

Exhibit 300 (BY2009)

PART ONE	
OVERVIEW	
1. Date of Submission:	2007-08-09
2. Agency:	015
3. Bureau:	45
4. Name of this Capital Asset:	Correspondence Examination Automation Support - Major Wintel (CEASMW)
5. Unique Project Identifier:	015-45-01-14-01-2467-00
<i>6. What kind of investment will this be in FY2009?</i>	
Mixed Life Cycle	
<i>7. What was the first budget year this investment was submitted to OMB?</i>	
FY2008	
<i>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.</i>	
<p>The Correspondence Examination Automation Support - Major Wintel (CEASMW) system will replace, enhance, & retire the Reports Generation Software (RGS) Batch and RGS Print Manager applications in a web environment. Unattended Case Processing (UCP) capabilities will allow for increased audit coverage to assist in addressing the tax gap. The Wage and Investment (W&I) and Small Business/Self Employed (SBSE) Campus Correspondence Examination functions audit approximately 1M taxpayers a year. Inventories processed through Batch are primarily Earned Income Tax Credit (EITC) programs. All issues within an EITC program are the same. Discretionary inventories are a challenge to automate in Batch due to the volume/ variation of issues identified from return to return. RGS Batch does not provide flexibility to quickly add new inventory types or adjust issues on existing programs. Current processes and timeframes do not support the ability to quickly address emerging, non compliant examination issues through automation. The ability to initiate automation of the examination process on most examination inventories is a critical business need. There is currently no new modernized system to meet this IT investment need. UCP functionality will be deployed in two releases. FY09 CEASMW UCP will allow users to establish the examination work stream for cases in an entire program at once. It will deliver a user configurable tool to allow the ability to select issues, appropriate letters, report of proposed examination changes, schedules, and standard/customized explanation of adjustments, in addition to selecting timeframes for systemic processing through each phase of the examination process, at the time of case creation. It will provide an interface for review/editing correspondence, and access to centralized Print Manager reports. UCP will provide templates for most examination letters, schedules, and forms to allow more inventories to be transmitted to the Notice Delivery System for printing and mailing. UCP will move processing of Batch files from each campus to a consolidated, scheduled run for all campuses. FY10 CEASMW UCP will deliver the automation of the remaining examination phases into UCP, including systemic generation of the Statutory Notice of Deficiency and systemic case closure. If the CEASMW investment request is not fully funded, the ability to meet Correspondence Examination work plan commitments and Agency Strategic Goals will be impacted.</p>	
<i>9. Did the Agency's Executive/Investment Committee approve this request?</i>	
yes	
<i>9.a. If "yes," what was the date of this approval?</i>	
2007-08-16	
<i>10. Did the Project Manager review this Exhibit?</i>	
yes	
<i>11. Project Manager Name:</i>	
Pennachio, Nancy	
<i>Project Manager Phone:</i>	
404-338-8540	
<i>Project Manager Email:</i>	
Nancy.A.Pennachio@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.	
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:	
Financial Performance	
Human Capital	
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?)	
Human Capital-Unattended Case Processing capabilities include automating redundant case management processing and allows inventories to progress through the entire exam process without human intervention. Resources can be redirected to focus on evaluating incoming taxpayer correspondence, improving the allocation of enforcement resources. Financial Performance-Efficiencies will permit resolution of issues more expeditiously and reduce the number of erroneous Earned Income Tax Credit claims.	
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?	
yes	
14.b. If yes, what is the name of the PARTed program?	
Internal Revenue Service Examinations	
14.c. If yes, what rating did the PART receive?	
Moderately Effective	
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?	
no	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	14
Software	1
Services	80
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?

n/a

22. Contact information of individual responsible for privacy related questions.

Name

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Title

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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?

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

	PY-1 & Earlier	PY	CY
	-2006	2007	2008
Planning Budgetary Resources	0.000	1.809	2.319
Acquisition Budgetary Resources	0.000	1.519	2.774
Maintenance Budgetary Resources	0.000	0.458	0.707
Government FTE Cost	0.000	1.918	2.048
# of FTEs	0	30	34

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

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

The CEASMW project was a small, business funded, in flight project when it was reclassified as a major project, in April of 2006, without benefit of or opportunity to secure additional resources with the skill sets to complete the major project processes (Enterprise Life Cycle (ELC), Select Form, Treasury E300, OMB E300, Earned Value Management tracking and reporting, Quarterly/Monthly controls), or to complete a WBS prior to completion of the E300, which was subsequently approved by OMB. The E300 was prepared based on end-to-end costing for the entire project from high level business requirements and schedule. Once the WBS was developed and further costing was complete, the project team and business realized that the initial scope of the project was too large, too costly, and the schedule was unattainable with the

current staff. A MITS/Business Executive Summit was held in June 2007 to revalidate the business priorities and rescope the CEASMW project into manageable components with realistic cost and schedule. Based on the outcome of the Summit a Baseline Change Request was submitted to modify the cost and schedule to reflect the new project scope. There is no impact on contracts.

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 FY 2009.

	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	Mission and Business Results	Taxation Management	Number of campuses performing the weekly filtering process.	10	0	0
2	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Delivery Time	Amount of manual processing time in the weekly filtering process by automating the process.	6 - 8 hours	0	0
3	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Improvement	Retirement of one component of the legacy Reports Generation Software (RGS) Batch (Filtering) system by replacing with UCP.	1	0	0
4	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of	Processes and Activities	Efficiency	Development time required to add new filter.	60 days	14 days	14 days

		the Depart. of Treasury						
5	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Efficiency	Development time to turn on or turn off filter.	14 days	0 days	0 days
6	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Taxation Management	Time per case for manual creation of non-examined cases for short closure.	2 minutes	0 minutes	
7	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Delivery Time	Time per case for creation of the command code for the Audit Information Management System (AIMS) interfacing for the non-examined cases for short closure.	3 minutes	0 minutes	
8	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Improvement	Time per case for manager approval of command code for the AIMS interfacing for the non-examined cases for short closure.	3 minutes	0 minutes	
9	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Efficiency	Time per case to transmit the command code request to General IDRS (Integrated Data Retrieval System) Interface for the AIMS interfacing for the non-examined cases for short closure.	1 minutes	0 minutes	
10	2009	Ensure Professionalism,	Technology	Improvement	Time per case to interface the	6 minutes	0 minutes	

		Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury			non-examined short closure with AIMS.			
11	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Response Time	Time per case to retrieve AIMS response for non-examined short closure.	1 minute	0 minutes	
12	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Taxation Management	Retirement of two components of the legacy Reports Generation Software (RGS) Batch (Create1 and Create 2) system by replacing with UCP.	2	0	
13	2010	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Productivity	Full Time Equivalent (FTE) Savings 25% (7FTE) on budget/75% (19.9 FTE) off budget attributable to UCP. AIMS will be use to validate off budget metric. On budget savings metric will be validated through Work Plan & Control (WP&C).	3250	3243	
14	2010	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Delivery Time	Annual increase of W&I new case starts 5.3% each year.	623,811	656,873	
15	2010	Ensure Professionalism, Excellence, Integrity, and	Mission and Business Results	Taxation Management	Annual increase of SBSE new case starts 5.3%	502,561	529,197	

		Accountability in the Management and Conduct of the Depart. of Treasury			each year			
16	2010	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Improvement	Retirement of two components of the legacy RGS Batch (Aging and Closing) system by replacing with UCP.	2	0	
17	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Taxation Management	Full Time Equivalent (FTE) Savings 25% (3 FTE) on budget/75% (9.2 FTE) off budget attributable to UCP. AIMS will be use to validate off budget metric. On budget savings metric will be validated through Work Plan & Control (WP&C).	3243	3240	
18	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Delivery Time	3 Days cycle time on all W&I EITC inventory going to Stat Notice	111	108	
19	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Improvement	3 Days cycle time on all W&I Discretionary inventory going to Stat Notice	110	107	
20	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management	Processes and Activities	Cycle Time	3 Days cycle time on all SBSE EITC inventory going to Stat Notice	104	101	

		and Conduct of the Depart. of Treasury						
21	2011	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Cycle Time	3 Days cycle time on all SBSE Discretionary inventory going to Stat Notice	111	108	
22	2012	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Taxation Management	Full Time Equivalent (FTE) Savings 25% (3FTE) on budget/75% (10.7 FTE) off budget attributable to UCP. AIMS will be use to validate off budget metric. On budget savings metric will be validated through Work Plan & Control (WP&C)	3240	3237	
23	2012	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	Delivery Time	2 Days cycle time on all W&I EITC inventory going to Stat Notice	108	106	
24	2012	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Technology	Improvement	2 Days cycle time on all W&I Discretionary inventory going to Stat Notice	107	105	
25	2012	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Cycle Time	2 Days cycle time on all SBSE EITC inventory going to Stat Notice	101	99	

26	2012	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Cycle Time	2 Days cycle time on all SBSE Discretionary inventory going to Stat Notice	108	106	
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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.

This investment will be identified as CEASMW - Correspondence Examination Automation Support System – Major Wintel in the next release of Treasury EA Transition Strategy.

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 Mgt. Business Logic	Unattended Case Processing System provides the capability to accept input sources containing potential taxpayer cases. Evaluates each case for inclusion into an	Tracking and Workflow	Case Management			No Reuse	70

		automated workflow designed to create, age, and close taxpayer cases with minimal user intervention primarily related to correspondence examinations. The system also provides capability to assign and route cases to the appropriate personnel for interaction with taxpayer in effort to assist in case resolution.						
2	Tax Account Mgt. Business Logic	The business rules approach supports a business knowledge repository for the case filtering criteria, IRS's policies, tax laws, directives, facts, terms, and other IRS business rules, that affect CEAS processing. This approach will allow CEAS to be easily updated when policies and tax laws change.	Management of Processes	Business Rule Management			No Reuse	30

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	Case Management	Service Access and Delivery	Access Channels	Web Browser	Internet Explorer
2	Case Management	Service Access and Delivery	Service Requirements	Legislative / Compliance	Section 508; Computer Security Act
3	Case Management	Service Access and Delivery	Service Transport	Service Transport	HTTPS/SSL over IRS LAN
4	Case Management	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Microsoft Windows 2003 & XP
5	Case Management	Service Platform and Infrastructure	Support Platforms	Platform Independent	.NET
6	Case Management	Service Platform and Infrastructure	Delivery Servers	Web Servers	Win64
7	Case Management	Service Platform and Infrastructure	Software Engineering	Integrated Development Environment	Visual Studio .NET

8	Case Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Defect Tracking
9	Case Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Issue Management
10	Case Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Change Management
11	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Deployment Management
12	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Requirement Management
13	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Functional Testing
14	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Usability Testing
15	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Performance Profiling
16	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Load/Stress/Volume Testing
17	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Security and Access Control
18	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Reliability Testing
19	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Configuration Testing
20	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Installation Testing
21	Case Management	Service Platform and Infrastructure	Database / Storage	Database	Oracle 9i
22	Case Management	Service Platform and Infrastructure	Software Engineering	Test Management	Defect Tracking
23	Case Management	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Enterprise Server
24	Case Management	Component Framework	Security	Certificates / Digital Signatures	SSL
25	Case Management	Component Framework	Security	Certificates / Digital Signatures	HTTPS
26	Business Rule Management	Component Framework	Presentation / Interface	Dynamic Server-Side Display	C#
27	Business Rule Management	Component Framework	Business Logic	Platform Independent	C# (C -SHARP)
28	Case Management	Component Framework	Data Interchange	Data Exchange	SOAP
29	Case Management	Component Framework	Data Interchange	Data Exchange	XML
30	Case Management	Component Framework	Data Management	Reporting and Analysis	ADO.NET
31	Case	Service Interface	Integration	Middleware	Message Oriented, Microsoft

	Management	and Integration			MSMQ
32	Case Management	Service Interface and Integration	Interoperability	Data Format / Classification	XML
33	Case Management	Service Interface and Integration	Interoperability	Data Types / Validation	XML Schema
34	Case Management	Service Interface and Integration	Interface	Service Description / Interface	API / Protocol

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?

2007-05-16

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:

Life-cycle Costs - The CEASMW project team risk-adjusted costs by defining a qualitative and quantitative risk score for impact and probability, assessing the qualitative and quantitative impact and probability for each risk, calculating risk-adjustment factors by multiplying each risk's impact and probability, and applying those factors to selected cost elements to adjust the expected value to account for risk. Currently, due to lack of funding, the project will not be allocated additional dollars to set up a managerial contingency reserve that accounts for these risk-adjusted costs. Risk adjustment of 2% has been applied to the life-cycle costs. Schedule - The CEASMW project team identifies risks, develops mitigation strategies, and identifies the event triggers and likely dates of occurrence. The risk inventory is then updated with the assessment data. The risk mitigation strategies serve as input into developing and updating the project schedule (WBS). Risks for this project are tracked through the Item Tracking Reporting And Control (ITRAC) system.

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 $\pm 10\%$?

yes

2.a. If yes, was it the?

Both

2.b. If yes, explain the variance.

Domain Architecture (MS2) Planned Start Date - Oct. 1 2006
Planned Completion Date - October 23, 2006
Actual Start Date - February 9 2007
Actual End Date - July 12, 2007
Approved Planned Cost = .326M
Actual Cost = 1.139M
Variance in Approved Baseline Cost and Actual Cost = -.0813M
Cost Variance = -249.4%

The project was approved to exit MS 2 on 7/12/2007. The cost of Milestone 1 was not included in the

budgeted cost of the milestone but was included in the actual costs. This milestone is closed, therefore, no corrective tasks can be taken to mitigate the variance. The project will carry the cost variance through the project lifecycle.

CEAS2007 Operations and Maintenance Planned Start Date - Oct. 1 2006
Planned Completion Date - Sept. 30, 2007
Actual Start Date - Oct. 1, 2006
Actual End Date - Sept. 30, 2007
Approved Planned Cost = 2.729M
Actual Cost = 1.912M
Variance in Approved Baseline Cost and Actual Cost = -

.0817M

CV = 30%

A BCR was completed to modify the cost and schedule of future O&M milestones to reflect the descoping of the project based on the MITS/Business Executive Summit held on June 5th and 6th, 2007, as well as to adjust cost of O&M for the CEASCU (legacy) application as a result of an Executive decision to split the CEASMW and CEASCU applications. The BCR was approved on 12/13/07. Because this milestone was open at the time of the BCR completion, this milestone could not be adjusted and therefore, the project will carry the cost variance for the lifecycle of the project.

CEAS 2007 Rel 1&2 Filing Season Design - Planned Start Date - Oct. 24, 2006
Planned Completion Date - Nov. 20, 2006
Actual Start Date - Oct. 1, 2006
Actual End Date - Dec. 29, 2006
Approved Planned Cost = 1.304M
Actual Cost = .184M
Variance in Approved Baseline Cost and Actual Cost =

- 1.120M

CV = 85.9%

Original cost estimates for this milestone were inaccurate. A BCR was completed to modify the cost and schedule to reflect the descoping of the project based on the MITS/Business Executive Summit held on June 5th and 6th, 2007. The BCR was approved on 12/13/2007. Since this milestone was closed at the time the BCR was prepared, the cost of this milestone could not be adjusted. Therefore the project will continue to carry the cost variance for the projects life cycle.

CEAS 2007 Rel 1&2 Filing Season Development - Planned Start Date - Nov. 21, 2006
Planned Completion Date - Jan 19, 2007
Actual Start Date - Oct. 1, 2006
Actual End Date - Jan 19, 2006
Approved Planned Cost = 3.983M
Actual Cost = 1.577M
Variance in Approved Baseline Cost and Actual

Cost = - 2.406M

CV = 49.2%

SV = -22%

Not all work planned for this milestone was completed and was moved to the CEAS 2007 Mid year release. The planned functionality was subsequently de-scoped from the project based on the MITS/Business Executive Summit held on June 5th and 6th, 2007. A BCR was completed to modify the cost and schedule to reflect the descoping of the project based on the Summit decisions. The BCR was approved 12/13/2007, however, since this milestone was already closed, the cost and schedule could not be adjusted per the BCR. Therefore, the project will carry both the cost and schedule variances for the lifecycle of the project.

CEAS 2007 Rel 1&2 Filing Season Deployment - Planned Start Date - Jan. 22, 2007
Planned Completion Date - Feb. 9, 2007
Actual Start Date - Oct. 1, 2006
Actual End Date - Mar. 31, 2007
Approved Planned Cost = .19M
Actual Cost = .315M
Variance in Approved Baseline Cost and Actual

Cost = - .125M

CV = 49.2%
SV = -22%

A decision was made to incrementally deploy the functionality to the campuses. As a result, the deployment costs increased over the approved costs for this milestone. Since this milestone was closed prior to the completion and approval of the BCR, the project will continue to carry the cost and schedule variances for the projects life cycle.

CEAS 2007 Rel 3 Mid Year System Design - Planned Start Date - Oct. 24, 2006
Planned Completion Date - Nov. 20, 2006
Actual Start Date - Oct. 24, 2006
Actual End Date - Nov. 20, 2006
Approved Planned Cost = .55M
Actual Cost = .063M
Variance in Approved Baseline Cost and Actual Cost =
- .487M

CV = 55.8%
SV = -74%

Work began on this milestone prior to the project de-scoping, therefore costs have been charged to the milestone. However, the work attributable to this milestone was de-scoped from the project, and therefore, no additional costs will be charged to it. This milestone is closed, therefore, the project will continue to carry the cost and schedule variances for the projects life cycle.

CEAS 2007 Rel 3 Mid Year System Development - Planned Start Date - Nov. 21, 2006
Planned Completion Date - Jun. 15, 2007
Actual Start Date - Nov. 21, 2006
Actual End Date - Jun. 15, 2007
Approved Planned Cost = 1.28M
Actual Cost = .00
Variance in Approved Baseline Cost and Actual Cost = -
1.280M

SV = -100%

Work on this milestone was never started, and as a result of the de-scoping of the project, will never start. No cost was charged to the milestone. This milestone is closed, therefore, the project will continue to carry the schedule variance for the projects life cycle.

CEAS 2007 Rel 3 Mid Year System Deployment - Planned Start Date - Oct. 1, 2006
Planned Completion Date - Jul 27, 2007
Actual Start Date - Oct. 1, 2006
Actual End Date - Jul. 27, 2007
Approved Planned Cost = .06M
Actual Cost = .00
Variance in Approved Baseline Cost and Actual Cost = - .06M
SV = -100%

Work on this milestone was never started, and as a result of the de-scoping of the project, will never start. There were no costs charged to this milestone. This milestone was closed prior to completion and approval (12/13/07) of the BCR, and therefore, the project will continue to carry the schedule variance for the projects life cycle.

CEAS 2008 Mid Year System Design - Planned Start Date - Jul 30, 2007
Planned Completion Date - Sept. 28, 2007
Actual Start Date - Jul 30, 2007
Actual End Date - Sept 28, 2007
Approved Planned Cost = .686M
Actual Cost = .00
Variance in Approved Baseline Cost and Actual Cost = -
.686M

SV = -100%

Work on this milestone was never started, and as a result of the de-scoping of the project, will never start. There were no costs charged to this milestone. The milestone was open prior to completion and approval of the BCR, and therefore, the project will continue to carry the schedule variance for the projects life cycle.

CEAS 2008 Rel 1 & 2 Filing Season Design - Planned Start Date - Jul 30, 2007

Planned Completion Date - Sept. 28, 2007
Actual Start Date - Jul 16, 2007
Actual End Date - Sept 28, 2007
Approved Planned Cost = 1.77M
Actual Cost = .798
Variance in Approved Baseline Cost and Actual Cost

= - .972M

CV = 54.9%

Work on this milestone was never started, and as a result of the de-scoping of the project, will never start. Based on the descoping of the project, a BCR was completed to include the UCP Release 1 milestones, however, until the BCR was approved, there was no open UCP Release 1 milestone to charge costs against. Therefore, until the BCR was approved, the project continued to report UCP Release 1 MS 3/4a costs against this open milestone. With approval of the BCR on 12/13/2007, the project began to report costs for MS 3/4a to the appropriate approved milestone.

CEASMW 2008 O&M - Planned Start Date - Oct. 1, 2007
Planned Completion Date - Sept. 30, 2008
Actual Start Date - Oct. 1, 2007
Actual End Date -
Approved Planned Cost = 1.654M
Actual Cost = .447M
Variance in Approved Baseline Cost and Actual Cost = - .407M
CV = -9.8%

The project expects that the variance attributable to this milestone (less than 10%) will be offset during the remainder of the milestone life cycle.

CEASMW UCP Rel 1 MS 3/4a - Planned Start Date - Oct. 1, 2007
Planned Completion Date - Feb 29, 2008
Actual Start Date - Oct. 1, 2007
Actual End Date -
Approved Planned Cost = 2.791M
Actual Cost = 1.214M
Variance in Approved Baseline Cost and Actual Cost = - 1.577M
CV = 18.5%

Factors contributing to the variance include, completion of the Design Specification Report (DSR1) and Sub System Design for DSR1 earlier and at less cost than estimated. In addition, three contracting resources have been picked up by MITS. Due to budget cuts for the project, the development contractors have been advised by the IRS not to fill vacant positions until further notice. The contractors will work extra hours to complete the Physical Design Specification Report (DSR2). System Deployment and Test Plan were not included in the contractor budget.

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

CEAS UCP Rel 1 Design MS 3/4a - The contractors will work extra hours to complete the Physical Design Specification Report (DSR2). System Deployment and Test Plan were not included in the contractor budget. The additional costs for the SDP and Test Plan will assist in offsetting the variance.

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

yes