



Working Capital Fund Quarterly Execution Report

Second Quarter, Fiscal Year 2017

July 19, 2017

Fiscal Year 2017 Report to Congress



Homeland
Security

Office of the Chief Financial Officer

Message from the Chief Financial Officer (Acting)

July 19, 2017

I am pleased to provide the following “Working Capital Fund Quarterly Execution Report” for the second quarter of Fiscal Year (FY) 2017.

This report is submitted pursuant to language in the FY 2017 Department of Homeland Security Appropriations Act (P.L. 115-31) and its accompanying joint explanatory statement.

Pursuant to congressional requirements, this report is being provided to the following Members of Congress:



The Honorable John R. Carter
Chairman, House Appropriations Subcommittee on Homeland Security

The Honorable Lucille Roybal-Allard
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable John Boozman
Chairman, Senate Appropriations Subcommittee on Homeland Security

The Honorable Jon Tester
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

Inquiries relating to this report may be directed to me at (202) 447-5751.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacy Marcott".

Stacy Marcott
Chief Financial Officer (Acting)



Working Capital Fund Quarterly Execution Report Second Quarter, Fiscal Year 2017

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I. Legislative Language

This document has been prepared in response to the Fiscal Year 2017 Department of Homeland Security Appropriations Act (P.L. 115-31) and its accompanying joint explanatory statement.

P.L. 115-31 states:

Provided further, that the Chief Financial Officer of the Department of Homeland Security shall submit a quarterly execution report with activity level detail, not later than 30 days after the end of each quarter.

The Joint Explanatory Statement states:

In addition, the Department shall submit quarterly WCF execution reports to the Committees that include activity-level detail.

II. WCF Second Quarter Execution Report

Formula	Planned			Actual Execution		Summary Data		Projected Q3 Execution ⁵	Projected Q4 Execution ⁵	FY 2017 Midyear Reassessment Level ⁷	Explanations for Low Execution Rates (Column H)
	FY 2017 Annual Plan ¹	Planned Execution ²	Total Commitments	Actual Obligations ³	Actual Expenses ⁴	D + E	B - F				
FY 2017 WCF Service Portfolio											
GSA RENT	141,376,887	72,565,485	1,682,060	482,767	48,709,165	49,191,932	23,373,553	51,608,552	17,202,851	150,372,921	Staff turnover caused a delay in processing rent obligations. With new staff on board, we plan on a higher execution rate.
Finance & Acctg Shared Services	24,000,000	13,808,160	-	7,890,375	5,917,782	13,808,157	3	7,643,880	2,547,960	25,513,054	
Integrated Audit	14,185,091	14,185,091	-	13,541,461	-	13,541,461	643,630	-	-	14,185,090	
Bankcard Program	47,000	47,000	-	9,015	-	9,015	37,985	-	-	49,367	Recently provided Financial Operations a signed interagency agreement (IAA) to execute the full amount of the first continuing resolution (CR).
TIER	951,000	455,918	394	157,727	295,458	453,186	2,732	371,312	123,771	1,096,413	
NFC Payroll Services & Reporting	37,670,899	21,673,575	-	21,673,574	-	21,673,574	-	11,997,993	3,999,331	38,950,700	
Human Capital Business Systems (HCBS)	7,226,769	4,157,849	1,768,395	257,633	1,462,550	1,720,184	2,437,666	2,301,690	767,230	9,123,701	Due to the CR, we were unable to fully execute the contract(s) according to the spend plan. OCHCO also had hiring delays due to the hiring freeze.
Flexible Spending Plan	1,286,455	514,580	-	-	-	-	514,580	578,906	192,969	1,286,455	There was delay in billing from the vendor due to the change in contractor support. The obligation will occur in the 3rd qtr.
DHS EXEC. LEAD. (SES CDP)	2,175,029	1,201,785	-	39,228	295,122	334,350	867,435	729,933	243,311	1,794,569	There were many revisions that occurred with the carryover and current year funding as it relates to how the funding should be allotted for shared cost versus component-specific cost. This prevented OCHCO from funding the 182s for the components' training. The funding will be obligated before the end of the 3rd qtr.
HQ Leadership Development	169,930	169,930	-	105,499	60,285	165,784	4,146	-	-	196,841	
National Defense University	829,138	441,762	-	26,815	323,889	350,704	91,058	290,533	96,844	841,902	FTE costs - position left unfilled because of hiring freeze.
Research Library & Information Services (RLIS)	10,594,678	6,095,542	952	3,414,954	2,081,031	5,495,985	599,557	3,374,352	1,124,784	9,644,502	
DHS One Net	67,547,629	38,862,853	6,039,123	11,399,797	4,269,563	15,669,360	23,193,493	21,513,582	7,171,194	72,427,060	Program office funded contracts/requirements at 25% due to CR funding levels.
NCR Infrastructure Operations	115,740,961	66,590,405	7,285,818	37,777,261	16,877,258	54,654,519	11,935,886	36,862,917	12,287,639	116,047,178	DHS was operating under a CR for the 1st quarter of FY 2017 and did not execute the full budget as procurement awards require full funding before approval. Procurement actions to be executed in Q3 through Q4 timeframe. Requirements totaling \$1.69M are progressing through various stages of acquisitions, and \$3.10M are in the final stages of awards. \$10.41M was awarded/ expended.
CLAN Operations	23,586,136	13,570,047	1,304,114	8,360,303	23,381	8,383,684	5,186,363	7,512,066	2,504,022	25,457,505	Bulk of requirements are scheduled for obligation in 3rd and 4th qtrs.
HSPD-12	22,416,352	12,387,788	603,557	3,597,840	944,753	4,542,593	7,845,195	7,521,423	2,507,141	23,004,433	Due to misaligned projection targets and funding allocation, the program experienced a lower execution rate. The 1st quarter planned execution target rate of 7% achieved a 40% execution based on the quarterly plan allocation of \$1.5M in the 1st quarter.
e-Training	8,447,297	4,318,184	-	70,027	2,928,773	2,998,800	1,319,383	3,096,835	1,032,278	8,131,724	Due to procurement delays, awaiting purchase request approval.
Mail Services	12,606,718	7,253,149	19,614	1,806,572	4,847,906	6,654,479	598,670	4,015,177	1,338,392	12,214,882	
Parking Services	867,108	217,889	1,770	84,394	78,238	162,631	55,257	486,914	162,305	816,710	The period of performance is later in the fiscal year. An adjustment to the spend plan will be requested.
Sedan Services	1,481,050	1,326,763	1,206,365	15,875	122,472	138,347	1,188,416	115,715	38,572	1,810,447	The period of performance is later in the fiscal year. An adjustment to the spend plan will be requested.
Shuttle Services	1,095,494	1,009,042	19,222	69,650	101,352	171,002	838,040	64,839	21,613	959,592	The period of performance is later in the fiscal year. An adjustment to the spend plan will be requested.
Transit Subsidy	4,922,331	1,046,991	-	234,830	177,994	412,824	634,167	2,906,505	968,835	5,648,502	The period of performance is later in the fiscal year. An adjustment to the spend plan will be requested.
Regulatory Services	442,862	84,941	-	-	-	-	84,941	268,441	89,480	271,020	Memo of agreement and IAAs are under review; partial execution expected to occur during 3rd quarter.
Fee-For-Service Total	499,666,814	281,984,728	19,931,383	111,015,599	89,516,972	200,532,571	81,452,157	163,261,564	54,420,521	519,844,568	
Interagency Council Funding	873,052	324,348	-	-	-	-	324,348	411,528	137,176	833,830	FY 2017 eExecution is dependent on the timing of congressional authorization for the Council assessments. Due to the CR, obligations will occur in the 3rd quarter.
USA Jobs	1,127,719	488,858	-	488,856	-	488,856	2	479,146	159,715	1,210,854	
Enterprise HR Integration (EHR)	3,115,342	3,115,342	-	3,115,342	-	3,115,342	-	-	-	3,885,668	
e-Rulemaking	725,532	139,157	-	-	-	-	139,157	439,781	146,594	725,536	Due to the CR, obligations will occur in 3rd quarter.
Human Resources Line of Business	260,870	260,870	-	50,035	-	50,035	210,835	-	-	260,870	
e-govBenefits	226,453	43,434	-	-	-	-	43,434	137,264	45,755	226,451	Funding inadvertently requested in 1st quarter. Funds will be fully obligated in 3rd quarter.
Financial Management LOB	187,342	35,932	-	-	-	-	35,932	113,558	37,853	187,342	Funding inadvertently requested in 1st quarter. Funds will be fully obligated in 3rd quarter.
Geospatial LOB	225,000	43,155	-	-	-	-	43,155	136,384	45,461	225,000	Funding inadvertently requested in 1st quarter. Funds will be fully obligated in 3rd quarter.
Budget Formulation & Execution LOB	110,000	21,098	-	-	-	-	21,098	66,677	22,226	105,000	Funding inadvertently requested in 1st quarter. Funds will be fully obligated in 3rd quarter.
e-gov Integrated Awards Environment	1,947,920	857,210	-	-	-	-	857,210	818,033	272,678	472,471	the agreement is being routed for approval. It will be obligated before the end of 3rd quarter.

	A	B	C	D	E	F	G	J	K	L	
Formula	Planned			Actual Execution		Summary Data					
	FY 2017 Annual Plan ¹	Planned Execution ²	Total Commitments	Actual Obligations ³	Actual Expenses ⁴	Total Obligated/Expended	Delta	Projected Q3 Execution ⁵	Projected Q4 Execution ⁶	FY 2017 Midyear Reassessment Level ⁷	Explanations for Low Execution Rates (Column H)
e-Integrated Financial Assistance Environment	472,485	330,993	-	-	-	-	330,993	106,119	35,373	857,210	Funding level received due to the CR was not adequate to cover the whole cost of bill from vendor.
Performance Management Line of Business (PMLOB)	53,000	53,000	-	-	-	-	53,000	-	-	79,800	Due to the CR, was unable to execute the total amount of 79,800 for PMLOB.
Governmentwide PPA Total	9,324,715	5,713,396	-	3,654,232	-	3,654,232	2,059,164	2,708,489	902,830	9,070,032	
Capital Planning and Investment Control (CPIC)	6,946,416	3,216,057	48,449	2,530,326	195,525	2,725,851	490,206	2,797,769	932,590	6,946,416	Of the year-to-date allotment of \$66,590,404 received by 2nd quarter, \$66.11M was awarded/expended, while \$292K is reserved for payroll and \$186.7K for nonpayroll to cover emergency requests until we receive 3rd quarter allotment.
Strategic Sourcing	1,910,169	982,097	30,000	46,096	597,118	643,214	338,883	696,054	232,018	1,934,751	Procurement requirements currently being defined and developed. Procurement actions to be executed in Q3-Q4 timeframe.
CPO Shared Reporting	5,728,015	2,701,400	2,350,154	32,045	2,913	34,958	2,666,442	2,269,961	756,654	4,966,443	\$2.3M in commitments that will be obligated before the end of the fiscal year.
DHS Crosscutting PPA Total	14,584,600	6,899,555	2,428,603	2,608,468	795,556	3,404,024	3,495,531	5,763,785	1,921,262	13,847,610	
Total	523,576,129	294,597,678	22,359,986	117,278,299	90,312,528	207,590,827	87,006,851	171,733,838	57,244,613	542,762,210	

¹ Annual Plan under the FY 2017 Annual CR.

² Cumulative planned obligations and/or expenditures as of the end of the current quarter according to funds allotted under the CR.

³ Total cumulative FY 2017 funds obligated in the financial system through the end of the current quarter.

⁴ Total cumulative FY 2017 actual expenditures through the end of the current quarter.

⁵ Planned obligations and/or expenditure through the end of the 3rd quarter according to the FY 2017 spend plans.

⁶ Planned obligations and/or expenditure through the end of the 4th Quarter according to the FY 2017 spend plans.

⁷ Planned obligations and/or expenditure for updated midyear reassessment level - new FY 2017 operating level.