

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:	Information Returns Processing (IRP)
5. Unique Project Identifier:	015-45-01-14-01-2400-00
<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>	
FY2003	
<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 Information Returns Processing (IRP) investment is a mixed life cycle mission critical system. IRP is a group of compliance projects providing data and support for IRS to effectively administer the U. S. tax system. IRP processes over a billion information documents each year and maintains a data store of over 8 billion information documents. IRP performs compliance analysis with these documents and master file account data. IRP provides data and analysis to business functions throughout the IRS, as well as external federal and state trading partners. IRP is a mixed life cycle system currently in the Control phase of the CPIC process. In the Control phase, IRP is continuously monitored for cost, schedule and project performance. The IRS ensures that mixed life cycle systems are executed in a disciplined, well-managed and consistent manner through timely oversight, quality control and executive review. IRP was re-selected by the MITS Enterprise Governance Committee (MEG) as part of the Annual Portfolio Selection Process in August 2004. Information return documents are required by statute to be submitted to the Secretary of the Treasury or delegate, the IRS. IRP processes these documents. The documents report income such as wages, pensions, annuities, interest and dividends, as well as other reportable transactions representing income paid to taxpayers and tax deductible amounts. IRP is an integral component of the IRS tax compliance strategy. It reconciles information provided by payers with income reported by taxpayers. If a discrepancy is discovered during reconciliation, an IRP case is created. IRP compliance processing will review, on average, over 126 million income tax returns a year. Of these returns, IRP identifies 13 million potential filing compliance cases and 16 million potential reporting compliance cases. This results in 1.1 million new assessments representing \$2.1 billion in increased tax liability. IRP educates taxpayers by identifying when they have omitted an item that would reduce tax liability, such as excess FICA. IRP is also the primary source of data for a wide range of business functions across IRS and is mandated by law to share Federal Tax Information (FTI) with states for purposes of tax administration. IRP has been categorized as a mixed life cycle system but actually is a steady state legacy system that incorporates annual programming changes and minimal legislative changes to maintain functionality.</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>	
Townshend, Woodrow	
<i>Project Manager Phone:</i>	
202-283-4304	
<i>11.a. What is the current FAC-P/PM certification level of the project/program manager?</i>	
TBD	
<i>12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for</i>	

<i>this project.</i>	
no	
12.a. Will this investment include electronic assets (including computers)?	
no	
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?)	
The IRP investment supports the President's Management Agenda (PMA) goal of improved financial performance. IRP maintains information return data for both the payer and the payee of reportable transactions. IRP determines taxpayer filing and reporting of tax liability compliance.	
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?	
no	
19.a.2. If no, what does it address?	
Tax Compliance.	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	0
Software	0
Services	99
Other	1
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.	
<i>Name</i>	
Carlos Moura	
<i>Phone Number</i>	
202- 927-0730	
<i>Title</i>	
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	1.128	0.040	0.040
Government FTE Cost	24.162	7.550	7.075
# of FTEs	277	68	70

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 (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	2003	Manage the U.S. Government's	Mission and Business Results	Taxation Management	Provide the business early access to	90.0%	Information return data loaded early as a	93.8% as of 01/31/2004

		Finances Effectively			information returns by accelerated loading of 90% of the data.		percent of the end of year total data. Measurement available in internal end of year reports	
2	2003	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Data extracted on-time (100%) according to the schedule in the Internal Revenue Manual 2.7.9 MCC Processing Timeliness.	100%	On-time measures on an annual basis (# on-time / # weeks). Measurement data is provided by the Computing Center.	100% as of 09/30/2003
3	2003	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 95.2%	96.0% as of 01/31/2004
4	2003	Manage the U.S. Government's Finances Effectively	Technology	IT Contribution to Process, Customer, or Mission	Program changes mandated. Review of RISs (Requests for Information Services) used as determination factor - 22% impacted abnormally high/normally 5%.	100%	On-time measure. 100%	100% as of 01/31/2004
5	2004	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	Provide the business early access to information returns by accelerated loading of 90% of the data.	93.8	Information return data loaded early as a percent of the end of year total data. Measurement available in internal end of year reports	95.5% as of 01/31/2005
6	2004	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Data extracted on-time (100%) according to the schedule in the Internal Revenue Manual 2.7.9 MCC Processing	100%	On-time measures on an annual basis (# on-time / # weeks). Measurement data is provided by the Computing Center.	100% as of 09/30/2004

					Timeliness.			
7	2004	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 95.3%	96.0% as of 01/31/2005
8	2004	Manage the U.S. Government's Finances Effectively	Technology	IT Contribution to Process, Customer, or Mission	Program changes mandated. Review of RISs (Requests for Information Services) used as determination factor - 22% impacted abnormally high/normally 5%.	100%	On-time measure. 100%	100% as of 01/31/2005
9	2005	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	Provide the business early access to information returns by accelerated loading of 90% of the data.	94.0%	Information return data loaded early as a percent of the end of year total data. Measurement available in internal end of year reports	94.3% as of 01/31/2006
10	2005	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Data extracted on-time (100%) according to the schedule in the Internal Revenue Manual 2.7.9 MCC Processing Timeliness.	100%	On-time measures on an annual basis (# on-time / # weeks). Measurement data is provided by the Computing Center.	100% as of 12/31/2005
11	2005	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 95.4%	96.0% as of 01/31/2006
12	2005	Manage the U.S. Government's Finances	Technology	IT Contribution to Process, Customer, or Mission	Program changes mandated. Review of RISs	100%	On-time measure. 100%	100% as of 01/31/2006

		Effectively			(Requests for Information Services) used as determination factor - 22% impacted abnormally high/normally 5%.			
13	2006	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	Provide the business early access to information returns by accelerated loading of 90% of the data.	95.0%	Information return data loaded early as a percent of the end of year total data. Measurement available in internal end of year reports	94.3% as of 01/31/2007
14	2006	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Data extracted on-time (100%) according to the schedule in the Internal Revenue Manual 2.7.9 MCC Processing Timeliness.	100%	On-time measures on an annual basis (# on-time / # weeks). Measurement data is provided by the Computing Center.	100% as of 09/30/2006
15	2006	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 95.5%	96.0% as of 01/31/2007
16	2006	Manage the U.S. Government's Finances Effectively	Technology	IT Contribution to Process, Customer, or Mission	Program changes mandated. Review of RISs (Requests for Information Services) used as determination factor - 22% impacted abnormally high/normally 5%.	100%	On-time measure. 100%	100% as of 01/31/2007
17	2007	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	System Availability for Command Codes IRPTR (Information Returns Transcripts,	95.5%	On-line availability. 95.6%	100% Availability as of 09/30/2007

					PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.			
18	2007	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Software programs implemented not containing errors creating ITAMS reports.	90.0%	Less than 10% of transmitted programs containing errors that generated an ITAMS report. 90.1%	95% Accuracy as of 09/30/2007
19	2007	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 95.6%	100% on Schedule as of 09/30/2007
20	2007	Manage the U.S. Government's Finances Effectively	Technology	IT Contribution to Process, Customer, or Mission	DME - Legislative changes mandated, implemented on time.	100%	On-time measure. 100%	95% as of 09/30/2007
21	2008	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	System Availability for Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.	95.5%	On-line availability. 95.7%	
22	2008	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Software programs implemented not containing errors creating ITAMS reports.	90.0%	Less than 10% of transmitted programs containing errors that generated an ITAMS report. 90.2%	

23	2008	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 95.7%	
24	2008	Manage the U.S. Government's Finances Effectively	Technology	IT Contribution to Process, Customer, or Mission	DME - Legislative changes mandated, implemented on time.	100%	On-time measure. 100%	
25	2009	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	System Availability for Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.	95.5%	On-line availability. 95.8%	
26	2009	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Software programs implemented not containing errors creating ITAMS reports.	90.0%	Less than 10% of transmitted programs containing errors that generated an ITAMS report. 90.3%	
27	2009	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 95.8%	
28	2009	Manage the U.S. Government's Finances Effectively	Technology	IT Contribution to Process, Customer, or Mission	DME - Legislative changes mandated, implemented on time.	100%	On-time measure. 100%	
29	2010	Manage the U.S.	Mission and Business	Taxation Management	System Availability for	95.5%	On-line availability.	

		Government's Finances Effectively	Results		Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.		95.9%	
30	2010	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Software programs implemented not containing errors creating ITAMS reports.	90.0%	Less than 10% of transmitted programs containing errors that generated an ITAMS report. 90.4%	
31	2010	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 95.9%	
32	2010	Manage the U.S. Government's Finances Effectively	Technology	IT Contribution to Process, Customer, or Mission	DME - Legislative changes mandated, implemented on time.	100%	On-time measure. 100%	
33	2011	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	System Availability for Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.	95.5%	On-line availability.96.0%	
34	2011	Manage the U.S. Government's	Customer Results	Customer Satisfaction	Software programs implemented	90.0%	Less than 10% of transmitted programs	

		Finances Effectively			not containing errors creating ITAMS reports.		containing errors that generated an ITAMS report. 90.5%	
35	2011	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 96.0%	
36	2011	Manage the U.S. Government's Finances Effectively	Technology	IT Contribution to Process, Customer, or Mission	DME - Legislative changes mandated, implemented on time.	100%	On-time measure. 100%	
37	2012	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	System Availability for Command Codes IRPTR (Information Returns Transcripts, PMFOL (Payer Master File Online) and SUPOL (Supplements Online). Providing tax compliance employees with necessary data to resolve issues.	95.5%	On-line availability. 96.1%	
38	2012	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Software programs implemented not containing errors creating ITAMS reports.	90.0%	Less than 10% of transmitted programs containing errors that generated an ITAMS report. 90.6%	
39	2012	Manage the U.S. Government's Finances Effectively	Processes and Activities	Timeliness	Software programs transmitted on schedule.	95.5%	On-time measure. Measurement data is provided by section project management plan and the IBM mainframe Endeavor system. 96.2%	
40	2012	Manage the U.S. Government's Finances	Technology	IT Contribution to Process, Customer, or Mission	DME - Legislative changes mandated,	100%	On-time measure. 100%	

		Effectively			implemented on time.			
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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 project is part of the Taxation Management Segment (LOB). Taxation Management is a priority for the Treasury EA and is scheduled for definition in FY07.

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	Information Returns Document Data Exchange	IRP receives electronically filed and transcribed tax and information return data from various sources. The IRS and SSA participate in a 2-way exchange of data. IRP also exchanges data with authorized external partners.	Data Management	Data Exchange			No Reuse	45
2	Information Returns Documents Loading and Archiving	IRP project has components that cleanse data fields.	Data Management	Loading and Archiving			No Reuse	45

		IRP project stores almost nine billion records for a specific period then they are removed.						
3	Information Returns Standardized/Canned	IRP produces Standardized/Canned reports to support IRS tax compliance functions.	Reporting	Standardized / Canned			No Reuse	10

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	Service Access and Delivery	Access Channels	Other Electronic Channels	Custom code This is all IRS coding no vendor products
2	Data Exchange	Component Framework	Data Management	Reporting and Analysis	Custom code This is all IRS coding no vendor products
3	Loading and Archiving	Service Platform and Infrastructure	Software Engineering	Test Management	Custom code This is all IRS coding no vendor products
4	Standardized / Canned	Component Framework	Data Interchange	Data Exchange	Custom code This is all IRS coding no vendor products

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

no

6.a. If yes, please describe.

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:

IRP's life cycle costs are risk adjusted. The cost to implemented identified mitigation strategies are included in cost and schedule. Contingency costs are managed through Applications Development oversight.

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 $\pm 10\%$?

no

2.b. If yes, explain the variance.

A corrected BCR was submitted to reflect the realigned IFS milestone spending plan after Passback was received. DME milestone amount of \$12,000, would have replaced the outdated one of \$71,000, however, BCR was dropped in July being deemed too late in the fiscal year to be processed to correct FY07. If BCR would have been processed, the actual cost amount of \$13,000 would have reflected a Cost Variance of -8.33%.

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

Because FY07 is now considered history, there is no current process for correcting it. A white paper was submitted through management channels outlining the problem and potential solutions. After FY08 Passback is received, a BCR will be submitted as soon as possible using actual SS & DME historical data for FY07 to refine projections for FY08.

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

yes

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

2007-09-12