

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:
Information Returns Processing (IRP)

5. Unique Project Identifier:
015-45-01-14-01-2400-00

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?
FY2003

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 Information Returns Processing (IRP) investment is a steady state mission critical system that incorporates annual programming changes and minimal legislative changes to maintain functionality. IRP is a group of compliance projects providing data and support for IRS to effectively administer the U. S. tax system. IRP processes over a billion information documents each year and maintains a data store of over 8 billion information documents. IRP performs compliance analysis with these documents and master file account data. IRP provides data and analysis to business functions throughout the IRS, as well as external federal and state trading partners. IRP is currently in the Control phase of the CPIC process. In the Control phase, IRP is continuously monitored for cost, schedule and project performance. The IRS ensures that steady state systems are executed in a disciplined, well-managed and consistent manner through timely oversight, quality control and executive review. IRP was re-selected by the MITS Enterprise Governance Committee (MEG) as part of the Annual Portfolio Selection Process in August 2004. Information return documents are required by statute to be submitted to the Secretary of the Treasury or its delegate. The IRS and IRP processes these documents. The documents report income such as wages, pensions, annuities, interest and dividends, as well as other reportable transactions representing income paid to taxpayers and tax deductible amounts. IRP is an integral component of the IRS tax compliance strategy. It reconciles information provided by payers with income reported by taxpayers. If a discrepancy is discovered during reconciliation, an IRP case is created. IRP compliance processing will review, on average, over 126 million income tax returns a year. Of these returns, IRP identifies 13 million potential filing compliance cases and 16 million potential reporting compliance cases. This results in 1.1 million new assessments representing \$2.1 billion in increased tax liability. IRP educates taxpayers by identifying when they have omitted an item that would reduce tax liability, such as excess FICA. IRP is also the primary source of data for a wide range of business functions across IRS and is mandated by law to share Federal Tax Information (FTI) with states for purposes of tax administration.

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

9.a. If "yes," what was the date of this approval?
2008-06-17

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

11. Program/Project Manager Name:

Hanko, Andrew

Program/Project Manager Phone:

202-283-3545

Program/Project Manager Email:

Andy.Hanko@irs.gov

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

New Program Manager

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

2008-02-17

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?

2009-02-17

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)?

no

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:

Financial Performance

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?)

The IRP investment supports the President's Management Agenda (PMA) goal of improved financial performance. IRP maintains information return data for both the payer and the payee of reportable transactions. IRP determines taxpayer filing and reporting of tax liability compliance.

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

no

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)

(2) Project manager qualification is under review 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?

Tax Compliance.

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	100
Other	0

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?

no

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

Name
 Richard E Byrd, Jr.
 Phone Number
 404-338-8106
 Title
 Wage & Investment Business Owner
 Email
 Richard.E.Byrd@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?
 no

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	0.000	0.000	0.000	0.000
Maintenance Budgetary Resources	1.168	0.040	0.025	0.031
Government FTE Cost	35.027	7.075	7.835	8.031
# of FTEs	349	70	62	62

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	Effectively Managed U.S. Government Finances	Mission and Business Results	Taxation Management	System Availability for Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.	95.5%	95.6%	100%
2	2007	Effectively Managed U.S. Government Finances	Customer Results	Customer Satisfaction	Software programs implemented not containing errors creating ITAMS reports.	90%	90.1%	95%
3	2007	Effectively Managed U.S. Government Finances	Processes and Activities	Timeliness	Software Application released implemented on schedule.	95.5%	95.6%	100%
4	2007	Effectively Managed U.S. Government Finances	Technology	IT Contribution to Process, Customer, or Mission	DME â€” Legislative changes mandated, implemented on time.	100%	100%	95%
5	2008	Effectively Managed U.S. Government Finances	Mission and Business Results	Taxation Management	System Availability for Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.	100%	95.7%	97%
6	2008	Effectively Managed U.S. Government Finances	Customer Results	Customer Satisfaction	Software programs implemented not containing errors creating ITAMS reports.	95%	90.2%	90.9%
7	2008	Effectively	Processes and	Timeliness	Software	95.5%	95.7%	95.5%

		Managed U.S. Government Finances	Activities		Application released implemented on schedule.			
8	2008	Effectively Managed U.S. Government Finances	Technology	IT Contribution to Process, Customer, or Mission	DME â€ Legislative changes mandated, implemented on time.	100%	100%	100%
9	2009	Effectively Managed U.S. Government Finances	Mission and Business Results	Taxation Management	System Availability for Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.	97%	97.5%	95.5%
10	2009	Effectively Managed U.S. Government Finances	Customer Results	Customer Satisfaction	Software programs implemented not containing errors creating ITAMS reports.	90.9%	91.5%	90.1%
11	2009	Effectively Managed U.S. Government Finances	Processes and Activities	Timeliness	Software Application released implemented on schedule.	95.5%	96%	95.5%
12	2009	Effectively Managed U.S. Government Finances	Technology	IT Contribution to Process, Customer, or Mission	Stay in business changes mandated, implemented on time.	100%	100%	100%
13	2010	Effectively Managed U.S. Government Finances	Mission and Business Results	Taxation Management	System Availability for Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.	97%	97.6%	
14	2010	Effectively Managed U.S. Government Finances	Customer Results	Customer Satisfaction	Software programs implemented not containing errors creating ITAMS reports.	90.9%	91.6%	
15	2010	Effectively Managed U.S. Government	Processes and Activities	Timeliness	Software Application released implemented on	95.5%	96.1%	

		Finances			schedule.			
16	2010	Effectively Managed U.S. Government Finances	Technology	IT Contribution to Process, Customer, or Mission	Stay in business changes mandated, implemented on time.	100%	100%	

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.

This project is part of the Taxation Management Segment (LOB). Taxation Management is a priority for the Treasury EA and was scheduled for definition in FY07.

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	Information Returns Document Data Exchange	IRP receives electronically filed and transcribed tax and information return data from various sources. The IRS and SSA participate in a 2-way exchange of data. IRP also exchanges data with authorized external partners.	Data Management	Data Exchange			No Reuse	45
2	Information Returns Documents Loading and Archiving	IRP project has components that cleanse data fields. IRP project stores almost nine billion records for a specific period then they are removed.	Data Management	Loading and Archiving			No Reuse	45
3	Information Returns Standardized/Canned	IRP produces Standardized/Canned reports to support IRS tax compliance functions.	Reporting	Standardized / Canned			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	Access Channels	Other Electronic Channels	Custom code This is all IRS coding no vendor products
2	Data Exchange	Component Framework	Data Management	Reporting and Analysis	Custom code This is all IRS coding no vendor products
3	Loading and Archiving	Service Platform and Infrastructure	Software Engineering	Test Management	Custom code This is all IRS coding no vendor products
4	Standardized / Canned	Component Framework	Data Interchange	Data Exchange	Custom code This is all IRS coding no vendor products

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.

1. Does the investment have a Risk Management Plan?

yes

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

2008-05-06

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.

2008-08-22

What were the results of your operational analysis?

Responses received from the survey covered 90% of the work requests for the year. The questions addressed efficiency, effectiveness, maintainability, productivity, security, availability, and reliability. The rating schedule used was 1 indicating poor and 5 indicating excellent. For all questions asked, the average scoring was 4.8.