



# Working Capital Fund Quarterly Execution Report

Third Quarter, Fiscal Year 2015

*July 30, 2015*

Fiscal Year 2015 Report to Congress



Homeland  
Security

*Office of the Chief Financial Officer*

# Message from the Chief Financial Officer

July 30, 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 June 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  
Deputy Under Secretary for Management and  
Chief Financial Officer



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

## Table of Contents

I.	Legislative Language .....	1
II.	Working Capital Fund Third Quarter Execution Report Data.....	3

# 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. Working Capital Fund Third Quarter Execution Report Data

FY 2015 WCF Service Portfolio	Planned		Total Cmmt	Actual Execution		Summary Data		Projections	Explanations on low Execution Rates (Column G)
	FY15 Reassessment Unity of Effort <sup>1</sup>	Planned Execution <sup>2</sup>		Actual Obligations <sup>3</sup>	Actual Expenses <sup>4</sup>	D + E Total Obligated/Expended	B - F Delta	Projected Q4 Execution <sup>5</sup>	
GSA RENT	\$ 150,031,047	\$ 110,440,678	\$ 2,357,452	\$ 24,112,948	\$ 80,892,089	\$ 105,005,036	\$ 5,435,641	\$ 45,026,011	
Finance & Acctg Shared Services	\$ 25,513,058	\$ 18,448,380	\$ -	\$ 13,592,482	\$ 4,855,883	\$ 18,448,365	\$ 15	\$ 7,064,693	
Integrated Audit	\$ 14,011,656	\$ 14,011,656	\$ -	\$ 14,011,656	\$ -	\$ 14,011,656	\$ -	\$ -	
Financial Management Support (OFO)	\$ 4,875,300	\$ 4,220,184	\$ 711,892	\$ 782,072	\$ 2,366,737	\$ 3,148,809	\$ 1,071,375	\$ 1,726,491	Contract award slippage into Q4 and onboarding delays.
Bankcard Program	\$ 44,000	\$ 26,509	\$ -	\$ 26,509	\$ -	\$ 26,509	\$ -	\$ 17,491	
TIER									On 7/2/15, FM requested a requisition to exercise an option on the TIER O&M contract in the amount of \$191,875. FM is also waiting for approximately \$63,808 to be obligated for ELA Oracle licensing for OCFO. Additionally, OCIO has not fully obligated their estimated amount for Stennis hosting. We believe they should obligate approximately \$7,245 before the end of FY 2015.
	\$ 918,000	\$ 739,000	\$ -	\$ 173,383	\$ 469,663	\$ 643,047	\$ 95,953	\$ 274,953	
NFC Payroll Services & Reporting	\$ 38,129,000	\$ 38,129,000	\$ -	\$ 13,187,322	\$ 24,941,678	\$ 38,129,000	\$ -	\$ -	
HQ Human Capital Services	\$ 13,283,273	\$ 9,912,680	\$ 185,806	\$ 1,673,031	\$ 7,320,727	\$ 8,993,758	\$ 918,922	\$ 4,289,515	
Human Capital Business Systems (HCBS)									Additional contract will be funded in the 4th qtr with an estimated amount of \$1,628,748.98
	\$ 6,880,557	\$ 4,191,614	\$ 734,400	\$ 870,968	\$ 2,430,841	\$ 3,301,808	\$ 889,806	\$ 3,578,749	
Flexible Spending Plan	\$ 154,881	\$ 154,881	\$ -	\$ -	\$ 154,881	\$ 154,881	\$ -	\$ -	
DHS EXEC. LEAD. (SES CDP)	\$ 2,076,027	\$ 1,956,934	\$ -	\$ 413,806	\$ 752,760	\$ 1,166,566	\$ 790,367	\$ 909,461	Under executed due to delayed hiring actions and delay in start of cohorts. Additional tuition for candidates (American University) will be submitted in the 4th quarter.
HQ Leadership Development	\$ 296,216	\$ 296,216	\$ -	\$ 177,539	\$ 59,052	\$ 236,591	\$ 59,625	\$ 59,625	Under executed in 3rd quarter due to the delay in the customer registration submissions. Funds will be executed the 4th Qtr.
National Defense University	\$ 883,445	\$ 684,278	\$ -	\$ 58,035	\$ 519,657	\$ 577,692	\$ 106,586	\$ 305,753	Under executed due to delayed hiring actions of new hires and unfilled vacancies
Research Library & Information Services (RLIS)	\$ 9,104,655	\$ 9,104,656	\$ 420,670	\$ 3,086,581	\$ 5,500,111	\$ 8,586,692	\$ 517,964	\$ 517,963	
DHS One Net									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 4th quarter of FY15. All requirements remain valid.
	\$ 76,608,036	\$ 72,682,317	\$ 20,858,802	\$ 26,076,983	\$ 10,824,338	\$ 36,901,320	\$ 35,780,997	\$ 39,706,716	

	A		B	C	D		E	F		G	K	
	Planned			Actual Execution		Summary Data		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>	Total Obligated/Expended	Delta	Projected Q4 Execution <sup>5</sup>	Explanations on low Execution Rates (Column G)			
NCR Infrastructure Operations	\$ 118,134,636	\$ 110,929,051	\$ 18,923,161	\$ 55,600,666	\$ 32,174,107	\$ 87,774,772	\$ 23,154,279	\$ 30,359,864	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 4th quarter of FY15. All requirements remain valid.			
CLAN Operations	\$ 18,327,409	\$ 17,357,697	\$ 1,299,774	\$ 15,082,640	\$ 130,505	\$ 15,213,144	\$ 2,144,553	\$ 3,114,265	As of 30 Jun there was \$1.2M in committed for several contracts to be awarded. These contracts was not award in the 3rd Qtr, however we do anticipate them being awarded, and the funds begin obligated NLT 30 Jul. For example, the DC2 C-LAN O&M contract was awarded 30 Jun, and the obligation will be posted ASAP.			
Enterprise Licenses Agreements	\$ 178,183,610	\$ 150,142,348	\$ 11,657,948	\$ 84,181,448	\$ 19,899,740	\$ 104,081,188	\$ 46,061,161	\$ 74,102,422	The Oracle contract will be awarded in Q4 (by the end of August 2015) for approximately \$62.8M. In addition, the Microsoft contract was awarded at the end of June 2015 for approximately \$83M, and thus there has not been expenditure activity as of yet. By adding the \$11M in commitments plus the \$62.8 Oracle pending award, will result in the \$74M projected Q4 execution total.			
Procurement Operations	\$ 46,214,790	\$ 36,047,044	\$ 207,866	\$ 7,750,197	\$ 26,081,501	\$ 33,831,698	\$ 2,215,346	\$ 12,383,092				
HSPD-12	\$ 21,928,515	\$ 16,993,930	\$ 3,650,127	\$ 8,292,844	\$ 4,557,880	\$ 12,850,723	\$ 4,143,206	\$ 9,077,792	Due to decisions not to exercise contractual option years and pending service contract awards and Blanket Purchase Agreements under review by the Contracting Officer.			
e-Training	\$ 15,244,068	\$ 13,599,878	\$ 3,612,682	\$ 6,117,715	\$ 1,084,237	\$ 7,201,953	\$ 6,397,925	\$ 8,042,115	Additional PR will be processed in the 4th QTR for PALMS			
Mail Services	\$ 12,175,384	\$ 12,091,572	\$ 85	\$ 5,041,061	\$ 6,771,077	\$ 11,812,138	\$ 279,433	\$ 363,246				
Parking Services	\$ 985,571	\$ 506,722	\$ 2,616	\$ 71,247	\$ 160,012	\$ 231,259	\$ 275,463	\$ 754,312	Changes in customers requirement delayed the obligation of the contracts. Contracts will be obligated the next quarter.			
Sedan Services	\$ 1,465,661	\$ 1,387,989	\$ 4,411	\$ 870,064	\$ 319,604	\$ 1,189,668	\$ 198,320	\$ 275,993	An IAA to GSA will be obligated in July and will increase the obligation rate.			
Shuttle Services	\$ 1,091,449	\$ 1,025,383	\$ 702	\$ 657,251	\$ 215,097	\$ 872,348	\$ 153,035	\$ 219,101	The amount needed for the contract was lower than anticipated			
Transit Subsidy	\$ 4,346,599	\$ 4,067,776	\$ -	\$ 3,097,178	\$ 347,571	\$ 3,444,749	\$ 623,026	\$ 901,850	The amount needed for the contract was lower than anticipated.			
<b>Fee-For-Service Total</b>	<b>\$ 760,906,843</b>	<b>\$ 649,148,370</b>	<b>\$ 64,628,395</b>	<b>\$ 285,005,623</b>	<b>\$ 232,829,748</b>	<b>\$ 517,835,371</b>	<b>\$ 131,312,999</b>	<b>\$ 243,071,472</b>				

	A	B	C	E		G		K	
	Planned			Actual Execution		Summary Data		Projections	
						D + E	B - F		
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 Obligated/Expended	Delta	Projected Q4 Execution <sup>5</sup>	Explanations on low Execution Rates (Column G)
Interagency Council Funding	\$ 883,532	\$ 883,532	\$ -	\$ -	\$ -	\$ -	\$ 883,532	\$ 883,532	Pending finalization of agreement with GSA
USA Jobs	\$ 1,080,469	\$ 1,080,469	\$ -	\$ -	\$ 1,072,575	\$ 1,072,575	\$ 7,894	\$ 7,894	
Enterprise HR Integration (EHRI)	\$ 3,329,405	\$ 3,329,405	\$ -	\$ -	\$ 3,329,405	\$ 3,329,405	\$ 0	\$ 0	
e-Rulemaking									The OCIO portion of this activity is \$490,278. This IAA was obligated on July 7, 2015. Of the \$617K, \$125K is allocated for e-Docket the IAA with EPA is being conducted and is expected to be expensed in the
Human Resources Line of Business	\$ 617,023	\$ 617,023	\$ 490,278	\$ -	\$ -	\$ -	\$ 617,023	\$ 617,023	
e-govBenefits	\$ 260,870	\$ 260,870	\$ -	\$ -	\$ 260,870	\$ 260,870	\$ -	\$ -	
Financial Management LOB	\$ 226,453	\$ 226,453	\$ 226,453	\$ -	\$ -	\$ -	\$ 226,453	\$ 226,453	This IAA was obligated on July 1, 2015.
Geospatial LOB	\$ 187,342	\$ 187,342	\$ -	\$ 187,342	\$ -	\$ 187,342	\$ -	\$ -	
Budget Formulation & Execution LOB	\$ 225,000	\$ 225,000	\$ -	\$ 225,000	\$ -	\$ 225,000	\$ -	\$ -	
e-gov.Integrated Acquisition Environment	\$ 105,000	\$ 105,000	\$ -	\$ 105,000	\$ -	\$ 105,000	\$ -	\$ -	
Disaster Management	\$ 1,727,136	\$ 1,727,136	\$ -	\$ -	\$ 1,727,136	\$ 1,727,136	\$ -	\$ -	All funds remaining funds will be obligated by Q4.
IAE Loans & Grants	\$ 11,170,000	\$ 11,170,000	\$ 6,373,000	\$ 3,681,561	\$ 20,838	\$ 3,702,400	\$ 7,467,600	\$ 7,467,600	All funds remaining funds will be obligated by Q4.
e-Integrated Financial Assistance Environment	\$ 220,784	\$ 220,784	\$ -	\$ -	\$ 220,784	\$ 220,784	\$ -	\$ -	
Performance Management LOB	\$ 377,435	\$ 377,435	\$ -	\$ 361,185	\$ -	\$ 361,185	\$ 16,250	\$ 16,250	
Government-Wide PPA Total	\$ 53,000	\$ 53,000	\$ -	\$ 53,000	\$ -	\$ 53,000	\$ -	\$ -	
Capital Planning and Investment Control (CPIC)	\$ 20,463,449	\$ 20,463,449	\$ 7,089,731	\$ 4,613,088	\$ 6,631,608	\$ 11,244,696	\$ 9,218,753	\$ 9,218,753	
Strategic Sourcing	\$ 6,946,416	\$ 5,899,266	\$ -	\$ 3,686,143	\$ 1,664,879	\$ 5,351,022	\$ 548,244	\$ 1,595,394	
CPO Shared Reporting	\$ 1,894,957	\$ 1,407,935	\$ 900	\$ 220,462	\$ 877,399	\$ 1,097,861	\$ 310,074	\$ 797,096	We have pending procurement requisitions to be executed in Q4. We had one FTE resign, creating a vacancy effective 1/9/15; the vacancy was filled on 6/14/15.
DHS Crosscutting PPA Total	\$ 5,227,835	\$ 1,285,000	\$ -	\$ 378,876	\$ 184,759	\$ 563,635	\$ 721,365	\$ 4,664,200	A software procurement has been moved from Q3 to Q4 to allow for additional comprehensive market research.
Working Capital Fund Operations	\$ 14,069,208	\$ 8,592,201	\$ 900	\$ 4,285,481	\$ 2,727,037	\$ 7,012,518	\$ 1,579,683	\$ 7,056,690	
Working Capital Fund Operations	\$ 1,209,190	\$ 1,006,802	\$ -	\$ 2,450	\$ 631,649	\$ 634,099	\$ 372,703	\$ 575,091	Under executed due to delayed hiring actions of new hires and unfilled vacancies
Total	\$ 796,648,690	\$ 679,210,821	\$ 71,719,026	\$ 293,906,642	\$ 242,820,041	\$ 536,726,684	\$ 142,484,138	\$ 259,922,006	

**Legend:**

<sup>1</sup> FY15 Reassessment to reflect Unity of Effort transfers
<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 FY15 funds obligated in the financial system through the end of the current quarter.
<sup>4</sup> Total cumulative FY15 actual expenditures through the end of the current quarter.
<sup>5</sup> Planned obligations and/or expenditure through the end of the 4th Quarter according to the program office's spend plan.