



Working Capital Fund Quarterly Execution Report

Second Quarter, Fiscal Year 2015

May 1, 2015

Fiscal Year 2015 Report to Congress



Homeland
Security

Office of the Chief Financial Officer

Message from the Chief Financial Officer

MAY - 1 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 the *DHS Appropriations Act, 2015 (P.L. 114-4)*, which specifies reporting terms in Section 504 of the General Provisions. Included in the report are the details of planned execution to actual obligations and expenditures, for each Working Capital Fund (WCF) Activity, through March 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 cursive.

Chip Fulghum
Chief Financial Officer



Working Capital Fund Quarterly Execution Report Second Quarter, Fiscal Year 2015 (through March 30, 2015)

Table of Contents

| | |
|---|---|
| I. Legislative Language | 1 |
| II. WCF 2 nd Quarter Execution Report Data | 2 |

I. Legislative Language

This document has been prepared in response to the *Fiscal Year (FY) 2015 Department of Homeland Security Appropriations Act* (P.L. 114-4) and its accompanying 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 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 2nd Quarter Execution Report Data

| | A | B | C | D | E | F | G | J | K | |
|--|----------------------------|--------------------------------|------------|---------------------------------|------------------------------|--------------------------|------------|-------------------------------------|-------------------------------------|--|
| Formula | Planned | | | Actual Execution | | Summary Data | | Projections | | |
| FY 2015 WCF Service Portfolio | FY15 Mid-Year Reassessment | Planned Execution ¹ | Total Cmmt | Actual Obligations ² | Actual Expenses ⁴ | Total Obligated/Expended | Delta | Projected Q3 Execution ⁶ | Projected Q4 Execution ⁷ | Explanations on low Execution Rates (Column G) |
| GSA RENT | 150,031,047 | 76,954,236 | 345,306 | 23,134,519 | 32,351,299 | 55,485,817 | 21,468,419 | 39,590,369 | 33,486,441 | Due to the C.R./and timing of the remaining Q2 enacted funding, impacted contract award times. |
| Finance & Acctg Shared Services | 25,513,055 | 12,145,521 | - | 10,484,817 | - | 10,484,817 | 1,660,704 | 6,302,842 | 7,064,693 | Due to the C.R./and timing of the remaining Q2 enacted funding, ICE was unable to execute the remaining Q2 enacted allotment. The goal is to fully obligate these by end of April. |
| Integrated Audit | 14,011,656 | 14,011,656 | - | 14,011,656 | - | 14,011,656 | - | - | - | |
| Financial Statement Audit | - | - | - | - | - | - | - | - | - | |
| Internal Control Audit | - | - | - | - | - | - | - | - | - | |
| Financial Management Support (OFO) | 4,875,300 | 3,011,838 | 68,041 | 250,597 | 1,554,187 | 1,804,784 | 1,207,054 | 683,645 | 1,179,817 | Due to the C.R./and timing of the remaining Q2 enacted funding, impacted contract award times and personnel actions. |
| Bankcard Program | 44,000 | 26,509 | - | 26,509 | - | 26,509 | - | - | 17,491 | |
| TIER | 918,000 | 548,000 | - | 153,138 | 197,047 | 350,184 | 197,816 | 191,000 | 179,000 | The next option period for the TIER O&M contract would not begin until 5/1/15. Procurement has asked us not to send requisitions to exercise options prior to 30 days from the option period beginning. Therefore, we had to wait until 4/1/15 to send the next requisition for \$188,112 to exercise the option to begin on 5/1/15. |
| NFC Payroll Services & Reporting | 38,129,000 | 38,129,000 | 30,441,285 | 216,122 | 7,471,593 | 7,687,715 | 30,441,285 | - | - | A PR was processed and the remaining balance was committed on 3/13/2015. Awaiting obligation from CFO. |
| HQ Human Capital Services | 13,283,273 | 6,163,161 | 208,244 | 1,208,806 | 4,668,928 | 5,877,734 | 285,427 | 3,101,307 | 4,018,805 | |
| Human Capital Business Systems (HCBS) | 6,880,557 | 1,966,932 | - | 481,106 | 1,485,826 | 1,966,932 | (0) | 1,706,226 | 3,207,399 | |
| Flexible Spending Plan | 154,881 | 154,881 | 151,454 | - | 3,427 | 3,427 | 151,454 | - | - | OCHCO received the final bill from the vendor and has committed the remaining balance as of 3/29/15. The funds have been obligated by CFO. |
| DHS EXEC. LEAD. (SES CDP) | 2,076,027 | 565,503 | - | 83,376 | 293,353 | 376,729 | 188,774 | 594,887 | 915,638 | Selection for the cohort was finalized the first week of April. OCHCO anticipates obligating the balance of the funding before the end of the 3rd quarter. |
| HQ Leadership Development | 296,216 | 271,659 | 132,140 | 84,576 | - | 84,576 | 187,083 | 24,557 | - | Due to the C.R./and timing of the remaining Q2 enacted funding, impacted contract award times. |
| National Defense University | 883,445 | 481,065 | - | 46,791 | 214,194 | 260,985 | 220,080 | 203,690 | 198,690 | All of the funds requested for Q1 and Q2 were allocated once the budget was passed. However, while we were still under a CR, CFO allotted funds based on FY14 which at the time wasn't enough to cover payroll expenses and shared services cost that had been obligated which resulted some of the payroll expenses being re-classed to the FY14 NDU carryover. |
| Research Library & Information Services (RLIS) | 9,104,655 | 8,649,135 | 4,211,228 | 1,391,825 | 2,880,169 | 4,271,994 | 4,377,142 | 254,259 | 201,261 | Allotment due to continuing resolution was insufficient to meet requirements, causing delay in procurement processing. The goal is to fully obligate these by 4/30/15. |
| DHS One Net | 76,608,036 | 27,468,555 | 4,359,031 | 17,412,819 | 3,911,131 | 21,323,950 | 6,144,605 | 45,213,762 | 3,925,719 | DHS One Net WCF is in constant contact with Contracting Officers regarding commitment items which have not been obligated. The Contracting Officers indicate obligation rates should improve in the 3rd quarter of FY15. All requirements remain valid. |

| | A | B | C | D | E | F | G | J | K | |
|--------------------------------|----------------------------|--------------------------------|-------------------|---------------------------------|------------------------------|--------------------------|--------------------|-------------------------------------|-------------------------------------|---|
| | Planned | | | Actual Execution | | Summary Data | | | | |
| Formula | | | | | | D + E | B - F | | | |
| FY 2015 WCF Service Portfolio | FY15 Mid-Year Reassessment | Planned Execution ² | Total Cmmt | Actual Obligations ³ | Actual Expenses ⁴ | Total Obligated/Expended | Delta | Projected Q3 Execution ⁶ | Projected Q4 Execution ⁷ | Explanations on low Execution Rates (Column G) |
| NCR Infrastructure Operations | 118,134,636 | 79,336,940 | 32,655,480 | 22,938,492 | 17,226,670 | 40,165,162 | 39,171,778 | 29,099,060 | 9,698,636 | NCRIO WCF is in constant contact with Contracting Officers regarding commitment items which have not been obligated. The Contracting Officers indicate obligation rates should improve in the 3rd quarter of FY15. All requirements remain valid. |
| CLAN Operations | 18,138,782 | 15,302,917 | - | 9,673,370 | 20,718 | 9,694,088 | 5,608,829 | 2,054,781 | 781,084 | Due to the CR, \$9.3M was obligated. The remaining balance will be obligated in the 3rd quarter. |
| Enterprise Licenses Agreements | 178,183,610 | 20,028,230 | 19,530,474 | 167,517 | 242,199 | 409,716 | 19,618,514 | 29,015,363 | 129,140,017 | Due to the C.R./and timing of the remaining Q2 enacted funding, funds were placed on a purchase requisition to renew the Symantec POP and this is pending award with Procurement. The contract award is expected by April 30th. |
| Procurement Operations | 46,214,790 | 24,350,759 | 48,953 | 3,804,764 | 17,569,354 | 21,374,118 | 2,976,640 | 11,696,285 | 10,167,746 | OPO'S attrition rate has been averaging 10%, OPO was not able to hire to fill the vacancies in FY 14 due to delays in the hiring process as a result of the approvals required and the security processing |
| HSPD-12 | 21,928,515 | 10,693,906 | 1,625,712 | 6,534,036 | 2,104,057 | 8,638,093 | 2,055,813 | 5,707,422 | 5,527,187 | |
| e-Training | 15,244,068 | 8,550,634 | - | 106,224 | 603,257 | 709,481 | 7,841,153 | 4,731,545 | 1,961,890 | There were unanticipated delays in obligating the funding for PALMS. The program anticipates obligating funding for the program in the 3rd and 4th quarter. OCHCO will submit an updated spend plan. |
| Mail Services | 12,175,384 | 12,175,384 | 97,712 | 5,400,081 | 4,828,440 | 10,228,521 | 1,946,863 | - | - | The mail contract have multiple CLINs and in order to obligated the CLINs they would have to be fully funded. Due to the CRs we didn't have the full funding that was needed to obligated one of the CLINs. |
| Parking Services | 985,571 | 339,848 | 7,044 | 60,286 | 120,971 | 181,257 | 158,591 | 83,978 | 561,745 | Some of the customers reduced their parking requirement for a contract that had a period of performance during quarter 2. Re-assessment was done to lower the funding level for that contract. |
| Sedan Services | 1,465,661 | 1,310,316 | 4,411 | 548,961 | 115,607 | 664,568 | 645,748 | 77,673 | 77,673 | The sedan contract was awarded lower than it was anticipated a re-assessment was done to reduce the funding level. |
| Shuttle Services | 1,091,449 | 868,333 | - | 96,437 | 103,917 | 200,353 | 667,980 | 111,558 | 111,558 | The procurement request for the Shuttle was submitted in April instead of March. The contract will be awarded in April and one of the customers pulled out of the Shuttle Service and a reassessment was done to reduce the funding level. |
| Transit Subsidy | 4,346,598 | 756,545 | - | 116,612 | 241,911 | 358,524 | 398,022 | 3,311,279 | 278,775 | The transit IAA was awarded lower than anticipated. Re-assessment was done to reduce the funding level. |
| Fee-For-Service Total | 760,718,212 | 364,261,463 | 93,886,517 | 118,433,434 | 98,208,255 | 216,641,689 | 147,619,774 | 183,755,486 | 212,701,264 | |

| | A | B | C | D | E | F | G | J | K | |
|--|----------------------------|--------------------------------|-------------------------|---------------------------------|------------------------------|--------------------------|--------------------|-------------------------------------|-------------------------------------|---|
| | Planned | | | Actual Execution | | Summary Data | | | | |
| Formula | | | | | | D + E | B - F | | | |
| FY 2015 WCF Service Portfolio | FY15 Mid-Year Reassessment | 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) |
| Interagency Council Funding | 915,000 | - | - | - | - | - | - | 915,000 | - | |
| USA Jobs | 1,080,469 | 1,080,469 | - | 204,904 | - | 204,904 | 875,565 | - | - | A PR was processed and the remaining balance was committed on 3/30/2015. Awaiting obligation from CFO. |
| Enterprise HR Integration (EHR) | 3,329,405 | 3,329,405 | - | 589,936 | - | 589,936 | 2,739,469 | - | - | Due to the C.R./and timing of the remaining Q2 enacted funding, ICE was unable to execute the remaining Q2 enacted allotment. The goal is to fully obligate these by end of April. |
| e-Rulemaking | 617,023 | - | - | - | - | - | - | 617,023 | - | |
| Human Resources Line of Business | 260,870 | 260,870 | 209,411 | 51,459 | - | 51,459 | 209,411 | - | - | Due to the C.R./and timing of the remaining Q2 enacted funding, ICE was unable to execute the remaining Q2 enacted allotment. The goal is to fully obligate these by end of April. |
| e-govBenefits | 226,453 | - | - | - | - | - | - | 226,453 | - | |
| Financial Management LOB | 187,342 | - | - | - | - | - | - | 187,342 | - | |
| Geospatial LOB | 225,000 | - | - | - | - | - | - | 225,000 | - | |
| Budget Formulation & Execution LOB | 105,000 | - | - | - | - | - | - | 105,000 | - | |
| e-gov.Integrated Acquisition Environment | 1,727,136 | 1,727,136 | 1,727,136 | - | - | - | 1,727,136 | - | - | Agreement was initiated late this fiscal year due to continuing resolution and potential shut down. DHS has fully executed the agreement and we are awaiting GSA signatures. Anticipate obligating full amount before the end of April. |
| Disaster Management | 11,170,000 | 5,170,000 | 168,000 | 16,626 | - | 16,626 | 5,153,374 | 6,000,000 | - | There was an unexpected delay in getting Web Content Management and Akamai contracts awarded. This funding will be obligated as soon as possible in Q3. |
| IAE Loans & Grants | 220,784 | 220,784 | 220,784 | - | - | - | 220,784 | - | - | We expect to receive the counter-signed IAA from GSA this week. Once received, the entire funding will be obligated. |
| e-Integrated Financial Assistance Environment | 377,435 | 377,435 | - | 361,185 | - | 361,185 | 16,250 | - | - | |
| Performance Management LOB | 53,000 | 53,000 | - | 53,000 | - | 53,000 | - | - | - | |
| Government-Wide PPA Total | 20,494,917 | \$ 12,219,099.00 | \$ 2,325,331.00 | 1,277,109 | - | 1,277,109 | 10,941,990 | 8,275,818 | - | |
| Capital Planning and Investment Control (CPIC) | 6,946,416 | 3,819,240 | 415,718 | 2,301,499 | - | 2,301,499 | 1,517,741 | 2,080,026 | 1,047,150 | The MGMT Cube requested \$400,000 in the 1st Qtr however, due to delays resulting from the CR we obligated \$160,575. \$1,249,856 has been provided to the CIO Front Office to put on contract. The goal is the fully obligate funds by the end of April. |
| Strategic Sourcing | 1,894,957 | 770,913 | 900 | 96,622 | 226,489 | 323,111 | 447,801 | 562,022 | 562,022 | We have pending procurement requisitions to be executed in Q3 & Q4. We had one FTE resign, creating a vacancy effective 1/9/15; vacancy will be filled in Q3 FY15. |
| CPO Shared Reporting | 5,227,835 | 535,000 | 57,482 | 312,932 | 40,368 | 353,299 | 181,701 | 750,000 | 3,942,835 | Funds totaling \$483,545.16 have been provided via Customer Coordination Forms (total of five different forms/actions) to OCIO for IT support services, hosting and maintenance. |
| DHS Crosscutting PPA Total | 14,069,208 | \$ 5,125,152.50 | \$ 474,100.45 | 2,711,053 | 266,857 | 2,977,910 | 2,147,243 | 3,392,048 | 5,552,007 | |
| Working Capital Fund Operations | 1,209,190 | 607,211 | - | 8,677 | 324,478 | 333,155 | 274,056 | 400,297 | 201,681 | Under executed due to delayed hiring actions of new hires and unfilled vacancies. |
| Working Capital Fund Operations | 1,209,190 | \$ 607,211.38 | \$ - | 8,677 | 324,478 | 333,155 | 274,056 | 400,297 | 201,681 | |
| Total | 796,491,527 | \$ 382,212,925.90 | \$ 96,685,948.24 | 122,430,273 | 98,799,590 | 221,229,863 | 160,983,063 | 195,823,649 | 218,454,952 | |
| Legend: | | | | | | | | | | |
| 1 FY15 Mid-Year Reassessment | | | | | | | | | | |
| 2 Cumulative planned obligations and/or expenditures as of the end of the current quarter according to program | | | | | | | | | | |
| 3 Total cumulative FY15 funds obligated in the financial system through the end of the current quarter. | | | | | | | | | | |
| 4 Total cumulative FY15 actual expenditures through the end of the current quarter. | | | | | | | | | | |
| 5 Planned obligations and/or expenditure through the end of the 2nd Quarter according to the program office's | | | | | | | | | | |
| 6 Planned obligations and/or expenditure through the end of the 3rd Quarter according to the program office's | | | | | | | | | | |
| 7 Planned obligations and/or expenditure through the end of the 4th Quarter according to the program office's | | | | | | | | | | |