



## Testimony

Before the Subcommittee on Oversight  
and Investigations, Committee on  
Veterans' Affairs, House of  
Representatives

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# REVOLVING FUNDS

## Key Features

Statement of Julia C. Matta, Deputy General Counsel

# GAO Highlights

Highlights of [GAO-24-107270](#), a testimony before the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, House of Representatives

## Why GAO Did This Study

GAO's mission is to support Congress in meeting its constitutional responsibilities, including its oversight of the use of public funds. GAO has particular expertise in the area of appropriations law, which governs the use of appropriations made by Congress and protects Congress's power of the purse. GAO's *Principles of Federal Appropriations Law* manual provides information on many topics related to this area of the law, including revolving funds.

The hearing is to examine revolving funds at the Department of Veterans Affairs. GAO's testimony provides background information on revolving funds. This testimony is based on GAO's prior legal work related to revolving funds, including the *Principles of Federal Appropriations Law* manual.

This testimony describes key features of revolving funds, including their establishment, types of revolving funds, and the applicability of key appropriations law principles.

View [GAO-24-107270](#). For more information, contact Julia C. Matta at (202) 512-4023 or [MattaJ@gao.gov](mailto:MattaJ@gao.gov).

January 17, 2024

## REVOLVING FUNDS

### Key Features

## What GAO Found

Only Congress can make public money available to federal agencies. Congress does so by making appropriations, which take a variety of forms. One such form is a revolving fund, which authorizes an agency to retain and use specified receipts for particular purposes. Revolving funds are intended to finance cyclical, business-like operations. The activity financed by a revolving fund will collect receipts from the public or other federal agencies and use those receipts to finance the fund's ongoing operations. Often, the activity supported by a revolving fund will become self-sustaining, eliminating the need for future annual appropriations.

There is a key feature of revolving funds that distinguishes them from other appropriations: the receipts collected by the fund are available without the need for further congressional action and without fiscal year limitation.

Even so, revolving funds remain appropriations. As such, they can only be created by Congress. Agencies must have explicit statutory authority to operate a revolving fund. The statute authorizing the creation of a revolving fund will specify the receipts which the fund may collect and retain, define the fund's authorized uses, and authorize the agency to use the collected receipts for the specified purposes without fiscal year limitation.

In addition, revolving funds are subject to the legal restrictions on the use of appropriated funds. These restrictions include:

- The purpose statute, which requires that agencies use appropriated funds only for the purposes for which Congress appropriated them;
- The Antideficiency Act, which forbids agencies from incurring obligations (that is, legal liabilities to make payments) or making expenditures that exceed the amount available in an appropriation or fund; and
- The recording statute, which requires agencies to record obligations against available appropriations as they incur them.

Similarly, agencies doing business with a revolving fund must also comply with appropriations law restrictions. These requirements ensure that revolving funds—like other appropriations—are spent in accordance with the law.

Prior GAO work has addressed many agency activities financed by various revolving funds, as well as the financial and management issues that arise as agencies carry out revolving fund activities.

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B-335844

GAO-24-107270

Chairwoman Kiggans, Ranking Member Mrvan, and Members of the Subcommittee:

Thank you for the opportunity to discuss key features of revolving funds, including how they are established, revolving fund types, and the applicability of key appropriations law principles. Like all appropriations, revolving funds represent an exercise of Congress' power of the purse. The framers vested Congress with this power by providing in the Constitution that "[n]o Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law."<sup>1</sup> Appropriations represent legal authority granted by Congress to incur obligations and to make payments for the purposes, during the time periods, and up to the amount limitations specified in the appropriations acts.<sup>2</sup> This arrangement ensures that the government remains accountable to the will of the people and provides a key check on the power of the other branches. It also ensures that agencies may not act without authority from Congress.

Congress has built on this constitutional foundation by enacting statutes that further congressional control over the public fisc. For example, the "miscellaneous receipts" statute, 31 U.S.C. § 3302(b), requires agencies to deposit funds received from sources outside of congressional appropriations into the appropriate general fund of the Treasury, unless the agency is otherwise authorized to retain and use the funds. Without an appropriation, agencies may not withdraw funds from the Treasury once deposited. This statute ensures that agencies remain dependent on Congress for appropriations to finance their operations, preserving Congress' role as controller of the public purse.

Applying these appropriations statutes requires balancing Congress' congressional power of the purse with the legitimate need for some executive flexibility in carrying out funded activities. This balance is notable in the area of revolving funds.

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<sup>1</sup> U.S. Const., art. I, § 9, cl. 7.

<sup>2</sup> See *United States ex rel. Becker v. Westinghouse Savannah River Co.*, 305 F.3d 284, 286 n. 1 (4<sup>th</sup> Cir. 2002), citing GAO, *Principles of Federal Appropriations Law*, Vol. 1, 2<sup>nd</sup> ed., ch. 1, OGC-94-33 (Washington, D.C.: Nov. 1991).

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Typical statutory authority for a revolving fund permits an agency to retain receipts and deposit them into the fund to finance the fund's operations.<sup>3</sup> Revolving funds are therefore exceptions to the miscellaneous receipts statute discussed above. The concept of a revolving fund is to permit the financing of some entity or activity on a more "business-like" basis. Laws that establish revolving funds may authorize agencies to perform work for the public, other federal agencies, or both. A 1977 GAO report summarized revolving funds in this way:

"In concept, expenditures from the revolving fund generate receipts which, in turn, are earmarked for new expenditures, thereby making the Government activity a self-sustaining enterprise. The concept is aimed at selected Government programs in which a buyer/seller relationship exists. . . . Such a market atmosphere is intended to create incentives for customers and managers of revolving funds to protect their self-interest through cost control and economic restraint, similar to those that exist in the private business sector."<sup>4</sup>

This description remains as true today as it was nearly 50 years ago. Thus, a revolving fund amounts to "a permanent authorization for a program to be financed, in whole or in part, through the use of its collections to carry out future operations."<sup>5</sup> Importantly, revolving funds are appropriations and are therefore subject to the legal restrictions on the use of appropriated funds. A key feature of revolving funds distinguishes them from annual appropriations: the generated or collected receipts are available for expenditure for the authorized purposes of the fund without the need for further congressional action and without fiscal year limitation. Because of this feature, revolving funds are permanent appropriations.<sup>6</sup>

From an agency perspective, revolving fund authority provides a few advantages: increased flexibility for the agency, as funds are available without further congressional action; increased flexibility as funds are available without fiscal year limitation; and streamlined interagency

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<sup>3</sup> See GAO, *A Glossary of Terms Used in the Federal Budget Process*, [GAO-05-734SP](#) (Washington, D.C.: Sept. 2005), at 88 (Budget Glossary).

<sup>4</sup> GAO, *Revolving Funds: Full Disclosure Needed for Better Congressional Control*, [GAO/PAD-77-25](#) (Washington, D.C.: Aug. 30, 1977), at 2; see also GAO, *Commerce Working Capital Fund: Policy and Performance Measure Enhancements Could Help Strengthen Management*, [GAO-23-104624](#) (Washington, D.C.: Dec. 2022).

<sup>5</sup> *Id.* at 47.

<sup>6</sup> Budget Glossary, at 88.

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transactions that avoid the legal and administrative requirements of the Economy Act.

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## Establishment of Revolving Funds

Perhaps the most fundamental rule relating to revolving funds is that a federal agency may not establish a revolving fund unless it has specific statutory authority to do so. As stated previously, the miscellaneous receipts statute requires that any money a federal agency receives from any source outside of its congressional appropriations be deposited in the general fund of the Treasury unless otherwise provided. Since this requirement is statutory, exceptions must be statutory. Thus, agencies have no authority to administratively establish revolving funds.

The legislative authority creating a revolving fund must be explicit, though there is no prescribed formula. There is a long-established pattern of using the term “revolving fund” to mean the authority to retain specified receipts and to use them for authorized purposes without further congressional action and without fiscal year limitation.<sup>7</sup> However, as long as the statute contains the required elements, use of the phrase “revolving fund” is not necessary. To create a revolving fund, a statute must do the following:

- Specify the receipts or collections which the agency is authorized to credit to the fund;
- Define the fund’s authorized uses;
- Authorize the agency to use receipts for those purposes without fiscal year limitation.

The receipts in a revolving fund may be generally categorized as either initial receipts or ongoing/operational receipts. The typical revolving fund may receive an initial infusion of working capital to enable it to finance operations until the fund begins to receive operational receipts. The initial capital is normally furnished as part of the legislation establishing the fund, and there may be a requirement that the fund repay the initial investment. The initial funds may be in the form of a lump-sum appropriation, a transfer from an existing appropriation or fund, a transfer of property, borrowing authority, or some combination of these.

After the initial capitalization, the defining feature of a revolving fund is its ability to retain and use ongoing receipts. A revolving fund can also mean “a fund which when reduced is replenished by new funds from specific

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<sup>7</sup> B-209680, Feb. 24, 1983; 1 Comp. Gen. 704 (1922); 26 Comp. Dec. 295 (1919).

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sources,” whether or not generated by the fund’s operations.<sup>8</sup> The statute will prescribe the types of receipts that may be credited to the fund, and only these authorized receipts may be credited to the fund’s balance.

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## Revolving Fund Types

GAO has identified three broad categories of revolving funds—public enterprise, trust, and intragovernmental. These designations are helpful in organizing our discussion, but they do not denote substantive legal differences, with the exception of trust funds. Since all three categories are revolving funds, they share the common elements of revolving funds: they are created by act of Congress and they authorize the use of receipts without further congressional action.

*A public enterprise revolving fund* derives most of its receipts from sources outside the federal government. It usually involves a business-type operation which generates receipts that are in turn used to finance a continuing cycle of operations. Although not necessarily legally required, public enterprise funds are often largely self-sustaining.<sup>9</sup>

*A trust revolving fund account* is similar to other types of revolving funds except that it is used for specific purposes or programs in accordance with a statute that designates the fund as a trust fund.

*An intragovernmental revolving fund’s* receipts come primarily from other government agencies, programs, or activities. It is designed to carry out a cycle of business-type operations with other federal agencies or separately funded components of the same agency. Some intragovernmental revolving funds perform services or provide goods themselves, while others enter into contracts with private vendors.

Intragovernmental funds include funds frequently designated in law as supply funds, working capital funds, and franchise funds, among others. Supply funds finance the operation and maintenance of an agency’s supply system. Working capital funds generally finance the centralized provision of common services within an agency. Working capital funds may also provide goods or services to other agencies on a reimbursable basis. A franchise fund is a type of intragovernmental revolving fund designed to compete with similar funds of other agencies to provide common administrative services. Examples of such services include accounting, financial management, information resources management,

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<sup>8</sup> 23 Comp. Gen. 986, 988 (1944).

<sup>9</sup> B-302962, June 10, 2005.

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personnel, contracting, payroll, security, and training. Franchise funds are intended to encourage competition among agencies in providing these services to increase efficiency and reduce costs.

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## Applicability of Key Appropriations Law Principles to Revolving Funds

All of the types of funds discussed above share a fundamentally important characteristic of revolving funds: they are all appropriations. Hence, funds in a revolving fund are appropriated funds. This rule flows from the Appropriations Clause of the Constitution and the miscellaneous receipts statute,<sup>10</sup> which together require the deposit of receipts and restrict the withdrawal of those receipts from the Treasury.<sup>11</sup> The authority for an agency to obligate or expend collections without further congressional action amounts to a continuing appropriation or permanent appropriation of the collections.<sup>12</sup> Even revolving funds that have paid back an initial capitalization and become self-sustaining remain appropriations.<sup>13</sup>

Because a revolving fund is an appropriation, it will be subject to the statutes that guide and restrain agencies' use of appropriated funds. Appropriations have three key characteristics: purpose, time, and amount. Appropriations are also subject to a recording requirement for obligations. Congress has enacted statutes that pertain to each of these characteristics, and these statutes apply to revolving funds.

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## Purpose

The purpose statute requires that appropriated funds may be used only for the purposes for which they were appropriated.<sup>14</sup> The purpose statute applies to revolving funds in exactly the same manner as it applies to other appropriations.

First and foremost, we look to the statute creating the revolving fund to determine the fund's authorized purposes. The terms of the statute, in conjunction with other applicable statutory provisions, define the fund's availability. For example, prior to its 2009 amendment, the General Services Administration's Working Capital Fund, which was available for the expenses of operating "a central blueprinting, photostating, and

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<sup>10</sup> 31 U.S.C. § 3302(b).

<sup>11</sup> U.S. Const., art. I, § 9, cl. 7; 31 U.S.C. § 3302(b).

<sup>12</sup> *United Biscuit Co. of America v. Wirtz*, 359 F.2d 206, 212 (D.C. Cir. 1965), *cert. denied*, 384 U.S. 971 (1966); 73 Comp. Gen. 321 (1994).

<sup>13</sup> 60 Comp. Gen. at 326; 35 Comp. Gen. at 438.

<sup>14</sup> 31 U.S.C. § 1301(a).

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duplicating service”<sup>15</sup> could not be used to finance the agency’s central library or travel office, as these functions did not fall within the authorized purposes of the fund.<sup>16</sup>

While the statute is the first and most important source for determining purpose availability, it cannot be expected to spell out every detail. If the statute does not address a particular item, the next step is to apply the “necessary expense” rule, which allows appropriations to be used for those items that bear a reasonable and logical relationship to the stated purpose of the appropriation. This means that a revolving fund is available for expenditures which are directly related to, and which materially contribute to accomplishing an authorized purpose of, the fund and which are not otherwise specifically provided for or prohibited. For example, the Bureau of Engraving and Printing Fund is available “to operate the Bureau of Engraving and Printing.”<sup>17</sup> Under this quite general language, the Fund has been held to be available for various alterations and improvements to the Bureau’s real property, as these are clearly necessary costs of operating and maintaining the Bureau.<sup>18</sup>

Prohibitions on the use of appropriated funds will apply to the use of revolving funds unless some statutory exception applies. For example, appropriated funds are generally not available to pay for personal expenses, such as clothing and food.<sup>19</sup> As a result, revolving funds are not available for such expenses, unless Congress has explicitly authorized it. In analyzing the purpose availability of a revolving fund, as with any other appropriation, the agency has reasonable discretion in selecting its means of implementation, as long as its exercise is consistent with the statutory objectives and limitations.

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## Time

Each appropriation has a period of availability that specifies when it is available for use. Appropriations will fall into one of three categories: fiscal year or annual appropriations, which are available for single fiscal year; multiple year appropriations, which are available for a specified period of time greater than one fiscal year; and no-year appropriations, which are available without fiscal year limitation. Appropriations are

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<sup>15</sup> 40 U.S.C. § 3173 (2006).

<sup>16</sup> B-208697, Sept. 28, 1983.

<sup>17</sup> 31 U.S.C. § 5142.

<sup>18</sup> B-104492, Oct. 4, 1951.

<sup>19</sup> See, e.g., 65 Comp. Gen. 738 (1986) (food); 63 Comp. Gen. 245 (1984) (clothing).



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generally only available for those goods and services that an agency needs during the appropriation's period of availability.<sup>20</sup> For example, an appropriation for a single fiscal year may only be used to purchase those goods and services the agency requires during that fiscal year. This is often called the *bona fide* needs rule, and it ensures that agencies use their appropriations in a timely manner consistent with the terms of the enacting legislation. No-year appropriations and funds available without fiscal year limitation are not subject to the *bona fide* needs rule.

Receipts and collections earned through a revolving fund's operations are available without fiscal year limitation. This continuing availability of receipts and collections that a revolving fund has earned through its operations has long been recognized as an inherent characteristic of a revolving fund.<sup>21</sup> Thus, the various rules governing the obligation and expenditure of fixed-year appropriations with respect to time generally do not apply to receipts and collections that a revolving fund has earned. Instead, the funds are available until expended, for the goods and services the fund requires at any time.<sup>22</sup>

However, a federal agency entering a transaction with a revolving fund must still satisfy the various time rules that apply to its own appropriation. Specifically, the customer agency must obligate its appropriation for a *bona fide* need within the specified period of availability.<sup>23</sup> In addition, when an agency withdraws funds from its appropriation and makes them available to a revolving fund, the withdrawn amounts retain their time character until the revolving fund has actually earned them by performing the service or ordering the good that the customer agency requested.<sup>24</sup>

As a result, unless otherwise specifically provided by law, balances that have not been earned during the ordering appropriation's period of availability must be returned to the customer agency. For example, a

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<sup>20</sup> 31 U.S.C. § 1502(a).

<sup>21</sup> While the more modern statutes tend to include specific language such as "without fiscal year limitation" without more, the term "revolving fund" alone would be construed to mean the same thing. 1 Comp. Gen. 704 (1922); 26 Comp. Dec. 296 (1919).

<sup>22</sup> See B-326945, Sept. 28, 2015 (discussing a no-year appropriation) ("Because the appropriation's temporal availability is unlimited, the temporality of the needs that the appropriation may satisfy is also unlimited.").

<sup>23</sup> 31 U.S.C. § 1502(a).

<sup>24</sup> See B-306975, Feb. 27, 2006; B-288142, Sept. 6, 2001.

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2001 decision involving the Library of Congress's FEDLINK revolving fund addressed the time availability of funds transferred by a customer agency. FEDLINK's authorizing statute provides that amounts in the revolving fund are available "without fiscal year limitation."<sup>25</sup> However, for the funds to inherit this characteristic, the Library has to earn them. FEDLINK customers advance funds to the Library based on the estimated cost of their order. Where the advance exceeds the Library's actual cost, the Library must return the excess to the ordering agency before the end of the appropriation's period of availability. The Library cannot reserve the unexpended amounts to cover future year orders placed by the customer agency but instead must return excess funds to the customer agency.<sup>26</sup>

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## Amount

As discussed above, the amount within a revolving fund may be made up of an initial appropriation and operating receipts. A common feature of most revolving funds is that they are intended to operate on a break-even basis, or reasonably close to it, over the long term.<sup>27</sup> Thus, while revolving funds are intended to facilitate business-like operations, they are not generally intended to be profit-making enterprises. Many revolving fund statutes include a requirement for the periodic payment of surplus amounts to the general fund of the Treasury.<sup>28</sup>

As with other appropriations, authorities and limitations relating to the amount that can be obligated or expended apply to revolving funds unless specifically exempted. The most important law relating to amount is the Antideficiency Act, which by its terms applies to an "appropriation or fund."<sup>29</sup> The Antideficiency Act prohibits the overobligation or expenditure of appropriated funds and prohibits the obligation of anticipated receipts. These limitations apply to revolving funds, including any relevant annual limitations on obligations from the fund.<sup>30</sup>

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<sup>25</sup> 2 U.S.C. §182c.

<sup>26</sup> B-288142, Sept. 6, 2001.

<sup>27</sup> Several franchise funds are authorized to retain a reasonable operating reserve and up to 4 percent of total annual income as a reserve for acquisition of capital equipment and enhancement of support systems. See, e.g., Pub. L. No. 104-208, § 113.

<sup>28</sup> See, e.g., 38 U.S.C. § 3749 (Department of Veterans Affairs Small Business Loan Revolving Fund).

<sup>29</sup> 31 U.S.C. § 1341(a)(1)(A).

<sup>30</sup> See 72 Comp. Gen. 59 (1992); B-248967.2, Apr. 21, 1993.

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The law is violated by creating an obligation in excess of available budgetary resources. Available budgetary resources may include amounts received from other government accounts that represent valid obligations of the ordering account or could include amounts received from the public.<sup>31</sup> A revolving fund can also violate the Antideficiency Act by overspending a specific monetary limitation, or by charging an appropriation that is not legally available for a particular expense.<sup>32</sup>

The Antideficiency Act also requires the apportionment of appropriations and funds by the Office of Management and Budget (OMB).<sup>33</sup> Apportionment subdivides an appropriation to prevent overobligation and promote the most effective and economical use of funds.<sup>34</sup> Revolving funds are subject to apportionment,<sup>35</sup> and an overobligation of a revolving fund's apportionment violates the Antideficiency Act.<sup>36</sup>

Another important concept related to the amount character of appropriations is the rule against augmentation, which generally prevents federal agencies from supplementing their appropriations from outside sources. The miscellaneous receipts statute is the primary manifestation of this rule, which provides that an agency may not retain for credit to its own appropriations anything Congress has not expressly authorized. As we noted above, a revolving fund is an exception to the requirement that receipts be deposited into the general fund of the Treasury. However, agencies may only deposit into a revolving fund those receipts that the governing legislation specifies. Depositing unauthorized amounts into a revolving fund is an unauthorized augmentation which violates the miscellaneous receipts statute. Congress specifies the source of money

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<sup>31</sup> Available budgetary resources do not include anticipated receipts from transactions that have not yet occurred. B-195316-O.M., Jan. 30, 1980. Therefore, an agency may not obligate against anticipated receipts unless explicitly authorized to do so.

<sup>32</sup> B-120480, Sept. 6, 1967.

<sup>33</sup> 31 U.S.C. § 1511(a), 1512.

<sup>34</sup> GAO, *A Glossary of Terms Used in the Federal Budget Process*, [GAO-05-734SP](#) (Washington, D.C.: Sept. 2005), at 12–13.

<sup>35</sup> See OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*, § 120.5; *id.* at Exhibit 120I.

<sup>36</sup> 31 U.S.C. § 1517(a).

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and property that should make up a revolving fund, and additional sources cannot be added without statutory authorization.<sup>37</sup>

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## Obligation Requirement

One of the ways agencies track their use of appropriated funds—and ensure compliance with the statutes discussed above—is by recording obligations. The recording statute, 31 U.S.C. § 1501, requires agencies to document obligations as they are incurred. A 1953 decision put it this way:

“In order to determine the status of appropriations, both from the viewpoint of management and the Congress, it is essential that obligations be recorded in the accounting records on a factual and consistent basis throughout the government. Only by the following of sound practices in this regard can data on existing obligations serve to indicate program accomplishments and be related to the amount of additional appropriations required.”<sup>38</sup>

The primary purpose of the recording statute is to ensure that agencies record only those transactions which meet specified standards for legitimate obligations.<sup>39</sup> Transactions that do not meet the statutory criteria are not proper obligations and shall not be recorded.

Nothing exempts revolving funds from the obligation recording provisions of 31 U.S.C. § 1501. When a revolving fund does something that meets one of the statutory recording criteria, it must, just like other appropriations, record an obligation.<sup>40</sup> For example, when a revolving fund enters into a contract, it must record an obligation equal to its legal liability under the contract against amounts in the fund.

Furthermore, only transactions that meet the statutory criteria for an obligation may be recorded against the revolving fund. For example, agreements that lack the requisite specificity may not be recorded as obligations. In a 2007 decision, GAO considered interagency agreements between the Department of Defense (DOD) and a revolving fund of the Department of Interior. The agreements at issue did not identify the specific items or services that DOD wanted the revolving fund to acquire

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<sup>37</sup> B-149858-O.M., Aug. 15, 1968.

<sup>38</sup> 32 Comp. Gen. 436, 437 (1953).

<sup>39</sup> 71 Comp. Gen. 109 (1991); 54 Comp. Gen. 962, 964 (1975); *see also* Senate Committee on Government Operations, *Financial Management in the Federal Government*, S. Doc. No. 87-11, at 85 (Dec. 24, 1973).

<sup>40</sup> *See, e.g.*, 72 Comp. Gen. 59 (1992).

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on its behalf. Since specificity is a requirement for a proper obligation, the agreements did not obligate DOD's funds. DOD sent more specific information for the orders to the revolving fund at a later date, which served to obligate DOD's appropriations; however, at that point, DOD's appropriations had expired and they were not available for obligation in the fiscal year when the orders were perfected. Accordingly, when the revolving fund later used these funds, the revolving fund improperly used prior year funds from the ordering agency in violation of the bona fide needs rule, discussed above.<sup>41</sup> Proper recording of obligations and a return of unexpended expired balances to the ordering agency is essential to avoid such violations.

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## Concluding Remarks

In conclusion, revolving funds can be useful funding mechanisms where Congress wishes to provide agencies some flexibility in carrying out business-like operations. Revolving funds are nevertheless appropriations that are subject to statutory restrictions on the use of public money. As such, agencies must use prudence and caution in obligating and expending revolving funds to ensure that their use is consistent with the relevant statutes.

GAO's engagement work on agency financial operations has touched on revolving funds in a variety of contexts.<sup>42</sup> GAO staff are available to discuss this work with you in more detail if you wish.

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Chairwoman Kiggans, Ranking Member Mrvan, and members of the Subcommittee, this concludes my prepared statement. I would be pleased to respond to any questions that you may have.

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## Contact Information

If you or your staff have any questions about this testimony, please contact Julia C. Matta, Deputy General Counsel, at (202) 512-4023 or [mattaj@gao.gov](mailto:mattaj@gao.gov). Contact points for our Offices of Congressional

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<sup>41</sup> B-308944, July 17, 2007.

<sup>42</sup> As part of this engagement work, GAO has identified four key operating principles for effective management of working capital funds based on a review of governmentwide guidance on business principles, internal controls, managerial cost accounting, and performance management. See, e.g., GAO, *Personnel Vetting: DOD Should Improve Management and Operation of its Background Investigation Working Capital Fund*, [GAO-23-105812](#) (Washington, D.C.: July 2023); GAO, *Commerce Working Capital Fund: Policy and Performance Measure Enhancements Could Help Strengthen Management*, [GAO-23-104624](#) (Washington, D.C.: Dec. 2022); GAO, *Revolving Funds: Additional Pricing and Performance Information for FAA and Treasury Funds Could Enhance Agency Decisions on Shared Services*, [GAO-16-477](#) (Washington, D.C.: May 2016).

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