Exhibit 300 (BY2009)

PART ONE	
OVERVIEW	
1. Date of Submission:	2007-09-10
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 FY2009?
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 2009 Internal Revenue Service (IRS) budget submission. This includes maintenance of the current IRACS system during implementation of the redesign. The Redesign Interim Revenue Accounting Control System (IRACS) project will perform all the functionality of the legacy system as well as reduce material weaknesses to reportable conditions and provide Joint Financial Management Improvement Program (JFMIP) compliance. During the development of this system, interfaces to emerging modernized systems such as Customer Account Data Engine (CADE) and Account Management Services (AMS) will be added to accommodate tax processing changes that must be reflected in IRS accounting applications. 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. The newly centralized system 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 -identified financial internal control (material) weakness in IRS' custodial accounting. (Government Accountability Office (GAO)-04-523 Recommendation 01-33 dated April 2004) The Redesign IRACS will provide enhanced report capability, provide more timely and accurate data for the financial statements including taxes receivable (unpaid assessments), reduce the time required to produce extracts and reports and assist in the elimination of redundant service center reporting systems. Work will incorporate the Custodial Detail Database (CDDB) project that allows for systemic reconciliations of receipts to deposits and other subsidiary details for summarized Redesign IRACS data, and reduces manual labor in the reconciliation processes.

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 Project Manager review this Exhibit?
yes

11. Project Manager Name:
Walker, Joan
Project Manager Phone:
202-283-3674
Project Manager Email:
Joan.Walker2@irs.gov
11.a. What is the current FAC-P/PM certification level of the project/program manager?
TBD

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 and 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)	
(1) Project manager has been validated as qualified for this investment	
18. Is 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	
19.a. If yes, does this investment address a FFMIA 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.	
Interim Revenue Accounting Control System (IRACS)	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	7
Software	5
Services	83
Other	5
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	

Carlos Moura
Phone Number
202- 927-0730
Title
Management and Program Analyst (
Email
carlos.moura@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

	PY-1 & Earlier	**PY**	**CY**
	-2006	**2007**	**2008**
Planning Budgetary Resources	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.000	0.000
Maintenance Budgetary Resources	0.010	0.010	0.010
Government FTE Cost	0.662	0.662	0.925
# of FTEs	6	7	8

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?

Three additional FTEs are necessary to maintain the web based infrastructure and programs beginning in FY10.

3. If the summary of spending has changed from the FY2008 President's budget request, briefly explain those changes.

FTE costs from the Chief Financial Office were removed from this investment as recommended in the previous OMB Passback. Additional funds in FY09-FY14 were added from the MV&S budget to Redesign the IRACS system.

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

	Fiscal Year	Strategic Goal Supported	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Delivery Time	Complete month-end close within 3 days per service level agreement with business users measured Quarterly	3 days	3 days	Q1 - 3 days Q2 - 3 days Q3- 3 days
2	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Reporting and Information	Maintain accelerated 15 day delivery timeline for annual audit package in support of obtaining a clean audit opinion	15 days	15 days	Results obtained in Mid November
3	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Internal Data Sharing	Implement CDDB interface with IRACS accounts on Unpaid Assessments transactions	0%	100%	100%
4	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Efficiency	Implement Private Collection Agency Fund table in IRACS system to automate the manual process of posting user fee funds. This change is legislatively mandated and is currently a manual process	0% automated	100% automated	Complete
5	2008	Ensure Professionalism, Excellence,	Customer Results	Delivery Time	Complete month-end close within 3	3 days	3 days	

		Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury			days per service level agreement with business users measured Quarterly			
6	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Reporting and Information	Maintain accelerated 15 day delivery timeline for annual audit package in support of obtaining a clean audit opinion	15 days	15 days	
7	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Internal Data Sharing	Reconcile with deposit summary totals from IRACS by Implementing an interface with Electronic Federal Tax Payment System to record Trace IDs which will map back to original IRS system that processed the money.	0%	100%	
8	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Cycle Time	Increase IRACS system account reconciliation process frequency from 2 times per year to 5 times per year to accommodate GAO quarterly audit	2 times	5 times	
9	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Delivery Time	Complete month-end close within 3 days per service level agreement with business users measured Quarterly	3 days	3 days	
10	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of	Mission and Business Results	Reporting and Information	Maintain accelerated 15 day delivery timeline for annual audit package in support of obtaining a	15 days	15 days	

		the Depart. of Treasury			clean audit opinion			
11	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Internal Data Sharing	Reconcile with deposit summary totals from IRACS by implementing an interface with Electronic Federal Tax Payment System to record Trace IDs to all records that map back to original IRS system that processed the money	0%	100%	
12	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Compliance	Improve the delivery time for TIER 3 Reports from in the IRACS system to reduce manual updates required to meet month-end deadlines	48 hours	1/2 hour	
13	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	IT Contribution to Process, Customer, or Mission	Increase IRACS system account reconciliation process frequency from 2 times per year to 5 times per year to accommodate GAO quarterly audit	2 times	5 times	
14	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Delivery Time	Improve delivery time for Cash receipts and Disbursements reporting from the IRACS system to eliminate manual updates caused by report delivery delays	360 minutes	5 minutes	
15	2010	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management	Mission and Business Results	Reporting and Information	Complete month-end close within 3 days per service level agreement with business	3 days	3 days	

		and Conduct of the Depart. of Treasury			users measured Quarterly			
16	2010	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Customer Impact or Burden	Maintain accelerated 15 day delivery timeline for annual audit package in support of obtaining a clean audit opinion	15 days	15 days	
17	2010	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Compliance and Deviations	Enhance existing IRACS to become US Standard General Ledger (SGL) compliant by adding the SGL account to all records. This will eliminate the General Ledger crosswalk manual process.	0% of records compliant	100% of records compliant	
18	2010	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	IT Contribution to Process, Customer, or Mission	Modify the general ledger structures in the Remittance Processing campuses to maintain mandated statistical tracking processes for consolidated campuses. System changes will result in consolidation of service centers.	8 Service Centers	6 Service Centers	
19	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Innovation and Improvement	Complete month-end close within 3 days per SLA with business users measured Quarterly	3 days	3 days	
20	2011	Ensure Professionalism, Excellence, Integrity, and Accountability	Customer Results	Delivery Time	Maintain accelerated 15 day delivery timeline for annual audit	15 days	15 days	

		in the Management and Conduct of the Depart. of Treasury			package in support of obtaining a clean audit opinion		
21	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Reporting and Information	Modify the general ledger structure in the Remittance Processing campuses to maintain mandated statistical tracking processes for consolidated campuses. System changes will result in consolidation of Service Centers	6 Service Centers	5 Service Centers
22	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Innovation and Improvement	Redesigning the IRACS interface with Consolidated Detail Database (CDDB) trace IDs will result in a reduction in contracting FTE used for system support	3 FTE	2 FTE
23	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Overall Costs	Combine data delivery from the former Brookhaven and Memphis Centers into a consolidated master Service Center report to eliminate duplicated entry processes for the new combined Service Center in Cincinnati	111 reports	37 reports
24	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Customer Impact or Burden	Combine data delivery from the former Philadelphia center into a consolidated Master Service Center report to eliminate duplicate entry	75 reports	37 reports

				processes for the new combined Service Center in Ogden			

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.

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

yes

3.a. If yes, provide the name of the segment architecture as provided in the agency's most recent annual EA Assessment.

Enterprise Transition Plan, Volume 1: Enterprise Transition Strategy (IRS)

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	Platform Independent	Computer Associates Advantage:Gen
2	Data Exchange	Component Framework	Data Management	Database Connectivity	IBM DB/2
3	Data Exchange	Component Framework	Presentation / Interface	Content Rendering	Computer Associates Advantage:Gen
4	Data Exchange	Component Framework	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?

2007-05-10

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 customer issues Development, Modernization, or Enhancement (DME) changes for the investment through the service-wide 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?

no

2. Is the CV% or SV% greater than ± 10%?

yes

2.a. If yes, was it the?

CV

2.b. If yes, explain the variance.

The 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 for FY 06. These resources were charged to the IRACS department during the quarter 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 was divided into equal quarterly amounts. 1) The quarterly milestones will be merged for the fiscal year via a Baseline Change Request (BCR) so that spikes in requirements will be evened out in the budget year. 2) Better planning and coordination with the testing team will take place to insure adherence to budget constraints for the annual DME budget that includes allocation from the testing team.

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

yes

3.a. If yes, when was it approved by the agency head?

2007-05-30