



# **Working Capital Fund Quarterly Execution Report**

**Third Quarter, Fiscal Year 2016**

**August 1, 2016**

**Fiscal Year 2016 Report to Congress**



**Homeland  
Security**

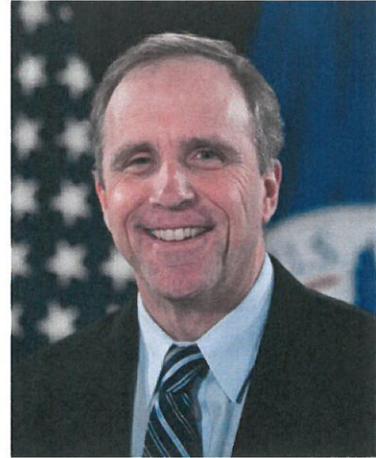
*Office of the Chief Financial Officer*

# Message from the Chief Financial Officer

August 1, 2016

I am pleased to provide the following “Working Capital Fund Quarterly Execution Report” for the third quarter of Fiscal Year (FY) 2016, which has been prepared by the Office of the Chief Financial Officer.

This document has been prepared in response to requirements in the *FY 2016 Department of Homeland Security Appropriations Act* (P.L. 114-113) and accompanying Senate Report 114-68. Included in the report are the details of planned execution to actual obligations and expenditures, for each Working Capital Fund Activity, through June 30, 2016.



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 written over the printed name.

Chip Fulghum  
Deputy Under Secretary for Management and  
Chief Financial Officer



# Working Capital Fund Quarterly Execution Report Third Quarter, Fiscal Year 2016

## Table of Contents

I.	Legislative Language .....	1
II.	WCF Third Quarter Execution Report.....	2

# I. Legislative Language

This document has been prepared in response to the *Fiscal Year (FY) 2016 Department of Homeland Security Appropriations Act* (P.L. 114-113) and accompanying Senate Report 114-68.

Specifically, P.L. 114-113 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.

Senate Report 114-68 states:

Section 504. The bill includes a provision relating to the Department's Working Capital Fund [WCF] ... The WCF table included in the Department's congressional justification accompanying the President's fiscal year 2016 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 Third Quarter Execution Report

	A	B	D	E	F	G	I	J	K	L
	Planned		Actual Execution		Summary Data					
FY 2016 WCF Service Portfolio	FY 2016 Mid-Year Reassessment <sup>1</sup>	Planned Execution <sup>2</sup>	Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	Total Obligated/Expended	Delta	Projected Q4 Execution <sup>5</sup>	Project Carryover Amount FY 2017	Explanations on low Execution Rates (Column H)	Explanation of Projected Carryover (In reference to Column J)
GSA RENT	141,376,887	108,120,617	14,702,900	89,141,921	103,844,821	4,275,797	28,368,633	142,529		Total expense and obligation will be 99% executed.
Finance & Acctg Shared Services	24,000,000	19,863,658	7,780,046	12,083,611	19,863,658	0	4,136,342	-		
Integrated Audit	14,185,091	14,185,091	13,541,461	-	13,541,461	643,630	-	-		
Financial Management Support (OFO)	7,205,000	4,922,250	374,699	2,812,157	3,186,857	1,735,393	547,357	-	Delay in hiring and onboarding as well as schedule slippage for contract actions.	There will be no Carryover because Activity will be removed from WCF in FY 2017.
Bankcard Program	47,000	47,000	44,000	-	44,000	3,000	-	-		
TIER	951,000	756,000	193,336	481,389	674,725	81,275	195,000	-	Low execution in the TIER activity due to contract negotiations with vendor for hosting the servers. As a result, FM did not obligate the full amount of the requirement that was originally budgeted in the first quarter; the requirement is fully obligated first week of July 2016.	
NFC Payroll Services & Reporting	37,670,899	37,670,899	12,993,197	24,677,702	37,670,899	-	-	-		
HQ Human Capital Services	12,859,132	10,059,760	444,095	7,784,479	8,228,574	1,831,186	968,187	-	Low execution rate is a result of salary lapse.	There will be no Carryover as Activity will be removed from WCF in FY 2017.
Human Capital Business Systems (HCBS)	7,226,769	5,706,428	536,145	4,443,724	4,979,869	726,559	793,782	-	Low execution rate is a result of salary lapse.	
Flexible Spending Plan	1,286,455	1,286,455	-	-	-	1,286,455	-	976,331	Low execution rate due to incorrect billing issues with the invoices. Obligation will occur by the end of July.	Healthcare and dependent care fees were reduced. Carryover can be used to offset next year's billing.
DHS EXEC. LEAD. (SES CDP)	2,175,029	2,066,202	885,315	289,631	1,174,945	891,257	108,827	-	Low execution rate is a result of salary lapse.	
HQ Leadership Development	169,931	169,930	67,972	101,958	169,930	-	-	-		
National Defense University	829,138	637,752	26,029	275,214	301,243	336,509	191,386	-	Low execution rate is a result of salary lapse.	
Research Library & Information Services (RLIS)	10,594,678	10,448,477	2,234,912	5,842,351	8,077,264	2,371,213	146,201	210,000	Low execution rate is a result of invoice processing delays and Salary lapse.	FTE levels
DHS One Net	67,547,629	62,517,734	33,279,514	11,529,326	44,808,839	17,708,895	2,029,895	-	As of June 27, total funding received was \$59,509,389.00 and COE totaled \$52,586,068.72, a committed plus obligation and expenditure rate of 88.36%. Additional funding received on June 28 (\$2,029,895.00) and July 6 (\$3,000,000.00) reduced the COE rate to 80.86%. Unobligated funding will be obligated in the fourth quarter. All FY 2016 requirements remain valid.	
NCR Infrastructure Operations	115,740,961	103,969,000	43,933,850	30,990,679	74,924,529	29,044,471	11,771,961	-	Requirements totaling \$22.8M are in the final stages of awards, while \$3.8M were recently awarded.	

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	Planned		Actual Execution		Summary Data					
FY 2016 WCF Service Portfolio	FY 2016 Mid Year Reassessment <sup>1</sup>	Planned Execution <sup>2</sup>	Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	Total Obligated/Expended	Delta	Projected Q4 Execution <sup>5</sup>	Project Carryover Amount FY 2017	Explanations on low Execution Rates (Column H)	Explanation of Projected Carryover (In reference to Column J)
CLAN Operations	23,586,136	23,503,636	13,531,410	4,088,037	17,619,448	5,884,188	82,500	500,000	The reason for the low execution rate is that the majority of I&A CIO's Cross Domain requirements (\$2.3M) is programmed to be executed in the fourth quarter of FY 2016.	The remaining FY 2016 C-LAN funds including the projected FY 2017 carryover is allocated for IT lifecycle replacement. Essentially, I&A CIO is in the process of identifying antiquated IT equipment located at multiple sites around the country. The IT equipment is operating beyond the recommended lifecycle and must be replaced. The project is taking longer than anticipated. Once the inventory is complete and IT hardware requirements are accurately identified, I&A CIO intends to submit a PR package to commit approximately \$1.9M to purchase lifecycle replacement IT equipment. Further, due to the OPO FY 2016 Procurement and Financial Assistance Processing Guidance memo, I&A CIO also will submit a waiver for approval to the Head of Contracting Activity (HCA) requesting approval to submit a PR package after the processing deadline.
Enterprise Licenses Agreements	181,432,681	116,108,457	113,141,416	304,873	113,446,289	2,662,168	68,345,742			There will be no Carryover because Activity will be removed from WCF in FY 2017.
Procurement Operations	44,196,795	34,136,884	5,135,531	25,908,778	31,044,309	3,092,575	10,059,911			There will be no Carryover because Activity will be removed from WCF in FY 2017.
HSPD-12	22,416,352	22,047,837	13,329,144	2,821,257	16,150,401	5,897,436	368,515	350,000	The low execution rate of 73% is due to pending procurement award delays.	Projected 1.6% carryover is due to federal staff military leave salary adjustments, staff attrition, contractual deobligations, and procurement delays.
e-Training	8,447,297	6,228,149	210,690	3,326,057	3,536,747	2,691,402	2,219,156	-	Low execution rate is a result of salary lapse.	
Mail Services	12,606,718	12,355,611	4,827,430	6,736,481	11,563,911	791,700	251,107	650,000		Mail customers' requirements changed from the time the Mid-Year Reassessments were completed.
Parking Services	867,108	486,741	69,413	123,485	192,898	293,844	86,523	100,000	Low execution rate is due several procurement request that are in the process of being awarded and obligated.	The parking customers' requirements changed from the time the Mid-Year Reassessments were completed; this caused the execution rate to be lower than anticipated.
Sedan Services	1,481,050	1,410,124	797,521	423,534	1,221,054	189,070	-	200,000	Low execution rate is because \$86,144 agreement and other obligations are in the process of being executed. The Sedan WCF Activity Manager position was vacant for several months. The unused funds will carry over into FY 2017 and offset during the FY 2017 reassessment. We anticipated the new Sedan Activity Manager will be onboard the last quarter of this fiscal year.	The Sedan WCF Activity Manager position was vacant for several months because the Activity Manager was hired and paid out of CRSO Management Appropriated Funds. The unused Salary and Benefits funds will carry over into FY 2017 and offset during the FY 2017 reassessment. We anticipated the new Sedan Activity Manager will be onboard the last quarter of this fiscal year.
Shuttle Services	1,095,494	1,055,447	168,670	175,523	344,194	711,253	40,047	100,000	Low execution rate is because \$164,189 is in the commitments phase and several procurement requests are in the process of being awarded and obligated.	Total expense and obligation will be 90%.
Transit Subsidy	4,922,331	4,845,347	2,601,298	797,755	3,399,053	1,446,294	76,984	1,300,000	Low execution rate is because \$24,894 is in the commitments phase and other program related obligations are still in the process of being executed.	The Transit customers' requirements changed from the time the Mid-Year Reassessments were completed.
Regulatory Services	442,862	442,862	5,555	-	5,555	437,307	323,727	113,580	<b>RAMS:</b> Funds have been given to OCIO to obligate and expense a contract under their review. <b>e-Docket:</b> Funds are being obligated by OFO, once that is completed the Vendor (EPA) will issue IPACS.	<b>e-Docket:</b> The Vendor (EPA) is able to use e-Docket during the course of 2 fiscal years. OGC will utilize the remainder of FY 2016 funds to offset the collection of FY 2017.
<b>Fee-For-Service Total</b>	<b>745,360,423</b>	<b>605,048,348</b>	<b>284,855,550</b>	<b>235,159,923</b>	<b>520,015,473</b>	<b>85,082,875</b>	<b>131,111,781</b>			

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FY 2016 WCF Service Portfolio	FY 2016 Mid-Year Reassessment <sup>1</sup>	Planned Execution <sup>2</sup>	Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	Total Obligated/Expended	Delta	Projected Q4 Execution <sup>5</sup>	Project Carryover Amount FY 2017	Explanations on low Execution Rates (Column H)	Explanation of Projected Carryover (In reference to Column J)
Interagency Council Funding	873,052	873,052	-	873,052	873,052	-	-			
USA Jobs	1,127,719	1,127,719	-	1,127,719	1,127,719	-	-			
Enterprise HR Integration (EHR)	3,115,342	3,115,342	-	3,115,342	3,115,342	0	-			
e-Rulemaking	725,532	725,532	725,532	-	725,532	-	-			
Human Resources Line of Business	260,870	260,870	260,870	-	260,870	-	-			
e-gov/Benefits	226,453	226,453	162,217	-	162,217	64,236	-	-	Because of an increase in Component participation, the cost per customer decreased in FY 2016.	
Financial Management LOB	187,342	187,342	187,342	-	187,342	-	-			
Geospatial LOB	225,000	225,000	225,000	-	225,000	-	-			
Budget Formulation & Execution LOB	110,000	110,000	-	-	-	110,000	-	-	Low execution rate is the result of pending procurement actions to be obligated in Q4.	
e-gov.Integrated Acquisition Environment	1,727,136	1,727,136	-	1,727,136	1,727,136	-	-			
Disaster Management	11,170,000	11,170,000	2,819,001	315,932	3,134,933	8,035,067	-	-	DM has a total of \$8.035M in commitment status as of 7/13/16. This funding will be obligated by the end of August 2016.	There will be no Carryover as Activity will be removed from WCF in FY 2017.
IAE Loans & Grants	220,784	220,784	-	220,784	220,784	-	-			
e-Integrated Financial Assistance Environment	472,485	330,995	330,995	-	330,995	-	141,490	-		
Performance Management LOB	53,000	53,000	53,000	-	53,000	-	-			
<b>Government-Wide PPA Total</b>	<b>20,494,715</b>	<b>\$ 20,353,225.00</b>	<b>4,763,958</b>	<b>7,379,965</b>	<b>12,143,922</b>	<b>8,209,303</b>	<b>141,490</b>			
Capital Planning and Investment Control (CPIC)	6,946,416	6,050,121	4,626,397	990,278	5,616,675	433,446	462,848	79,975		
Strategic Sourcing	1,910,169	1,405,446	46,731	748,872	795,603	609,843	-	504,723	Low execution rate is the result of pending procurement actions to be obligated in Q4 and salary lapse due to a vacancies for three FTE resulting from staff attrition.	Projected carryover is the result of a salary lapse due to vacancies for three FTE due to attrition. Strategic Sourcing will be issuing a vacancy announcement in Q4 and expects to fill the vacancies by Q1 FY 2017.
CPO Shared Reporting	5,728,015	1,962,036	794,449	361,983	1,156,431	805,604	2,960,375	-	Low execution rate is the result of pending procurement actions to be obligated in Q4.	
<b>DHS Crosscutting PPA Total</b>	<b>14,584,600</b>	<b>\$ 9,417,602.99</b>	<b>5,467,577</b>	<b>2,101,133</b>	<b>7,568,709</b>	<b>1,848,894</b>	<b>3,423,223</b>			
Working Capital Fund Operations	1,335,671	1,051,415	54,425	676,659	731,083	320,331	320,331		Under executed because of delayed hiring actions of new hires and unfilled vacancies	There will be no Carryover as it is being removed from WCF in FY 2017.
<b>Working Capital Fund Operations</b>	<b>1,335,671</b>	<b>\$ 1,051,414.68</b>	<b>54,425</b>	<b>676,659</b>	<b>731,083</b>	<b>320,331</b>	<b>320,331</b>			
<b>Total</b>	<b>781,775,409</b>	<b>\$ 635,870,590.84</b>	<b>295,141,509</b>	<b>245,317,679</b>	<b>540,459,188</b>	<b>95,411,403</b>	<b>134,996,826</b>			

**Legend:**

<sup>1</sup> FY 2016 WCF Mid-Year Assessment Plan.
<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 2016 funds obligated in the financial system through the end of the current quarter.
<sup>4</sup> Total cumulative FY 2016 actual expenditures through the end of the current quarter.
<sup>5</sup> Planned obligations and/or expenditure through the end of the fourth quarter according to the program office's spend plan. These amounts are based on the FY 2016 Mid-Year level.