



Working Capital Fund Quarterly Execution Report

First Quarter, Fiscal Year 2017

July 19, 2017

Fiscal Year 2017 Report to Congress



**Homeland
Security**

Office of the Chief Financial Officer

Message from the Chief Financial Officer

July 19, 2017

I am pleased to provide the following “Working Capital Fund Quarterly Execution Report” for the first quarter of Fiscal Year (FY) 2017.

This report is submitted pursuant to language in the FY 2017 Department of Homeland Security Appropriations Act (P.L. 115-31) and its accompanying joint explanatory statement.

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 Boozman
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,



Stacy Marcott
Chief Financial Officer (Acting)





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I. Legislative Language

This document has been prepared in response to the Fiscal Year 2017 Department of Homeland Security Appropriations Act (P.L. 115-31) and its accompanying joint explanatory statement.

P.L. 115-31 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 states:

In addition, the Department shall submit quarterly WCF execution reports to the Committees that include activity-level detail.

II. WCF First Quarter Execution Report

Formula	Planned			Actual Execution		Summary Data		Projections			Explanations for Low Execution Rates (Column G)
	FY 2017 Annual Plan ¹	Planned Execution ²	Total Commitment	Actual Obligations ³	Actual Expenses ⁴	D + E	B - F	Projected Q2 Execution ⁵	Projected Q3 Execution ⁶	Projected Q4 Execution ⁷	
GSA RENT	141,376,887	27,116,086	-	100,791	77,251	178,041	26,938,044	54,223,691	25,809,450	34,405,701	DHS was operating under a continuing resolution (CR) for the 1st quarter of FY 2017 and did not execute the full budget as procurement awards require the full funding before approval. Also, the low execution rate was due to the new structure of processing the Rent bills.
Finance & Acctg Shared Services	24,000,000	4,603,200	-	-	-	-	4,603,200	9,204,960	10,191,840	-	While ICE has accrued finance & accounting shared services expenses in FY 2017, it has not executed collection of any FY 2017 funding as it currently is undergoing a change to a flat-rate billing strategy. Correspondingly, the service level agreement is under revision and ICE recently established a new interagency agreement (IAA) with the WCF to start collecting for FY 2017. The FY 2017 Q1 bill of \$5.9M collection is in process.
Integrated Audit	14,185,091	2,720,700	-	-	-	-	2,720,700	11,464,391	-	-	Working with OIG to execute the IAA; anticipate obligating all funds in Q2.
Bankcard Program	47,000	9,015	-	-	-	-	9,015	37,985	-	-	Recently provided Financial Operations a signed IAA to execute the full amount of the first CR. Will fully execute Q1 by the end of January 2017.
TIER	951,000	227,402	44,623	117,165	65,237	182,402	45,000	273,516	383,714	248,770	Funds could not be executed due to the CR. Timing of obligations being recorded in FFMS; otherwise, 100% execution rate for Q1.
NFC Payroll Services & Reporting	37,670,899	7,225,278	7,225,278	-	-	-	7,225,278	14,448,297	15,997,324	-	Funds can be obligated only when full funding becomes available, and full funding was not available under the CR.
Human Capital Business Systems (HCBS)	7,226,778	1,386,094	-	152,343	584,657	737,000	649,095	2,771,755	2,346,938	1,458,990	Due to the CR, obligations will occur in 2nd quarter.
Flexible Spending Plan	1,286,455	246,742	-	-	-	-	246,742	267,838	771,875	-	Due to the CR, obligations will occur in 2nd quarter.
DHS EXEC. LEAD. (SES CDP)	2,175,029	417,171	-	18,472	136,146	154,618	262,552	834,211	353,595	724,671	Due to the CR, obligations will occur in 2nd quarter.
HQ Leadership Development	169,930	169,930	-	150,713	15,071	-	165,784	4,145	165,785	-	N/A
National Defense University	829,138	159,029	-	10,148	84,486	94,634	64,395	282,733	297,914	184,096	Due to the CR, obligations will occur in 2nd quarter.
Research Library & Information Services (RLIS)	10,594,678	2,032,059	1,255,023	524,678	233,793	758,472	1,273,587	4,063,483	3,254,509	2,003,098	Low obligations due to CR funding levels. Program office has obligated nearly 100% of Q1 allocation.
DHS One Net	67,547,629	10,169,431	1,272,119	3,862,583	690,854	4,553,437	5,615,994	25,907,218	26,595,267	9,429,150	Program office funded contracts/requirements at 25% due to CR funding levels.
NCR Infrastructure Operations	115,740,961	22,199,116	531,593	6,852,931	3,170,265	10,023,195	12,175,921	44,391,288	56,477,757	2,695,995	DHS was operating under a CR for the 1st quarter of FY 2017 and did not execute the full budget as procurement awards require full funding before approval. Procurement actions to be executed in Q2 through Q4 timeframe. Requirements totaling \$1.69M are progressing through various stages of acquisitions, and \$3.10M are in the final stages of awards. \$10.41M were awarded/ expended.
CLAN Operations	23,586,136	4,523,821	814,369	14,841	155	14,996	4,508,825	9,046,227	8,840,748	1,190,337	Due to misaligned projection targets, the program experienced a lower execution rate. The bulk of the cost associated with CLAN operations is scheduled for obligation in 2nd and 3rd quarters.
HSPD-12	22,416,351	4,299,456	63,470	420,974	195,393	616,367	3,683,089	8,088,332	9,673,446	971,484	Due to misaligned projection targets and funding allocation, the program experienced a lower execution rate. The 1st quarter planned execution target rate of 7% achieved a 40% execution based on the quarterly plan allocation of \$1.5M in the 1st quarter.
e-Training	8,447,297	4,224,059	2,603,866	32,249	131,394	163,644	4,060,416	2,697,992	1,688,889	-	Due to procurement delays, awaiting purchase request (PR) approval.
Mail Services	12,606,711	2,417,969	50,000	1,185,363	995,231	2,180,595	237,374	4,835,181	5,267,750	2,266,406	N/A
Parking Services	867,107	166,311	1,855	72,749	36,739	109,489	56,823	51,578	718,531	40,175	The period of performance is later in the fiscal year. An adjustment to the spend plan will be requested.
Sedan Services	1,481,050	284,065	-	7,819	49,927	57,746	226,319	1,042,698	141,089	70,944	The period of performance is later in the fiscal year. An adjustment to the spend plan will be requested.
Shuttle Services	1,095,494	210,116	40,056	17,844	37,283	55,128	154,988	798,926	101,487	40,093	The period of performance is later in the fiscal year. An adjustment to the spend plan will be requested.
Transit Subsidy	4,922,331	944,103	253,070	10,537	54,751	65,288	878,815	102,888	3,869,685	70,943	The period of performance is later in the fiscal year. An adjustment to the spend plan will be requested.
Regulatory Services	442,862	84,941	-	-	-	-	84,941	79,950	216,666	61,305	Memo of agreement and IAAs are under review; partial execution expected to occur during second quarter.
Fee-For-Service Total	499,666,814	95,836,095	14,155,322	13,552,202	6,558,634	20,110,836	75,725,259	195,080,923	172,998,474	55,862,158	
Interagency Council Funding	873,052	167,451	-	-	-	-	167,451	156,897	548,704	-	FY 2017 execution is dependent on the timing of congressional authorization for the Council assessments. Due to the CR, obligations will occur in the 2nd thru 3rd quarters.
USA Jobs	1,127,719	216,297	-	-	-	-	216,297	272,561	638,861	-	Due to the CR, obligations will occur in 2nd quarter.
Enterprise HR Integration (EHR)	3,115,342	597,523	597,523	-	-	-	597,523	2,517,819	-	-	Funds can be obligated only when full funding becomes available, and full funding was not available under the CR.
e-Rulemaking	725,532	139,157	-	-	-	-	139,157	-	586,375	-	Due to the CR, obligations will occur in 2nd quarter.
Human Resources Line of Business	260,870	50,035	-	50,035	-	50,035	-	210,835	50,035	-	N/A
e-govBenefits	226,453	43,434	-	-	-	-	43,434	-	183,019	-	Funding inadvertently requested in 1st quarter. Funds will be fully obligated in 3rd quarter.
Financial Management LOB	187,342	35,932	-	-	-	-	35,932	-	151,410	-	Funding inadvertently requested in 1st quarter. Funds will be fully obligated in 3rd quarter.
Geospatial LOB	225,000	43,155	-	-	-	-	43,155	-	181,845	-	Funding inadvertently requested in 1st quarter. Funds will be fully obligated in 3rd quarter.

Formula	Planned		Actual Execution		Summary Data		Projections			Explanations for Low Execution Rates (Column G)	
	FY 2017 Annual Plan ¹	Planned Execution ²	Total Commitment	Actual Obligations ³	Actual Expenses ⁴	Total Obligated/ Expended	B - F	Projected Q2 Execution ⁵	Projected Q3 Execution ⁶		Projected Q4 Execution ⁷
Budget Formulation & Execution LOB	110,000	21,098	-	-	-	-	21,098	-	88,902	-	Funding inadvertently requested in 1st quarter. Funds will be fully obligated in 3rd quarter.
e.gov.Integrated Awards Environment	1,947,920	373,611	-	-	-	-	373,611	483,599	-	1,090,710	DHS was operating under a CR for the 1st quarter of FY 2017 and did not execute the full budget, as procurement awards require full funding before approval. Procurement actions to be executed in Q2 and Q4 timeframes.
e-Integrated Financial Assistance Environment	472,485	90,623	-	-	-	-	90,623	240,370	141,492	-	Funding level received due to the CR was not adequate to cover the whole cost of bill from vendor.
Performance Management LOB	53,000	10,165	-	-	-	-	10,165	42,835	-	-	DHS was operating under a CR for the 1st quarter of FY 2017 and did not execute the full budget, as procurement awards require full funding before approval. Procurement actions to be executed in Q2 and Q4 timeframes.
Governmentwide PPA Total	9,324,715	1,788,480	597,523	50,035	-	50,035	1,738,445	3,924,916	2,570,643	1,090,710	
Capital Planning and Investment Control (CPIC)	6,946,416	1,332,323	898,161	193,294	-	193,294	1,139,029	1,883,734	2,673,319	1,250,334	Low obligations due to CR funding levels. As of January 19, 2017, program office has fully obligated Q1 allocation.
Strategic Sourcing	1,910,169	366,370	-	17,849	243,176	261,025	105,345	615,727	711,557	477,540	Low execution rate is the result of salary lapse due to an FTE vacancy that was filled on December 11, 2016. In addition, procurement requirements will be developed and determined based on Department-wide need for planned execution in Q2-Q4 timeframe.
CPO Shared Reporting	5,728,015	1,098,633	34,958	-	-	-	1,098,633	1,602,767	3,026,615	-	DHS was operating under a CR for the 1st quarter of FY 2017 and did not execute the full budget, as procurement awards require full funding before approval. Procurement actions to be executed in Q2-Q3 timeframe.
DHS Crosscutting PPA Total	14,584,600	2,797,326	933,119	211,142	243,176	454,319	2,343,007	4,102,228	6,411,491	1,727,874	
Total	523,576,129	100,421,901	15,685,964	13,813,379	6,801,810	20,615,189	79,806,711	203,108,067	181,980,608	58,680,742	

¹ Annual Plan under the FY 2017 Annual 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 FY 2017 funds obligated in the financial system through the end of the current quarter.

⁴ Total cumulative FY 2017 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 FY 2017 spend plans based on remaining CR#1 amounts, to include CR# 2 ending 4/28/2017.

⁶ Planned obligations and/or expenditure through the end of the 3rd quarter according to the FY 2017 spend plans based on remaining CR#1 amounts, to include CR# 2 ending 4/28/2017.

⁷ Planned obligations and/or expenditure through the end of the 4th quarter according to the FY 2017 spend plans based on remaining CR#1 amounts, to include CR# 2 ending 4/28/2017.