



Working Capital Fund Quarterly Execution Report

Third Quarter, Fiscal Year 2018

August 27, 2018

Fiscal Year 2018 Report to Congress



**Homeland
Security**

Office of the Chief Financial Officer

Message from the Acting Chief Financial Officer

August 27, 2018

I am pleased to provide the following report, “Working Capital Fund Quarterly Execution Report” for the third quarter of Fiscal Year (FY) 2018.

This report is submitted pursuant to language in the FY 2018 Department of Homeland Security Appropriations Act (P.L. 115-141) and its accompanying Joint Explanatory Statement and House Report 115-239.

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



The Honorable Kevin Yoder
Chairman, House Appropriations Subcommittee on Homeland Security

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

The Honorable Shelley Moore Capito
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 blue ink, appearing to read "Stacy Marcott". The signature is fluid and cursive.

Stacy Marcott
Acting Chief Financial Officer



Working Capital Fund Quarterly Execution Report Third Quarter, Fiscal Year 2018

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I. Legislative Language

This document has been prepared in response to the Fiscal Year (FY) 2018 Department of Homeland Security Appropriations Act (P.L. 115-141) and its accompanying Joint Explanatory Statement and House Report 115-239.

P.L. 115-141 states:

SEC. 504. Section 504 of the Department of Homeland Security Appropriations Act, 2017 (division F of Public Law 115–31), related to the operations of a working capital fund, shall apply with respect to funds made available in this Act in the same manner as such section applied to funds made available in that Act.

The Joint Explanatory Statement and House Report 115-239 both state:

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

Additionally, P.L. 115-31 (referenced above) 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.

II. Third Quarter Execution Report

Description	FY 2018 Annual Plan ¹	Planned Execution ²	Commitments	Obligations ³	Expenditures ⁴	Delta (Planned Execution - Obligations - Expenditures) ⁵	Execution Rate	Projected Fourth Quarter (Q4) Execution ⁶	Comments
General Services Administration (GSA) Rent	\$165,258,843.00	\$123,944,132.25	\$652,492.00	\$1,726,360.00	\$107,051,685.00	\$15,166,087.25	88%	\$56,480,798.00	Some purchase requests required research and correction prior to obligation/payment due to incorrect invoicing by GSA. GSA reconciliations take considerable time to review, and in this instance, the final bill wasn't received until mid-June. Therefore, some balances were not executable by the end of the quarter. They were obligated and paid at the start of Q4.
Finance & Accounting Shared Services	25,513,054.00	19,134,790.50	-	2,126,087.00	17,008,702.00	1.50	100%	6,378,265.00	Not Applicable (N/A)
Integrated Audit	14,828,720.00	14,828,720.00	-	7,187,829.00	-	7,640,891.00	48%	7,640,891.00	Did not receive final funds allocation until start of Q4 in order to execute the procurement action. Funding is anticipated to be fully executed in Q4.
Bankcard Program	49,367.00	49,367.00	-	-	-	49,367.00	0%	49,367.00	Did not receive final funds allocation until start of Q4 in order to execute the procurement action. Funding is anticipated to be fully executed in Q4.
Treasury Information Executive Repository	1,426,702.00	1,156,300.44	-	296,533.00	676,253.00	183,514.44	84%	453,916.00	Did not receive final funds allocation until start of Q4 in order to execute the procurement action. Funding is anticipated to be fully executed in Q4.
National Finance Center Payroll Services & Reporting	39,444,798.00	39,444,798.00	-	9,487,838.00	29,956,960.00	-	100%	-	N/A
Human Capital Business Systems	4,816,414.00	4,538,609.94	-	865,878.00	1,392,500.00	2,280,231.94	50%	2,558,036.00	Pending commitment of funding for services provided by Office of the Chief Information Officer; Balance Workforce Assessment Tool activity is in process for a new acquisition for continuity of service - period of performance begins late in Q4.
Flexible Spending Plan	1,200,000.00	1,200,000.00	-	13,759.00	897,565.00	288,676.00	76%	288,676.00	The invoices have been received in full - they are based on actual participation which turned out to be less than the estimate. Therefore, the remaining authority will not be obligated.
Headquarters Leadership Development	196,841.00	196,841.00	16,180.00	49,563.00	69,388.00	77,890.00	60%	77,890.00	The invoices have been received in full - they are based on actual participation which turned out to be less than the estimate. Therefore, the remaining authority will not be obligated.
Research library & Information Services	8,939,632.00	8,763,934.89	127,904.00	3,088,736.00	4,138,949.00	1,536,249.89	82%	1,711,947.00	\$1.5M was requested in third quarter (Q3) for a recompetes contract that takes place in Q4. Funding normally would be applied in Q3 but due to the nature of the recompetes, it was not done until Q4.
Department of Homeland Security OneNet	68,155,333.00	52,845,365.85	14,512,420.00	19,780,884.00	16,857,858.00	16,206,623.85	69%	31,516,591.00	Contract award delays due to complexity of new contract structure. Original date was 6/22/18; however, the award was pushed to Q4.
National Capital Region Infrastructure Operations	104,328,985.00	91,131,368.40	14,844,695.00	40,007,719.00	35,507,158.00	15,616,491.40	83%	28,814,108.00	The program office has not finalized yet the statement of work, market research, contract agreements, and/or negotiations with vendors/contractors. Therefore, the funds could not be obligated before the end of Q3.
Classified Local Area Network Operations	24,948,718.00	19,551,371.48	6,237,180.00	12,764,237.00	549,955.00	6,237,179.48	68%	11,634,526.00	Did not receive final funds allocation until start of Q4 in order to execute the procurement action. Funding is anticipated to be fully executed in Q4.
Homeland Security Presidential Directive-12	19,366,007.00	15,880,125.74	3,754,486.00	6,803,323.00	5,148,450.00	3,928,352.74	75%	7,414,234.00	Changes in program requirements attributed to the reallocation of the procurement of goods and services to Q4.
e-Training	5,947,000.00	5,947,000.00	1,721,627.00	1,546,880.00	2,678,492.00	1,721,628.00	71%	1,721,628.00	There was a delay in receiving the final/signed documents from the vendor. Therefore, funds could not be obligated before the end of Q3.
Mail Services	11,628,390.00	11,628,390.00	-	4,923,698.00	6,704,692.00	-	100%	-	N/A
Parking Services	593,486.00	137,153.00	5,693.00	32,073.00	62,415.00	42,665.00	69%	498,998.00	DHS did not receive the statement of non-availability from GSA before the end of Q3 for some components while other are pending approval within the Office of the Chief Readiness Support Officer. Therefore, funds could not be obligated.
Transit Subsidy	5,444,037.00	1,300,259.56	320,666.00	779,024.00	186,467.00	334,768.56	74%	4,478,546.00	Program office spend plan was not planned properly. Funds were not required until Q4, as the Transit Washington Metropolitan Area Transit Authority contracts period of performance and obligations will start in Q4.
Fee-for-Service Subtotal	502,086,327.00	411,678,528.04	42,193,343.00	111,480,421.00	228,887,489.00	71,310,618.04	83%	161,718,417.00	

Description	FY 2018 Annual Plan ¹	Planned Execution ²	Commitments	Obligations ³	Expenditures ⁴	Delta (Planned Execution - Obligations - Expenditures) ⁵	Execution Rate	Projected Fourth Quarter (Q4) Execution ⁶	Comments
Interagency Council Funding	1,189,288.00	1,189,288.00	-	-	-	1,189,288.00	0%	1,189,288.00	Agreement received from GSA in July 2018
USA Jobs	1,246,528.00	1,246,528.00	-	861,351.00	385,177.00	-	100%	-	N/A
e -Enterprise Human Resources Integration	3,964,779.00	3,964,779.00	-	3,215,436.00	749,343.00	-	100%	-	N/A
e-Rulemaking	348,117.00	348,117.00	348,117.00	-	-	348,117.00	0%	348,117.00	New internal processes and personnel caused delays in signatures of final documents. New staff has been trained and issues resolved.
Human Resources Line of Business	273,913.00	273,913.00	-	273,913.00	-	-	100%	-	N/A
e-Gov Benefits	161,739.00	161,739.00	161,739.00	-	-	161,739.00	0%	161,739.00	New internal processes and personnel caused delays in signatures of final documents. New staff has been trained and issues resolved.
E-Financial Line of Business	187,342.00	-	-	-	-	-	-	187,342.00	N/A
Geospatial Line of Business	225,000.00	225,000.00	187,342.00	-	-	225,000.00	0%	225,000.00	New internal processes and personnel caused delays in signatures of final documents. New staff has been trained and issues resolved.
Budget Formulation and Execution Line of Business	110,000.00	110,000.00	110,000.00	-	-	110,000.00	0%	110,000.00	New internal processes and personnel caused delays in signatures of final documents. New staff has been trained and issues resolved.
e-Integrated Award Environment	874,354.00	874,354.00	-	-	-	874,354.00	0%	874,354.00	Did not receive final funds allocation until start of Q4 in order to execute the procurement action. Funding is anticipated to be fully executed in Q4.
e-Integrated Financial Assistance Environment	472,485.00	472,485.00	-	165,519.00	-	306,966.00	35%	306,966.00	Waiting on signed Interagency Agreement (IAA) from Census Bureau for the Federal Audit Clearinghouse.
Performance Management Line of Business	79,800.00	79,800.00	-	-	-	79,800.00	0%	79,800.00	Waiting for countersigned IAA from GSA to execute funds.
Government-Wide Mandated Service Subtotal	9,133,345.00	8,946,003.00	807,198.00	4,516,219.00	1,134,520.00	3,295,264.00	63%	3,482,606.00	
Capital Planning & Investment Control	6,946,416.00	5,617,566.62	5,364.00	3,825,508.00	1,395,733.00	396,325.62	93%	1,725,175.00	N/A
Office of the Chief Procurement Officer Shared Reporting	4,966,443.00	3,918,523.53	2,238,304.00	1,097,645.00	582,574.00	2,238,304.53	43%	3,286,224.00	There was a strategy change on a contract recompetes, from awarding it as a stand-alone contract to a contract consolidation effort. Because of this, we were unable to award as scheduled and the award/obligation now will take place in Q4.
DHS Crosscutting Service Subtotal	11,912,859.00	9,536,090.15	2,243,668.00	4,923,153.00	1,978,307.00	2,634,630.15	72%	5,011,399.00	
TOTAL	\$523,132,531.00	\$430,160,621.18	\$45,244,209.00	\$120,919,793.00	\$232,000,316.00	\$77,240,512.18	82%	\$170,212,422.00	

¹ Annual Plan under the FY 2018 Annual Plan. Includes carryover.

² Cumulative planned obligations and/or expenditures as of the end of Q3 according to program office's spend plan.

³ Total cumulative FY 2018 funds obligated in the financial system through the end of Q3.

⁴ Total cumulative FY 2018 actual expenditures through the end of Q3.

⁵ FY 2018 total unexecuted funding through the end of Q3.

⁶ Planned obligations and/or expenditures through the end of Q4; this balance includes the balances not executed by the end of the previous quarter.

III. Appendix: Abbreviations

Abbreviation	Definition
GSA	General Services Administration
IAA	Interagency Agreement
N/A	Not Applicable
Q3	Quarter 3
Q4	Quarter 4