTERPRISE AND TRUST FUNDS”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue and underlined font***](#).

The previous version dated [September 2008](#) is archived.

| PARAGRAPH | EXPLANATION OF CHANGE/REVISION | PURPOSE |
|------------------|---|----------------|
| Overall | Administrative: editorial changes for clarity and consistency with other chapters | Refresh |
| 3.2 (180302) | Administrative: removed reference and sample format for the Resource Authority Funding Document, which has been replaced with either the Funds Authorization Document presented in Chapter 2 or the Annual Operating Budget presented in Chapter 19 | Revision |

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CHAPTER 18

PUBLIC ENTERPRISE AND TRUST FUNDS

1.0 GENERAL (1801)

This chapter identifies the policies and procedures to guide budget execution for public enterprise and trust funds.

2.0 BACKGROUND (1802)

2.1 Applicable Funds (180201)

This guidance is applicable to the following Funds:

Public Enterprise Funds

National Defense Stockpile Transaction Fund

Pentagon Reservation Maintenance Revolving Fund (PRMRF)

National Defense Sealift Fund

Buildings Maintenance Fund (BMF)

Trust Funds

National Security Education Trust Fund

Department of the Navy Trust Revolving Funds *

Department of the Air Force Trust Revolving Funds *

Surcharge Collections, Sales of Commissary Stores, Defense

*Exempt from apportionment

2.2 The Corpus (180202)

The term “corpus” commonly refers to the resources available as capital in a fund. Capital resources are provided to commence or increase the size of a fund. The initial corpus is usually provided by a direct appropriation. It forms the nucleus of resources used to acquire items needed to perform the mission of the fund. Existing resources, transferred as capitalized assets, may also serve the same purpose as an appropriation to start, increase the size, or replace significant losses of a public enterprise or trust fund.

2.3 Revenues (180203)

Department of Defense (DoD) public enterprise or trust funds generate revenues from the sale of goods or services to customers. Customer reimbursements replenish the corpus for resources obligated and expended to fulfill the customers’ orders.

2.4 Apportionment (180204)

In public enterprise or trust funds that are apportioned by the Office of Management and Budget (OMB), the ability to incur obligations is limited to the amount apportioned on the Standard Form (SF) 132, Apportionment and Reapportionment Schedule. Budgetary resources and authority available for apportionment include:

2.4.1. New budget authority (appropriations)

2.4.2. Unobligated balances available from the prior fiscal year

2.4.3. Spending authority from offsetting collections (reimbursements and other income)

2.4.4. Recoveries of prior year obligations

2.4.5. Restorations

2.4.6. Contract authority

2.5 Apportionment of Anticipated Reimbursements (180205)

The apportionment of spending authority (commonly referred to as “reimbursable authority”) reflects anticipated reimbursements; it does not authorize a public enterprise or trust fund to obligate its apportioned reimbursable program in excess of the funded orders received from within the Federal Government and advances received for orders outside the Federal Government.

2.6 Assets (180206)

Physical assets such as inventories or buildings and equipment are not budgetary resources because they do not provide a direct monetary source for outlays that liquidate budgetary transactions (obligations). Such assets, therefore, do not increase the amount of obligation authority available when calculating unobligated balances.

2.7 Contract Authority (180207)

Contract authority provides legal authority to enter into contracts and incur obligations *before* budgetary resources are available. Obligations incurred using contract authority may not be liquidated until funded by offsetting collections or other budgetary resources. The apportionment limits the amount of contract authority available for obligation.

2.8 Anti-Deficiency Act (180208)

Incurring or authorizing obligations in excess of apportioned budgetary resources is a potential violation of the Anti-Deficiency Act that must be reported in accordance with DoD Directive 7200.1. This reporting requirement applies whether or not a public enterprise or trust fund has unapportioned budgetary resources or other assets greater than the amount of the deficiency.

3.0 EXECUTION REQUIREMENTS (1803)

3.1 Apportionment and Reapportionment (180301)

The appropriate OUSD(C) (P/B) Directorate (e.g., Revolving Funds, Investment, etc.) submits requests for public enterprise and trust fund apportionments and reapportionments to the OUSD(C) (P/B) Directorate for Program and Financial Control (P&FC), in accordance with Chapter 2.

3.2 Annual Operating Budget (180302)

The appropriate OUSD(C) (P/B) Directorate issues an initial Funds Authorization Document (FAD) in accordance with Chapter 2 or an initial Annual Operating Budget (AOB) in accordance with Chapter 19 for each public enterprise or trust fund prior to the beginning of the fiscal year. To avoid potential violations of the Anti-Deficiency Act, each Component using a fund to finance activities is responsible for taking actions to maintain a positive cash balance and restrict obligations to the amount authorized in the AOB or FAD.

3.3 Adjusting Component Resources (180303)

Components periodically request that OUSD(C) (P/B) adjust their obligation limits based on execution. The appropriate OUSD(C) (P/B) Directorate will evaluate the Component's request based on the merit of the justification provided, unless Congress has provided a specific limitation or other direction that would preclude making the adjustment. If approved, the OUSD(C) (P/B) will request reapportionment from OMB and, upon reapportionment, provide a revised FAD or AOB to the Component.

3.4 Execution Review (180304)

The appropriate OUSD(C) (P/B) Directorate reviews the monthly SF 133, Report on Budget Execution, for each account to compare actual results with plans provided by the Components. Reviewed elements include obligations, disbursements, collections, revenue, expense, net operating results, civilian full-time equivalents (FTEs), and military strength, if applicable. When execution deviates significantly from plan, the OUSD(C) (P/B) analyst and the Component will mutually determine the management actions that may be required to bring execution back into line with the plan, or revise the plan to be more consistent with current realistic expectations.