



# MILITARY SEALIFT COMMAND

## Funding MSC Operations

Prepared for Military Sealift Command  
by Emprise Corporation

UNCLASSIFIED//FOUO



# Learning Objectives

- The overarching objective of this module is to introduce you to the types of funding used to fund MSC operations
- At the conclusion of this module, you will understand and be able to describe the following:
  - Funding for MSC operations
    - Navy Working Capital Funds
    - Transportation Working Capital Funds
    - Reimbursable Support Agreements



# Funding for MSC Operations

- Majority of federal government operations are funded using appropriated funds
- MSC does not directly receive appropriated funds
- MSC operations funded using:
  - Working capital funding
  - Reimbursable funding



# Working Capital Funds

- **Revolving funds that allow MSC to deliver goods and services without fiscal year appropriation constraints, subject to customers reimbursing working capital fund using their appropriated funds**
- **Majority of MSC operations funded through either:**
  - Navy Working Capital Fund, or
  - Transportation Working Capital Fund



# Working Capital Fund Operations

- **Working capital fund activities fund their operations by:**
  - **Establishing stabilized rate (i.e., fixed unit cost) for goods and services to be delivered to each customer during given fiscal year**
  - **Accepting orders for goods and services from customer**
  - **Using corpus funds to finance cost of operations to fulfill customer orders**
  - **Billing customer based upon number of units delivered using approved stabilized rate**
  - **Using customer payment for goods and service received to reimburse corpus**



# Working Capital Fund Advantages

- **Leverages principles of free-market system**
- **Provides total visibility of costs, including direct, indirect, and general and administrative costs, for providers and customers**
- **Stabilized rate policy:**
  - **Reduces disruptive fluctuations in planned workload levels, permitting more effective utilization of resources by providers**
  - **Protects appropriated fund customers from unforeseen cost changes in execution year**



# Reimbursable Support Agreements

- **Reimbursable support agreements include:**
  - Interagency support - support provided between agencies within DOD
  - Intragovernmental support - support provided between DOD and non-DOD federal activities
- **Types of reimbursable support agreements:**
  - Project Orders (POs)
  - Economy Act Orders (EAOs)
  - Requests for Contractual Procurement (RCPs)



# Project Order

- **Definite and specific\_order issued for procurement of material, or for repair, maintenance, or overhaul of equipment**





# Economy Act Order

- **Work requests used for normal, routine, day-to-day operations, such as custodial services, trash and garbage removal, routine maintenance, level of effort contracts and all severable efforts**



# Request for Contractual Procurement

- Request for supplying activity to enter into contractual arrangement with a third party directly citing requesting activity's accounting line
  - Third party will charge requesting activity's account directly vice charging supplying activity's account



# Funding Reimbursable Support Agreements

- **Reimbursable Support Agreements do not provide funding**
- **Funding provided through:**
  - **Order for Work and Services, NAVCOMPT Form 2275**
  - **Request for Contractual Procurement, NAVCOMPT Form 2276**
  - **Request for Order for Work and Service/Direct Citation, NAVCOMPT Form 2276A**
  - **Military Interdepartmental Purchase Request (MIPR) DD Form 448**



# Let's Review

- **What are the major sources of funding for MSC operations?**
- **What are some of the advantages of working capital funding for providers of goods and services?**
- **What are some of the advantages of working capital funding for customers?**
- **What type of reimbursable support agreement is periodically used in connection with MSC engineering and M&R procurements?**



# Summary

- **During this module, we have discussed:**
  - **Funding for MSC operations**
    - **Navy Working Capital Funds**
    - **Transportation Working Capital Funds**
    - **Reimbursable Support Agreements**



# Final Questions





# Revision History

Date	Version	Description	Author
5/12/19	0.0	Draft presentation	Gary Fields
7/10/19	0.1	Revised training module purpose on slide 2	Gary Fields