

FHA Financial Operations Modernization

Exhibit 300: Capital Asset Plan and Business Case Summary

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

Section A: Overview (All Capital Assets)

Date of Submission	9/10/2007
Agency	Department of Housing and Urban Development
Bureau	Working Capital Fund
Name of this Capital Asset	HSG - 410352 - FHA Financial Operations Modernization - FHAFO-P013
What kind of investment will this be in this Budget Year?	Mixed Life Cycle

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:

HUD has developed a Blueprint for Financial Management Systems that describes FHA's overall plans to eliminate audit deficiencies, comply with federal laws and regulations affecting financial systems, adhere to HUD's systems modernizations policies and improved financial operations. One of the many key objectives of this Blueprint is to implement U.S. Government Standard General Ledger (USSGL) and credit reform accounts in the FHA General Ledger.

The Federal Housing Administration Financial Operations (FHAFO) initiative provides FHA with integrated budget management, funds control, accounting, and financial operations in support of FHA's mission to expand affordable housing and homeownership opportunities, to support development of affordable rental housing and health care facilities, to strengthen program controls and improve program management. FHA produces accurate, timely financial statements directly from FHA general ledger that are compliant with the requirements of FFMIA and other standards. This improves FHA's ability to manage financial risk.

The FHAFO effort is a consolidated initiative consisting of two major parts. The first part implemented a FED-GAAP certified general ledger for FHA that is compliant with the e-GOV PMA objective for Financial Systems integration. The second part implements an integrated, modern Target Enterprise Architecture solution for the 12 legacy systems supporting FHAFO business processes. The FHAFO initiative is in alignment with HUD's IT roadmap, Vision 2010.

FHAFO must respond to the following three high-level areas of business functions in FY 2008 and FY 2009:

1. Modernize HUD's accounting and financial management functions by transitioning core legacy systems into a COTS suite of financial management modules to produce an integrated turn-key accounting and financial system with hosting services/support at a shared service center.
2. FHA Reform: Address a set of new and revised housing programs that will result in significant improvements in the FHA business.
3. Treasury/External Requirements: Implementing Pay.Gov for the collection of upfront and periodic single family mortgage insurance premiums, statutory changes, compliance with the Debt Collection Integrity Act (DCIA), and changes in functionality to address audit findings.

The selection of the COTS certified financial platform will enable FHAFO to support DHUD's integrate

Did the Agency's Executive/Investment	Yes
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Committee approve this request?

If "yes," what was the date of this approval? 7/14/2007

Did the Project Manager review this Exhibit? Yes

Has the agency developed and/or promoted cost effective, energy efficient and environmentally sustainable techniques or practices for this project. Yes

Will this investment include electronic assets (including computers)? Yes

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

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

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

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

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

Briefly describe how this asset directly supports the identified initiative(s)? Financial performance is the requirement that implements the FED-GAAP certified ledger for FHA and is compliant with the eGOV PMA objectives for Financial Systems integration. It also implements modern target Enterprise Architecture solution for the FHA financial operations business processes that are currently supported by 12 automated systems. FHA is moving to full compliance with pay.gov and treasury process.

Is this investment for information technology? Yes

If the answer to Question: "Is this investment for information technology?" was "Yes," complete this sub-section. If the answer is "No," do not answer this sub-section.

What is the level of the IT Project? (per CIO Council PM Guidance) Level 1

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

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

Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval? No

SENSITIVE DATA: Some of the questions/responses from this section were omitted.

Section B: Summary of Spending (All Capital Assets)

Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in thousands, 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.

Table 1: SUMMARY OF SPENDING FOR PROJECT			
* Costs in thousands			
	PY 2007	CY 2008	BY 2009
TOTAL BUDGETARY RESOURCES	13456.565	13224.868	25538.000

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.

SENSITIVE DATA: Some of the questions/responses from this section were omitted.

Section C: Acquisition/Contract Strategy (All Capital Assets)

SENSITIVE DATA: The information in this section was omitted completely.

Section D: Performance Information (All Capital Assets)

SENSITIVE DATA: The information in this section was omitted completely.

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

SENSITIVE DATA: The information in this section was omitted completely.

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.

Is this investment included in your agency's target enterprise architecture? Yes

If "no," please explain why this investment is not included in your agency's target enterprise architecture?

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

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

SENSITIVE DATA: Some of the questions/responses from this section were omitted.

Part II: Planning, Acquisition And Performance Information

Section A: Alternatives Analysis (All Capital Assets)

Did you conduct an alternatives analysis for this project? Yes

In selecting the best capital asset, you should identify and consider at least three viable alternatives, in addition to the current baseline, i.e., the status quo. Use OMB Circular A-94 for all investments, and the Clinger Cohen Act of 1996 for IT investments, to determine the criteria you should use in your Benefit/Cost Analysis.

SENSITIVE DATA: Some of the questions/responses from this section were omitted.

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.

Does the investment have a Risk Management Plan? Yes

What is the date of the risk management plan? 4/1/2007

SENSITIVE DATA: Some of the questions/responses from this section were omitted.

Section C: Cost and Schedule Performance (All Capital Assets)

SENSITIVE DATA: The information in this section was omitted completely.