

Principles of Federal Appropriations Law

Second Edition, Volume IV, March 2001

Chapter 15

Acquisition and Provision of Goods and Services

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Part C. Revolving Funds

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4. Expenditures/Availability

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c. Time

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As with the purpose arena, the intragovernmental revolving fund introduces an additional complication because it implicates the appropriations of the customer agency. When entering into a transaction with a revolving fund, the customer agency must apply the various time rules to its own appropriation. Thus, the freedom from time limitations most evident in the case of a public enterprise revolving fund is, *in an intragovernmental fund*, necessarily circumscribed by the nature and status of the supporting (customer) appropriations. Specifically, the customer agency must obligate its appropriation within its specified period of availability and for a bona fide need attributable to that period. With respect to performance, the revolving fund is in the same position as any other contractor unless the transaction is governed by a deobligation requirement like that found in the Economy Act. 31 Comp. Gen. 83 (1951). (Emphasis added.)

[Note: As stated in *Budget Issues: Franchise Fund Pilot Review* (GAO-03-1069, August 2003), Franchise Fund pilots are not governed by the Economy Act.]

To view the complete text of Volume I, Principles of Federal Appropriations Law, 3rd Edition, please go to: <http://www.gao.gov/special.pubs/d01179sp.pdf>