

Exhibit 300: Capital Asset Plan and Business Case Summary

Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview (All Capital Assets)

- 1. Date of Submission: 9/10/2007
- 2. Agency: Department of State
- 3. Bureau: Resource Management
- 4. Name of this Capital Asset: Exhibit 300 - Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration
- 5. Unique Project (Investment) Identifier: (For IT investment only, see section 53. For all other, use agency ID system.) 014-00-01-01-01-1146-00

6. What kind of investment will this be in FY2009? (Please NOTE: Investments moving to O&M in FY2009, with Planning/Acquisition activities prior to FY2009 should not select O&M. These investments should indicate their current status.) Mixed Life Cycle

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 Consolidated American Payroll Processing System (CAPPS) generates payments to all U.S. citizen employees of DoS and other serviced agencies. The system makes payments to Foreign Service employees, Civil Service employees, and Personal Services Contractors; all of which are subject to Federal legislation and pay plans. It excludes foreign nationals, who are paid using other systems that operate in a manner unique to the foreign localities. CAPPS serves as the central repository of American payroll information and has been in operation for 23 years. Having long since achieved a Steady State Mode of Operations, CAPPS incurs maintenance costs to support new federal regulations (e.g. changes promulgated by OPM and IRS) and DoS policy changes.

DoS has been an active participant in the government-wide e-Payroll Consolidation effort and was granted an exemption by OPM for mandated migration to a service provider by 9/30/04.

During the interim transition period, DoS will continue to operate CAPPS in a reduced Steady State mode to ensure that its own serviced agency employees receive uninterrupted accurate and timely payments. This remaining CAPPS' Steady State investment is primarily intended to fund operating costs and mandatory statutory, regulatory, and policy changes.

- 9. Did the Agency's Executive/Investment Committee approve this request? Yes
- a. If "yes," what was the date of this approval? 8/28/2007

10. Did the Project Manager review this Exhibit? Yes

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project? No

a. Will this investment include electronic assets (including computers)? No

b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only) No

1. If "yes," is an ESPC or UESC being used to help fund this investment?

2. If "yes," will this investment meet sustainable design principles?

3. If "yes," is it designed to be 30% more energy efficient than relevant code?

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

If "yes," check all that apply: Financial Performance
Expanded E-Government
Competitive Sourcing

14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)? (For more information about the PART, visit www.whitehouse.gov/omb/part.)

- a. If "yes," does this investment address a weakness found during a PART review? No
- b. If "yes," what is the name of the PARTed program?
- c. If "yes," what rating did the PART receive?

15. Is this investment for information technology? Yes

If the answer to Question 15 is "Yes," complete questions 16-23 below. If the answer is "No," do not answer questions 16-23.

For information technology investments only:

16. What is the level of the IT Project? (per CIO Council PM Guidance) Level 2

17. What project management qualifications does the Project Manager have? (per CIO Council PM Guidance) (2) Project manager qualification is under review for this investment

18. Is this investment or any project(s) within this investment identified as "high risk" on the Q4 - FY 2007 agency high risk report (per OMB Memorandum M-05-23) Yes

19. Is this a financial management system? Yes

a. If "yes," does this investment address a FFMI compliance area? No

1. If "yes," which compliance area:

2. If "no," what does it address? This investment addresses the e-Payroll initiative that falls under the President's Management Agenda (PMA).

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 A-11 section 52 Consolidated American Payroll System (CAPPS)

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

Section D: Performance Information (All Capital Assets)

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 or qualitative 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 FY 2009.

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
2005	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent reduction in manual/corrected W-2s produced.	In FY04, 60 W-2Cs were produced.	2% reduction	42% reduction achieved -- (NOTE: this activity has been concluded for FY05).
2005	Strengthening Consular and	Customer Results	Customer Benefit	Customer Satisfaction	Percent of employee	95%	96%	99% of FY05 employee salary

Exhibit 300: Exhibit 300 - Consolidated American Payroll System (CAPPs) and Interagency ePayroll Migration (Revision 6)

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
	Management Capabilities				payments made by scheduled pay date.			payments were made by the scheduled end date
2005	Strengthening Consular and Management Capabilities	Mission and Business Results	Human Resource Management	Compensation Management	Percent reduction of manual T&A transactions.	The number of manual T&A transactions input/corrected for FY2004 was 14,253.	2% reduction in manual T&A transactions	Actuals through August 31, 2005: 30,093 T&A adjustments were applied. This is 111% higher than the previous year.
2005	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Innovation and Improvement	Percent reduction of dollars paid through supplemental checks.	In FY04, \$98,042,452 was paid through supplemental checks.	2% reduction	Actuals through August 31, 2005, \$97,201,009 has been paid through supplemental checks. This is 99% of the previous fiscal year total
2005	Strengthening Consular and Management Capabilities	Technology	Efficiency	Improvement	Percent reduction in unique types of pay-related Nature of Actions that require manual processing in CAPPs.	In FY04, 195,881 "special" transactions (such as differentials, allowance, and special pay) were processed.	2% reduction	Actuals through August 31, 2005: 164,607 special actions have been processed. This is 84% of the previous fiscal year total.
2006	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent reduction in manual/corrected W-2s produced.	60	3% reduction	Actuals through September, 2006: 216
2006	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent of employee payments made by scheduled pay date.	95%	97%	99% of FY06 employee salary payments were made by the scheduled end date
2006	Strengthening Consular and Management Capabilities	Mission and Business Results	Human Resource Management	Compensation Management	Percent reduction of manual T&A transactions.	14,253 transactions	3% reduction in manual T&A transactions	Actuals through September 30, 2006: 87,372 which is 513% higher than the baseline number
2006	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Innovation and Improvement	Percent reduction of dollars paid through supplemental checks.	98042452	3% reduction	Actuals through September 30, 2006: \$115,784,805 which is 18% higher than the baseline number
2006	Strengthening Consular and Management Capabilities	Technology	Efficiency	Improvement	Percent reduction in unique types of pay-related Nature of Actions that require manual processing in CAPPs.	195881	3% reduction	Actuals through September 30, 2006: 168,163 which is 14% lower than the baseline number
2007	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent reduction in manual/corrected W-2s produced.	60	5% reduction	TBD at fiscal year close.
2007	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent of employee payments made by scheduled pay date.	95%	98%	99% of FY07 employee salary payments through April 2007 were made by the scheduled end date
2007	Strengthening Consular and Management Capabilities	Mission and Business Results	Human Resource Management	Compensation Management	Percent reduction of manual T&A transactions.	87,372 transactions	5% reduction in manual T&A transactions	TBD at fiscal year close.
2007	Strengthening Consular and	Processes and Activities	Management and Innovation	Innovation and Improvement	Percent reduction of	\$115,784,805	5% reduction	TBD at fiscal year close.

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
	Management Capabilities				dollars paid through supplemental checks.			
2007	Strengthening Consular and Management Capabilities	Technology	Efficiency	Improvement	Percent reduction in unique types of pay-related Nature of Actions that require manual processing in CAPPS.	195881	4% reduction	TBD at fiscal year close.
2008	Strengthening Consular and Management Capabilities	Customer Results	Customer Benefit	Customer Satisfaction	Percent of employee payments made by scheduled pay date.	95%	98.50%	
2008	Strengthening Consular and Management Capabilities	Mission and Business Results	Human Resource Management	Compensation Management	Percent reduction of manual T&A transactions.	87,372 transactions	6% reduction in manual T&A transactions	
2008	Strengthening Consular and Management Capabilities	Processes and Activities	Management and Innovation	Innovation and Improvement	Percent reduction of dollars paid through supplemental checks.	\$115,784,805	5.5% reduction	
2008	Strengthening Consular and Management Capabilities	Technology	Efficiency	Improvement	Percent reduction in unique types of pay-related Nature of Actions that require manual processing in CAPPS.	195881	4.50%	

Section E: Security and Privacy (IT Capital Assets only)

8. Planning & Operational Systems - Privacy Table:					
(a) Name of System	(b) Is this a new system? (Y/N)	(c) Is there at least one Privacy Impact Assessment (PIA) which covers this system? (Y/N)	(d) Internet Link or Explanation	(e) Is a System of Records Notice (SORN) required for this system? (Y/N)	(f) Internet Link or Explanation
Consolidated American Payroll System (CAPPS)	No	No	http://foia.state.gov/piaOnline.asp	Yes	http://foia.state.gov/issuances/STATE-30.pdf

Details for Text Options:
 Column (d): If yes to (c), provide the link(s) to the publicly posted PIA(s) with which this system is associated. If no to (c), provide an explanation why the PIA has not been publicly posted or why the PIA has not been conducted.
 Column (f): If yes to (e), provide the link(s) to where the current and up to date SORN(s) is published in the federal register. If no to (e), provide an explanation why the SORN has not been published or why there isn't a current and up to date SORN.
 Note: Working links must be provided to specific documents not general privacy websites. Non-working links will be considered as a blank field.

Section F: Enterprise Architecture (EA) (IT Capital Assets only)

In order to successfully address this area of the capital asset plan and business case, the investment must be included in the agency's EA and Capital Planning and Investment Control (CPIC) process and mapped to and supporting the FEA. The business case must demonstrate 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

a. If "no," please explain why?

2. Is this investment included in the agency's EA Transition Strategy? Yes

a. If "yes," provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment. Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration

b. If "no," please explain why?

4. Service Component Reference Model (SRM) Table:
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.egov.gov>.

Agency Component Name	Agency Component Description	FEA SRM Service Domain	FEA SRM Service Type	FEA SRM Component (a)	Service Component Reused Name (b)	Service Component Reused UPI (b)	Internal or External Reuse? (c)	BY Funding Percentage (d)
Payment / Settlement	Support the process of accounts payable	Back Office Services	Financial Management	Payment / Settlement	Payment / Settlement		External	
Payroll	Involve the administration and determination of employees compensation	Back Office Services	Financial Management	Payroll	Payroll		External	
Time Reporting	Support the submission, approval and adjustment of an employee's hours	Back Office Services	Human Resources	Time Reporting	Time Reporting		External	

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

b. 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.

c. '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.

d. Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the percentage of the BY requested funding amount transferred to another agency to pay for the service. The percentages in the column can, but are not required to, add up to 100%.

5. Technical Reference Model (TRM) Table:
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 (a)	FEA TRM Service Area	FEA TRM Service Category	FEA TRM Service Standard	Service Specification (b) (i.e., vendor and product name)
Payroll	Component Framework	Data Management	Database Connectivity	Open Database Connectivity (ODBC)
Payment / Settlement	Component Framework	Data Management	Database Connectivity	Open Database Connectivity (ODBC)
Payroll	Component Framework	Presentation / Interface	Static Display	Hyper Text Markup Language (HTML)
Payment / Settlement	Component Framework	Presentation / Interface	Static Display	Hyper Text Markup Language (HTML)
Payroll	Component Framework	Security	Certificates / Digital Signatures	Digital Certificate Authentication
Payment / Settlement	Component Framework	Security	Certificates / Digital Signatures	Digital Certificate Authentication
Payroll	Service Access and Delivery	Access Channels	Web Browser	Internet Explorer
Payment / Settlement	Service Access and Delivery	Access Channels	Web Browser	Internet Explorer
Payroll	Service Access and Delivery	Service Requirements	Hosting	External (ISP/ASP/FirstGov)
Payment / Settlement	Service Access and Delivery	Service Requirements	Hosting	External (ISP/ASP/FirstGov)
Payroll	Service Access and Delivery	Service Requirements	Legislative / Compliance	Privacy: Liberty Alliance
Payment / Settlement	Service Access and Delivery	Service Requirements	Legislative / Compliance	Privacy: Liberty Alliance
Payroll	Service Access and Delivery	Service Requirements	Legislative / Compliance	Section 508
Payment / Settlement	Service Access and Delivery	Service Requirements	Legislative / Compliance	Section 508
Payroll	Service Access and Delivery	Service Requirements	Legislative / Compliance	Security
Payment / Settlement	Service Access and Delivery	Service Requirements	Legislative / Compliance	Security
Payroll	Service Access and Delivery	Service Transport	Service Transport	Internet Protocol (IP)
Payment / Settlement	Service Access and Delivery	Service Transport	Service Transport	Internet Protocol (IP)

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FEA SRM Component (a)	FEA TRM Service Area	FEA TRM Service Category	FEA TRM Service Standard	Service Specification (b) (i.e., vendor and product name)
Payroll	Service Access and Delivery	Service Transport	Service Transport	Transport Control Protocol (TCP)
Payment / Settlement	Service Access and Delivery	Service Transport	Service Transport	Transport Control Protocol (TCP)
Payroll	Service Interface and Integration	Interface	Service Description / Interface	Application Program Interface (API) / Protocol
Payment / Settlement	Service Interface and Integration	Interface	Service Description / Interface	Application Program Interface (API) / Protocol
Payroll	Service Platform and Infrastructure	Delivery Servers	Web Servers	Internet Information Server
Payment / Settlement	Service Platform and Infrastructure	Delivery Servers	Web Servers	Internet Information Server
Payroll	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Windows 2000
Payment / Settlement	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Windows 2000

a. 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

b. 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.

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

Exhibit 300: Part II: Planning, Acquisition and Performance Information

Section B: Risk Management (All Capital Assets)

You should have performed a risk assessment during the early planning and initial concept phase of this investment's life-cycle, developed 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.

1. Does the investment have a Risk Management Plan? Yes
 - a. If "yes," what is the date of the plan? 1/31/2007
 - b. Has the Risk Management Plan been significantly changed since last year's submission to OMB? No
 - c. If "yes," describe any significant changes:

2. If there currently is no plan, will a plan be developed?
 - a. If "yes," what is the planned completion date?
 - b. If "no," what is the strategy for managing the risks?

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

CAPPS investment risks are evaluated along two dimensions: potential impact and probability of occurrence. Risks determined to have a medium or higher probability of occurrence (greater than 30% chance) and/or a medium or higher impact (e.g., moderate to significant cost, schedule or scope change) are required to follow the mitigation strategy, contingency planning, and risk-adjusted life cycle costs estimation methodology contained in the CAPPS Risk Management Plan.

Life cycle estimates are risk adjusted by determining the incremental cost associated with addressing priority risks and applying the probability to this amount. Schedule adjustments are computed in a similar manner -- i.e., the incremental schedule impact is first determined and then adjusted based on probability of occurrence.