

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:
Integrated Data Retrieval System (IDRS)

5. Unique Project Identifier
015-45-01-14-01-2218-00

6. What kind of investment will this be in FY2010?
Mixed Life Cycle

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.

Operational since 1966, IDRS is a secure, reliable, flexible, mission-critical system consisting of databases and programs supporting IRS employees working active tax cases. It would not be possible to run the Federal Government's tax filing season without IDRS or some equivalent system. It is used by approximately 60,000 of the 100,000 IRS employees who rely on it daily to do their work. It provides for systemic review of case status, alleviating staffing needs and providing consistency in case control. For example, each time a taxpayer phones the IRS, the person answering the phone uses IDRS to log the call and answer any questions. IDRS issues notices and processes installment agreements, offers in compromise, and adjustments. Actions taken via IDRS include penalty and interest computations and explanations, credit and debit transfers among accounts and research of taxpayer accounts for problem resolution of taxpayer inquiries. It manages data retrieved from the Tax Master Files (Business, Individual, and Employee Plan) allowing IRS employees to take actions on taxpayer issues, track status and post updates back to the Master Files. In addition to IRS employees, millions of taxpayers rely on it each year when they ask "Where's my refund?" at irs.gov. IDRS let firms request Employer Identification Numbers via the internet instead of paper, lets businesses providing payroll services to submit tax data on behalf of millions of taxpayers, and collaborates with registered tax practitioners to reduce the burden of filing Powers of Attorney and Taxpayer Information Authorizations, thereby allowing them to request access to other E-Services. Many kinds of tax information are produced by IDRS to support sending and receiving information to other systems within the IRS, SSA, Financial Management Service, State and local governments and tax practitioners both in and outside the U.S. IRS ensures that systems are executed in a disciplined, well-managed, and consistent manner through timely oversight, quality control, and executive review. IDRS is continuously monitored for cost, schedule, and project performance. IDRS serves the taxpayers in many ways and helps address various performance gaps. IDRS' citizen-centered services promote intangible goodwill to citizen's perception of IRS and the Federal Government as well as ensuring consistent, efficient service. IDRS FY09 estimate to implement American Recovery and Reinvestment Act (ARRA): \$133,000.

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

9.a. If "yes," what was the date of this approval?
2009-03-19

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

11. Program/Project Manager Name:

Bahnke, Karen

Program/Project Manager Phone:

313-234-1360

Program/Project Manager Email:

karen.bahnke@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?

2006-11-12

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.

yes

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:

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?)

IDRS operationalizes the American Recovery and Reinvestment Act (ARRA). IDRS is citizen-centered. In FY08 it let over 41M taxpayers know "Where's my refund?" via irs.gov, let firms request EINs via the internet instead of paper 3M times, and let businesses performing payroll services submit data instead of paper. IDRS reduces the burden of registered tax practitioners in filing Powers of Attorney and Taxpayer Information Authorizations, allowing them to request other E-Services.

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?

no

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?

IDRS is identified in OMB-approved Filing & Payment Compliance subsegment of Taxation Management (TM). Per OMB's EA Assessment Framework it ranked #1 on Treasury's High Priority Segment Prioritization list. In Treasury's IT Mod Blueprint (ITMB) vol7, EA Transition Strat" v4.0 (2/08) Appendix G, it is in TM. In ITMB v3.01 (4/07) p.8, TM is one of Treasury's Core Mission Lines of Business. On p.42 it is a part of Core Mission Area Segment TM as well as the "Business Reference Model segment" TM.

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	99
Other	1

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

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	3.255	1.112	1.883	1.892
Government FTE Cost	93.345	17.138	17.196	17.642
# of FTEs	914	149	149	149

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?
Yes

2.a. If "yes," how many and in what year?

IDRS has typically been 75% steady state, except tax law changes which are considered DME. Due to the complexity of implementing tax law/regs it takes 3 years for new staff to acquire the subject matter expertise required. The succession/risk mitigation plan is to maintain the authorized staffing profile (ASP) by replenishing expertise as retirements and attrition occur. This may involve double-encumbering FTEs which may temporarily bring on-board strength above ASP.

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
2008	Effectively Managed U.S. Government Finances	Technology	User Satisfaction	1. Enable increasing numbers of taxpayers to use the www.irs.gov "Where's my refund?" feature to provide citizen-centered, high-quality, convenient service via the internet	"Where's my refund?" successfully answered 31,925,715 times via the internet instead of speaking with an IRS employee in FY07 for this steady state performance metric	25 percent increase over FY07; that is 39,907,144	27 percent increase over FY07; that is 40,585,764. The disproportionate amount of usage related to Economic Stimulus significantly increased baseline.
2009	Effectively Managed U.S. Government Finances	Technology	User Satisfaction	1. Enable increasing numbers of taxpayers to use the www.irs.gov "Where's my refund?" feature to provide citizen-centered, high-quality, convenient service via the internet	"Where's my refund?" successfully answered 40,585,764 times via the internet instead of speaking with an IRS employee in FY08 for this steady state performance metric	1 percent increase over FY08; that is 40,991,622	FY09 year-end actuals not yet available.
2010	Effectively Managed U.S. Government Finances	Technology	User Satisfaction	1. Enable increasing numbers of taxpayers to use the www.irs.gov "Where's my refund?" feature to provide	"Where's my refund?" successfully answered 40,585,764 times via the internet instead of speaking with	2 percent increase over FY08; that is 41,397,479	

				citizen-centered, high-quality, convenient service via the internet	an IRS employee in FY08 for this steady state performance metric		
2008	Effectively Managed U.S. Government Finances	Processes and Activities	Efficiency	2. Increase percentage of certified letters printed centrally versus locally. These notify business and individual taxpayers of issues. This aligns with IRS goals to improve taxpayer service and enhance enforcement of tax law	25 percent of 710,711 certified letters processed were processed centrally in FY07 for this steady state performance metric	90 percent of certified letters processed centrally	92 percent of certified letters processed centrally; that is 546,298 of 594,954 certified letters in FY08
2009	Effectively Managed U.S. Government Finances	Processes and Activities	Efficiency	2. Increase percentage of certified letters printed centrally versus locally. These notify business and individual taxpayers of issues. This aligns with IRS goals to improve taxpayer service and enhance enforcement of tax law	92 percent of 594,954 certified letters processed were processed centrally in FY08 for this steady state performance metric	93 percent of certified letters processed centrally	FY09 year-end actuals not yet available.
2010	Effectively Managed U.S. Government Finances	Processes and Activities	Efficiency	2. Increase percentage of certified letters printed centrally versus locally. These notify business and individual taxpayers of issues. This aligns with IRS goals to improve taxpayer service and enhance enforcement of tax law	92 percent of 594,954 certified letters processed were processed centrally in FY08 for this steady state performance metric	94 percent of certified letters processed centrally	
2008	Effectively Managed U.S. Government Finances	Customer Results	Customer Impact or Burden	3. Increasingly enable Reporting Agents (businesses performing	713 tapes of data received from Reporting Agents instead of	25 percent increase; that is 891 tapes received from Reporting Agents	29 percent increase over FY07; that is 917 tapes received from Reporting

				payroll services) to submit data, not paper, to reduce the expense and difficulty of doing business with the Government	paper in FY07 for this steady state performance metric		Agents
2009	Effectively Managed U.S. Government Finances	Customer Results	Customer Impact or Burden	3. Increasingly enable Reporting Agents (businesses performing payroll services) to submit data, not paper, to reduce the expense and difficulty of doing business with the Government	917 tapes of data received from Reporting Agents instead of paper in FY08 for this steady state performance metric	1 percent increase over FY08; that is 926 tapes received from Reporting Agents	FY09 year-end actuals not yet available.
2010	Effectively Managed U.S. Government Finances	Customer Results	Customer Impact or Burden	3. Increasingly enable Reporting Agents (businesses performing payroll services) to submit data, not paper, to reduce the expense and difficulty of doing business with the Government	917 tapes of data received from Reporting Agents instead of paper in FY08 for this steady state performance metric	2 percent increase over FY08, that is 935 tapes received from Reporting Agents	
2008	Effectively Managed U.S. Government Finances	Mission and Business Results	Taxation Management	4. Enable increasing numbers of businesses to use the www.irs.gov to obtain Employer Identification Numbers to reduce the expense and difficulty of doing business with the Government	101,371 Employer Identification Numbers (EINs) successfully assigned via the internet instead of paper form SS-4 "Application for EIN" in FY07 for this steady state performance metric	2,500,000 EINs assigned via the internet instead of paper form SS-4 "Application for EIN"	2,844,934 EINs successfully assigned via the internet in FY08; implementation was in July 2007
2009	Effectively Managed U.S. Government Finances	Mission and Business Results	Taxation Management	4. Enable increasing numbers of businesses to use the www.irs.gov to obtain Employer	2,844,934 Employer Identification Numbers (EINs) successfully assigned via	3,000,000 EINs assigned via the internet instead of paper form SS-4 "Application for EIN"	FY09 year-end actuals not yet available.

				Identification Numbers to reduce the expense and difficulty of doing business with the Government	the internet instead of paper form SS-4 "Application for EIN" in FY08 for this steady state performance metric		
2010	Effectively Managed U.S. Government Finances	Mission and Business Results	Taxation Management	4. Enable increasing numbers of businesses to use the www.irs.gov to obtain Employer Identification Numbers to reduce the expense and difficulty of doing business with the Government	2,844,934 Employer Identification Numbers (EINs) successfully assigned via the internet instead of paper form SS-4 "Application for EIN" in FY08 for this steady state performance metric	3,100,000 EINs assigned via the internet instead of paper form SS-4 "Application for EIN"	

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.

IDRS is identified in OMB-approved Filing & Payment Compliance subsegment of Taxation Management (TM). Per OMB's EA Assessment Framework it ranked #1 on Treasury's High Priority Segment Prioritization list. In Treasury's IT Mod Blueprint (ITMB) vol7, EA Transition Strat" v4.0 (2/08) Appendix G, it is in TM. In ITMB v3.01 (4/07) p.8, TM is one of Treasury's Core Mission Lines of Business. On p.42 it is a part of Core Mission Area Segment TM as well as the "Business Reference Model segment" TM.

2.b. If no, please explain why?

Although IDRS also has features related to the "Customer Service" domain, the "Filing Payment and Compliance" domain represents the majority of IDRS funding. IDRS is identified in OMB-approved Filing & Payment Compliance subsegment of Taxation Management (TM). Per OMB's EA Assessment Framework it ranked #1 on Treasury's High Priority Segment Prioritization list. In Treasury's IT Mod Blueprint (ITMB) vol7, EA Transition Strat" v4.0 (2/08) Appendix G, it is in TM. In ITMB v3.01 (4/07) p.8, TM is one of Treasury's Core Mission Lines of Business. On p.42 it is a part of Core Mission Area Segment TM as well as the "Business Reference Model segment" TM.

3. Is this investment identified in a completed (contains a target architecture) and approved segment architecture?

yes

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 lifecycle of cases/issues or data for Taxpayer examinations/collections/appeals/litigation/criminal investigations	Data Management	Data Exchange			No Reuse	60
2	Customer/Account Management	Provides real-time access and update of tax accounts on the databases, based on communication and activity with the taxpayers.	Customer Relationship Management	Customer / Account Management			No Reuse	20
3	Tax Account Management Business Logic	Provides the automated means to assign, track, and process Tax Accounts in IRS Collection status.	Tracking and Workflow	Process Tracking			No Reuse	5

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 Interface and Integration	Interoperability	Data Transformation	IRS written code
2	Customer / Account Management	Component Framework	Business Logic	Dependent Platform	IRS written code
3	Process Tracking	Component Framework	Data Management	Reporting and Analysis	IRS written code

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

no

PART TWO

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?

2009-03-18

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

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

See the IDRS Risk Management Plan (RMP) "risk analysis" section for a complete response to this question as well as the IDRS Risk Inventory, which is included as appendix A in the IDRS RMP. As noted in OMB Circular No. A-11 (2007) section 300.4, "Risk adjusted life-cycle costs means the overall estimated cost for a particular investment alternative over the time period corresponding to the life of the investment, including direct and indirect initial costs plus any periodic or continuing costs of operation and maintenance that has been adjusted to accommodate any risk identified in the risk management plans. If project funding is to be requested for specific phases, segments or modules of the project, each of these parts will be risk adjusted for their individual life-cycle." IDRS uses the risks documented in the IDRS RMP and Risk Inventory to risk-adjust budget cost estimates used in the Alternatives Analysis, Summary of Spending, and other Exhibit 300 tables. In compliance with OMB guidance, IRS guidance, and best practices described in the Project Management Institute's Project Management Body of Knowledge (third edition chapter 11) both impact (e.g., High, Medium, Low) and probability of occurrence (e.g., High, Medium, Basic) are taken into consideration as a score for each risk. That is, the RMP uses a probability/impact matrix to determine risk classification. These scores are documented in the risk inventory. The following is an example: A risk has a probability of occurrence is basic (assigned a value of 5%) and a cost impact of low (assigned a value of 5%). These two amounts are multiplied by each other to produce the "cost product" of .25%. Another example follows: A risk has a probability of occurrence is basic (assigned a value of 5%) but a cost impact of medium (assigned a value of 10%). These two amounts are multiplied by each other to produce the "cost product" of .50 %. This is done for each of the non-closed risks. These cost products are then averaged. This total average of the cost products is then multiplied by each line item in the cost element structure to produce a risk-adjusted cost estimate. This is calculated separately for each alternative because each alternative may have different risks, different probabilities of occurrence, or different cost impacts. Risks associated with security, privacy, and records management are taken into consideration as appropriate.

COST & SCHEDULE

1. Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

yes

2. Is the CV% or SV% greater than $\pm 10\%$?

no

3. Has the investment re-baselined during the past fiscal year?

no