

**Exhibit 300 (BY2008)**

<b>PART ONE</b>	
<b>OVERVIEW</b>	
<b>1. Date of Submission:</b>	2007-02-05
<b>2. Agency:</b>	009
<b>3. Bureau:</b>	90
<b>4. Investment Name:</b>	PSC Core Accounting System (CORE)
<b>5. UPI:</b>	009-90-01-01-01-1010-00
6. <i>What kind of investment will this be in FY2008?</i>	
Operations and Maintenance	
7. <i>What was the first budget year this investment was submitted to OMB?</i>	
FY2001 or earlier	
8. <i>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.</i>	
<p>The CORE is the legacy mainframe application that performs the Joint Financial Management Improvement Project (JFMIP) defined `core' financial management functions for eight Operating Divisions (OPDIVs) within the Department. The CORE meets applicable requirements for financial management systems, including the requirements of the Federal Financial Management Improvement Act (FFMIA), JFMIP, OMB Circular A-127, etc. The CORE, as the official accounting system for the PSC and its customers, is critical in meeting the mission and regulatory requirements of the agencies it supports. The Core Accounting System provides critical financial support and reporting services to the Department thereby enabling HHS management to make fact-based program decisions and to meet their PMA goals. The Core Accounting System (CORE) is scheduled to be replaced by the Department of Health and Human Services (HHS) Unified Financial Management System (UFMS) in Fiscal Year 2007. (See the HHS UFMS Capital Asset Plan and Business Case). This investment is a "close out" as of October 2007. The CORE is fully operational and is in the steady-state/maintenance phase of its system cycle. The budget for CORE includes amounts for its continuing operation and maintenance.</p>	
9. <i>Did the Agency's Executive/Investment Committee approve this request?</i>	
yes	
9.a. <i>If "yes," what was the date of this approval?</i>	
2006-06-23	
10. <i>Did the Project Manager review this Exhibit?</i>	
yes	
12. <i>Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.</i>	
no	
12.a. <i>Will this investment include electronic assets (including computers)?</i>	
yes	
12.b. <i>Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)</i>	
no	
13. <i>Does this investment support one of the PMA initiatives?</i>	
yes	
<i>If yes, select the initiatives that apply:</i>	
Budget Performance Integration	
Eliminating Improper Payments	
Expanded E-Government	
Financial Performance	

13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
Core provides agencies with budgetary reports to compare budgets to actual spending. All financial statements for 7 of the HHS agencies are produced from Core. All A-123 standards are implemented in Core, providing support to HHS meeting OMB "green" Standards for Success. Core captures financial information from E-Gov systems, enabling PSC to provide E-Gov systems support to HHS agencies. Core allows agencies to manage payment processes to decrease the occurrence of improper payments.	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
no	
14.a. If yes, does this investment address a weakness found during the PART review?	
no	
15. Is this investment for information technology (See section 53 for definition)?	
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 2006 agency high risk report (per OMB's high risk memo)?	
no	
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 financial systems requirements, applicable Federal accounting standards, US Standard General Ledger	
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.	
Core Accounting System	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
<b>Hardware</b>	0
<b>Software</b>	0
<b>Services</b>	100
<b>Other</b>	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?	
n/a	
22. Contact information of individual responsible for privacy related questions.	
<i>Name</i>	
Darlene Christian	
<i>Phone Number</i>	
301-443-5252	
<i>Title</i>	
Freedom of Information Officer	
<i>Email</i>	
Darlene.Christian@psc.hhs.gov	
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?	

yes

**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

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY	BY
	-2005	2006	2007	2008
<b>Planning Budgetary Resources</b>	0.000	0.000	0.000	0.000
<b>Acquisition Budgetary Resources</b>	0.000	0.000	0.000	0.000
<b>Maintenance Budgetary Resources</b>	12.032	5.570	4.344	0.000
<b>Government FTE Cost</b>	0.341	0.501	0.376	0.000
<b># of FTEs</b>	2	4	2	0.000

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 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 Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2003	Achieve unqualified SAS-70 opinion	100%	100%	SAS-70 Report	SAS-70 Report Achieve unqualified (clean) audit opinions: PSC, SAMHSA, HRSA, AHRQ, AoA, IHS
2	2003	Achieve unqualified (clean) audit	100%	100%	Audit Report	Audit Report

		opinions: PSC, SAMHSA, HRSA, AHRQ, AoA, IHS				
3	2003	95% of audited financial statements submitted on time	95%	95%	Date of audit report	Date of audit report
4	2003	Submit required financial reports within 5 days 95% of time	95%	95%	Date of audit report	Date of audit report
5	2003	95% timely recording of accounting events	95%	95%	Count number of transactions recorded within specified timeframe vs. number total number of transactions	Count number of transactions recorded within specified timeframe vs. number total number of transactions
6	2003	Close fiscal year within 15 days of year's end	100%	100%	Actual year-end close date	Actual year-end close date
7	2003	Increase non-waivered electronic disbursements with 85% minimum	100%	85%	Number of electronic disbursement as a percentage of eligible non-waivered disbursements	Number of electronic disbursement as a percentage of eligible non-waivered disbursements
8	2003	Exceed OMB objective of 95% of vendor invoices paid on time	95%	95%	Number of payments made on-time	Number of payments made on-time
9	2004	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% audited financial statements receiving unqualified opinions	100%	100%	100%
10	2004	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% financial reports submitted within 5 days after the end of a covered period	90%	95%	100%
11	2004	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	number of days required to close the system after fiscal year end	<16	<16	8

12	2004	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% increase in controllable operational costs	<5%	<5%	3%
13	2005	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	%audited financial statements receiving unqualified opinions	100%	100%	100%
14	2005	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% financial reports submitted within 5 days after the end of a covered period	100%	95%	100%
15	2005	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	number of days required to close the system after fiscal year end	8	<16	4
16	2005	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% increase in controllable operational costs	3%	<5%	3%
17	2006	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% audited financial statements receiving unqualified opinions	100%	100%	
18	2006	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% financial reports submitted within 5 days after the end of a covered period	100%	95%	

		Management"				
19	2006	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	number of days required to close the system after fiscal year end	4	<16	
20	2006	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% increase in controlable operational costs	3%	<5%	
21	2007	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% audited financial statements receiving unqualified opinions	100%	100%	
22	2007	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% financial reports submitted within 5 days after the end of a covered period	100%	95%	
23	2007	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	number of days required to close the system after fiscal year end	4	<16	
24	2007	HHS Strategic Goals and Objectives FY04-08 "Achieve Excellence in Management Practices"; Objective 8.4 "Improve Financial Management"	% increase in controlable operational costs	3%	<5%	

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. 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 at least four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov).

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2006	Mission and Business Results	Accounting	% unqualified "clean" audit opinions	100%	none	
2	2006	Customer Results	Response Time	% financial reports submitted within 5 days after the end of a covered period	95%	+5%	
3	2006	Processes and Activities	Cycle Time	% Core financial functions converted to UFMS	na	30%	
4	2006	Technology	Availability	% functional systems interfaces integrated through use of UFMS	na	30%	
5	2007	Mission and Business Results	Accounting	% unqualified "clean" audit opinions	100%	none	
6	2007	Customer Results	Response Time	% financial reports submitted within 5 days after the end of a covered period	95%	+5%	
7	2007	Processes and Activities	Cycle Time	% Core financial functions converted to UFMS	30%	70% (100% total)	
8	2007	Technology	Availability	% functional systems interfaces integrated through use of UFMS	30%	70% (100% total)	

**EA**

*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.

The Core Accounting System (CORE) is scheduled to be replaced by the Department of Health and Human Services (HHS) Unified Financial Management System (UFMS) in Fiscal Year 2007. (See the HHS UFMS Capital Asset Plan and Business Case).

3. 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	Core Accounting System	CORE is the accounting system used to perform JFMIP 'core' accounting functions for eight HHS operating divisions (OPDIV) and staff divisions (STAFFDIV).	Financial Management	Billing and Accounting			No Reuse	20
2	Core Accounting System	CORE is the accounting system used to perform JFMIP 'core' accounting functions for eight HHS operating divisions (OPDIV) and staff divisions (STAFFDIV).	Financial Management	Credit / Charge			No Reuse	20
3	Core Accounting System	CORE is the accounting system used to perform JFMIP 'core' accounting functions for eight HHS operating divisions (OPDIV) and staff divisions (STAFFDIV).	Financial Management	Expense Management			No Reuse	20
4	Core Accounting System	CORE is the accounting system used to perform JFMIP 'core' accounting functions for eight HHS operating divisions (OPDIV) and staff divisions (STAFFDIV).	Financial Management	Payment / Settlement			No Reuse	20
5	Core Accounting System	CORE is the accounting system used to perform JFMIP 'core' accounting functions for eight HHS operating divisions (OPDIV) and staff divisions (STAFFDIV).	Financial Management	Revenue Management			No Reuse	20



4. 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	Billing and Accounting	Service Access and Delivery	Access Channels	Other Electronic Channels	on-line, real-time via IBM CICS
2	Credit / Charge	Service Platform and Infrastructure	Delivery Servers	Application Servers	IBM 2064-102 Mainframe
3	Expense Management	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	IBM 2064-102 Mainframe
4	Payment / Settlement	Component Framework	Security	Supporting Security Services	RACF Security
5	Revenue Management	Service Platform and Infrastructure	Database / Storage	Database	Virtual Storage Access Method (VSAM)
6	Billing and Accounting	Service Platform and Infrastructure	Support Platforms	Platform Dependent	COBOL programming language

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

yes

5.a. If yes, please describe.

The Core Accounting System leverages the Treasury FMS Secure Payment System (SPS) as well as their Government Online Accounting Link System (GOALS) to communicate payment and collection data with Treasury.

6. Does this investment provide the public with access to a government automated information system?

no

### PART THREE

#### RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

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

2006-06-30

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.

2006-12-14

*What were the results of your operational analysis?*

Core was evaluated against NIST 800-53 requirements specifically in areas of Risk Assessment, System Security Plan, Certification and Accreditation, Identification and Authentication, Audit and Accountability, and Change Control. Two minor findings are being corrected.