

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:
Service Center Recognition Image Processing System (SCRIPS)
5. Unique Project Identifier:
015-45-01-14-01-2223-00
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?
FY2004

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 Service Center Recognition/Image Processing System (SCRIPS) is a data capture, management, and storage system, which is a source of critical funds from Federal Tax Deposits (FTDs) for the Department of the Treasury. It uses high speed scanning and digital imaging technology to process tax documents. SCRIPS processes paper returns, such as, IRP, K1, 940s and 941s. SCRIPS does character recognition from the imaged documents. If characters are not read, they are sent to an operator to repair. The system stores images of the returns for access from internal IRS organizations. The perfected data is sent downstream for processing on the IRS Mainframe systems and Master File storage. SCRIPS utilizes an integrated suite of hardware and software components to process tax forms automatically. SCRIPS provides a modular, redundant architecture in order to meet mandated timelines and processing requirements for IRP forms, FTDs, K-1s, 940s and 941s. The processing ability of SCRIPS directly impacts revenue brought into the federal treasury. SCRIPS processes all tax forms within established timeframes in order to meet Service Center Program Completion Dates (PCDs). In addition, SCRIPS must process FTDs within 24 hours. SCRIPS effectiveness level, which consistently exceeds 99%, coupled with the high speed scanning capability, enables SCRIPS to process approximately 54 million FTDs and 45 million IRP forms, 18 million K-1s, 8 million Form 940s and 18 million Form 941s annually. SCRIPS has processed, over the life of the system, a total of more than 1 billion documents. SCRIPS and the Internal Revenue Service (IRS) have added 2-D barcode and File Transfer Protocol (FTP) technology to this system, as well as bulk transfer of K-1 images to the LIN System. SCRIPS maintains archived images of FTD, K-1s, Form 941, Form 940 and IRP Form 1096 documents. A copy of the image is retained on the system. The FTD, K-1s, Forms 1041 K-1, 1065 K-1, Form 940 and Form 941 documents are retained for 7 years and the IRP are retained for 3 years. Form 1120s K-1 are retained for 75 years in compliance with Federal Records Guidelines. Images of these documents are used for research while resolving tax liability issues. SCRIPS provides a Quality Review function allowing supervisory employees to review operator's actions.

9. Did the Agency's Executive/Investment Committee approve this request?
yes
- 9.a. If "yes," what was the date of this approval?
2007-08-16

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

11. Program/Project Manager Name:
Vierling, David
Program/Project Manager Phone:

Program/Project Manager Email:

David.Vierling@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?

2008-04-27

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?

2009-06-27

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

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?)

SCRIPS is a source of critical funds from FTDs for treasury with mandated timelines. This impacts revenue brought into treasury so the money can be classified and distributed into the appropriate government accounts. SCRIPS automates internal processes to reduce costs internally and within the Federal Government, by disseminating best practices across agencies. We automate labor-intensive, error-prone processes using modern IT with a cost savings of millions of dollars.

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

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?

SCRIPS is a Submission Processing system, performing data capture/validation of IRS tax returns/forms.

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	96
Other	4

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

Dwight Barnhouse

Phone Number

Title

IT Specialist

Email

Dwight.R.Barhouse@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	0.550	0.750	0.000	0.000
Maintenance Budgetary Resources	51.722	13.788	14.903	14.969
Government FTE Cost	6.087	1.751	1.797	1.848
# of FTEs	42	15	15	14

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	2008	Management and Organizational Excellence	Customer Results	Customer Impact or Burden	Provide Taxpayer Service for 941. Days to receive print image. SCRIPS will maintain the amount of time to receive images.	2	2	2
2	2008	Management and Organizational Excellence	Processes and Activities	Productivity	Ensure Enforcement of the Tax Law for 941. Maintain processing throughput time	150	250	260
3	2008	Management and Organizational Excellence	Customer Results	Customer Impact or Burden	Provide Taxpayer Service for 940. Days to receive print image. SCRIPS will maintain the amount of time to receive images.	5	2	2
4	2008	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Enhance Enforcement of the Tax Law for 940. Reduce error rate.	10.52%	12%	14%
5	2008	Management and Organizational Excellence	Technology	Reliability	Enhance Enforcement of the Tax Law for 940. Increase processing throughput time documents per hour	139	245	260
6	2008	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Ensure Enforcement of the Tax Law for 941. Maintain error rate.	10%	10%	14%
7	2009	Management and Organizational Excellence	Technology	Reliability	Ensure Enforcement of the Tax Law for 940. Maintain processing	240	240	

					throughput time documents per hour.			
8	2009	Management and Organizational Excellence	Processes and Activities	Productivity	Ensure Enforcement of the Tax Law for 941. Maintain processing throughput time documents per hour.	250	250	
9	2009	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Ensure Enforcement of the Tax Law for 940. Maintain error rate.	10%	10%	
10	2009	Management and Organizational Excellence	Customer Results	Customer Impact or Burden	Provide Taxpayer Service for 940. Days to receive print image. SCRIPS will maintain the amount of time to receive images.	3	3	
11	2009	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Ensure Enforcement of the Tax Law for 941. Maintain error rate.	14%	10%	
12	2009	Management and Organizational Excellence	Customer Results	Customer Impact or Burden	Provide Taxpayer Service for 941. Days to receive print image. SCRIPS will maintain the amount of time to receive images.	2	2	
13	2010	Management and Organizational Excellence	Technology	Reliability	Ensure Enforcement of the Tax Law for 940. Maintain processing throughput time documents per hour.	260	260	
14	2010	Management and Organizational Excellence	Processes and Activities	Productivity	Ensure Enforcement of the Tax Law for 941. Maintain processing throughput time documents per hour.	250	250	
15	2010	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Ensure Enforcement of the Tax Law for 940. Maintain error rate.	10%	10%	
16	2010	Management and	Customer Results	Customer Impact or	Provide Taxpayer Service for 940.	2	2	

		Organizational Excellence		Burden	Days to receive print image. SCRIPS will maintain the amount of time to receive images.			
17	2010	Management and Organizational Excellence	Mission and Business Results	Taxation Management	Ensure Enforcement of the Tax Law for Form 941. Maintain error rate.	10%	10%	
18	2010	Management and Organizational Excellence	Customer Results	Customer Impact or Burden	Provide Taxpayer Service for 941. Days to receive print image. SCRIPS will maintain the amount of time to receive images.	2	2	

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.
Service Center Recognition/Image Processing System (SCRIPS)

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	Agency	Service	Component	Reused	Reused	Internal	Funding
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	Component Name	Component Description	Type		Component Name	UPI	or External Reuse?	%
1	Tax Document Imaging and Data Extract	Tax Data Management and storage system. Uses high speed scanning and digital imaging technology to process tax documents	Document Management	Document Imaging and OCR			No Reuse	10
2	Data Mart	Archival system that maintains tax and information return images of returns and deletes images after form type expiration defined by NARA.	Data Management	Data Mart			No Reuse	4
3	Data Exchange	FTP capability that transmits return data to downstream processing. Also, receives data for image print request.	Data Management	Data Exchange			No Reuse	1
4	Tax Account Management, Business Logic	Manages the electronic or paper capture of taxpayer specific data	Data Management	Data Exchange			No Reuse	70
5	Record Linking/Association	Manages the electronic assignment of Document Line Numbers and related index data for archiving.	Data Management	Data Mart			No Reuse	1
6	Document Classification	Document classification system utilizing OCR/ICR technologies to identify documents for data extraction.	Document Management	Document Imaging and OCR			No Reuse	2
7	Data Cleansing	Systemic and manual data cleansing and Data Validation (DV) of OCR/ICR tax data.	Document Management	Document Imaging and OCR			No Reuse	5

8	Document Retirement	Archival system that maintains tax and information return images of returns and deletes images after form type expiration defined by NARA.	Data Management	Data Mart			No Reuse	1
9	Data Warehouse	Archival system that maintains tax and information return images of returns and deletes images after form type expiration defined by NARA.	Data Management	Data Mart			No Reuse	2
10	Loading and Archiving	Archival system that maintains tax and information return images of returns and deletes images after form type expiration defined by NARA.	Data Management	Data Mart			No Reuse	2
11	Data Recovery	Backup and Recovery system provides system, data and archive backups for systemic or disaster recovery.	Data Management	Data Mart			No Reuse	2

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	Document Imaging and OCR	Service Access and Delivery	Delivery Channels	Intranet	Scan-Optics, 9000mm Transport
2	Data Exchange	Service Access and Delivery	Service Transport	Service Transport	Enterprise File Transfer Utility (EFTU) Server Release 16
3	Data Mart	Service Access and Delivery	Service Transport	Service Transport	Enterprise File Transfer Utility (EFTU) Server Release 16

4	Data Exchange	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Hewlett Packard, HP RX7620 Itanium Server
5	Data Mart	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Spectra Logic, T50 Ultrium 3 Automated Tape Library System
6	Data Mart	Service Platform and Infrastructure	Hardware / Infrastructure	Peripherals	EMC, Centera Generation 4, Compliance Edition

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?

2008-05-22

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.

2008-10-31

What were the results of your operational analysis?

Over 99% of the time the SCRIPS System is available for users. The System availability is 24 X 7 with no downtime reported below 99.5%. There are no performance issues that hinder users from completing their job in a reasonable timeframe. We are very confident the current System will meet operating requirements for the next 3-5 years. As long as technology refresh occurs there should be no operating requirement issues. If more budget cuts are made, the maintenance and system up time could be affected. Very Confident (Over 90% Probable)