

HUD Financial Management Business Case

Exhibit 300: Capital Asset Plan and Business Case Summary

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

Section A: Overview (All Capital Assets)

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| Date of Submission | 5/21/2009 |
| Agency | Department of Housing and Urban Development |
| Bureau | Working Capital Fund |
| Name of this Capital Asset | CFO - 1768010 - HUD Financial Management Business Case |
| 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: DHUD currently supports 4 core financial systems (CFO, FHA, Ginnie Mae & OFHEO) that collect data to prepare consolidated info. Maintaining 4 non-integrated financial systems requires 4 orgs to support separate systems to complete the same financial functions; and manage different contract teams to complete their financial mgmt responsibilities. To begin closing this gap, OCFO will implement the PeopleSoft (PS) COTS Federal certified core financial system (CFS) & integrate HUDCAPS, FHA SL, and GFAS financial systems to the enterprise CFS. (OFHEO was abolished 7/30/08 by PL110-289). Addl subsidiary systems will be integrated to the enterprise CFS by FY12. To further close HUDs perf gap, assessments and planning to standardize & migrate financial functions to the enterprise CFS were completed, this supports HUDs planned EA goals to align with the major segment architectures that support HUDs major biz processes. OCFO has completed the planning & rqmts stage work, incl confirming PS COTS software will acheve HUDs EA goals. Achieving integrated financial mgmt for HUD will result in a reduction of systems- retire 15 systems HUD-wide; a 10-year cost savings of \$49M; implement e-filing and e-payment by property managers, implement e-invoicing and payment system for Section 235 assistance payment program; provide online, real-time info for mgmt decision-making; enable HUD to participate in E-govt initiatives and align with HUD's IT modernization goals. Maintaining an integrated system will ensure standardization of systems & processes, reduce costly & inefficient O&M with old legacy systems, ensure ongoing compliance with Federal financial system and acct. rqmts; strengthen internal controls to ensure the gap of being FFMIA & FMFIA compliant is accomplished; and better control the \$40B of annual payments made. Failure to fund this initiative will preclude HUD from achieving a single comprehensive financial system that will maintain & provide consistent and comprehensive info to HUD mgmt. HUD will have to maintain duplicative stovepipe systems that require addl funds and resources for maintaining outdated IT HW/SW vs maintaining an enterprise solution hosted by a qualifed, cost effective SSP; delay moving legacy systems from outdated HW that is scheduled for retirement to the Oracle environment; and delay OCFO and FHA in moving non-financial mgmt functions to business areas and consolidating financial mgmt functions into the financial mgmt business area.

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| Did the Agency's Executive/Investment Committee approve this request? | Yes |
| If "yes," what was the date of this approval? | 7/24/2008 |
| Did the Project Manager review this Exhibit? | Yes |
| Has the agency developed and/or promoted cost effective, energy efficient and | Yes |

| | |
|--|--|
| environmentally sustainable techniques or practices for this project. | |
| 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) | |
| 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)? | Eliminating Improper Payments Expanded E-Government Financial Performance Housing and Urban Development Management and Performance. A single CFS will enable HUD to provide on line real time financial/budget information to HUD decision makers to improve financial performance; including reducing improper payments. HUD will maintain comprehensive budget information for consolidation with performance information to improve Budget Performance Integration and allow management to assess/improve program performance. A single CFS will ensure participation in expanded E-Government requirements and programs. |
| 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 3 |
| 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? | Yes |
| 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 millions | | | |
| | PY 2008 | CY 2009 | BY 2010 |
| TOTAL BUDGETARY RESOURCES | 29.38833 | 31.99832 | 47.615 |

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? 8/1/2008

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.