



Working Capital Fund Quarterly Execution Report

Second Quarter, Fiscal Year 2016

April 29, 2016

Fiscal Year 2016 Report to Congress



Homeland
Security

Office of the Chief Financial Officer

Message from the Chief Financial Officer

April 29, 2016

I am pleased to provide the following “Working Capital Fund Quarterly Execution Report” for the second 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 March 31, 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 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 Second Quarter, Fiscal Year 2016

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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.

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] that: extends the authority of the Department's WCF in fiscal year 2016; 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 2016 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; and requires the WCF to be paid in advance or reimbursed at rates which will return the full cost of each service. 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 Second Quarter Execution Report

	A	B	C	D	E	F	G	H	I	J
	Planned			Actual Execution		Summary Data				
Formula						D + E	B - F			
FY 2016 WCF Service Portfolio	FY16 Mid Year Reassessment ¹	Planned Execution ²	Total Cmnt	Actual Obligations ³	Actual Expenses ⁴	Total Obligated/Expended	Delta	Projected Q3 Execution ⁵	Projected Q4 Execution ⁶	Explanations on low Execution Rates (Column G)
GSA RENT	141,376,887	73,319,758	-	14,568,332	53,796,627	68,364,959	4,954,798	34,800,860	33,256,270	
Finance & Acctg Shared Services	24,000,000	12,756,528	-	12,756,527	-	12,756,527	0	6,378,264	4,865,209	
Integrated Audit	14,185,091	14,185,091	-	13,541,461	-	13,541,461	643,630	-	-	
Financial Management Support (OFO)	7,205,000	2,639,500	-	283,743	1,845,310	2,129,053	510,448	2,282,750	2,282,750	Low execution rate due to the delay in onboarding for in-process hiring actions.
Bankcard Program	47,000	47,000	-	44,000	-	44,000	3,000	-	-	
TIER	951,000	554,000	10,804	90,886	333,276	424,162	129,838	202,000	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 1st quarter; the goal is to have the funds fully obligated by 6/1/2016.
NFC Payroll Services & Reporting	37,670,899	37,670,899	-	19,162,623	18,508,276	37,670,899	-	-	-	
HQ Human Capital Services	12,859,132	6,404,828	4,672	852,203	4,900,989	5,753,192	651,636	3,654,932	2,799,372	Low execution rate is a result of salary lapse.
Human Capital Business Systems (HCBS)	7,226,769	4,537,273	-	517,033	4,020,240	4,537,274	(0)	1,169,154	1,520,341	
Flexible Spending Plan	1,286,455	514,582	1,238	-	-	-	514,582	771,873	-	Low execution rate due to billing issues with the 1st qtr. invoices. Obligation will occur in 3rd qtr.
DHS EXEC. LEAD. (SES CDP)	2,175,029	1,201,781	-	69,277	190,700	259,977	941,804	864,421	108,827	Low execution rate is a result of salary lapse.
HQ Leadership Development	169,930	169,930	-	118,951	50,979	169,930	(0)	-	-	
National Defense University	829,138	413,676	-	38,666	145,179	183,845	229,830	224,076	191,386	Low execution rate is a result of salary lapse.
Research Library & Information Services (RLIS)	10,594,678	8,366,444	160,000	3,407,615	4,426,380	7,833,995	532,449	2,082,033	146,201	
DHS One Net	67,547,629	34,579,233	5,499,367	14,669,940	5,061,506	19,731,446	14,847,787	30,938,501	2,029,895	As of March 24, total funding received \$34,579,233.29 and COE totaled \$25,230,812.86, a committed plus obligation and expenditure rate of 72.9%. CR restrictions lead to partially funded requirements and adjusted period of performances. All FY16 requirements remain valid.

	A	B	C	D	E	F	G	H	I	J
	Planned			Actual Execution		Summary Data				
Formula						D + E	B - F			
FY 2016 WCF Service Portfolio	FY16 Mid Year Reassessment ¹	Planned Execution ²	Total Cmmt	Actual Obligations ³	Actual Expenses ⁴	Total Obligated/Expended	Delta	Projected Q3 Execution ⁵	Projected Q4 Execution ⁶	Explanations on low Execution Rates (Column G)
NCR Infrastructure Operations	115,740,961	80,981,000	13,162,961	41,940,624	14,889,189	56,829,813	24,151,187	22,988,000	11,771,961	Low execution rate is due to delayed acquisition stages with requirements totaling \$6.6M, and \$12.9M are in the final stages of awards. Requirements for \$4.7M are currently under going feasibility and engineering evaluations, to be executed in 3rd qtr.
CLAN Operations	23,586,136	21,289,740	-	17,264,879	64,474	17,329,353	3,960,387	2,213,896	82,500	Low Execution rate due to contract negotiations
Enterprise Licenses Agreements	181,454,199	22,312,519	20,805,417	171,023	198,948	369,971	21,942,548	90,795,938	68,345,742	The submission of the Procurement Request for contract RUIO-16-AS013 was submitted late, March 11,2016, 20 days before end of the quarter. Funds will be executed in 3rd qtr.
Procurement Operations	44,196,795	22,586,079	303,786	2,987,990	15,348,704	18,336,694	4,249,386	13,518,123	8,092,593	Low execution rate due to attrition. OPO plans to utilize the balance in the 3rd qtr.
HSPD-12	22,416,352	12,148,220	6,151,242	2,501,001	992,039	3,493,040	8,655,180	9,899,617	368,515	Low execution is due to contractual costing discrepancies which prohibited the timely execution of a major Indefinite Delivery, Indefinite Quantity (IDIQ) HSPD-12 Identity & Card Management Support Services award and the programs planned targeted 2nd quarter execution rate of 98%.
e-Training	8,447,297	3,416,724	-	89,977	3,053,136	3,143,113	273,611	2,811,417	2,219,156	
Mail Services	12,606,718	11,284,939	209,082	6,488,094	4,796,845	11,284,939	0	1,070,672	251,107	
Parking Services	867,108	194,242	-	74,250	82,893	157,142	37,099	292,500	380,367	The Central Parking contract- HSHQDC13C00015 award was over estimated and came in at a lower amount than what was anticipated.
Sedan Services	1,481,050	1,143,912	-	1,008,641	101,648	1,110,289	33,623	266,213	70,926	
Shuttle Services	1,095,494	288,946	-	108,813	99,805	208,618	80,328	766,501	40,047	The submission of the Procurement Request for the Shuttles contract was late. Funds will be executed in 3rd qtr.
Transit Subsidy	4,922,331	437,823	-	194,990	138,180	333,171	104,652	4,407,525	76,984	The Department of Transportation IAA- HSHQDC16X00006 award was over estimated and came in at a lower amount than what was anticipated. The Transit Subsidy activity overall mid year re-assessment cost decreased by \$1,255,300. Customer requirement was lower than what was anticipated.
Regulatory Services	442,862	79,950	-	-	-	-	79,950	362,912	-	IAA Packet is in the process of being finalized. Funds will be obligation and execution in 3rd quarter.
Fee-For-Service Total	745,381,940	373,524,616	46,308,570	152,951,538	133,045,325	285,996,863	87,527,753	232,762,176	139,095,148	

	A	B	C	D	E	F	G	H	I	J
Formula	Planned		Actual Execution			Summary Data				
	FY16 Mid Year Reassessment ¹	Planned Execution ²	Total Cmmt	Actual Obligations ³	Actual Expenses ⁴	Total Obligated/Expended	B - F	Projected Q3 Execution ⁵	Projected Q4 Execution ⁶	Explanations on low Execution Rates (Column G)
Interagency Council Funding	833,830	-	-	-	-	-	-	833,830	-	
USA Jobs	1,080,469	1,080,469	-	-	-	-	1,080,469	-	-	Low execution rate is due to the delayed receipt of final bill from trading partner. Funding should be fully obligated in 3rd qtr..
Enterprise HR Integration (EHR)	3,115,342	3,115,342	-	-	3,115,342	3,115,342	0	-	-	
e-Rulemaking	725,532	-	-	-	-	-	-	725,532	-	
Human Resources Line of Business	260,870	260,870	-	78,261	-	78,261	182,609	-	-	Funding inadvertently requested in 2nd quarter. Funds will be fully obligated in 3rd quarter by 6/30/16.
e-gov/Benefits	226,453	-	-	-	-	-	-	226,453	-	
Financial Management LOB	187,342	-	-	-	-	-	-	187,342	-	
Geospatial LOB	225,000	-	-	-	-	-	-	225,000	-	
Budget Formulation & Execution LOB	110,000	-	-	-	-	-	-	110,000	-	
e-gov.Integrated Acquisition Environment	1,727,136	1,727,136	-	-	-	-	1,727,136	-	-	Low execution rate due a result of cost negotiations with final agreement. Agreement is now drafted and will be executed in 3rd qtr..
Disaster Management	11,170,000	3,134,933	-	3,134,933	-	3,134,933	-	6,373,000	1,662,067	
IAE Loans & Grants	220,784	220,784	-	-	-	-	220,784	-	-	Encountered issues coordinating agreement. Agreement is now drafted and will be executed shortly.
e-Integrated Financial Assistance Environment	472,485	330,995	-	-	-	-	330,995	-	141,490	Funding inadvertently requested in 2nd quarter. Funds will be fully obligated in 3rd quarter by 6/30/16.
Performance Management LOB	53,000	53,000	-	53,000	-	53,000	-	-	-	
Government-Wide PPA Total	20,408,243	\$ 9,923,529.00	\$ -	3,266,194	3,115,342	6,381,536	3,541,993	8,681,157	1,803,557	
Capital Planning and Investment Control (CPIC)	6,946,416	3,570,096	-	3,131,749	186,952	3,318,701	251,395	2,480,025	896,295	
Strategic Sourcing	1,910,169	839,621	-	65,925	492,707	558,632	280,990	565,825	504,722	Low execution rate is the result of salary lapse due to a vacancy for one FTE for the full duration of Q1 and Q2. Strategic Sourcing issued a vacancy announcement in Q2 and expects to fill the vacancy by Q4.
CPO Shared Reporting	5,728,015	602,000	-	436,309	42,882	479,190	122,810	600,000	4,526,015	Encountered issues coordinating agreement. Agreement is now drafted and will be executed shortly.
DHS Crosscutting PPA Total	14,584,600	\$ 5,011,717.44	\$ -	3,633,982	722,540	4,356,523	655,195	3,645,850	5,927,032	
Working Capital Fund Operations	1,335,671	671,835	-	22,822	455,551	478,373	193,462	379,580	284,256	Low execution rate due to delayed hiring actions of new hires and unfilled vacancies.
Working Capital Fund Operations	1,335,671	\$ 671,834.99	\$ -	22,822	455,551	478,373	193,462	379,580	284,256	
Total	781,710,454	\$ 389,131,697.82	\$ 46,308,569.67	159,874,536	137,338,758	297,213,294	91,918,404	245,468,763	147,109,993	

Legend:

¹ FY 2016 WCF Mid-Year Assessment Plan.
² Cumulative planned obligations and/or expenditures as of the end of the current quarter according to program office's spend plan.
³ Total cumulative FY16 funds obligated in the financial system through the end of the current quarter.
⁴ Total cumulative FY16 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 program office's spend plan. These amounts are based on the FY16 Mid-Year level.
⁶ Planned obligations and/or expenditure through the end of the 4th Quarter according to the program office's spend plan. These amounts are based on the FY16 Mid-Year level.