



# **Working Capital Fund Quarterly Execution Report**

First and Second Quarters, Fiscal Year 2018

June 13, 2018

Fiscal Year 2018 Report to Congress



**Homeland  
Security**

*Office of the Chief Financial Officer*

# Message from the Acting Chief Financial Officer

June 13, 2018

I am pleased to provide the following report, “Working Capital Fund Quarterly Execution Report” for the first and second quarters 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', written in a cursive style.

Stacy Marcott  
Acting Chief Financial Officer



# Working Capital Fund Quarterly Execution Report First and Second Quarters, 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. First and Second Quarters Execution Report

FY 2018 WCF Service Portfolio	FY18 Annual Plan <sup>1</sup>	Planned Execution <sup>2</sup>	Total Commitments	Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	Total Obligated/ Expended <sup>5</sup>	Delta	Exec Rate	Projected Q3 Execution	Projected Q4 Execution <sup>6</sup>	Explanations on low Execution Rates
GSA RENT	165,258,843	92,958,100	-	-	6,054	6,054	92,952,046	0%	41,314,711	41,314,711	Overtime & utility bill were received for the full year bill but were funded on an RWA for half a year because the funds that were available in the financial system were at the CR amount. The vendor wanted the full year's worth of funds obligated on the RWA to pay the full year bill but an agreement was made to fund the RWA for half-a-year's worth of funds until the CR was over and full-year enacted funds were available. All of the overtime and utility RWA are still in the process of being committed and obligated. There are multiple overtime and utility bills for different dollar amounts and since they're funded for half a year there were funds still available. Funding each RWA for half a year is easier to track instead of maxing out the available balance in the system.
Finance & Acctg Shared Services	25,513,054	12,707,942	-	8,001,744	4,252,176	12,253,920	454,022	96%	6,378,264	6,378,264	N/A
Integrated Audit	14,828,720	8,406,750	-	7,187,829	-	7,187,829	1,218,921	86%	-	-	Due to the FY 2018 enacted bill coming late in March, full funding was not available, therefore execution was delayed.
Bankcard Program	49,367	25,873	-	-	-	-	25,873	0%	-	-	We haven't executed the IAA with CBP yet. We will execute in Q3.
TIER	1,426,702	828,159	-	249,015	350,703	599,718	228,441	72%	328,141	399,477	Due to the CR, full funding was not available, therefore execution was delayed.
NFC Payroll Services & Reporting	39,444,798	21,241,909	-	6,004,384	11,995,163	17,999,547	3,242,362	85%	19,722,399	-	N/A
Human Capital Business Systems (HCBS)	4,816,414	4,241,058	-	1,734,127	32,751	1,766,878	2,474,180	42%	1,160,756	-	Contract funding (\$1,734K) was obligated by 3/31; remaining activity requirement periods of performance (POP) are later in the year and commitments/obligations will be reflected at that point. Additionally, COR/PM reviewing contracting options to understand opportunity for efficiency better.
Flexible Spending Plan	1,200,000	1,415,711	-	809,301	3,573	812,874	602,837	57%	720,000	-	Actual payments are not needed until 2nd half of year. Future spending will be revised.
HQ Leadership Development	196,841	103,164	-	27,508	59,476	86,984	16,180	84%	-	-	Contract committed for \$16,180K on 4/9/18. Remaining funds will be revised.
Research Library & Information Services (RLIS)	8,939,632	6,664,015	587,078	3,232,917	1,753,182	4,986,099	1,677,916	75%	277,129	983,360	Spend plans did not accurately reflect the need for obligation in Q3, rather than Q1 and Q2.
DHS One Net	68,155,333	33,254,115	3,877,433	13,532,026	7,023,749	20,555,775	12,698,340	62%	8,860,193	5,520,582	CISO underexecuted OneNet pending confirmation that additional funding for the NextGen contract was not needed. This confirmation was received late in Q2, resulting in under-execution. Spend plans for future years will be revised accordingly.
NCR Infrastructure Operations	104,328,985	53,468,605	9,866,289	18,491,561	16,745,377	35,236,938	18,231,667	66%	37,662,764	-	As of March 31, 2018, the NCRIO WCF had underexecuted \$17.8M – there were 12 Purchase Requests totaling \$9.87M in the pipeline in the final stages of award that since have been obligated. On March 29, an allotment of \$8M received too late to be obligated before the end of the quarter; as of the end of April all \$8M has been placed on Purchase Requests.

FY 2018 WCF Service Portfolio	FY18 Annual Plan <sup>1</sup>	Planned Execution <sup>2</sup>	Total Commitments	Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	Total Obligated/ Expended <sup>5</sup>	Delta	Exec Rate	Projected Q3 Execution	Projected Q4 Execution <sup>6</sup>	Explanations on low Execution Rates
CLAN Operations	24,948,718	13,314,192	-	13,258,094	56,335	13,314,429	(237)	100%	6,237,180	6,237,180	N/A
HSPD-12	19,366,007	6,003,462	688,367	3,332,702	1,607,327	4,940,029	1,063,433	82%	9,876,664	3,485,881	N/A
e-Training	5,947,000	5,610,234	-	989,929	2,691,791	3,681,720	1,928,514	66%	1,546,220	1,367,810	Contract funding (~\$2.7M) was obligated by 3/31; actual LMS Contract (~\$570K) in progress will result in \$1M in savings from plan.
Mail Services	11,628,390	6,540,969	-	1,743,553	3,841,562	5,585,115	955,854	85%	-	-	N/A
Parking Services	593,486	137,153	16,594	52,443	31,144	83,587	53,566	61%	-	523,514	Parking executed one PR in the first quarter, there are parking contracts with POP that will start in Q4 and its funds will be obligated in Q3 and Q4.
Transit Subsidy	5,444,037	1,300,260	1,038,816	261,444	129	261,572	1,038,688	20%	-	5,243,696	Transit WMATA contracts POP and obligations will start in Q3.
<b>Fee-For-Service Total</b>	<b>502,086,327</b>	<b>268,221,671</b>	<b>16,074,577</b>	<b>78,908,576</b>	<b>50,450,491</b>	<b>129,359,067</b>	<b>138,862,604</b>		<b>134,084,421</b>	<b>71,454,474</b>	
Interagency Council Funding	1,189,288	-	-	-	-	-	-	0%	1,189,288	-	N/A
USA Jobs	1,246,528	802,889	-	385,177	-	385,177	417,712	48%	-	-	IAs delayed to obligate funding in a consolidated modification through remaining year. Anticipate obligation by late Q3.
Enterprise HR Integration (EHR)	3,964,779	2,478,383	-	-	749,343	749,343	1,729,040	30%	-	-	IAs delayed to obligate funding in a consolidated modification through remaining year. Anticipate obligation by late Q3.
e-Rulemaking	348,117	334,941	334,941	-	-	-	334,941	0%	348,117	-	\$334K is carryover amount OCIO received funds will be executed in Q3.
Human Resources Line of Business	273,913	154,078	-	51,770	-	51,770	102,308	34%	-	-	IAs delayed to obligate funding in a consolidated modification through remaining year. Anticipate obligation by late Q3.
e-govBenefits	161,739	56,210	56,210	-	-	-	56,210	0%	161,739	-	\$56K is carryover amount OCIO received funds will be executed in Q3.
Financial Management LOB	187,342	-	-	-	-	-	-	0%	-	187,342	N/A
Geospatial LOB	225,000	-	-	-	-	-	-	0%	225,000	-	N/A
Budget Formulation & Execution LOB	110,000	-	-	-	-	-	-	0%	110,000	-	N/A
e-gov.Integrated Awards Environment	874,354	458,249.00	-	-	-	-	458,249	0%	-	-	Due to the FY 2018 enacted bill coming late in March, full funding was not available, therefore execution was delayed.
e-Integrated Financial Assistance Environment	472,485	162,454	-	92,421	-	92,421	70,033	57%	472,485	-	Due to the FY 2018 enacted bill coming late in March, full funding was not available, therefore execution was delayed.
Performance Management LOB	79,800	35,702	-	-	-	-	35,702	0%	-	-	Due to the FY 2018 enacted bill coming late in March, full funding was not available, therefore execution was delayed.
<b>Governmentwide PPA Total</b>	<b>9,133,345</b>	<b>4,482,906</b>	<b>391,151</b>	<b>529,368</b>	<b>749,343</b>	<b>1,278,711</b>	<b>3,204,195</b>		<b>2,506,629</b>	<b>187,342</b>	

FY 2018 WCF Service Portfolio	FY18 Annual Plan <sup>1</sup>	Planned Execution <sup>2</sup>	Total Commitments	Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	Total Obligated/ Expended <sup>5</sup>	Delta	Exec Rate	Projected Q3 Execution	Projected Q4 Execution <sup>6</sup>	Explanations on low Execution Rates
Capital Planning and Investment Control (CPIC)	6,946,416	3,107,827	-	1,178,592	206,612	1,385,203	1,722,624	45%	1,944,996	764,106	CPIC only funded what was required to cover the CR periods. Now that the CR is over, Q3 will be on target.
CPO Shared Reporting	4,966,443	2,602,913	1,272,626	259,956	190,923	450,879	2,152,034	17%	-	1,047,919	Funding received in Q1 and Q2 has been committed to a working contract action. The remaining balance will be obligated in Q4 due to a contract action being shifted closer to the end of the year to meet requirements.
<b>DHS Crosscutting PPA Total</b>	<b>11,912,859</b>	<b>5,710,740</b>	<b>\$ 1,272,626</b>	<b>1,438,548</b>	<b>397,535</b>	<b>1,836,083</b>	<b>3,874,657</b>		<b>1,944,996</b>	<b>1,812,025</b>	
<b>Total</b>	<b>523,132,531</b>	<b>278,415,317</b>	<b>17,738,353</b>	<b>80,876,491</b>	<b>51,597,369</b>	<b>132,473,861</b>	<b>145,941,456</b>		<b>138,536,046</b>	<b>73,453,841</b>	
<b>Legend:</b>											
<sup>1</sup> Annual Plan under the FY 2018 Annual 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 2018 funds obligated in the financial system through the end of the current quarter.											
<sup>4</sup> Actual FY 2018 total expenditures in the financial system through the end of the current quarter.											
<sup>5</sup> Actual FY 2018 total Obligated/Expended in the financial system through the end of the current quarter.											
<sup>6</sup> Planned obligations and/or expenditure through the end of the 4th Quarter according to the FY 2018 Spend plans.											