

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:
Interim Revenue Accounting Control System (IRACS)

5. Unique Project Identifier:
015-45-01-01-01-2261-00

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?
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 purpose of this document is to update the Interim Revenue Accounting Control System (IRACS) business case for the FY 2010 IRS budget submission. This investment includes maintenance of the current IRACS system during implementation of two releases that enhance and redesign the system to reduce material weaknesses to reportable conditions and provide Federal Financial Management Improvement Act (FFMIA) compliance. IRACS users implemented a manual mapping of the proprietary accounts to US SGL accounts to comply with current Government accounting standards. This manual process is very time consuming. Release 1 will incorporate a US Standard General Ledger (US SGL) system of accounts as part of the standard reporting to improve compliance and eliminate the manual workaround. This will address the GAO-identified financial internal control (material) weakness in IRS's™ custodial accounting (GAO-04-523 Recommendation 01-33 dated April 2004) Additionally, Release 1 will provide reporting improvements related to the Custodial Detail Database (CDDDB) trace id that allows for systemic reconciliations of receipts to deposits and other subsidiary details for summarized Redesign IRACS data. The Treasury Information Executive Repository (TIER) reporting will be automated as a part of Release 1. Release 2 will web-enable the system, consolidate hardware and eliminate redundant service center reporting systems.

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

9.a. If "yes," what was the date of this approval?
2008-06-10

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

11. Program/Project Manager Name:
Byrd, Simone
Program/Project Manager Phone:
202-283-0444
Program/Project Manager Email:
Simone.Byrd@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?
2008-07-11

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?
2009-07-11

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)?

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:

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?)

IRACS supports the PMA Initiative of Financial Performance by enhancing the existing system to produce accurate and timely information to support operating, budget, and policy decisions. It promotes compliance with Treasury's mandate for a three-day Accounting Month close. It enhances the usefulness of financial information, supports issuance of FY Performance and Accountability Reports. It ensures reliability by sustaining "clean opinions" for its Custodial Financial Statement Audit by GAO.

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?

yes

19.a. If yes, does this investment address a FFMA compliance area?

yes

19.a.1. If yes, which compliance area:

Federal Accounting Standards - Statutory requirements mandate that IRS record, control, account for, reconcile, and balance all monies collected for payment of taxes, interest, and penalties and accruals of interest and penalty receivables.

19.b. If yes, please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A11 section 52.

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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
Semone Byrd
Phone Number
202-283-0444
Title
Project Manager
Email
Semone.Bryd@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	0.270	0.000	0.000
Acquisition Budgetary Resources	0.000	0.231	6.414	1.200
Maintenance Budgetary Resources	0.020	0.010	0.000	0.000
Government FTE Cost	1.464	0.830	1.462	1.494
# of FTEs	7	7	8	10

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?

The MV&S process now includes departmental support across government areas which require additional FTEs to redesign this project. The web based infrastructure and programs will beginning in FY10 after R1 is deployed.

3. If the summary of spending has changed from the FY2009 President's budget request, briefly explain those changes.

Additional funds were added from the MV&S budget to Redesign the IRACS system. FY08 includes new funds for the software license renewal and contractor planning costs to start Release 1. The cost to maintain the system has been increased in the out years to insure that all departmental charge backs are accounted for in the maintenance costs including hardware and software refresh and annual legislative tax law changes.

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	Customer Results	Delivery Time	Complete month-end close within 3 days per service level agreement with business users measured Quarterly	3	3	Q1 - 3 days, Q2 - 3 days, Q3- 3 days, Q4 - 3 days
2	2007	Management and Organizational Excellence	Mission and Business Results	Reporting and Information	Timeline in days for delivery of annual audit package in support of obtaining a clean audit opinion. Results obtained in Q1 for the previous year financial close.	15	15	Q1 100%, Q2 100%, Q3 100%, Q4 100%
3	2007	Management and Organizational Excellence	Technology	Internal Data Sharing	Percent of Custodial Detail DB trace ids updated to IRACS account records on Unpaid Assessments transactions	0	100	100%
4	2007	Management and Organizational Excellence	Processes and Activities	Efficiency	Percent of automation for the Private Collection Agency Fund table in IRACS system. This will automate the manual process of posting user	0	100	Complete

					fee funds.			
5	2008	Management and Organizational Excellence	Customer Results	Delivery Time	Timeline in days to complete month-end close. Three days per service level agreement with business users measured Quarterly	3	3	Q2 - 3 days; Q3 - 3 days; Q4 3 days
6	2008	Management and Organizational Excellence	Mission and Business Results	Reporting and Information	Timeline in days for delivery of annual audit package in support of obtaining a clean audit opinion. Results obtained in Q1 for the previous year financial close.	15	15	Annual results obtained in the previous FY for Q1.
7	2008	Management and Organizational Excellence	Technology	Internal Data Sharing	Percent of records reconcile with deposit summary totals from IRACS.	0	100	100% complete for Q2, Q3 and Q4
8	2008	Management and Organizational Excellence	Processes and Activities	Cycle Time	IRACS system account reconciliation process frequency increase is from 2 times per year to 4 times per year to accommodate GAO quarterly audit. Reporting will begin in Q2.	2	4	Q2 - 2 of 4 complete; Q3 - 3 of 4 complete; Q4 - 4 of 4 complete
9	2009	Management and Organizational Excellence	Customer Results	Delivery Time	Timeline in days to complete month-end close. Three days per service level agreement with business users measured Quarterly	3	3	Q1 - 3 days
10	2009	Management and Organizational Excellence	Mission and Business Results	Reporting and Information	Timeline in days for delivery of annual audit package in support of obtaining a clean audit opinion. Results obtained in Q1 for the previous year financial close.	15	15	Q1 - 15 days
11	2009	Management and	Technology	Internal Data Sharing	Percent of records reconcile	100	100	Q1 100%

		Organizational Excellence			with deposit summary totals from IRACS.			
12	2009	Management and Organizational Excellence	Processes and Activities	Cycle Time	IRACS system account reconciliation process frequency increase is from 2 times per year to 4 times per year to accommodate GAO quarterly audit. Reporting will begin in Q2.	2	4	
13	2010	Management and Organizational Excellence	Customer Results	Delivery Time	Timeline in days to complete month-end close. Three days per service level agreement with business users measured quarterly.	3	3	
14	2010	Management and Organizational Excellence	Mission and Business Results	Reporting and Information	Timeline in days for delivery of annual audit package in support of obtaining a clean audit opinion. Results obtained in Q1 for the previous year financial close.	15	15	
15	2010	Management and Organizational Excellence	Technology	Standards Compliance and Deviations	Percent of records compliant with US Standard General Ledger (SGL) requirements. Measured in Q4 of FY2010 as the first quarter measured for compliance.	0	100	
16	2010	Management and Organizational Excellence	Processes and Activities	Cycle Time	Delivery time in hours for TIER 3 reports from the IRACS system. This goal reflects the substantial reduction in manual processing time for completion of this financial reporting requirement	48	0.5	

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.

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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.

402-000

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	Provides GAO with financial accounting information relative to taxpayer remittances, refunds, credits, etc.	Data Management	Data Exchange			No Reuse	100

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	Component Framework	Business Logic	Independent Platform	Computer Associates Advantage: Gen
2	Data Exchange	Component Framework	Data Management	Database Connectivity	IBM DB/2
3	Data Exchange	Component Framework	User Presentation / Interface	Content Rendering	Computer Associates Advantage: Gen
4	Data Exchange	Component Framework	User Presentation / Interface	Static Display	Computer Associates Advantage: Gen
5	Data Exchange	Component Framework	Data Interchange	Data Exchange	IBM Direct: Connect
6	Data Exchange	Component Framework	Data Management	Reporting and Analysis	Computer Associates Advantage: Gen
7	Data Exchange	Service Access and Delivery	Access Channels	Collaboration / Communications	Microsoft Outlook
8	Data Exchange	Service Access and Delivery	Service Requirements	Legislative / Compliance	Computer Associates Advantage: Gen
9	Data Exchange	Service Access and Delivery	Service Transport	Service Transport	Microsoft Outlook
10	Data Exchange	Service Interface and Integration	Interoperability	Data Format / Classification	IBM DB/2
11	Data Exchange	Service Platform and Infrastructure	Database / Storage	Database	IBM DB/2
12	Data Exchange	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	Microsoft Server 2000

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?

2008-05-29

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:

The project costing process employed by the MV&S team includes risk adjustments for schedule and costs for the Redesign project based on industry standard models. The project budget and schedule incorporates the estimates along with management judgment to insure that risks are adequately managed in the lifecycle of the project. The customer requests ongoing work for legislative tax law and other changes through the Unified Work Requests (UWRs) process. UWRs are issued to request changes to a system. During the negotiation process to answer the customer's request, the project team analyzes current steady state and DME workload to complete the work requested in the UWR, as well as agreeing with or modifying the implementation schedule. User approval is required to change the terms of the UWR. Consequently, risk is minimized. IRACS continues to deliver UWR (DME) program changes timely and within budget. 99 percent of the lifecycle costs for BY 2008 and beyond is labor costs. If adverse actions occur that may jeopardize the schedule, deliveries will be rescheduled, with concurrence, from the business user to accomplish program goals with little impact to the cost estimate.

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 $\pm 10\%$?

yes

2.a. If yes, was it the?

SV

2.b. If yes, explain the variance.

The current year baseline is within less than +/- the 10% variance. Last years 26.19 percent variance was caused by additional labor resources made available by the IRS Test, Assurance, and Documentation (TAD) organization to test IRACS program changes. These resources were charged to the IRACS department during the year and this allocation was not in the budget.

2.c. If yes, what corrective actions are being taken?

This system has spikes in legislative change activity. The DME for legislative changes quarterly milestones have been merged into a physical year. 1) The quarterly milestones have been merged for the fiscal year via a BCR so that spikes in requirements will be evened out in the budget year. 2) The corrective actions have worked well and this year is on target.

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

no