

Exhibit 300 (BY2010)

PART ONE

OVERVIEW

1. Date of Submission:
2009-04-10

2. Agency:
015

3. Bureau:
45

4. Name of this Capital Asset:
Electronic Management System (EMS)

5. Unique Project Identifier:
015-45-01-14-01-2252-00

6. What kind of investment will this be in FY2010?
Operations and Maintenance

7. What was the first budget year this investment was submitted to OMB?
FY2001 or earlier

8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.

The Electronic Management System (EMS), ID No. 015-45-01-14-01-2252-00, requests FY10 funding approval of \$7.143 million for operations, systems maintenance, and necessary upgrades to sustain security, operability, and availability. EMS supports the IRS goal of improving taxpayer service by providing a secure external interface to support Trading Partner (TP) submission of individual, estate, trust and employment tax returns. TPs must apply, register and be accepted by E-services before e-filing begins. EMS is currently the principal electronic gateway for electronic submission of these return types. Trading Partners submit these forms in a variety of formats, including IRS Proprietary, Magnetic Tape, and Extensible Markup Language (XML). EMS receives this Sensitive but Unclassified tax information, performs validation for each form type/format, provides a unique acknowledgement receipt and/or rejects transmissions not meeting validation requirements. Valid transmission files are made available for retrieval and processing by the mainframe Electronic Filing (ELF) and 94x systems. These subsequent ELF and 94x systems return acknowledgements to EMS. These acknowledgements are available to TPs in the same format as originally transmitted. The functionality and capabilities provided by EMS are consistent with the IRS's MV&S Submission Processing Investment Domain's capability to continue to maintain CPE systems until full functionality is replaced. EMS also provides a component that receives state data from either the 1040 or 1041 ELF processing system, performs validations, and makes state files available to each participating State partner. States that participate in the Fed/State program, log in securely through EMS to retrieve State files. Participating states can also download acknowledgements for state returns that can be made available to TPs. EMS also supports Help Desk employees who provide TP assistance. The EMS Help Desk is web-based and supported through a web browser. The Help Desk makes TP filing information and reports available to authorized users. The State partners also have the ability to log in to EMS and drop off their State Acknowledgements, for subsequent retrieval by respective TPs, promoting the Fed/State program and one-stop service.

9. Did the Agency's Executive/Investment Committee approve this request?
Yes

9.a. If "yes," what was the date of this approval?
2008-06-04

10. Did the Program/Project Manager review this Exhibit?
yes

11. Program/Project Manager Name:
Keith, Norman
Program/Project Manager Phone:
(202) 283-5074
Program/Project Manager Email:

norman.keith@irs.gov

11.a. What is the current FAC-P/PM certification level of the project/program manager?

Senior/Expert/DAWIA-Level 3

11.b. When was the Program/Project Manager Assigned?

2007-08-19

11.c. What date did the Program/Project Manager receive the FACP/PM certification? If the certification has not been issued, what is the anticipated date for certification?

2008-09-08

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.

no

12.a. Will this investment include electronic assets (including computers)?

yes

12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)

no

13. Does this investment directly support one of the PMA initiatives?

yes

If yes, select the initiatives that apply:

Expanded E-Government

13.a. Briefly and specifically describe for each selected how this asset directly supports the identified initiative(s)? (e.g. If E-Gov is selected, is it an approved shared service provider or the managing partner?)

E-File supports the President's Management Agenda (PMA) for expanded Electronic Government by providing America's taxpayers the ability to electronically file tax returns via third-party TPs. As the managing partner of this activity, EMS is a secure front-end processing system that receives, validates, stores, and acknowledges receipt of encrypted transmissions containing tax information, (tax forms and documents).

14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)?

Yes

14.a. If yes, does this investment address a weakness found during the PART review?

Yes

14.b. If yes, what is the name of the PARTed program?

10001120 - Internal Revenue Service Submission Processing

14.c. If yes, what rating did the PART receive?

Moderately Effective

15. Is this investment for information technology?

yes

16. What is the level of the IT Project (per CIO Council's PM Guidance)?

Level 2

17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)

(1) Project manager has been validated as qualified for this investment

18. Is this investment identified as high risk on the Q4 - FY 2008 agency high risk report (per OMB memorandum M-05-23)?

yes

19. Is this a financial management system?

no

19.a.2. If no, what does it address?

The investment offers taxpayers an electronic alternative to paper tax returns. The investment contributes significantly to a cost savings of over \$2 per return for those filed electronically. The error rate for electronically filed returns is less than 1%.

20. What is the percentage breakout for the total FY2010 funding request for the following? (This should total 100%)

Area	Percentage
Hardware	0
Software	0
Services	93
Other	7

21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?
n/a

22. Contact information of individual responsible for privacy related questions.

Name
Michael James
Phone Number
(202) 283-5194
Title
Information technology Specialist, EMS Program Office
Email
michael.james@irs.gov

23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?
yes

24. Does this investment directly support one of the GAO High Risk Areas?
yes

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

Cost Type	Py-1 & Earlier -2007	PY 2008	CY 2009	BY 2010
Planning Budgetary Resources	0.000	0.000	0.000	0.000
Acquisition Budgetary Resources	1.400	0.500	0.000	0.000
Maintenance Budgetary Resources	149.038	4.556	3.818	3.817
Government FTE Cost	42.470	1.792	1.886	1.943
# of FTEs	16	16	16	16

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?
no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures (indicators) must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative measure.

Agencies must use the following table to report performance goals and measures for the major investment and use the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Map all Measurement Indicators to the corresponding Measurement Area and Measurement Grouping identified in the PRM. There should be at least one Measurement Indicator for each of the four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov. The table can be extended to include performance measures for years beyond the next President's Budget.

	Fiscal Year	Strategic Goal Supported	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2007	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Reduce costs related to tax return processing by providing a reliable electronic alternative to the paper tax return. Each electronically filed tax return save over \$2.	\$2 * 74,114,675 electronically filed Form 1040 tax returns saved \$148,229,350.	\$148,229,350 saved	79.979M returns filed electronically saved \$159.958M
2	2007	Management and Organizational Excellence	Customer Results	New Customers and Market Penetration	Increase the number of electronically filed Form 1040 tax returns by at least 2.5%	54.96% of all Form 1040 returns were filed electronically	56.33%	58.21%
3	2007	Management and Organizational Excellence	Processes and Activities	Errors	Maintain an error rate for electronically filed tax returns that is less than 1%.	1% error rate	0.9% error rate	0.85% error rate
4	2007	Effectively Managed U.S. Government Finances	Technology	Service Availability	Operate the application so schedule downtime is less than 1.5% of scheduled availability.	1.5% scheduled downtime	1.2% scheduled downtime	1.1% scheduled downtime

5	2008	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Reduce costs related to tax return processing by providing a reliable electronic alternative to the paper tax return. Each electronically filed tax return save over \$2.	\$2 * 79,979,000 electronically filed Form 1040 tax returns saves \$159,958,000.	174,354,220	88.456M returns filed electronically saved \$176.912M
6	2008	Management and Organizational Excellence	Customer Results	New Customers and Market Penetration	Increase the number of of electronically filed tax returns by at least 2.5%	58.21 % of all returns were filed electronically	59.67%	58.57% of all individual tax returns were filed electronically.
7	2008	Management and Organizational Excellence	Processes and Activities	Errors	Maintain an error rate for electronically filed tax returns that is less than 1%.	0.9% error rate	0.85% error rate	0.85% error rate
8	2008	Effectively Managed U.S. Government Finances	Technology	Service Availability	Limit scheduled downtime to less than 1.5% of total availability.	1.2% scheduled downtime	1.15% scheduled downtime	1.15% scheduled downtime
9	2009	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Total cost savings from electronically filed tax returns	\$2 * 88.456M electronically filed tax returns saves \$176.912M	\$181.335M saved	
10	2009	Management and Organizational Excellence	Customer Results	New Customers and Market Penetration	Percentage of electronically filed individual tax returns	58.57	61.07%	
11	2009	Effectively Managed U.S. Government Finances	Processes and Activities	Errors	Error rate for electronically filed tax returns	0.85% error rate	0.85% error rate	
12	2009	Effectively Managed U.S. Government Finances	Technology	Service Availability	Percent of system availability for trading partners	98.90% system availability	98.95% system availability	
13	2010	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Total cost savings from electronically filed tax returns	\$2 * 90.864 electronically filed tax returns saves \$181.728M	\$181.728M saved	
14	2010	Management and Organizational Excellence	Customer Results	New Customers and Market Penetration	Percentage of electronically filed individual tax returns	61.75 % of all returns were filed electronically.	63.29%	

15	2010	Management and Organizational Excellence	Processes and Activities	Errors	Error rate for electronically filed tax returns	0.85% error rate	0.85 % error rate	
16	2010	Effectively Managed U.S. Government Finances	Technology	Service Availability	Percent of system availability for trading partners	1.1% scheduled downtime	1.1 % scheduled downtime	

Enterprise Architecture

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?
yes
2. Is this investment included in the agency's EA Transition Strategy?
yes
 - 2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.
Electronic Management System (EMS).
3. Is this investment identified in a completed (contains a target architecture) and approved segment architecture?
no
 - 3.a. If yes, provide the six digit code corresponding to the agency segment architecture. The segment architecture codes are maintained by the agency Chief Architect.
180-000
4. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Tax Account Management, Business Logic	Manages the electronic capture of taxpayer specific data	Data Management	Data Exchange			No Reuse	90
2	Data Exchange	Data exchange with trading partners occurs via the drop box component. Data exchange with backend components, ELF and MeF, occurs via the EMS relay component.	Data Management	Data Exchange			No Reuse	10

5. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Service Access and Delivery	Delivery Channels	Internet	TIPPS Contract, support services, Alteon server switch
2	Data Exchange	Service Access and Delivery	Service Requirements	Legislative / Compliance	Secure telnet connections
3	Data Exchange	Service Access and Delivery	Access Channels	Other Electronic Channels	CNT channels for EMC DMX 801 storage access
4	Data Exchange	Service Access and Delivery	Delivery Channels	Peer to Peer (P2P)	TIPPS Contract, support services
5	Data Exchange	Service Access and Delivery	Service Requirements	Authentication / Single Sign-on	improved trading partner login access
6	Data Exchange	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Sunfire v890 and v245 Servers
7	Data Exchange	Service Interface and Integration	Integration	Middleware	Tuxedo software

6. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

PART THREE

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2008-05-23

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

COST & SCHEDULE

1. Was operational analysis conducted?

yes

1.a. If yes, provide the date the analysis was completed.

2008-10-10