



# Working Capital Fund Quarterly Execution Report

Fourth Quarter, Fiscal Year 2015

*November 4, 2015*

Fiscal Year 2015 Report to Congress



Homeland  
Security

*Office of the Chief Financial Officer*

# Message from the Chief Financial Officer

NOV 4 2015

I am pleased to provide the following “Working Capital Fund Quarterly Execution Report,” which has been prepared by the Office of the Chief Financial Officer.

This document has been prepared in response to requirements in Section 504 of the *Fiscal Year 2015 Department of Homeland Security Appropriations Act* (P.L. 114-4) and accompanying Joint Explanatory Statement and Senate Report 113-198. Included in the report are the details of planned execution to actual obligations and expenditures, for each Working Capital Fund Activity, through September 30, 2015.



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 Hoeven  
Chairman, Senate Appropriations Subcommittee on Homeland Security

The Honorable Jeanne Shaheen  
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 "Chip Fulghum". The signature is stylized and includes a long horizontal flourish extending to the right.

Chip Fulghum  
Deputy Under Secretary for Management and  
Chief Financial Officer



# Working Capital Fund Quarterly Execution Report Fourth Quarter, Fiscal Year 2015 (through September 30, 2015)

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# I. Legislative Language

This document has been prepared in response to Section 504 of the *Fiscal Year 2015 Department of Homeland Security Appropriations Act* (P.L. 114-4) and accompanying Joint Explanatory Statement and Senate Report 113-198.

Specifically, P.L. 114-4 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 includes the following provision:

Section 504. A provision proposed by the House and Senate is continued that prohibits funds appropriated or otherwise made available to the Department to make payment to the Working Capital Fund (WCF), except for activities and amounts allowed in the President's fiscal year 2015 request. Funds provided to the WCF are available until expended. The Department can only charge components for direct usage of the WCF and these funds may be used only for the purposes consistent with the contributing component. Any funds paid in advance or reimbursed must reflect the full cost of each service. The Department shall submit a notification for the addition or removal of any activity to the fund and shall submit quarterly execution reports with activity level detail.

Senate Report 113-198 states:

Section 504. The bill includes a provision relating to the Department's Working Capital Fund [WCF] that: extends the authority of the Department's WCF in fiscal year 2015; prohibits funds appropriated or otherwise made available to the Department from being used to make payments to the WCF, except for the activities and amounts allowed in the President's fiscal year 2015 budget; makes WCF funds available until expended; ensures departmental components are only charged for direct usage of each WCF service; makes funds provided to the WCF available only for purposes consistent with the contributing component; requires the WCF to be paid in advance or reimbursed at rates which will return the full cost of each service; and subjects the WCF to the requirements of section 503 of this act. The WCF table included in the Department's congressional justification accompanying the President's fiscal year 2015 budget shall

serve as the control level for quarterly execution reports submitted to the Committee not later than 30 days after the end of each quarter. These reports shall identify any activity added or removed from the fund.

# II. WCF 4th Quarter Execution Report

	Planned		Actual Execution			Summary Data		FY16 Projections		FY16 Projections		Explanations on low Execution Rates (Column G)	Explanation of FY 2016 increase (In reference to Column J)
FY 2015 WCF Service Portfolio	FY15 Reassessment Unity of Effort <sup>1</sup>	Planned Execution <sup>2</sup>	Total Cmmt	Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	Total Obligate d/Expended	Delta	FY16 Congressional Justification	BOY FY16 Assessment Level <sup>5</sup>	Delta			
GSA RENT	150,031,047	150,031,047	-	45,310,074	96,970,616	142,280,690	7,750,357	144,139,840	142,657,479	[1,482,161]			
Finance & Acctg Shared Services	25,513,058	25,513,058	-	10,744,831	14,768,227	25,513,058	-	22,489,667	25,513,055	3,023,388		Because of budget timelines, the increase was not included in budget submission. This is a "true-up" to actuals.	
Integrated Audit	14,011,656	14,011,656	-	11,711,603	2,300,053	14,011,656	-		14,185,091	14,185,091		The Financial Statement Audit Activity and Internal Controls Audit Activity fund the annual integrated financial statement and internal controls audit managed by Office of the Inspector General (OIG). In FY 2015, the WCF Governance Board approved the merger of these two WCF audit activities into one audit activity to be called "Integrated Audit." Because of budget timelines, this change was not included in budget submission. This merger did not result in increased costs.	
Financial Statement Audit	-	-	-	-	-	-	-	12,960,410		(12,960,410)		The Financial Statement Audit Activity and Internal Controls Audit Activity fund the annual integrated financial statement and internal controls audit managed by OIG. In FY 2015, the WCF Governance Board approved the merger of these two WCF audit activities into one audit activity to be called "Integrated Audit." Because of budget timelines, this change was not included in budget submission. This merger did not result in increased costs.	
Internal Control Audit	-	-	-	-	-	-	-	1,224,681		(1,224,681)		The Financial Statement Audit Activity and Internal Controls Audit Activity fund the annual integrated financial statement and internal controls audit managed by OIG. In FY 2015, the WCF Governance Board approved the merger of these two WCF audit activities into one audit activity to be called "Integrated Audit." Because of budget timelines, this change was not included in budget submission. This merger did not result in increased costs.	
Financial Management Support (OFO)	4,875,300	4,875,300	-	1,366,329	3,483,939	4,850,268	25,032	4,756,586	5,400,000	643,414		Additional support for core Financial Services activities, Internal Controls, and Financial Systems Modernization	
Bankcard Program	44,000	44,000	-	-	43,440	43,440	560	49,367	47,000	(2,367)			
TIER	918,000	918,000	-	226,110	672,619	898,729	10,271	742,944	941,000	198,056		Increased cost is primarily related to an increase in contract costs for Treasury Information Executive Repository (TIER) operations and maintenance. This increase was approved by the governance board during the FY 2015 reassessment. Because of budget timelines, this increase was not included in budget submission. This is a "true-up" to actuals.	
NFC Payroll Services & Reporting	38,129,000	38,129,000	-	390,134	37,738,866	38,129,000	-	38,950,700	38,950,700	-			
HQ Human Capital Services	13,283,273	13,283,273	-	2,526,344	10,404,170	12,930,513	352,760	13,261,910	12,859,132	(402,778)		DHS/Office of the Chief Human Capital Officer (OCHCO) contracts and memoranda of understanding (MOUs) with DHS/Chief Information Officer (CIO) were consolidated in FY 2015 to transition OCHCO to January through December billing cycle. Therefore, OCHCO was invoiced only for a partial year (through December). The majority of the labor that CIO/Enterprise Systems Development Office (ESDO) provides to CHCO is contracted through the Enterprise Data Centers (EDCs) supported by the Computer Science Corporation (CSC) and Hewlett Packard (HP). The billing cycles for the contracts with CSC and HP run from January-December. CIO is realigning all contracting and billing/collections efforts to coincide with this cycle to provide the greatest amount of traceability in an MOA to contract labor.	
Human Capital Business Systems (HCBS)	6,880,557	6,880,557	-	2,210,110	3,291,473	5,501,583	1,378,974	9,206,363	6,906,363	(2,300,000)		The estimate for the Executive Core Qualifications (ECQ) Coaching model was estimated higher than what was actually expended, and all of the slots that were funded by the Components didn't get filled. In addition, there is a salary lapse for one FTE.	OCHCO is requesting additional funding based on the Needs Assessment (number of candidates they wish to select) submitted by Components for FY 2016. This additional funding represents the collective costs for participants' tuition in the program. The congressional justification amount primarily allows only for fixed program management and associated required program costs, and does not cover the funds necessary to support participants' tuition for the program. Because of budget timelines, this increase was not included in the budget submission. This is a "true-up" to actuals.
Flexible Spending Plan	154,881	154,881	-	-	154,881	154,881	-	1,286,455	1,286,458	3			
DHS EXEC. LEAD. (SES CDP)	2,076,027	1,919,107	-	119,686	1,308,599	1,448,245	470,862	891,904	2,175,029	1,283,125			
HQ Leadership Development	296,216	296,216	-	19,685	276,531	296,216	0	264,699	156,941	(67,216)			
National Defense University	883,445	883,445	-	45,038	638,416	680,855	201,590	829,138	829,138	-		Remaining balance is result of salary lapse for one FTE	
Research Library & Information Services (RLIS)	9,104,655	9,104,655	-	1,237,095	7,746,677	8,983,772	120,883	9,627,660	10,594,678	967,018		Increase based on the actual cost of the subscriptions and customer needs. U.S. Citizenship and Immigration Services elects to procure CLEAR using the WCF to show efficiencies in procurement and redistribute the cost of a service used across the Component.	

	A	B	C	D	E	F	G	H	I	J		
Formulas	Planned			Actual Execution		Summary Data		FY16 Projections				
FY 2015 WCF Service Portfolio	FY15 Reassessment Unity of Effort <sup>1</sup>	Planned Execution <sup>2</sup>	Total Cmnt	Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	D = E Total Obligated/Expended	B - F Delta	FY16 Congressional Justification	BOY FY16 Assessment Level <sup>5</sup>	Delta	Explanations on low Execution Rates (Column G)	Explanation of FY 16 increase reference to Column J (In
NCR Infrastructure Operations	118,134,636	118,134,636	-	64,871,770	52,176,415	117,048,185	1,086,451	115,740,961	115,740,961	-		
CLAN Operations	18,327,409	18,138,781	-	12,832,534	4,546,696	17,379,230	759,551	22,073,225	23,609,470	1,536,245		Transportation Security Administration (TSA) merger of the classified IT system (TINMAM) into DHS classified (C-CLAN) IT system.
Enterprise Licenses Agreements (ELA)												As a consumption based activity, ELA is contractually obligated to pay Microsoft, Adobe, Oracle, Symantec, and their full amounts for this upcoming option period. In FY 2015 a reassessment was done to account for actual licenses purchased by Components outside the WCF. The operations and maintenance (O&M) costs are moved into the WCF each year. Because of budget timelines, this increase was not included in budget submission. This is a "true-up" to actuals.
Procurement Operations	178,183,610	178,183,610	-	126,298,118	46,887,440	172,185,559	5,998,051	147,844,754	176,183,610	28,338,856		
Home Land Security Presidential Directive (HSPD)-12	46,214,790	46,214,790	-	8,510,137	35,683,509	44,193,645	2,021,148	44,196,795	44,196,795	-		
e-Training	21,928,515	21,928,515	-	13,827,504	7,612,249	21,439,752	488,763	21,941,283	21,941,283	-		As the new Performance and Learning Management System (PALMS) continues to be implemented across DHS, OCHCO will use the remaining carryover balances for Federal Emergency Management Agency, HQ Offices, TSA, United States Coast Guard (USCG), and U.S. Secret Service to complete their PALMS implementation efforts. Additionally, in FY 2015 TSA pursued its own contracting vehicle for Plateau through National Technical Information Service (NTIS), and approximately \$1.56M of their e-training contribution will be returned.
Mail Services	15,244,068	15,244,068	-	8,115,578	2,944,133	11,059,711	4,184,357	10,807,377	8,108,473	(2,698,908)		
Parking Services	12,175,384	12,175,444	-	1,220,092	10,682,467	11,902,559	272,885	16,573,028	16,573,028	-		The parking contracts were up for recompetition. The period of performance for the Laz Parking was 6/3/2015 - 8/2/2016; another garage won the award because the contract was awarded for a lower amount. The planned amount was \$103,070, the award was \$62,640, and customers also reduce their parking requirement as well, which causes the cost to reduce. The Colonial Parking Garage's period of performance was 9/29/2015 - 9/2/2016; the planned amount was \$139,302, and the award was \$178,200. The Monument Parking was up for recompetition; the period of performance was 9/23/2015 - 9/27/2016. The planned amount was \$20,640; the awarded amount was \$10,560. The total reduction requirement was \$72,182. Other changes in contracts were smaller, and these three were the high dollar value amount.
Stadium Services	985,571	985,571	-	572,150	220,074	792,224	193,347	645,683	645,683	-		
Shuttle Services	1,465,661	1,465,661	-	546,997	786,142	1,333,140	132,521	1,661,400	1,661,400	-		The shuttle contract's period of performance for the Headquarters Contract is 5/1/2015 - 4/30/2016. NPPD no longer needed Shuttle Services for Glebe Road. The Glebe Road contract cost was \$73,008, and NPPD's portion of the WCF overhead cost, and S&B and other program-related cost, was \$26,578. NPPD's entire cost for the Shuttles Services was \$99,578. During the reassessment, we returned the contract portion of NPPD's cost, \$73,008. The other cost of \$26,578 wasn't returned because these are costs that were reshuffled and absorbed by the current Shuttle customers because these are the costs that it takes to run the activity. The contract is awarded after the reassessment true up, the period of performance of the contract is 5/1/2015 - 4/30/2016, and the reassessment true up usually completed around March. Shuttle Services cost were not known until after reassessment true up. In FY 2016 we plan to review the Shuttles WCF overhead cost for FY 2014, FY 2015, and FY 2016 to see if the costs are consistent, and this will help to plan better for the cost.
Transit Subsidy	1,091,449	1,095,600	-	534,184	376,831	911,014	184,585	1,166,005	1,166,005	-		The transit contract requirement and customer requirement was less than expected for the Washington Metropolitan Area Transit Authority (WMATA) contract; the period of performance for the WMATA contract is 6/10/2015 - 6/9/2016. It was anticipated that \$4M was required but instead \$3M was required. The reason is that WMATA gave a huge credit of \$1M on the prior year WMATA contract; the period of performance was 6/12/2014 - 6/10/2015. This credit was received in FY 2015, and the credit reduced the requirement for the second option year for the WMATA contract that had a period of performance of 6/10/2015 - 6/9/2016. These customers will be monitored very closely going forward in FY 2016 to prevent huge credits and requests for funding.
Regulatory Services	4,346,599	4,346,599	-	2,160,734	1,373,678	3,534,412	812,187	5,601,969	5,601,969	-		Required increase for Regulatory Services is based on the Component's previous fiscal year and projected usage.
Fee-For-Service Total	759,606,260	759,264,923	-	362,675,070	366,989,241	729,664,311	29,620,111	713,725,043	742,989,987	29,194,824		



Formulas	Planned		Actual Execution		Summary Data		FY16 Projections		Delta	Explanations on low Execution Rates (Column G)	Explanation of FY 16 increase reference to Column J) (In
	FY15 Reassessment Unity of Effort <sup>1</sup>	Planned Execution <sup>2</sup>	Total Commit	Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	D = E Total Obligated/Expended	B - F Delta	FY16 Congressional Justification			
Intergency Council Funding	883,532	883,532	-	-	883,532	883,532	-	833,830	833,830	-	
USA Jobs	1,080,469	1,080,469	-	-	1,072,575	1,072,575	7,894	1,080,469	1,080,469	-	
Enterprise HR Integration (EHR)	3,329,405	3,329,405	-	-	3,329,405	3,329,405	0	2,831,102	3,115,342	284,240	The additional funding will enable DHS to support the following activities: the National Business Center hosting environment, help desk, license fees, program management, and product support. Because of budget timelines, this increase was not included in budget submission. This is a "true-up" to actuals.
e-Rulemaking	617,023	617,023	-	490,278	-	490,278	126,745	401,058	725,532	328,474	The balance of \$126,745 is to pay for e-Docket. The interagency agreement was executed late in the fiscal year. The funds are expected to be expensed in October 2015.
Human Resources Line of Business	260,870	260,870	-	-	260,870	260,870	-	260,870	260,870	-	Required increase in DHS's contribution to the E-Benefits activity, as directed by the Managing Partner (Dept. of Labor).
e-gov Benefits	226,453	226,453	-	-	226,453	226,453	0	221,198	226,453	5,255	
Financial Management LOB	187,342	187,342	-	-	187,342	187,342	-	187,342	187,342	-	
Geospatial LOB	225,000	225,000	-	225,000	-	225,000	-	225,000	225,000	-	
Budget Formulation & Execution LOB	195,000	195,000	-	-	195,000	195,000	-	195,000	195,000	-	
e-gov Integrated Acquisition Environment	1,727,136	1,727,136	-	-	1,727,136	1,727,136	-	1,727,136	1,727,136	-	
Disaster Management	11,170,000	11,170,000	-	10,532,787	-	11,139,029	30,971	11,170,000	11,170,000	-	
Integrated Acquisition Environment (IAE) Loans & Grants	220,784	220,784	-	-	220,784	220,784	-	220,784	220,784	-	
e-Integrated Financial Assistance Environment	472,485	472,485	-	398,142	74,343	472,485	-	377,435	472,485	95,050	This increase is requested to update the Internet Data Entry System, update and launch the Image Management System (IMS) for the deployment of new security requirements, update the IMS reports and queries for the single audits and data, develop a strategy to have the Single Audit reporting package on a public website (for FY 2015 submissions and beyond), and to develop and lead an interagency team to address the impact of new OMB Guidance in effect as of December 26, 2014. Because of budget timelines, this increase was not included in budget submission. This is a "true-up" to actuals.
Performance Management LOB	53,000	53,000	-	53,000	-	53,000	-	53,000	53,000	-	
Government-Wide PPA Total	20,558,499	20,558,499	0	11,699,307	8,693,682	20,392,868	166,631	19,694,224	20,403,243	709,019	
Capital Planning and Investment Control (CPIC)	6,946,416	6,946,416	-	3,508,779	3,437,636	6,946,413	1	6,946,416	6,946,416	-	A requirement to provide additional funding for an electronic software tool to increase procurement efficiency was canceled. After conducting a pilot, we decided not to do full-scale implementation because of cost and lack of demand from Components.
Strategic Sourcing	1,894,957	1,894,957	-	143,680	1,251,245	1,394,925	500,032	1,910,169	1,910,169	-	Procurement originally planned for FY 2015 moved to FY 2016 to refine requirements and conduct additional market research. Request carryover to conduct procurement for electronic contract filing system to support continuity of operations and remote contract file access.
CPO Shared Reporting	5,227,835	5,227,835	-	4,194,669	263,305	4,458,575	769,260	4,966,443	4,966,443	-	
DHS Crosscutting PPA Total	14,969,208	14,969,208	0	7,997,128	4,493,786	12,795,914	2,200,294	13,829,028	13,829,028	-	
Working Capital Fund Operations	1,209,190	1,209,190	-	325,573	866,807	1,192,380	16,810	1,335,671	1,335,671	-	
Working Capital Fund Operations	1,209,190	1,209,190	0	325,573	866,807	1,192,380	16,810	1,335,671	1,335,671	-	
Total	795,443,157	795,443,157	0	382,547,479	381,482,516	764,029,994	31,071,825	748,577,966	778,471,809	29,893,843	

Legend:

<sup>1</sup> FY 2015 Reassessment Unity of Effort

<sup>2</sup> Cumulative planned obligations and/or expenditures as of the end of the current quarter according to program office's spend plan.

<sup>3</sup> Total cumulative FY 2015 funds obligated in the financial system through the end of the current quarter.

<sup>4</sup> Total cumulative FY 2015 actual expenditures through the end of the current quarter.

<sup>5</sup> Planned FY 2016 Beginning of Year (BOY) Assessment Level