

Internal Revenue Service

FY 2017

Capital Investment Plan

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IT INVESTMENTS

Account Management Services (AMS)

Type of Investment: Major IT Investment

Description:

AMS is a major strategic investment that delivers improved customer service to over 41,000 end-users by providing the tools necessary to access tax information quickly and accurately.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	20.27	3.00	2.99	3.57	3.62	3.68	3.74	3.79	44.66
Total DME funding		3.00	2.99	3.57					9.56
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	100.08	12.01	11.96	14.27	14.49	14.71	14.94	15.17	197.64
Total O&M funding		12.01	11.96	14.27					38.24
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	120.36	15.01	14.95	17.84	18.11	18.39	18.68	18.96	242.31
Total Gov FTE Cost	73.44	10.48	10.68	10.84	10.98	11.12	11.27	11.41	150.22
Number of FTE represented by costs	576.83	76.57	71.50	71.50	72.93	74.39	75.88	77.39	1096.98

Summary of Purpose, Goals, and Benefits:

Account Management Services (AMS) is a strategic program that delivers improved customer support for managing taxpayer accounts by leveraging existing Internal Revenue Service (IRS) applications. As part of the 2006 Modernization Vision and Strategy process, IRS developed a strategy to use, retain, and provide real-time access to account data regardless of location in the current processing environment (CPE) or modernized data sources. Using a phased release strategy, AMS was able to validate this approach during its initial deployment in October 2007 using a service-oriented architecture implementation to access both CPE and Customer Account Data Engine (CADE). In 2009 the Desktop Integration (DI) system was integrated into AMS and the Correspondence Imaging System (CIS) became an inventory within AMS. AMS was fully deployed in December 2010 and is now in Operations and Maintenance.

AMS provides multiple systems interfaces using only one computer terminal. The AMS application provides IRS employees the ability to access and update taxpayer accounts quickly, provides data presentation services to display and validate changes/updates for taxpayer accounts, facilitates management actions/activities (such as work assignments, transfers, case creation and closures, and generation of letters to taxpayer) and making case information readily available for decision making and reporting, provides the front-end applications for adjustments, penalties, interest, abatements, credit and debit transfers, name and address changes, bankruptcies, installments agreements, changes to the automated treatment streams and many other taxpayer account-related functions required for customer service and compliance. It also provides the functionality to monitor taxpayer accounts for follow-up activity or deferred actions.

AMS supports Goal 3 of the strategic goals Treasury set forth for fiscal years 2014-2017: Fairly

and effectively reform and modernize federal financial management, accounting, and tax systems; Strategic Objective 3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code.

Return on Investment:

The Account Management Services (AMS) application provides a variety of research and case management tools for approximately 37,500+ IRS employees. The AMS system also provides both large-scale inventory management at the enterprise level and customized workflow management at the individual case level. In the toll-free telephone arena, IRS customer service representatives (CSRs) utilized AMS while answering over 18.2 million taxpayer phone calls for FY2015 (Oct 1, 2014 - July 27, 2015). CSRs depended on AMS to provide detailed account history and other online tools (i.e., tax return view, worksheets and checklists) in order to respond to taxpayers efficiently and effectively. Further, from January 2015- July 2015, there were approximately 6,163,569 images scanned into the AMS system providing employees with electronic copies of taxpayer correspondences. AMS created 6,798,190 CIS cases and closed 6,763,948 CIS Cases.

AMS has several electronic inventories providing IRS business organizations with case workflow automation and mobility. The electronic inventories are systemically delivered to all ten IRS campuses allowing the IRS to manage taxpayer accounts and to balance employees' workload. There were 6,457,086 million electronic cases worked, managed and controlled via AMS during the period of January 2015 - July 2015. The ability to work transcripts electronically via AMS, rather than via paper is more efficient and provides a means to monitor programs in real-time.

Requirements/ Benefits/ Mandates:

Legislative Mandate: Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010)),

AMS will provide support for ACA Account Management Customer Service for individual mandates.

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: Goal I in the IRS Strategic Plan 2014-2017 is to deliver high quality and timely service to reduce taxpayer burden and encourage voluntary compliance. Objective 3 states that the IRS will provide timely assistance through a seamless, multichannel service environment to encourage taxpayers to meet their tax obligations and accurately resolve their issues. AMS provides IRS employees the ability to access and update taxpayer accounts quickly and accurately on demand, providing data presentation services to display and validate changes/updates for taxpayer accounts, and making case information readily available for decision making and reporting. AMS provides the front-end applications for adjustments, penalties, interest, abatements, credit and debit transfers, name and address changes, bankruptcies, installments agreements, changes to the automated treatment streams and many other taxpayer account-related functions required for customer service and compliance.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

Fiscal Year (FY) 2015

- The project delivered Health Coverage Tax Credit in support of Filing Season 2016. In

November 2015, AMS Imaging implemented multiple Health Care Tax Credit changes related to the HCTC Category Code. The changes were to remove HCTC logic on IMF document types, IMF Carrybacks, and at the same time add new HCTC logic related to 1040X amended returns, IMF Correspondence and 4442 document types.

- The Filing Season 2016 release, including ACA 7.0 functionality, completed Systems Acceptability Test (SAT) and User Acceptance Test (UAT) and was deployed to Production timely.
- Lifecycle activities for the AMS 2016 Midyear release started on time. Maintenance support to keep the investment functioning as designed is ongoing.

BY 2016

- Deliver modifications in support of legislative and filing season tax year changes,
- Deliver modifications to support the Affordable Care Act R 7.0 and 7.1,
- Maintain investment to keep assets functioning as designed.

BY 2017

- Deliver modifications in support of legislative and filing season tax year changes.
- Upgrade AMS infrastructure, including hardware and Commercial Off The Shelf (COTS) product software upgrades.
- Deliver annual modifications in support of the Affordable Care Act (ACA) Premium Tax Credit (PTC) and Individual Compliance Coverage (ICC) Calculators.
- Maintain investment to keep asset functioning as designed and maintain high performance record.

Details of Useful Life Period:

Year the investment began: 2009

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Accuracy of adjustments and responses to Taxpayer Correspondence. Percent of adjustments to taxpayer accounts and answers to taxpayer issues provided by correspondence units which are accurate.	Customer Satisfaction (Results)	Over target	Monthly	percent	89.00	89.70	01/31/2016
AMS Core Application Availability - The percentage of uptime that the AMS system is available for AMS users. The AMS Core Application allows all AMS users to handle a variety of Accounts Management actions. This measure indicates the percentage of scheduled up-time that the application is available to IRS employees. This technical measure considers the application servers and the infrastructure components of the AMS Core Application.	Strategic and Business Results	Over target	Monthly	percent	96.00	100.00	01/31/2016
AMS Imaging Inventory Application Availability - The AMS Imaging Inventory is used by over 8000 users to respond to taxpayer correspondence. This measure indicates the percentage of scheduled up-time that the application is available to customer service representatives. This technical measure considers the availability of the application servers, workflow system and content management system components of the Imaging Inventory.	Strategic and Business Results	Over target	Monthly	Percentage	96.00	100.00	01/31/2016
AMS Databases Availability - This technical measure indicates the percentage of scheduled up-time of the four AMS databases that provide the data needed by AMS users.	Strategic and Business Results	Over target	Monthly	Percentage	96.00	100.00	01/31/2016
The projects actual costs will not exceed the budget allocation in each quarter.	Financial Performance	Under target	Quarterly	Percentage.	0.00	1.00	01/31/2016

Achieving A Better Life Experience (ABLE)

Type of Investment: Major IT Investment

Description:

The IRS will implement the ABLE Act provisions by creating and/or updating the IT systems necessary to administer the legislation related to the receipt and processing of the new information returns for the new 529 accounts.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	0.00	30.00	6.00	7.88	7.94	0.00	0.00	51.81
Total DME funding		0.00	30.00	6.00					36.00
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	7.88	7.94	8.09	8.24	32.14
Total O&M funding		0.00	0.00	0.00					0.00
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	0.00	0.00	30.00	6.00	15.76	15.87	8.09	8.24	83.96
Total Gov FTE Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of FTE represented by costs	0.00	0.00	0.00	0.00					0.00

Summary of Purpose, Goals, and Benefits:

H.R. 5771 was enacted on December 19, 2014. The creation of the new code section 529A (qualified ABLE programs). New Code section 529A (Qualified ABLE Programs), tax-favored savings accounts for individuals with disabilities for tax years beginning after December 31, 2014. The program authorizes States to create an ABLE Program (similar to Code Sec. 529 college savings programs). Defines the term qualified ABLE program as a program established and maintained by a State agency under which a person may make cash contributions to an ABLE account to pay for the qualified disability expenses of an eligible individual (the designated beneficiary). The ABLE Act 529A project will use the InFlowSuite modernized framework environment to process paper and electronic ABLE Act Information Returns (ABLE-IR). The InFlowSuite system adopts an event-driven, service-based, and data-centric architectural approach to build the new intake platform for ingesting and processing ABLE-IR data.

- ABLE Act 529A Information Returns
- Form 1099-QA data for Distributions from ABLE Act 529A Accounts
- Form 5498-QA data for ABLE Act 529A Account Contribution Information
- Other Supporting / Shared ABLE Act 529A Forms
- Form 8809 data Application for Extension of Time to File Information Returns
- Form 8508 data Request for Waiver from Filing Information Returns.

Return on Investment:

Internal IRS Benefits

- Provide near real time service to customers and IRS personnel.
- Leverage IEP for entryways and enhance security for IR data submission and processing.
- Reduce end to end process lifecycle for Information Returns.
- Enable early detection of erroneous data and reduce amount of erroneous, questionable and fraudulent Information Returns data.

- Improve IR data access for downstream systems.
- Increase in data quality translates to fewer resources needed to support operation, maintenance and downstream processes.
- Reduce legacy system dependencies and technology constraints.

Benefits external to the IRS

- Tax-favored savings accounts for individuals with disabilities.
- Authorizes States to create an ABLE Program similar to Code Sec. 529 college savings programs.
- Individuals can make cash contributions to an ABLE account to pay for the qualified disability expenses of an eligible individual.

Requirements/ Benefits/ Mandates:

Legislative Mandate: The Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (ABLE Act) was enacted on December 19, 2014, as part of The Tax Increase Prevention Act of 2014 (P.L. 113i-295). The ABLE Act creates a new section 529A of the Internal Revenue Code that permits a state (or a state agency or instrumentality) to establish and maintain a new type of tax-advantaged savings program, a qualified ABLE program, under which contributions may be made to an account (an ABLE account) that is established for the purpose of meeting the qualified disability expenses of the designated beneficiary of the account who is a resident of that state and who is disabled (as defined in section 529A).

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: To be determined.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

This investment will promote strong program ownership, clear communication, close collaboration, focused workforce development, appropriate resource allocation, and continued legislative support.

- Provide near real time service to customers and IRS personnel.
- Leverage IEP for entryways and enhance security for IR data submission and processing.
- Reduce end to end process lifecycle for Information Returns.
- Enable early detection of erroneous data and reduce amount of erroneous, questionable and fraudulent Information Returns data.
- Improve IR data access for downstream systems.
- Increase in data quality translates to fewer resources needed to support operation, maintenance and downstream processes.
- Reduce legacy system dependencies and technology constraints.

Details of Useful Life Period:

Year the investment began: 2016

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This is a new investment, still in the planning stage. It is expected to continue with no clear end date.

This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Affordable Care Act Administration

Type of Investment: Major IT Investment

Description:

The ACA investment encompasses the planning, development, & implementation of IT systems needed to support IRS' tax administration responsibilities associated with key provisions of the ACA legislation. ACA was previously listed as 015-000000285.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	959.90	268.87	202.38	92.03	93.37	94.73	96.12	97.52	1904.92
Total DME funding		268.87	202.38	92.03					563.28
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	32.29	80.13	100.82	166.27	169.22	172.24	175.30	178.43	1074.69
Total O&M funding		80.13	100.82	166.27					347.21
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	992.19	349.00	303.20	258.30	262.60	266.97	271.42	275.95	2979.61
Total Gov FTE Cost	257.29	102.10	99.67	101.18	102.49	103.82	105.17	106.54	978.28
Number of FTE represented by costs	1776.56	692.54	670.60	670.60	670.60	670.60	670.60	670.60	6492.70

Summary of Purpose, Goals, and Benefits:

The Affordable Care Act (ACA) Administration investment encompasses the planning, development, and implementation of IT systems needed to support IRS tax administration responsibilities associated with key provisions of the ACA legislation. The work is organized into releases that deploy functionality to meet key legislative dates. Each release encompasses multiple projects that need to be delivered at a specific point in time.

ACA 1.0 through 6.1, already in production, include the design and deployment of new systems, along with changes to existing IRS IT infrastructure. These releases support new taxes, credits, and fees, such as the Small Business Health Care Tax Credit, Branded Prescription Drug Industry Fee, Excise Tax on Medical device Manufacturers, Hospital Insurance Tax, and Insurance Provider Fee. These releases also provided the technical solution to support Health Insurance Marketplace open enrollment in the fall of 2013 and thereafter on an annual basis, along with IRS pre-filing and post-filing compliance activities. New IT systems deployed include the ACA Coverage Data Repository, Income and Family Size Determination, Information Sharing and Reporting, Premium Tax Credit (PTC), ACA Information Returns, ACA Verification Service, and ACA Compliance Validation.

Current work centers on ACA 6.2 through 7.1. ACA 6.2 will support acceptance and validation of new ACA Information Returns 1094/1095 B/Cs, while ACA 7.0 expands information return processing and capabilities needed for compliance processing. ACA 7.1 will support additional PTC reconciliation compliance and identification/evaluation of employer and individual shared responsibility payment compliance.

Return on Investment:

This investment allows the IRS to fulfill its responsibilities under the Affordable Care Act. ACA has built systems that will allow the IRS to collect the Branded Prescription Drug (BPD) Industry

Fee and the Insurance Provider Fee (IPF). These fees totaled \$11.3 billion for BPD and \$3 billion for IPF in 2015; the same amounts will be collected in 2016. Other taxes and fees include the Excise Tax on Indoor Tanning Services, Excise Tax on Medical Device Manufacturers, and Hospital Insurance Tax.

The ACA investment also supports the federal and state Health Insurance Marketplaces and their ability to enroll individuals in affordable health care plans. During Open Enrollment 2016 (11/1/2015 through 1/31/2016), the IRS processed 22.2 million income and family size verification transactions and 11.3 million advance Premium Tax Credit transactions.

In addition, the ACA investment has led to the development of new technologies and innovations that have been applied across the IRS. These include common web services, which enable consistent performance results; the ability for individuals and preparers to estimate potential penalties for non-coverage; a single, consistent source for all ACA-related data, which leads to better reporting; a common infrastructure for data access; standardized methodology for secure, stable connectivity between IRS and HHS; and an integrated customer service experience that includes ACA within normal delivery channels.

Requirements/ Benefits/ Mandates:

Legislative Mandate: The work of the IRS IT Affordable Care Act Program Management Office (ACA PMO) addresses specific legislative mandates in the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), commonly referred to as the Affordable Care Act (ACA). This legislation was signed into law in March 2010. Specifically, the law calls for the IRS to institute numerous changes to the Tax Code and build/modify IT systems to support State and Federal Health Insurance Marketplaces.

Audit Finding or Material Weakness: Affordable Care Act Information Sharing and Reporting Project (Audit # 201420326)

Affordable Care Act Coverage Data Repository: Risks with System Development and Deployment (Audit # 201420310).

Agency Strategic Plan / Annual Performance Plan: IRS supports the Department of Treasury Strategic Goal #3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems. One of the strategic objectives of this goal centers on the implementation of the Patient Protection and Affordable Care Act (ACA). Strategies to carry out this objective include developing and publishing guidance on ACA tax provisions, including tax credits, revenue provisions, and market reforms; strengthening refund fraud prevention through advancements in automation and providing prompt assistance to support victims of identity theft; strengthening partnerships with tax practitioners, tax preparers, and other third parties to ensure effective tax administration; and providing taxpayers with targeted, timely guidance and outreach.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

For the Previous Year (FY 2015), ACA focused on Releases 5.0 through 6.1. The objectives include:

-ACA 5.0 enabled at-filing checks of a tax return for reporting a premium tax credit, leveraging third-party data from the Insurance Marketplaces. This is achieved by modifications to existing systems and by implementing a new ACA system, ACA Verification Service.

-ACA 6.0 focused on collections and Premium Tax Credit (PTC) pre-refund compliance processing, including balance due liabilities reported by taxpayers and processing of Problem

Reporting Control System errors identified at filing.

-ACA 6.1 supported initial post-filing compliance activities through a new system, ACA Compliance Validation.

For the Current Year (FY 2016), ACA focuses on Releases 6.2 through 7.1

-ACA 6.2 enables the acceptance and validation of ACA Information Returns 1094/1095 B/Cs.

-ACA 7.0 expands information return processing and capabilities needed for compliance processing, including integrated business analytics and data certification.

-ACA 7.1 supports additional PTC reconciliation compliance and identification/evaluation of employer and individual shared responsibility payment compliance candidates. It also includes additional web services between systems, increased data analytics capabilities, and a new system, ACA Case Management, which focuses on the assessment and management of employer shared responsibility payments.

For Budget Out Years (FY 2017 and beyond):

- Additional ACA releases in coming years will provide the capability required for the IRS to integrate ACA-related post-filing compliance case management for examination, audit, collections, and appeals, as well as the implementation of the Excise Tax on High-Cost Health Plans.

Details of Useful Life Period:

Year the investment began: 2010

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using a 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Percent of successful transactions.	Strategic and Business Results	Over target	Monthly	Percentage	95.00	99.79	12/31/2015
Response Time Performance - Average Response Time in Seconds.	Customer Satisfaction (Results)	Under target	Monthly	Seconds	5.00	0.47	12/31/2015
ACA applications in production requiring software code changes via P1/P2 defects. Note: Applications in production requiring no more than three P2 defects and zero P1 defects. Yellow Threshold is 4 P2 Defects and Red Threshold is 8 P2 defects or any P1 defect.	Customer Satisfaction (Results)	Under target	Monthly	Number	3.00	0.00	12/31/2015
Branded Prescription Drug Fee: Statutory "Allocated Amount" Collected.	Strategic and Business Results	Over target	Annual	Percentage	100.00	100.00	09/30/2015
End-to-End Metric - Branded Prescription Drug.	Strategic and Business Results	Over target	Monthly	Percentage	97.00	99.99	12/31/2015
Annual Overall Cost Variance	Financial Performance	Under target	Annual	Percentage	5.00	-6.56	09/30/2015

Customer Account Data Engine 2 (CADE 2)

Type of Investment: Major IT Investment

Description:

The Customer Account Data Engine (CADE 2) Program's purpose is to implement a single, data-centric solution which provides daily processing of taxpayer accounts and addresses financial material weaknesses to maintain IRS' clean audit opinion.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	778.13	138.18	129.74	131.58	133.89	136.25	138.65	141.09	1727.51
Total DME funding		138.18	129.74	131.58					399.50
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	11.16	4.94	5.61	5.84	5.95	6.07	6.18	6.30	52.05
Total O&M funding		4.94	5.61	5.84					16.39
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	789.29	143.13	135.34	137.42	139.85	142.32	144.83	147.39	1779.56
Total Gov FTE Cost	215.31	24.47	30.12	31.06	31.46	31.87	32.28	32.70	429.27
Number of FTE represented by costs	1457.08	152.87	183.00	186.50	186.50	186.50	186.50	186.50	2725.45

Summary of Purpose, Goals, and Benefits:

CADE 2 was chartered in 2009 to implement 21st century technology and services to enable the IRS business to provide digital services to the taxpayer and more timely compliance. The data-centric solution is critical for the IRS to achieve its Strategic Goals. The heart of the CADE 2 solution is an authoritative database for individual taxpayers that will transform the way the IRS approaches tax administration into the future. CADE 2 goals are to establish a solid data foundation for the future by leveraging a relational database and daily processing capability; continue the focus on moving away from 1960's technology so business processes can be realigned to enable better services and more timely compliance (i.e., aging infrastructure, applications and sequential flat file processing); address the Financial Material Weakness (FMW), demonstrate compliance with Federal Financial Management System Requirements (FFMSR) and maintain our clean audit opinion; improve security and privacy posture by addressing identified weaknesses; and create one authoritative source of taxpayer data. Transition State 1 (TS1) and Transition State 1.5 (TS1.5) built and initialized the CADE 2 database in production. In doing so, the IRS took a leap forward from a technology standpoint, accelerating the returns processing cycle from weekly to daily, and moving the management of individual taxpayer account data from 1960's sequential flat-files stored on magnetic tapes to state-of-the-art database technology. Individual taxpayer account data is now updated daily in relational formats dictated by a data model that maintains historical values never before retained on account transactions, with instant viewing of taxpayer account data by IRS customer service and other representatives. TS1 offers faster refunds and notices, faster payment postings and improved service for taxpayers.

In TS2 the IRS will make system enhancements to address the longstanding Unpaid Assessments FMW for individual accounts. The Service is reengineering core components of IMF by applying modern programming languages; establishing CADE 2 as the authoritative data source for financial and legal purposes; and implementing functionality to address the IRS FMW over unpaid tax assessments for individual taxpayer accounts. The final phase, known as the

Target State, will complete the reengineering of the legacy IMF architecture by updating upstream/downstream technology and focus on aligning business processes.

Return on Investment:

With this investment, the IRS will modernize its tax processing capabilities so they are more in line with industry standards. The full Return on Investment (ROI) is not currently available, as the investment is only partially implemented. Once all facets of the investment have been actualized, a true ROI can be determined. However, there are many internal and external expected benefits of the program: Taxpayer benefits are already being realized. As of November 2015:

Taxpayers receive faster refunds. Year-to date, CADE 2 processed 49.99 percent (70 million) of individual tax returns daily, equating to faster refunds for millions of taxpayers.

Taxpayers receive information faster. Over 25.27 million notices were generated using CADE 2 Daily Processing by June 26, 2014 compared with 284,335 total daily notices generated during the entire Filing Season 2011. This allows taxpayers to address issues closer to the event that generated the notice

Taxpayer issues are more efficiently resolved:

Account information is now available to IRS Customer Service Representatives 77 percent faster

100 percent posted transactions are viewable in IDRS within 48 hours of processing in 2014 compared with 216+ hours (over 9 days in 2011)

Additional taxpayer benefits:

Reduced taxpayer burden to make compliance easier by enabling self-service tools and real-time access to account information

Better access to data and analytical tools by leveraging a relational database, which provides more granular, historic and timely data and increases the IRS' ability to analyze, research and respond to fraud and identity theft

Work is aligned around data, not forms, by completing the data-centric foundation to better manage U.S. taxpayers' dollars, track taxpayer relationships, and store and report on more accurate account balances

Benefits to the IRS include:

Increased agility of response to changing taxpayer priorities and legislation

Reduced IT costs and complexity and address workforce risk

Enhanced analytics and reporting to greatly improve compliance and issue resolution

Reduced burden of manually intensive processes on IRS employees, enabling automated calculations that currently are not possible

Fiduciary Benefits:

Addresses the Unpaid Assessments FMW, retains the clean audit opinion, and complies with Federal Financial System Requirements

Completion of the data-centric foundation to better manage over \$3 trillion in revenue.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: TIGTA Audit (201010022) to address an unpaid assessments material weakness. As part of Transition State 2 (TS2), the IRS will rewrite its core taxpayer account processing applications to leverage the benefits of the new CADE 2 relational database. Once that is done, CADE 2 will become the authoritative source for individual

taxpayer account data for the IRS. This will address IRS's longstanding unpaid assessments financial material weakness, and will ensure long-term viability of IRS tax processing systems.

Agency Strategic Plan / Annual Performance Plan: This investment supports Treasury Strategic Goal 3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems; Objective 3.3 Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

For FY16, FY17 and budget out years, the IRS continues to modernize its core taxpayer account processing systems. CADE 2 will deploy new capabilities into Production through multiple projects in FY16. Database Conversion was deployed into production for Filing Season (FS)16, enabling the CADE 2 database to maintain taxpayer history for auditing and analytical purposes. The additional historical information stored within CADE 2 will be available to improve IRS financial reporting as well as business functions across Customer Service, Compliance and Fraud Detection.

The Penalty and Interest Adjusted Refundable Credits project will go live in FS16, making substantial improvements to the accuracy of penalty and interest calculations for millions of taxpayers. This capability will eliminate costly manual calculations and will save approximately \$14.2 million annually in lost collections.

Pending Payment Transactions will go live in FS16 and make substantial progress towards addressing the Unpaid Assessment FMW by enabling accurate financial reporting on financial transactions received by the IRS but not yet posted to accounts. An operational data store will be established and lay the foundation for advanced reporting and analytics using the modernized CADE 2 data model, greatly enhancing the capability to detect issues, resolve cases and improve overall compliance.

In FY17, CADE 2 will make substantial progress toward modernization by moving dozens of financial reports and data feeds from the legacy IMF system to the modernized CADE 2 database, including utilizing the CADE 2 database to support IRS Customer Service and Compliance (through a new interface to the Integrated Data Retrieval System) and establishing CADE 2 as the Authoritative Data Source for IRS financial and legal purposes. At the end of FY17, the GAO will begin to conduct the annual Financial Statement audit using the CADE 2 database as the source of all individual taxpayer financial transactions. This is a prerequisite and major step toward addressing the Unpaid Assessment FMW .

During FY18 and beyond, CADE 2 will calculate, store and leverage enhanced financial information to improve IRS Unpaid Assessment Financial Reporting and address the Unpaid Assessment FMW. The core tax processing business logic that post taxpayer transactions and settle taxpayer accounts utilizing 1960's technology will be retired and replaced with 21st century state-of-the-art Java applications.

Details of Useful Life Period:

Year the investment began: 2009

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. The investment is using a 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Faster Refunds. The percentage of refunds posted daily by CADE 2. Seasonal metric.	Customer Satisfaction (Results)	Over target	Monthly	percentage	30.00	24.02	01/28/2015
Increased percentage of tax returns processed daily. Seasonal metric.	Strategic and Business Results	Over target	Monthly	percentage	65.00	12.95	01/28/2015
Daily Updates to IDRS. The percentage of business days in which updates to IDRS are processed within 48 hours by CADE 2.	Strategic and Business Results	Over target	Monthly	percentage	100.00	100.00	01/28/2015
Faster Notices. The percentage of notices generated for daily processing by CADE 2. Seasonal metric.	Strategic and Business Results	Over target	Monthly	percentage	1.00	2.04	01/28/2015
Faster Updates to account information. Percentage of taxpayer refund information processed daily and updated to the Web with in 24 hours. Seasonal metric.	Financial Performance	Over target	Monthly	percentage	30.00	24.42	01/28/2015

e-Services (e-SVS)

Type of Investment: Major IT Investment

Description:

e-SVS is a suite of web-based, self-assisted services that allow authorized individuals to do business with the IRS electronically. e-Services products are currently available to tax practitioners, registered agents and other third parties.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	53.23	1.22	0.44	0.44	0.45	0.46	0.46	0.47	57.17
Total DME funding		1.22	0.44	0.44					2.10
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	129.82	10.99	8.86	9.01	9.15	9.30	9.46	9.61	196.21
Total O&M funding		10.99	8.86	9.01					28.86
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	183.06	12.21	9.30	9.45	9.60	9.76	9.92	10.08	253.38
Total Gov FTE Cost	45.81	4.54	4.37	4.43	4.49	4.55	4.61	4.67	77.47
Number of FTE represented by costs	403.20	35.37	29.30	29.30	0.00	0.00	0.00	0.00	497.17

Summary of Purpose, Goals, and Benefits:

E-Services is a suite of web-based, self-assisted services that allow authorized individuals to do business with the IRS electronically. The e-Services products are currently available to tax practitioners, payers, and other third parties. The services include: Registration, Tax Identification Number (TIN) Matching, e-File Application, Transcript Delivery System (TDS), Return Preparer Registration - Identity Verification Service (RPR-IVS), TIN Validation Enterprise Common Service, Automated Electronic Fingerprinting, and eServices External Services Authorization Management (ESAM).

Return on Investment:

Cumulative data from FY 2004 through June 30, 2014 from the IRS IT Business Value Chart:

e-Services Registration: More than 654,000 individuals registered via the IEP.

e-file Application: Processed more than 363,112 Electronic Return Originator Applications for e-File via the IEP and EUP.

TIN Matching: Processed more than 1.3 billion bulk requests and more than 87.0 million interactive requests.

Transcript Delivery System: Processed more than 46 million requests for transcripts via the IEP and more than 210.8 million requests via the EUP.

Total estimated operational savings (print/mail/labor costs) in excess of \$968.7 million for e-File Application, TDS, and address change via the IEP and EUP.

TIN Matching uncovered more than \$856.3 million in potentially unpaid taxes on 1099 income.

Requirements/ Benefits/ Mandates:

Legislative Mandate: The Restructuring and Reform Act of 1998 stated that the Internal Revenue Service (IRS) should set goals to have a minimum of 80 percent of all Federal tax and information returns filed electronically by calendar year (CY) 2007. eServices provides capabilities for the IRS to manage the process of registering and adjudicating third parties to file

electronically federal tax returns and federal tax and ACA information returns.

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: Strategic Goal 4: Pursue Comprehensive Tax and Fiscal Reform and Objective 2: Increase voluntary tax compliance.

eServices will support the IRS Strategic Goal of pursuing comprehensive tax and fiscal reform along with increasing voluntary tax compliance by offering electronic services in a web-based environment conducting most of the Internal Revenue Service's transactions with authorized individuals electronically.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

2014 SiteMinder R12 Upgrade in the internal portal and Business Objects Enterprise Upgrade and server migration.

2014 SiteMinder R12 Upgrade in the external portal.

2014 Deploy Registration updates that include TIGTA suggestion updates.

2014 Support server replacement of AEF servers and upgrade AEF software.

2014 Deploy the ACA Information Returns Registration application to provide electronic filer and transmitter numbers to externals required under the ACA to submit Information Returns to the IRS.

2014 Complete WebSphere Application Server Upgrades.

2015 Deliver Annual Filing Season changes.

2015 Virtualize Third Party Data Store file extract servers.

2015 Deliver second phase of the ACA Information Returns Registration application.

2015 ESAM 1.5 (June 2015)

2016 Re-engineer the current e-File application into Java.

2016 Registration to eAuthentication capabilities migration, ESAM 2.0 (suitability for ACA Information Returns Registration Applications).

2017 eFile Application capabilities migrated to ESAM 3.0 and elimination of PeopleSoft from eServices Infrastructure.

Details of Useful Life Period:

Year the investment began: 1999

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB

Circular A-131.: Investment uses a rolling 5 year standard Period of Performance (POP) and on-going functionality model in which the out-years are calculated using an inflation rate.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Number of transcripts processed through the Transcript Delivery System (TDS).	Strategic and Business Results	Over target	Monthly	Number	3000.00	6701.84	12/30/2015
The percentage of scheduled eServices availability per the approved Service Level Agreement as documented monthly by IRS Enterprise Services.	Customer Satisfaction (Results)	Over target	Monthly	Percentage	96.00	100.00	12/30/2015
Number of Priority 2 tickets opened and are related to eServices applications.	Strategic and Business Results	Under target	Monthly	Number	10.00	0.00	12/30/2015
Number of defect transmittals to the production environment.	Financial Performance	Under target	Monthly	Number	3.00	0.00	12/30/2015
Number of TIN Matching Requests processed through the TIN Matching application	Strategic and Business Results	Over target	Quarterly	Number	3500.00	4276.58	12/31/2015

Electronic Fraud Detection System (EFDS)

Type of Investment: Major IT Investment

Description:

Electronic Fraud Detection System (EFDS) is a major, automated client server-based system used to maximize revenue protection and fraud detection at the time that tax returns are filed to eliminate the issuance of fraudulent tax refunds.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	11.45	4.01	5.01	5.02	5.20	0.00	0.00	0.00	30.68
Total DME funding		4.01	5.01	5.02					14.03
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	116.89	11.53	8.06	8.29	8.33	0.00	0.00	0.00	153.11
Total O&M funding		11.53	8.06	8.29					27.88
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	128.34	15.53	13.07	13.30	13.54	0.00	0.00	0.00	183.79
Total Gov FTE Cost	30.61	4.44	2.81	2.85	2.85	0.00	0.00	0.00	43.56
Number of FTE represented by costs	223.54	31.00	17.00	17.00	17.00	0.00	0.00	0.00	305.54

Summary of Purpose, Goals, and Benefits:

The Electronic Fraud Detection System (EFDS) is a major, automated client server-based system used to maximize fraud detection at the time that tax returns are filed to eliminate the issuance of fraudulent tax refunds. EFDS provides the capability for IRS Criminal Investigation (CI) Investigative Aides/Analysts (IA/As) and Wage and Investment (W&I), Business Performance Solutions (BPX), Return Integrity and Compliance Services (RICS) Tax Examiners (TEs) and Small Business Self-Employed (SB/SE) to protect government revenue by detecting potentially fraudulent tax refund claims and stopping the issuance of fraudulent tax refunds.

- EFDS Filing Season (FS) 2016 will incorporate legislative changes associated with the Filing Season (FS16).
- EFDS Calendar Year 2016 Maintenance Build (CY16 MB) will incorporate infrastructure upgrades.
- EFDS Filing Season (FS) 2017 will incorporate legislative changes associated with the Filing Season (FS17).
- EFDS Retirement Release 1.0 will transition the functionality of each EFDS Core Fraud Data Mining (DM) model to RRP Data Analytics.

Return on Investment:

Revenue protection is an important element in managing the government's finances; fraudulent tax refund claims are a major cause of revenue loss to the Federal Government.

As of December 7, 2015, EFDS (FS15):

- Processed a total of 142,242,288 returns.
- Total number of returns identified as fraud is over 1.71 million (1,711,178).
- Total refund amount stopped is \$11.09 billion (\$11,086,750,527).

Requirements/ Benefits/ Mandates:

Legislative Mandate: The following are legislative mandates and citations supporting

applicable EFDS requirements:

1) Hiring Initiatives to Restore Employment (HIRE) Act: HR-2847, Provision 101 requires EFDS loads and database updates of Business Master File (BMF) record layouts for Forms 943, 943PR, 944, 944PR, 944SS and CT1.

2) Patient Protection and Affordable Care Act (ACA): HR-3590, Provisions 1421 (Forms 1041, 1065, 1120, 1120S, 3800); 10909 (Forms 8839, 3468, and additional Referral categories); and 9023 (Form 1040) requires updates to record layouts for all impacted forms.

3) Small Business Jobs Act (SBJA): 1040 e-File Program TY 2010 SBJA Provision 2012/13 1040 requires EFDS loads updates for record layout changes to Form 3800.

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: EFDS aligns to the following Treasury strategic goal and objective for FY 2014-2017. Goal 3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems.

Goal 3:3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code.

EFDS also supports FY 2014-2017 IRS Strategic Goal 2: Effectively enforce the law to ensure compliance with tax responsibilities and combat fraud.

Goal 2:2: Deter and promptly resolve noncompliance by protecting revenue from refund fraud and ensuring appropriate revenue collection.

Goal 2:4: Identify trends, detect high-risk areas of noncompliance and prioritize enforcement approaches by applying research and advanced analytics.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

FS 2016 Annual Release and CY15 MB Accomplishments:

- Annual maintenance (O&M) upgrades to sustain system operations.
- Annual updates to loads for Individual Master File (IMF), Business Master File (BMF), Questionable Return Program (QRP), Information Returns Master File (IRMF), Modernized e-File (MeF), and Prison/Prisoner File to sustain system operations.
- Annual IMF, BMF, and QRP legislative changes and record layout updates.
- Annual Data Mining Model updates to sustain and improve system performance.
- Updated user interface architecture via Workload Management System (WMS) Web Integration.
- Enhanced revenue protection/fraud detection functionality of EFDS.
- Migrated Solaris to Linux Operation Platform.
- Integrated components of the Return Review Program (RRP) Non-ID Theft model.

Future Objectives / Planned Accomplishments:

- Annual Release for Filing Season (FS) 2017 and Calendar Year 2016 Maintenance Build (CY16 MB).
- Retirement Release 1.0 - EFDS Retirement Core Fraud Data Mining (DM) Models.
- Deliver legislative and filing season tax year changes, including Affordable Care Act (ACA) activities funded by EFDS.
- Annual maintenance (O&M) upgrades to sustain system operations.
- Annual updates to loads for Individual Master File (IMF), Business Master File (BMF), Questionable Return Program (QRP), Information Returns Master File (IRMF), Modernized e-File (MeF) schemas, and Prison/Prisoner File to sustain system operations.
- Upgrade to Informatica 9.6.1 and Oracle 11.2.0.4.5, per N/N-1 infrastructure currency.
- Prepare delivery of EFDS Program Retirement/Shutdown in Calendar Year 2017.

Details of Useful Life Period:

Year the investment began: 1996

End Year of the current planning cycle: 2018

Description of why the investment is not consistent with life cycle model defined in OMB

Circular A-131.: EFDS investment expected to fully retire in 2018.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
The percentage of completed verifications which are potentially fraudulent.	Customer Satisfaction (Results)	Over target	Quarterly	percentage	70.00	84.00	12/31/2015
The percentage of scheduled system availability per the approved Service Level Agreement.	Strategic and Business Results	Over target	Monthly	Percentage	99.00	100.00	01/31/2016
The percentage of primary investigations that are accepted as subject criminal investigations (CIs).	Strategic and Business Results	Over target	Quarterly	Percentage	65.00	67.00	12/31/2015
The percentage of Questionable Refund Program (QRP) refunds identified as false that are stopped by Return Integrity and Compliance Services (RICS).	Strategic and Business Results	Over target	Quarterly	Percentage	85.00	92.00	12/31/2015
The number of confirmed fraudulent returns identified by the data models.	Financial Performance	Over target	Quarterly	Number of confirmed fraudulent returns	700000.00	721220.00	12/31/2015

Enterprise Case Management (ECM)

Type of Investment: Major IT Investment

Description:

This investment will provide an enterprise solution for performing case management functions using a common infrastructure platform and common services that multiple aging and new case management system will leverage.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	4.13	30.11	41.62	42.42	43.18	43.97	44.76	250.19
Total DME funding		4.13	30.11	41.62					75.86
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.25	4.00	6.00	8.00	12.00	30.25
Total O&M funding		0.00	0.00	0.08					0.08
Unallocated O&M funding		0.00	0.00	0.17					0.17
Total Cost (Including Gov FTE)	0.00	4.13	30.11	41.87	46.42	49.18	51.97	56.76	280.44
Total Gov FTE Cost	0.00	1.86	4.99	6.30	6.38	6.46	6.55	6.63	39.17
Number of FTE represented by costs	0.00	11.08	32.00	41.00	59.75	59.75	59.75	59.75	323.08

Summary of Purpose, Goals, and Benefits:

Enterprise Case Management (ECM) will address the need to modernize, upgrade, and consolidate ECM solutions. The approach to modernizing these systems is to develop an enterprise solution for performing case management functions utilizing a common infrastructure platform, thus reducing long-term costs for the organization. Today, the current systems provide limited visibility of case management practices between programs, process redundancies, and multiple handoffs which can lead to work impediments and increased risk. The case management functions will be developed as common services for systems to share. Implementation of the solution will provide a consistent approach to case management across business units. The ECM program will provide the following benefits: Reduced process redundancies to improve transparency and timeliness, and to reduce the risk of systems failure impeding revenue collection; Increased process and case management efficiencies by creating one solution for all case types, treatment streams, and operating divisions; Increased integration amongst existing case management programs, which leads to migrating legacy systems to a standardized enterprise-wide solution for case management and reducing the fragmentation of both business and IT processes across legacy applications; Standardized system design for increased taxpayer information security, shortened development milestones; Reduced IT hardware, software, and systems operations and maintenance costs through replacement of numerous case management systems.

Return on Investment:

Through the utilization of the ECM solution, it is expected that operations and maintenance costs of these projects will be reduced and aging architecture can be retired. The enterprise solution will also be a basis for the development of new case management systems. For new projects, design and development costs will be reduced through reuse of the common services and infrastructure.

Internal Benefits:

- Streamlined operations that reduce costs
- Reduce man hours for reporting due to implementing a common repository
- Integration amongst programs
- Increasing process and case management efficiencies
- Reduce training needs
- Reducing redundancies through reuse of common services and infrastructure

External Benefits:

- Reduces cost of operations and maintenance of IRS
- Improved employee experience by enabling cases to be prioritized and accordingly transferred across geographical locations
- Improve tax payer compliance by understanding non-compliant behaviors
- Decrease fraud and tax related crimes.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: ECM will support the higher-level strategic goals and objectives of the Department of the Treasury as shown below:

Goal 3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems

- 3.2: Improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. government
- 3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code

Goal 5: Create a 21st century approach to government by improving efficiency, effectiveness, and customer interaction

- 5.1: Increase workforce engagement, performance, and diversity by instilling excellence, innovation, and inclusion in Treasury's organizational culture and business practices
- 5.2: Support effective, data-driven decision-making and encourage transparency through intelligent gathering, analysis, sharing, use, and dissemination of information.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

The IRS ECM team performed analysis to determine the legacy case management portfolio, including information on costs associated with legacy systems. They also presented a high level approach and next steps, which received approval by the Commissioner.

July 2015 focused on developing the initial ECM Strategic Plan and Road Map and establishing ECM Program Management Office (PMO). Detailed activities included: establishing ECM as a formal program; performing analysis to incorporate existing efforts (E-Trak, ACA Compliance Management, Return Review Program (RRP)); Initiating Capabilities Definition with IT and the Business; Establishing design patterns, identifying data sources/connectors; Conducting analysis on E-Trak and previous tech demos to identify reusability for ECM; Finalizing Multi-thread approach toward ECM delivery and; Executing integrated working sessions to establish the Road Map (12-24-36 months).

Future:

Upcoming activities include Performing Detailed Road Map Analysis and Executing the Road Map. The details for each are outlined below:

Perform Detailed Road Map Analysis:

- Initial ECM PMO Stand Up
- Prioritize business capabilities and application retirement sequence
- Define legacy retirement strategy
- Validate future capabilities, threads, and business needs
- Identify Rapid Prototype and tech demo candidates
- Design the ECM technology platform
- Finalize acquisition strategy to support multi-thread delivery
- Execute Road Map (Continuously Refine)
- Deploy functionality against Legacy Retirement Strategy
- Install and configure base platform
- Implement and assess Entellitrak design patterns
- Deploy, assess and refine multi-thread approach
- Enhance Program maturity
- Execute E-trak upgrades
- Continue to develop & release ECM Capabilities
- Continue updating Road Map to support agile methodology and multi-thread deployment.

Details of Useful Life Period:

Year the investment began: 2016

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB

Circular A-131.: ECM utilizes a life cycle approach that involved an initial period of development followed by a period of operational spending, with periodic legislative and/or regulatory updates, and no pre-determined end point. Our alternatives analysis is adapted to our life cycle by following the IRS-managed Enterprise Life Cycle process.

Event Driven Architecture

Type of Investment: Major IT Investment

Description:

Event Driven Architecture will provide common Enterprise Services as well as the infrastructure needed to publish, consume, coordinate, and manage these services following service-oriented architecture design paradigm.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	0.00	4.35	34.62	35.20	13.00	2.00	0.00	89.17
Total DME funding		0.00	4.35	34.62					38.97
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.14	3.27	5.75	5.30	14.45
Total O&M funding		0.00	0.00	0.00					0.00
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	0.00	0.00	4.35	34.62	35.34	16.27	7.75	5.30	103.62
Total Gov FTE Cost	0.00	0.00	1.81	4.15	4.20	2.20	1.00	0.80	14.16
Number of FTE represented by costs	0.00	0.00	11.00	25.50	25.50	13.00	6.00	4.50	85.50

Summary of Purpose, Goals, and Benefits:

An Event Driven Architecture (EDA) refers to software architecture patterns and components that produce, consume, detect, and react to events associated with individual transactions, such as returns, payments, account updates, and other common transaction types.

An EDA framework will enable IRS strategic goals of improving taxpayer service, enhancing enforcement of the tax law and modernization of the IRS through its people, processes and technology. It also supports the modernization strategy approach and business domain goals by extending the architecture and design of IRS modernized and current production systems to better align business and IT strategies, leverage functionality available in current production systems, enable the co-existence of modernized and legacy applications during multi-year transitions, and support high maintainability and lower costs through separation of concerns, decoupling, and reuse.

This framework will provide common Enterprise Services as well as the infrastructure needed to publish, consume, coordinate, and manage these services following service-oriented architecture design paradigm including event-driven individual transactions and workflow centric, rule-based, service-oriented, and transformation-enabled processing. Infrastructure will include a Rules Engine, a Service Orchestration layer and an Enterprise Service Bus (ESB) supporting Core Application Services (i.e., business application functionality).

Projects will include Individual Return Electronic Adjustment (IREA) as a modern Data Centric solution for taxpayer corrections/adjustments to specific line items on a Return. IREA will provide online capability for a taxpayer to correct select line items on an existing tax return either directly through a self-service portal or through a third party provider using a Registered User API. Reusable Account Research and Adjustment services will be event-driven based on business process rules and workflow.

Return on Investment:

The infrastructure components of an Event Driven Architecture will provide the back end services and service orchestration that enables third party and online taxpayer account self-service including self-correction. For example, by accepting, validating, and processing return adjustments electronically the IRS will enhance operations, increase detection of fraud, non-compliance, and identity theft, enable automated and efficient 1040X processing, improve inventory and case management, and allow detailed data capture and reporting, and enrich customer service. Self-service capabilities through online accounts and Registered User Application Program Interfaces (API) will reduce operating costs by automating current manual tasks while improving taxpayer service.

- Approximately 542 employees in Submission Processing (SP) handle roughly 66 percent of the amended return claims at an estimated annual direct labor cost of \$28 million. We anticipate that an initial automated solution addressing simple amended returns will project a 25 percent savings resulting in excess of \$7 million a year in Submission Processing labor alone.

- Accounts Management works the remaining more complex amended returns. Those claims are imaged in AMS-CIS and worked in Accounts Management where processing costs are higher due to imaging costs, higher graded employees and the more complex issues. As iterative releases are deployed more complex issues will become automated increasing the return on investment.

- Document perfection, research, and adjustments performed in Submission Processing and Accounts Management are also performed for other issues in return processing, examination, and other business areas. Event Driven Architecture will provide the foundation for further automation of transaction processing across IRS business functions.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: EDA supports the IRS Strategic Plan 2014- 2017 Goal to "Deliver high quality and timely service to reduce taxpayer burden and encourage voluntary compliance". Specifically, Event Driven Architecture enables Objective 1 of this goal to "design tailored service approaches with a focus on digital customer service to meet taxpayer needs, preferences, and compliance behaviors in order to facilitate voluntary compliance." Event Driven Architecture will provide the infrastructure to enable online taxpayer services and electronic filing options. Event Driven Architecture demonstrates forward progress on IRS Strategic Goals by "broadening taxpayers' access to secure digital services and innovating our service delivery model to provide better assistance to those seeking to comply".

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

Event Driven Architecture (EDA) has completed a Proof of Concept (POC), demonstrating process on arrival capability for an electronic tax return with a document specific issue requiring correction by an IRS Tax Examiner. This POC was conducted in Treasury Amazon Web Services solution lab using an open source technology stack. As the next step, the IRS chose an existing investment proposal for automation of electronically filed 1040X as a candidate use case for production implementation in an Event Driven Architecture environment with reusable common services that would be necessary for the modernization and/or automation of many taxation management processes. A solution concept has been developed as the IREA proposal.

The IRS has begun planning for a prototype of IREA beginning in Fiscal Year 2016 with initial production release development projected to begin in Fiscal Year 2017. In the future, the IRS envisions scaling the EDA infrastructure and shared services to provide the same process immediately on arrival capability for all tax returns and related taxpayer submissions that are constrained today by an aging batch oriented pipeline processing infrastructure.

Details of Useful Life Period:

Year the investment began: 2016

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB

Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using a 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Foreign Account Tax Compliance Act (FATCA)

Type of Investment: Major IT Investment

Description:

FATCA requires foreign financial institutions to report to the IRS information about financial accounts held by U.S. taxpayers, or foreign entities in which U.S. taxpayers hold a substantial ownership interest.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	56.05	59.16	72.23	22.29	72.85	66.88	64.17	61.48	475.11
Total DME funding		59.16	72.23	22.29					153.68
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	2.08	4.86	16.86	5.20	18.27	21.34	24.41	26.48	119.51
Total O&M funding		4.86	16.86	5.20					26.93
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	58.13	64.02	89.09	27.50	91.12	88.22	88.58	87.96	594.62
Total Gov FTE Cost	21.83	22.21	27.09	27.50	27.86	28.22	28.58	28.96	212.25
Number of FTE represented by costs	129.47	153.75	180.22	180.22	180.22	180.22	180.22	180.22	1364.54

Summary of Purpose, Goals, and Benefits:

The Foreign Account Tax Compliance Act (FATCA) is an investment designed to improve tax compliance by identifying U.S. taxpayers that attempt to shield/divert assets by depositing funds in foreign accounts. The legislation requires reporting by U.S. taxpayers holding foreign financial assets with aggregate values exceeding certain thresholds to report information on those assets to the IRS each year. It also requires Foreign Financial Institutions (FFIs) with U.S. taxpayer accounts to register, report annually to the IRS, and withhold and pay over to the IRS 30 percent of certain payments of selected U.S. source income.

Treasury has also been working with foreign governments to negotiate Intergovernmental Agreements (IGAs) that address certain legal impediments surrounding privacy laws and the disclosure of account holder information. In addition to foreign account and asset data submitted by taxpayers and entities, the IRS will be assembling and transmitting Bank Deposit and Interest (BDI) data on accounts held by foreign nationals from U.S. FIs to foreign government HCTAs, under agreements intended to facilitate FATCA adoption.

The FATCA investment encompasses the planning, development, and implementation of IT systems needed to support IRS' tax administration responsibilities associated with key provisions of the FATCA legislation. The work is organized into Releases that deploy functionality to meet key legislative dates. Each release encompasses multiple projects that need to be delivered at a specific point in time.

Return on Investment:

The primary beneficiaries of this investment are the federal government and the U.S. taxpayers. FATCA will allow the agency to increase International service and enforcement through examinations of employment tax; specialty program audits, individual audits, business audits, and criminal investigation case closures ensuring taxpayers meet their tax obligations.

FATCA Release 2.0; launched in 2015 delivered the functionality to support negotiated IGAs. This release introduced the International Data Exchange System (IDES) which receives forms from FFIs and HCTA's through IGAs and transmits forms in XML format; the International Compliance Management Model (ICMM) which receives, processes, stores, and manages data received from various sources for future compliance activities, and; the Withholding and Refund (W&R) system which enables taxpayers to file refund requests against withholding; captures 1042-S recipient copy and freeze Chapter 3 and 4 refunds to individuals and entities. FATCA Release 2.1, deploying in August of 2015, will enhance ICMM functionality expanding on the IRS' ability to process, store and manage FATCA forms received via IDES as well as other sources (e.g., ISRP). The release provides capabilities in preparation of upcoming legislative requirements to provide reciprocal data back through the data exchange. FATCA Release 3.0 will expand on the FATCA 2.0 and 2.1 Reciprocal Data management functionality; document matching; Registration Bulk Upload capability; and enhance other application aspects to include Registration, IDES, ICMM, and W&R. FATCA Release 4.0 will provide additional functionality relative to the modernization of international reporting and application of FATCA data to compliance. FATCA Release 4.1 is an extension of Release 4.0 and is providing the business data elements in ICMM for Forms 8938, 8966, and 1042S-Recipient Copy for matching and refunds. The objective of Release 4.1 is to process the existing and prior year forms changes made in Release 4.0 through ICMM. FATCA Release 5.0 will provide additional functionality in meeting legislative requirements. The project has performed gap analysis on program requirements to identify decomposed impacted program requirements, monitored the receipt of cost and impact assessments for UWRs submitted for scope consideration, and completed initial analysis of cost and impact assessments submitted. The scope and requirements for the release have not yet been finalized.

Requirements/ Benefits/ Mandates:

Legislative Mandate: Public Law 111-147 - The Hiring Incentives to Restore Employment (HIRE) Act of 2010 requires that the IRS provide an IT solution to support this mission. FATCA will expand coverage of International tax return filings as required by the legislation.

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: FATCA supports the Treasury Strategic Plan, specifically the following goal and objective:

Goal 3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems

Strategic Objective 3.3 Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code

FATCA also supports the IRS Strategic Plan, specifically:

Strategic Goal I: Deliver high quality and timely service to reduce taxpayer burden and encourage voluntary compliance.

Objective 6: Improve service delivery and support effective tax administration by fostering strong relationships with our tax community and government partners.

Strategic Goal II: Effectively enforce the law to ensure compliance with tax responsibilities and combat fraud.

Objective 5: Address noncompliance by improving data, information and knowledge sharing with tax community and government partners.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

The Department of Treasury has negotiated Intergovernmental Agreements (IGA) with over 100 governments worldwide. To accomplish this, the following projects have been implemented:

Foreign Financial Institutions (FFI) Registration currently enables FFIs to electronically register and sign agreements with the IRS to report on their US-held accounts as specified by the Foreign Account Tax Compliance Act. An enhancement will be made in FY16 to allow sponsored entities to upload bulk account information.

International Data Exchange Service (IDES) receives Forms 8966 and 1042-S/T input from FFIs and host country taxing authorities through Intergovernmental Agreements and transmits forms in XML format to ICMM deployed in 2015.

International Compliance Management Model (ICMM) receives, processes, stores, and manages FATCA data received from various sources and makes it available for future compliance activities.

Taxpayer Reporting will capture data from the Form 8938.

Compliance will select cases and conduct compliance activities.

Withholding and Refund will receive, process and track withholding payments.

Details of Useful Life Period:

Year the investment began: 2011

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Speed of Processing Submitted Registrations - This measure indicates the number of days the IRS used to process a submitted registration from a status of Submitted to a status of Approved, Limited Conditional, or Terminated).	Customer Satisfaction (Results)	Under target	Monthly	Days	30.00	0.36	11/30/2015
Encouraging Electronic Tax Administration - The percentage of registrations submitted electronically. This measure demonstrates the customer choice for interacting with the IRS by electronic means as opposed to submitting a paper form.	Strategic and Business Results	Over target	Monthly	Percentage	95.00	99.64	11/30/2015
Timeliness of FFI List updated on IRS.GOV - This measure indicates the timeliness of the data getting posted to the IRS.GOV. Posting this data provides the public with easier access to regularly released data lowering operational costs for the IRS and for the FFIs and Individuals who use it.	Financial Performance	Under target	Monthly	Hours	24.00	3.00	11/01/2015
System Response Time - This measure indicates the amount of time an individual user can expect to see results from any action taken via a "submit" or clicking a "next" button from the user interface. This is a measurement of: The percentage of all requests processed in less than 5 seconds. (% =Transactions < 5 seconds / All Transaction)	Strategic and Business Results	Over target	Monthly	Percentage	95.00	99.05	11/30/2015
Request Processing Errors - This measure indicates the percentage of transactions that were not processed due to errors by the FI Registration System. This is a measurement of: Errors as a Percentage of Total Transactions (Number of Errors/Transactions)	Strategic and Business Results	Under target	Monthly	Percentage	1.00	0.40	11/30/2015

Health Coverage Tax Credit (HCTC)

Type of Investment: Major IT Investment

Description:

HCTC, extended and modified by Public Law 114-27 enacted June 2015, provides a solution to process any claims both current and retroactive for a tax credit equal to a percent of certain health coverage costs and provide support for external stakeholders.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	0.00	24.90	6.37	1.30	1.32	0.00	0.00	33.89
Total DME funding		0.00	24.90	6.37					31.27
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	5.19	5.29	5.39	5.50	21.38
Total O&M funding		0.00	0.00	0.00					0.00
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	0.00	0.00	24.90	6.37	6.49	6.62	5.39	5.50	55.27
Total Gov FTE Cost	0.00	0.00	7.28	0.00	0.00	0.00	0.00	0.00	7.28
Number of FTE represented by costs	0.00	0.00	72.80	0.00					72.80

Summary of Purpose, Goals, and Benefits:

The Health Coverage Tax Credit (HCTC) investment provides the planning, development and implementation of an IT system to support IRS's tax administration responsibilities in addressing the Trade Preferences Extension Act of 2015 enacted June 29, 2015. HCTC will process any taxpayer claims both current and retroactive for the federally funded tax credit equal to a percent of certain health coverage costs to allow individuals to pay only a portion of their qualified health insurance. This solution will include re-use of existing systems wherever possible as well as develop new functionality to support the required business capabilities as mandated by the law.

The Act, which reauthorized the expired 2013 tax credit and retroactively extended it for six years, prohibits individuals from claiming the HCTC and certain other premium subsidies for the same coverage period, and to prevent use of the HCTC to purchase insurance through an Affordable Care Act Exchange.

HCTC helps to make health coverage more affordable for those Department of Labor (DOL)-certified, displaced workers eligible to receive Trade Readjustment Allowances under the Trade Adjustment Assistance program or those eligible individuals receiving benefits from the Pension Benefit Guaranty Corporation (PBGC) by paying a significant portion of qualified health insurance premiums.

HCTC is anticipated to have 3 Releases deploying functionality to meet key legislative dates. The investment delivered Release 1 which provides for processing of Tax Year 2014 amended returns and 2015 filing season returns. The investment is currently in the planning phase for Release 2 and Release 3. Release 2 will develop a Registration Database with User Interface to manually input paper registration form data as well as develop functionality to perform eligibility

validation and monthly payment processing. Release 3 will focus on functionality to support compliance and reporting.

Return on Investment:

The HCTC is a refundable federal tax credit that was first made available in 2002 to subsidize the cost of qualified health insurance coverage for certain individuals and their qualifying family members (generally an individual's spouse and dependent children). The HCTC's subsidy level varied over time, but it currently covers 72.5 percent of the premium for qualifying coverage. The HCTC is generally available to an individual who satisfies each of the following conditions: 1) the individual meets the general eligibility requirements; 2) the individual pays 27.5 percent or more of the cost of coverage for qualified health insurance; 3) the individual does not have other specified coverage; and 4) the individual is not incarcerated or claimed as a dependent by another person.

Requirements/ Benefits/ Mandates:

Legislative Mandate: HCTC was enacted by the TAA Act of 2002, Public Law 107-210, and became effective August 2003. The Trade Act of 2002 (P.L. 107-210) authorized a federal income tax credit the HCTC for workers who had experienced job loss and for retirees whose private pension plans were taken over by the Pension Benefit Guaranty Corporation. The purpose of the tax credit was to make the purchase of health insurance more affordable for such individuals. The HCTC tax credit program terminated on January 1, 2014. On June 29, 2015, H.R. 1295, the Trade Preferences Extension Act of 2015 became law. This act reauthorized the HCTC, which expired at the end of 2013, and retroactively extended it for six years, from 2014 through 2019. The Act of 2015 also modified the HCTC requirements to prohibit individuals from claiming the HCTC and certain other premium subsidies for the same coverage period, and to prevent use of the HCTC to purchase insurance through an ACA Exchange.

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: N/A

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

HCTC successfully stood up the HCTC PMO, delivered Release 1 functionality to process Tax Year 2014 amended returns, process 2015 tax forms claiming the HCTC credit, provide an intake solution for external stakeholders (DOL and PBGC) to receive eligibility data for calendar year 2014 and 2015 for the 2016 Filing Season through existing systems and provide a solution to input a Masterfile indicator on eligible taxpayers from the DOL and PBGC eligibility files. The investment plans to finalize Release 2 and Release 3 requirements and develop functionality to create a registration database, perform eligibility validation, and monthly payment processing.

Details of Useful Life Period:

Year the investment began: 2015

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This is a new investment, still in the planning stage. It is expected to continue with no clear end date.

This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Individual Master File (IMF)

Type of Investment: Major IT Investment

Description:

IMF is the authoritative data source for individual tax account data. All other IRS information system applications that process IMF data depend on output from this source. IMF is a critical component of IRS' ability to process tax returns.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	24.63	4.34	4.86	4.95	5.03	5.12	5.20	5.29	59.43
Total DME funding		4.34	4.86	4.95					14.16
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	70.12	8.87	8.74	8.87	9.00	9.13	9.26	9.40	133.40
Total O&M funding		8.87	8.74	8.87					26.49
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	94.75	13.21	13.61	13.83	14.04	14.25	14.47	14.68	192.83
Total Gov FTE Cost	80.01	8.87	8.74	8.87	9.00	9.13	9.26	9.40	143.29
Number of FTE represented by costs	535.02	61.25	58.00	58.00	46.71	48.11	49.55	51.04	907.68

Summary of Purpose, Goals, and Benefits:

IRS is responsible for collecting revenue from individuals to fund the operations of the federal government. In order to effectively accomplish this goal, it must maintain authoritative data on individual taxpayers. The Individual Master File (IMF) is the authoritative data stores for individual taxpayers accounts. Within the IMF, accounts are updated, taxes are assessed, and refunds are generated as required each tax filing period. Virtually all IRS information system applications and processes depend on output, directly or indirectly, from this data source.

Return on Investment:

IMF is a legacy system that collects taxpayer data and information for tax processing. The IMF is a batch process that provides the taxpayer data to various downstream systems and selected outside organizations, such as Social Security. IMF also provides taxpayer customer service by providing refund information for Treasury.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: IMF supports the Treasury Strategic Plan, specifically the following goal:

Strategic Objective 3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

In FY2015(PY) the Individual Master File continued to be leveraged to fill the functional needs of the individual taxpayer account processing and to perform Operations & Maintenance for tax

law changes.

-Specific segments of IMF Posting and Analysis runs were evaluated in order to develop JAVA software version of the programs.

- IMF continued interacting with the CADE2 Database Implementation project for technical support staff and programmatic modifications; and interacted with the individual compliance (i.e., health insurance mandate, FATCA) when it impacted IMF.

In FY2016(CY) the IMF will continue interacting with programs that impact IMF and continue performing Operations & Maintenance for tax law and maintenance changes.

Details of Useful Life Period:

Year the investment began: 1970

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Interest paid on taxpayer refunds per 1 Million Dollars. This figure represents total Refund Interest divided by total refund dollars issued on original settlement. Measurement data is provided by W&I and SB/SE in the SMART database. The Business target for this measure is established by CAS every January, with a yearly goal and cumulative planned projection for each month. The results report the variance against the target, and the monthly cumulative target is reported in the comments.	Customer Satisfaction (Results)	Under target	Monthly	Dollars per Million Paid in Refunds	60.00	50.94	12/31/2015
Percent of Taxpayer refunds (paper returns only) issued within 40 days. Timeliness measured by sampling taxpayers receiving refunds. Measurement data is provided by W&I and SB/SE in Submission Processing (SMART) database. The Business target for this measure is established by CAS every January, with a yearly goal and cumulative planned projection for each month. The results report the variance against the target, and the monthly cumulative target is reported in the comments	Strategic and Business Results	Over target	Monthly	Percent of Refund Issued Within 40 Days	94.00	97.80	12/31/2015
Refund Error rate with Systemic Errors- The error rate is the ratio of total incorrect refunds compared to the total number of refunds. Measurement data is provided by W&I and SB/SE in the SMART database. Systemic errors (errors attributed to incorrect programming, less than ideal products from properly working systems, and incorrect IRM procedures) are also included in the rates which indicate with systemic errors. CAS sets the yearly target for this measure in January	Strategic and Business Results	Under target	Monthly	Percent of Refund Errors Per Refund Issued	3.00	1.80	12/31/2015
IMF completes planned processing schedule (e.g., daily, weekly) to meet refund, notice and on-line access deadlines. Measurement available on Enterprise Operations weekly reports.	Strategic and Business Results	Over target	Monthly	Percent	95.00	100.00	12/31/2015
The percentage of scheduled system availability per the approved Service Level Agreement, as documented monthly by IRS Enterprise Services in the IT Performance Report.	Financial Performance	Over target	Monthly	Percentage	95.00	100.00	12/31/2015

Integrated Customer Communication Environment (ICCE)

Type of Investment: Major IT Investment

Description:

ICCE provides problem-solving information through software and connections to legacy databases for both the phone and web. These applications use voice response, Internet, and other computer technology to provide service to taxpayers 24 hrs a day.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	182.89	3.60	0.00	0.00	0.00	0.00	0.00	0.00	186.49
Total DME funding		3.60	0.00	0.00					3.60
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	313.40	9.24	11.71	11.90	12.08	12.27	12.46	12.65	395.70
Total O&M funding		9.24	11.71	11.90					32.84
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	496.29	12.84	11.71	11.90	12.08	12.27	12.46	12.65	582.19
Total Gov FTE Cost	87.35	8.45	7.00	7.11	7.20	7.29	7.39	7.48	139.27
Number of FTE represented by costs	686.53	52.90	47.50	47.50	47.50	47.50	47.50	47.50	1024.43

Summary of Purpose, Goals, and Benefits:

Integrated Customer Communication Environment (ICCE) directly supports the IRS Strategic Goal of improving service to make voluntary compliance easier.

- Get Transcript is a web based application that allows authenticated taxpayers to view copies of their account and return transcripts in a secure environment.
- Online Payment Agreement Application allows the taxpayer or authorized representative (Power of Attorney) and qualified businesses to apply for and receive on-line approval for a short term extension of time to pay or set up a monthly installment agreement.
- Identity Protection PIN (IPPIN) is a web based application designed to provide a pin to taxpayers that are victims of identity theft. This pin will be used by taxpayers to file their tax return and prevent fraudulent tax return filing. Taxpayers will have to be authenticated and registered in e-authentication interface prior to accessing IPPIN
- Internet Refund Fact of Filing (IRFOF) - Where's My Refund application - provides tax refund status information via the web to 1040 series filers.
- IRS2Go mobile applications. This product is designed for the taxpayer on the go to be used via smart phone technology.
- Where's My Amended Return (WMAR) allows taxpayers to check the status of their amended returns in either a web or phone environment
- Internet Refund Address change allows taxpayers who have had their check returned from the post office as undeliverable to change their address of record.
- Internet Refund Trace allows taxpayers who have not received paper refunds after a specific amount of time to initiate a refund trace.
- The Modernized Internet Employer Identification Number application allows the general public to apply for an Employer ID number (EIN) over the web and receive the number in the same session.
- ICCE provides a set of telephone applications that allow individual taxpayers to interact directly with their accounts. Consolidating logic for telephone applications reduces overall costs as

standard solutions are applied to what was a specialize arena.

- ICCE Online Services (OLS) WEB services & mobile applications. This suite of products is designed for the taxpayer on the go to be used via smart phone technology, applications include (Foreign Account Tax Compliance Act Foreign Financial Institution (FATCA FFI) Look-up Tool, Offer In Compromise (OIC) Calculator, Return Preparer Look-Up Tool, IRS2Go, Volunteer Income Tax Assistance (VITA) and Search).

Return on Investment:

Due to the automation of taxpayer services, the government and taxpayers realize significant time savings as a result of the ICCE investment. The ICCE team continues to identify appropriate automated self-service features to incorporate into future releases to meet the challenge of increased automation.

The primary benefits defined for ICCE are due to productivity improvement in the cost per taxpayer contact. Currently, the toll-free phone service and internet inquiry features create significant savings of over \$400 million per year when compared to the cost of live Customer Service Representative handling.

Estimates show a cost of approximately \$0.71 per completed toll-free automated call compared to the cost for live Customer Service Representative and a cost of \$0.13 per web inquiry compared to the cost of CSR's.

The ICCE Alternatives Analysis estimates benefits for FY16, (mainly from Productivity Improvement) at \$539 million. The Return on the Investment (ROI) for ICCE in FY16 is derived by dividing this number by FY16 costs. It calculates to the return of 3400 percent.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: ICCE directly supports the Treasury Strategic Goal to Pursue Comprehensive Tax and Fiscal Reform by improving service to increase voluntary compliance.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

FY15

- Prioritize and gain approval for Enhancement and Operations & Maintenance Unified Work Requests for the application suite.
- Maintaining security standards by performing reviews and scans and correcting any findings.
- Correcting application defects in accordance with business rules.
- Deployment of Foreign Account Tax Compliance Act application Release 1.1, Drop 2.
- Deployment of updates to the Federal Student Aid Datashare application.
- Deployment of updates and enhancements to the Get Transcript application.
- Deployment of updates and enhancements to the Online Payment Agreement.

FY16

- Prioritize and gain approval for Enhancement and Operations & Maintenance Unified Work Requests for the application suite
- Maintaining security standards by performing reviews and scans and correcting any findings

- Correcting application defects in accordance with business rules
- Deployment of updates to the Federal Student Aid Datashare application.

Details of Useful Life Period:

Year the investment began: 1992

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Reduction in the number of Transmittals or requests for corrective changes to production environment, as evidence of improved efficiency.	Financial Performance	Under target	Quarterly	Number of transmittals	45.00	17.00	12/31/2015
Customer Satisfaction (IRS.gov American Customer Satisfaction Index (ACSI Score))	Customer Satisfaction (Results)	Over target	Monthly	number	52.00	68.00	01/31/2016
The percentage of scheduled system availability per the approved Service Level Agreement, as documented monthly by IRS Enterprise Services in the IT Performance Report.	Strategic and Business Results	Over target	Monthly	Percentage	98.00	100.00	01/31/2016
Percentage of taxpayers utilizing IRS web applications and automated Phone Service vs. Customer Service Representatives in order find solutions and answer questions related to tax matters. This is a periodic metric.	Strategic and Business Results	Over target	Monthly	percentage	50.00	83.83	01/31/2016
The number of times taxpayers access IRS web applications to request refund status and other web services. (Internet Refund Fact of Filing (IRFOF), Internet Employee Identification Number (IEIN), Online Payment Agreement (OPA)).	Strategic and Business Results	Over target	Monthly	Number (in millions)	10.00	103.40	01/31/2016
ICCE Health Assessment measures Cost Variance, the difference between planned and actual costs for ICCE DME work.	Financial Performance	Under target	Monthly	percentage	10.00	4.80	01/31/2016
The number of times the ICCE overall schedule slips each quarter.	Strategic and Business Results	Under target	Quarterly	integer	3.00	0.00	01/31/2016

Integrated Data Retrieval System (IDRS)

Type of Investment: Major IT Investment

Description:

Since 1973, IDRS has been a mission-critical system. Used by 60,000 IRS employees, it provides for systemic review, consistency in case control, alleviates staffing needs, issues notices to taxpayers and allows taxpayers to see status of refunds.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	27.70	3.96	3.95	4.01	4.06	4.12	4.17	4.22	56.20
Total DME funding		3.96	3.95	4.01					11.93
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	189.40	12.34	12.32	12.50	12.64	12.84	13.01	13.18	278.22
Total O&M funding		12.34	12.32	12.50					37.16
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	217.10	16.31	16.27	16.51	16.70	16.95	17.18	17.40	334.42
Total Gov FTE Cost	198.32	15.86	15.81	16.05	16.25	16.47	16.68	16.90	312.33
Number of FTE represented by costs	1859.70	113.22	105.50	105.50	108.60	111.90	115.20	118.70	2638.32

Summary of Purpose, Goals, and Benefits:

Operational since 1973, IDRS is a secure, reliable, flexible and mission-critical system consisting of databases and programs supporting IRS employees who are working active tax cases. It manages data retrieved from the Tax Master Files allowing over 60,000 IRS employees who use it daily to take actions on specific taxpayer account issues, track status and post updates back to the Master Files. It provides for systemic review of case status, alleviating staffing needs and providing consistency in case control. For example, each time a taxpayer phones IRS, the person answering the phone uses IDRS to log the call and answer any questions. IDRS issues notices and processes installment agreements, offers in compromise, and adjustments. Actions taken via IDRS include notice issuance, installment agreement processing, offers in compromise, adjustment processing, penalty and interest computations and explanations, credit and debit transfers among accounts and research of taxpayer accounts for problem resolution of taxpayer inquiries. Using data analytics, IDRS enables IRS to efficiently evaluate taxpayer data to inform enforcement and secure legal compliance, both domestically and internationally.

In addition to IRS employees, IRS internet applications depend on IDRS to provide back-end services to enable them to help taxpayers. For example, over 200 million taxpayers ask Where's-my-refund at irs.gov annually and over 3 million business taxpayers obtain Employer Identification Numbers via irs.gov instead of via paper. IDRS enables businesses providing payroll services to submit tax data on behalf of millions of taxpayers and collaborates with registered tax practitioners to reduce the burden of filing Powers of Attorney and Taxpayer Information Authorizations, allowing them to request access to other E-Services. Many kinds of tax information are produced by IDRS to support sending and receiving information to and from other systems within the IRS, SSA, Financial Management Service, State and local governments and tax practitioners.

IDRS is continuously monitored for cost, schedule, and project performance. IDRS serves the taxpayers in many ways and helps address various performance gaps. IDRS' citizen-centered services promote intangible goodwill to citizen's perception of IRS and the Federal Government as well as ensuring consistent, efficient service.

Return on Investment:

In addition to dollar benefits, there are many quantitative and qualitative benefits:

- a. As a result of H.R. 5552, Firearms Excise Tax Improvement Act of 2010, legislation changes the way criminal restitution is assessed, allowing IRS to assess and collect restitution as if it were tax. A new sub-system, Restitution Assessment Project (RAP), was developed and allows employees to create, research, update and delete Restitution Assessment. The Database contains cross-reference information concerning restitution assessments against individuals and businesses. The benefits reduce the amount of adjustments to the financial statement due to duplicate assessments and reporting. Failure to have the ability to view accounts would be a detriment to the IRS's ability to validate and attest that these criminal restitution assessments are collected once as required.
- b. IDRS enables IRS to answer the question Where's-my-refund? over 340 million times each year without assistance of a Federal employee, through www.irs.gov, the IRS2Go smartphone application, and the toll-free telephone number. IDRS annually enables over three million business taxpayers obtain Employer Identification Numbers (EIN) via irs.gov instead of paper copies.
- c. IDRS allows users to submit tax data on behalf of millions of taxpayers and collaborates with registered tax practitioners to reduce the burden of filing Powers of Attorney and Taxpayer Information Authorizations, allowing them to request access to other E-Services. Without access to other E-services there would be additional costs to taxpayers and IRS.
- d. IDRS is the only system within IRS that directly services taxpayer accounts in a real-time environment. Each year, Congress passes legislation (Foreign Account Tax Compliance Act, Patient Protection and Affordable Care Act and Firearms Excise Tax Improvement Act) that mandates form creation or revision. Without consistent IDRS updates, IRS would not be able to maintain the consistency and integrity of tax cases, which would negatively impact the integrity of the nation's tax system.
- e. Collected over \$202 million in Installment Agreement (IA) User Fees and over \$2.8 billion in Direct Deposit Installment Agreement payments in FY2015.
- f. The IDRS Identity Theft Command Code allows IRS to credit ID theft victims faster and automatically update the accounting system for stolen refunds. In FY2015, there were 301,758 ID theft transactions, crediting victims over \$1.174 billion.

Requirements/ Benefits/ Mandates:

Legislative Mandate: Without consistent IDRS updates, IRS would not be able to maintain the consistency and integrity of tax cases, which would negatively impact the integrity of the Government's tax system and subsequent legislation. Each year legislation is enacted that impacts the Internal Revenue Code (26 USC), mandating the creation or revision of forms and/or systems used to collect and process the mandated information, which in turn requires updates to IDRS. A few examples of the statutes that have required updates to IDRS follow: H.R. 5552, Firearms Excise Tax Improvement Act of 2010, Hiring Incentives to Restore Employment (HIRE) Act of 2010 (PL 111-147), Foreign Account Tax Compliance Act within Hiring Incentive to Restore Employment Act (PL 111-147), Patient Protection and Affordable Care Act (ACA) (PL 111-148), American Recovery and Reinvestment Act (ARRA) (PL 111-5), Economic Stimulus Act of 2008 (PL 110-185), Small Business and Work Opportunity Tax Act (PL 110-28).

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: The Treasury Strategic Plan for FY 2014-2017 has one goal and related objective that IDRS supports. Goal 3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems. Objective 3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code.

IDRS supports the "IRS Strategic Plan 2014- 2017", under "Strategic Foundations: Invest for Organization Excellence", Goal One, "Deliver high quality & timely service to reduce taxpayer burden & encourage voluntary compliance." Objective one is to "design tailored service approaches with a focus on digital customer service to meet taxpayers' needs, preferences & compliance behaviors in order to facilitate voluntary compliance".

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

Future development efforts are limited primarily to legislatively mandated tax law changes. Continue implementing customer-approved work requests, to enable IRS employees and systems that depend on IDRS, to ensure compliance with current tax law while providing quick and accurate service to taxpayers.

Current Year FY2016:

Development for legislatively mandated tax law changes and customer requested modernization and enhancement and FY2016 Maintenance (for example, incorporate filing season format and validation changes). Examples of currently planned changes to IDRS include, but are not limited to, the following:

- Implement additional functionality for key provisions of the Patient Protection and Affordable Care Act (PL 111-148): enable split spousal assessments of the individual shared responsibility payment for provision 5000A; also extend implementation of Provision 4980H to include maintenance of an Applicable Large Employer code originating from new ACA information returns;
- Further improve efforts to fight identity theft including credits to the taxpayer's account to restore child support offsets from fraudulent refunds; and,
- Correction of Failure To Pay penalty computation when refundable credit reversals are involved.

Budget Year FY2017:

FY17 Development for legislatively mandated tax law changes and customer requested modernization and enhancement and FY17 maintenance (for example, incorporate format and validation changes).

- Patient Protection and Affordable Care Act (PL 111-148): Extend provision 4980H implementation to include assessments of the employer shared responsibility payment and collection of the assessment.
- Receive individual master file data from the CADE2 database as the authoritative source for IDRS.
- Analysis and design of a new CADE2 TS2 process to extract IDRS specific status, notice history, and case management data to update the CADE2 database. This will provide an audit trail of case management history and address material weaknesses related to financial classification.

Details of Useful Life Period:

Year the investment began: 1973

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB

Circular A-131.: This investment covers ongoing functionality with no retirement date. We are using 5 year standard Period of Performance (POP).

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Percentage of certified letters printed centrally versus locally. These notify business and individual taxpayers of issues. This aligns with IRS goals to improve taxpayer service and enhance enforcement of tax law. To measure this steady state performance metric, calculate the percentage of certified letters printed centrally versus locally out of all certified letters printed.	Financial Performance	Over target	Semi-Annual	Percentage. Percentage of certified letters	95.10	97.40	09/30/2015
Percentage of IDRS system availability, per an approved service level agreement, as documented by IRS Information Technology Enterprise Services for "Essential Business Systems".	Customer Satisfaction (Results)	Over target	Monthly	Percentage of system availability	95.00	100.00	12/31/2015
1. Individual taxpayer usage of "Where's my refund?" feature through www.irs.gov, IRS2Go smartphone application or automated, toll-free telephone number. This feature allows taxpayers to find out the status of their refunds without the assistance of a Federal employee. The target for this steady state performance metric is usage equal to 100 percent of the average usage during typical processing years.	Strategic and Business Results	Over target	Monthly	Pct; Usage equal to avg. typical processing years	9.20	38.10	01/31/2016
Business taxpayer usage of www.irs.gov to obtain Employer Identification Numbers (EINs). This feature lets taxpayers obtain EINs on-line instead of mailing form SS-4 "Application for EIN", which requires assistance of an IRS employee. It reduces the expense and difficulty of doing business with the Government and has environmental impact. The target for this steady state performance metric is usage equal to 100 percent of the average usage during typical processing years.	Strategic and Business Results	Over target	Semi-Annual	Pct; Usage equal to avg. typical processing years.	100.00	136.60	09/30/2015
IRS staff usage of IDRS. The Command Code TXMOD allows approximately 60,000 taxpayer-facing IRS employees to retrieve taxpayer records quickly, accurately, and securely when responding to taxpayer inquiries and conducting examinations. TXMOD displays tax data for specific taxpayers for specific periods. The target for this steady state performance metric is TXMOD usage equal to 100 percent of the average usage during typical processing years.	Strategic and Business Results	Over target	Monthly	Pct; Usage equal to avg. typical processing years	17.40	16.60	12/31/2015

Integrated Financial System/CORE Financial System (IFS)

Type of Investment: Major IT Investment

Description:

IFS is the IRS' core financial system used for budget, payroll, accounts payable/receivable, general ledger functions and financial reporting. IRS uses IFS to report on the cost of operations and manage budgets by fiscal year.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	228.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	228.05
Total DME funding		0.00	0.00	0.00					0.00
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	201.26	8.39	2.81	4.23	4.29	4.36	4.42	4.49	234.25
Total O&M funding		8.39	2.81	4.23					15.42
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	429.31	8.39	2.81	4.23	4.29	4.36	4.42	4.49	462.30
Total Gov FTE Cost	38.54	3.14	2.61	2.65	2.68	2.72	2.75	2.79	57.87
Number of FTE represented by costs	101.39	20.56	17.67	17.67	17.67	17.67	17.67	0.00	210.30

Summary of Purpose, Goals, and Benefits:

Integrated Financial System (IFS) is the core financial system used by the IRS for budget, payroll, accounts payable, accounts receivable, general ledger functions and financial reporting. The IFS system provides the ability to accountants, budget, and financial management analysts to effectively manage U.S. Government finances for the Internal Revenue Service and respond to audit requests in support of a clean audit opinion. IFS allows the IRS to pay its bills on time while meeting the myriad of Federal financial regulations and accounts for how the budget is spent. The main stakeholder of IFS is the CFO organization.

Return on Investment:

By leveraging a Federal version of SAP COTS software, IFS provides a reliable, standardized and auditable platform for budget, payroll, accounts payable, accounts receivable, general ledger functions and financial reporting. The most immediate quantifiable benefit from the recent IFS update is the time spent in system configuration. The old method used to derive a General Ledger account was tedious and error prone. The upgraded method is part of the budgetary ledger and will cause far fewer posting errors. IFS allows the IRS to annually close its books and return the system to users in less than 3 days, supports monthly financial closures in less than 3 days, and provides the ability to input transactions with a .4 second response time. By implementing the latest version of SAP, IFS is on the upgrade path required to more easily meet new government accounting requirements which will be included in future SAP releases. The upgraded method is part of the budgetary ledger and will cause far fewer posting errors. By implementing the latest version of SAP, IFS is on the upgrade path required to more easily meet new government accounting requirements which will be included in future SAP releases.

Requirements/ Benefits/ Mandates:

Legislative Mandate: Federal Financial Management Improvement Act of 1996/OMB Circular A-127 prescribes policies and standards for executive departments and agencies to follow when managing their financial management systems.

Chief Financial Officers Act of 1990, Sets forth congressional findings with respect to the financial management systems of the Federal Government. Requires an audit of each financial statement prepared under this Act.

OMB Circular A-136 Financial Reporting requirements establishes a central point of reference for all Federal financial reporting guidance for Executive Branch departments, agencies, and entities required to submit audited financial statements, interim financial statements.

Government Management and Reform Act of 1994 is to improve the efficiency of executive branch performance in implementing statutory requirements for reports to Congress and committees such as the elimination or consolidation of duplicative or obsolete reporting requirements and adjustments.

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: IFS supports Treasury's Strategic Goal to Manage the Government's Finances in a Fiscally Responsible Manner by modernizing the IRS' core financial system and standardizing our accounting practices while continuously improving our operations and processes to generate efficiency savings.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

During PY2015, IFS supported a new data interface to support the transition from GovTrip to E-Gov Travel Service 2.0 (ETS2). IFS completed standard maintenance patches, year-end close, and supported the GAO audit. During BY2016, IFS will be updating its Business Warehouse (BW) software to the current SAP COTS version as well as migrating the BW infrastructure to Virtual Linux. IFS will complete standard maintenance patches, year-end close, and support the GAO audit responding to audit findings (if any). For the BY and budget out years IFS will complete standard maintenance patches, year-end close, and address any GAO findings. In FY2016 IFS will be making system updates to support the Federal Data Act and enhance Fixed Asset Accounting. IFS will also make changes as necessary to support ongoing Federal Financial System mandates.

Details of Useful Life Period:

Year the investment began: 2001

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
The percentage of scheduled system availability per the approved Service Level Agreement, as documented monthly by IRS Enterprise Services.	Strategic and Business Results	Over target	Monthly	Percentage	99.00	100.00	01/31/2016
Complete monthly financial close process and submit Treasury Information Executive Repository (TIER) report within 3 days after month end.	Financial Performance	Under target	Monthly	Number of days	3.00	3.00	01/31/2016
Percentage of end user issues (aka, Priority 1 and Priority 2 tickets, equating to severity) eliminated or remediated within timeframes established in the approved Service Level Agreement.	Strategic and Business Results	Over target	Monthly	percentage	90.00	90.00	01/31/2016
Percentage of timely implementation per IFS maintenance schedule (i.e. deployment) of IFS server patches including Solaris, Veritas, Oracle, SAP and Informatica	Strategic and Business Results	Over target	Quarterly	percentage	100.00	100.00	01/31/2016
Percentage of interface failures requiring transmission to system	Financial Performance	Over target	Monthly	percentage	95.00	95.00	01/31/2016
Timely availability of environments for Mocks and testing	Customer Satisfaction (Results)	Over target	Quarterly	Percentage	100.00	100.00	01/31/2016

Integrated Submission and Remittance Processing System (ISRP)

Type of Investment: Major IT Investment

Description:

ISRP is the legacy frontline tax processing system that processes paper tax returns from individuals and businesses. It also updates tax forms to comply with tax law changes.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	1.32	0.13	0.23	0.23	0.23	0.23	0.23	0.23	2.82
Total DME funding		0.13	0.23	0.23					0.59
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	152.26	10.47	10.87	11.07	11.27	11.48	11.68	11.89	231.00
Total O&M funding		10.47	10.87	11.07					32.42
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	153.58	10.60	11.10	11.30	11.50	11.70	11.91	12.12	233.82
Total Gov FTE Cost	15.08	2.42	1.65	1.67	1.70	1.72	1.74	1.76	27.75
Number of FTE represented by costs	112.81	18.13	11.00	11.00	11.00	11.00	11.00	11.00	196.94

Summary of Purpose, Goals, and Benefits:

The Integrated Submission and Remittance Processing (ISRP) system is a mission critical operations and maintenance project that processes tens of millions of tax returns and deposits billions of dollars to the U.S. Treasury on a yearly basis. ISRP is an integrated suite of hardware, software and network components that provides the interfaces for data entry perfection and transmission of data to IRS Corporate data storage. ISRP Data Entry Operators enter the information from various paper documents, which are then converted into electronic data used by downstream operations such as Financial Information Systems. ISRP also updates tax forms to comply with legislative changes in tax laws. There is a system dependence on various IRS applications such as Generalized Mainline Framework (GMF), Enhanced Entity Index File (EEIF), Integrated Data Retrieval System (IDRS), and Enterprise File Transfer Utility (EFTU).

Return on Investment:

The service ISRP provides is crucial to taxpayers (both individual and corporate), and to the U.S. Department of the Treasury, as tens of millions of returns and billions of dollars in receipts are processed by ISRP each year. The cost of updating, operating, and maintaining ISRP has been reduced by more than 40 percent since 2010. Part of Treasury's Mission for Fiscal Years 2012-2015 is to "operate and maintain systems that are critical to the Nation's financial infrastructure, such as disbursing payments to the American public, and collecting taxes". ISRP supports both of these functions by: Collecting taxes, duties, and monies paid to and due to the United States and Enforcing Federal finance and tax laws.

The service that ISRP provides to taxpayers is strategic and imperative. Even though, most individual and corporate taxpayers have switched to submitting their forms and payments electronically, millions still submit their forms and payments on paper. Electronic versions do not cover all forms and payment vouchers and ISRP is the only system at the IRS that can support this taxpayer requirement.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: ISRP addresses the U.S. Department Treasury Goal 3, Fairly and effectively reform and modernize federal financial management, accounting, and tax systems, Objective 3.3, Pursue tax reform, implement the Patient Protection and Affordable Care Act (ACA) and Foreign Account Tax Compliance Act (FATCA) improving the execution of the tax code.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

Developed changes required by legislative tax law mandates. ISRP deployed ACA Changes. ISRP Image Capture Server (ICS) installs were completed at all sites. ISRP completed the deployment of MS Server 2008 and SQL 2008. Captured Form 8938 data for FATCA and transferred downstream to the Compliance Data Warehouse (CDW).

Future objectives: Deliver legislatively mandated Tax Year Changes to keep ISRP up-to-date. Program, test, and deploy new Affordable Care Act (ACA) functionality. Deploy security patches, maintenance and firmware updates. Consider proposals and options to leverage functionality between the ISRP and SCRIPS systems to improve efficiency and continue to reduce costs. ISRP will send FATCA information from Forms 8938, 8966, and 1042-S (Recipient copy) to the International Compliance Management Model (ICCM).

Details of Useful Life Period:

Year the investment began: 1998

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: ISRP utilizes a life cycle approach that involved an initial period of development followed by a period of operational spending, with periodic legislative and/or regulatory updates. This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Scanner/ Transport HARDWARE Response Timeliness Percentage of Priority Trouble Tickets (P1) Maintenance Response within 2 hours.	Strategic and Business Results	Over target	Monthly	Percent	97.00	99.98	12/31/2015
Production Problem Resolution and Reporting - Number of high priority trouble tickets (P1) not closed within 4 hours.	Strategic and Business Results	Under target	Monthly	numeric	0.00	0.00	12/31/2015
System Availability (Uptime) - Percent of up time hours (actual uptime hours/planned uptime hours).	Financial Performance	Over target	Monthly	Percent	99.00	100.00	12/31/2015
Production Problem Resolution and Reporting - Number of priority trouble tickets (P2) not closed timely within 24 hours	Customer Satisfaction (Results)	Under target	Monthly	Numeric	1.00	0.00	12/31/2015
Percentage of daily ISRP deposits made in accordance with IRM 3.0.275.	Strategic and Business Results	Over target	Monthly	Percent	70.00	95.50	12/31/2015

IRS End User Systems and Services (EUSS)

Type of Investment: Major IT Investment

Description:

The End User Systems and Services (EUSS) investment provides desktops, laptops, mobile devices, software, incident management services, and asset management services to all end users in the IRS.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total DME funding		0.00	0.00	0.00					0.00
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	883.14	198.57	213.84	193.36	196.21	199.09	202.02	204.99	2291.22
Total O&M funding		198.57	213.84	193.36					605.78
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	883.14	198.57	213.84	193.36	196.21	199.09	202.02	204.99	2291.22
Total Gov FTE Cost	523.06	115.93	130.99	138.85	140.66	142.48	144.34	146.21	1482.52
Number of FTE represented by costs	2224.97	1018.07	1014.65	1057.15	1057.15	1057.15	1057.15	1057.15	9543.44

Summary of Purpose, Goals, and Benefits:

The End User Systems and Services (EUSS) Investment supports the IRS day-to-day end user products and services for over 85,000 IRS employees at headquarters and field sites. The products and services provided are such things as desktops, laptops, mobile devices, software, incident management services, and asset management services.

The investment goal is to provide reliable, secure, innovative and cost effective computer hardware, software and services that enable communication, collaboration and business capabilities in support of the IRS mission.

The EUSS investment provides operations and maintenance support delivering a secure and stable IT infrastructure provisioning and managing assets by improving existing utilization, streamlining processes, and delivering services consistent with industry trends and long term investment planning in the IRS production environment. The investment will implement enterprise-wide analytics and research capabilities to ensure timely informed decisions strategies are made. In support of improving efficiency and productivity for all IRS employees, the investment is implementing World Class Service strategies to deliver exceptional performance and service by meeting or exceeding industry performance standards through enhanced customer experience and innovation, driving to a transformative culture of self-sufficiency through tools and pro-active education and service, and to drive efficiency through channel segmentation, demand management, and performance measures and to implement where budget allows, new technologies and interactions to enable more frequent and effective user communication.

Return on Investment:

The EUSS Investment is an Operation & Maintenance investment therefore does not provide a

return on investment. EUSS is constantly integrating new technologies into the infrastructure to provide cost benefits and service improvements to the environment.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: Objective 5 Invest in innovative, secure technology needed to protect taxpayer data and support taxpayer, partner and IRS business needs.

Presidential Priority: The Investment supports Executive Order (EO) 13693, Planning for Federal Sustainability in the Next Decade (previous EO was 13423), signed by President Obama on 19 March 2015. eiPower is an initiative to comply with the EO.

Other Requirement: N/A

Accomplishments and Future Objectives:

FY16 (CY): Continue providing customers with all required hardware, software and maintenance support needed. Complete the networking of Copy/Multifunction Devices and standup network print management operations; BYOD expand to more users and offer proven secure COTS apps as appropriate. Implement initial solution for BYO computer to target use cases, based on evaluations and technology demonstrations. Continue implementing the Desktop Virtualization Technology Demonstrations.

FY17 (BY): Continue to provide customers with all required hardware, software and maintenance support needed. Use Cloud Computing software as a service to evaluate solutions for common services (email, collaboration, etc.) and identify best candidates. Windows 10 for the going forward desktop strategy and leverage virtualization to redefine user experience. Continue upgrading clients to Win10 and Office 2013.

BY+1: Operations and Maintenance requirements are expected to continue. Continue to complete Windows upgrades, with diminished footprint due to reduced need for full desktop. The virtualization and cloud based solutions will change desktop/laptop service model. Use Cloud Computing software as a service to expand evaluation of chosen candidate to larger technology demonstration then initiate business case analysis. .

BY+2: Operations and Maintenance requirements are expected to continue. Continue to complete Windows upgrades, with diminished footprint due to reduced need for full desktop. The virtualization and cloud based solutions will change desktop/laptop service model. Use Cloud Computing software as a service to expand evaluation of chosen candidate to larger technology demonstration then initiate business case analysis. .

BY+3: Operations and Maintenance requirements are expected to continue.

BY+4 and beyond: Operations and Maintenance requirements are expected to continue.

Details of Useful Life Period:

Year the investment began: 2002

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using a 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
First Level Resolution - Measures the percentage of IT interactions closed at the First Level (i.e. by the Enterprise Service Desk (ESD)).	Financial Performance	Over target	Monthly	Percentage	60.00	61.99	01/31/2016
Speed of Answer (Service Desk) - measures the average amount of time a customer waits in the Service Desk queue before reaching a Service Desk Representative. The time does not include the time an employee spends listening to the Front End Message (FEM)	Strategic and Business Results	Under target	Monthly	Minutes	8.00	5.62	01/31/2016
USGCB Compliance - Measures the percentage of workstations that have settings configured that are compliant to pass baseline security scans	Strategic and Business Results	Over target	Monthly	Percentage	90.00	99.85	01/31/2016
EUSS Percent on Time Priority 3 measures the timeliness of resolution against the standards contained in the Master Service Level Agreement (MSLA), two business days.	Customer Satisfaction (Results)	Over target	Monthly	Percentage	87.00	97.55	01/31/2016
Call Handle Time - measures the average amount of time it takes a Customer Service Representative to complete a service call	Strategic and Business Results	Under target	Monthly	Minutes	25.00	19.62	01/31/2016

IRS Main Frames and Servers Services and Support (MSSS)

Type of Investment: Major IT Investment

Description:

Provides for the design, development and deployment of server, middleware and large systems and enterprise storage infrastructures, including systems software products, databases and operating systems for these platforms.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total DME funding		0.00	0.00	0.00					0.00
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	4649.28	478.50	417.02	468.18	536.84	545.66	554.62	563.73	8213.84
Total O&M funding		478.50	417.02	468.18					1363.71
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	4649.28	478.50	417.02	468.18	536.84	545.66	554.62	563.73	8213.84
Total Gov FTE Cost	433.48	225.13	224.48	228.32	231.29	234.30	237.34	240.43	2054.77
Number of FTE represented by costs	5088.90	1668.75	1601.28	1604.78	1604.78	1604.78	1604.78	1604.78	16382.83

Summary of Purpose, Goals, and Benefits:

Provides for the design, development and deployment of server, middleware and large systems as well as enterprise storage infrastructures, including systems software products, databases and operating systems for these platforms. Provides 24x7 IT Operations and Maintenance to all Tier I and Tier II production systems responsible for the daily operation of the IRS batch and online processing environments.

Return on Investment:

Benefits from infrastructure are derived from on-going and improved tax systems usage.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: N/A

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

The Mainframes and Servers, Services and Support (MSSS) investment plans to deliver a successful filing season through the efficient management and maintenance of infrastructure operations. The MSSS investment will accomplish this by ensuring continued support for the design, development and deployment of servers, middleware and large systems as well as enterprise storage infrastructures, including software products, databases and operating systems for these platforms.

Details of Useful Life Period:**Year the investment began:** 1970**End Year of the current planning cycle:** 2022**Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.:** This investment covers ongoing functionality with no clear retirement date. We are using a 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.**Performance Evaluation and Metrics:**

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Percentage of Uptime for the ACS, ICS and IDRS Databases	Strategic and Business Results	Over target	Monthly	percentage	98.00	100.00	12/18/2015
Percentage of Priority Tickets Triaged in 30 minutes by ITOCC Server/Network & Mainframe Monitoring/Triage Branch Systems Administrators	Customer Satisfaction (Results)	Over target	Monthly	percentage	90.00	100.00	01/07/2016
Percentage of Server Environment Virtualized	Strategic and Business Results	Over target	Monthly	percentage	62.00	63.97	12/22/2015
Success Rate Percentage for Automated Deployment of Infrastructure Component Packages to Production - Using the Package Based Promotion Tool	Strategic and Business Results	Over target	Monthly	percentage	95.00	99.03	12/29/2015
Number of Standard Employee IDs with Elevated Access are Reduced	Financial Performance	Under target	Quarterly	Number	3000.00	2166.00	11/30/2015

IRS Telecommunications Systems and Support (TSS)

Type of Investment: Major IT Investment

Description:

The Telecommunications Systems and Support (TSS) investment supports the voice and data network infrastructure services, video services and engineering throughout the IRS.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total DME funding		0.00	0.00	0.00					0.00
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	1279.14	299.32	276.18	286.04	291.03	296.18	301.42	306.76	3336.07
Total O&M funding		299.32	276.18	286.04					861.54
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	1279.14	299.32	276.18	286.04	291.03	296.18	301.42	306.76	3336.07
Total Gov FTE Cost	264.08	66.16	61.11	62.69	63.50	64.33	65.16	66.01	713.05
Number of FTE represented by costs	988.24	505.07	476.15	481.15	481.15	481.15	481.15	481.15	4375.21

Summary of Purpose, Goals, and Benefits:

The Telecommunications Systems and Support (TSS) investment supports the IRS's broad and local network infrastructure services such as WANs, LANs, routers, switches, video conference service, enterprise fax service, and voice service for over 85,000 IRS employees at about 1,000 IRS locations.

The goal of the investment is to provide the IRS with reliable, secure, innovative, and cost-effective technology and services that enable communication, collaboration and business capabilities in support of the IRS mission.

The TSS investment provides operations & maintenance support and projects which provide remote access, voice telephony, voicemail, contact center support and video conferencing. The investment is responsible for secure management of voice and data networks, video services and engineering throughout the IRS, in support of the IRS mission. The investment continues to implement enterprise wide analytics and research capabilities to ensure that timely informed decisions strategies are made which will allow for delivery of exceptional performance and service by meeting or exceeding industry performance standards. TSS invests in innovative, secure technology needed to protect taxpayer data and support taxpayer, partner and IRS business needs. The investment realizes operational efficiencies and effectively manages costs by improving enterprise-wide resource allocation and streamlining processes. The investment continues delivery of services and products to IRS employees which directly translates into service to taxpayers. Consistent and well-coordinated planning of the investment results in improved customer service that leads to higher quality, improved system stability, and reliability for all stakeholders.

Return on Investment:

The TSS Investment is an Operation & Maintenance investment therefore it does not provide a return on investment. TSS is constantly upgrading the infrastructure with new technologies leading to a more stable, secure, and cost effective environment.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: Objective 5 Invest in innovative, secure technology needed to protect taxpayer data and support taxpayer, partner and IRS business needs.

Presidential Priority: This investment supports the Office of Management and Budget (OMB) mandate dated September 28, 2010 for all federal agencies to transition from Internet Protocol Version 4 (IPv4) to Internet Protocol Version 6 (IPv6) operationally in two phases over the next few years.

Other Requirement: N/A

Accomplishments and Future Objectives:

FY16 (CY): Continue to provide customers with all required operation & maintenance support needed. Transition to native IPv6 in production. Implement TNET Hub redesign phase 2 and WAN acceleration proof of concept. IUP will begin the Phase 2 enterprise-wide replacement of the ACDs.

FY17 (BY): Continue to provide customers with all required operation & maintenance support needed. Unified Communications nears completion, providing quality video and voice over IP. Implement video strategy. Procure TNET replacement WAN services. Implement TNET native IPv6.

FY 18 (BY+1): Continue to provide customers with all required operation & maintenance support needed. Complete Unified Access & Segmentation rollout. Leverage new capabilities to support remote workforce and case management. Integrate Unified Communications across multiple user environments/clients (Windows, virtual, Cloud, mobile). Evaluate and demonstrate next generation Unified Communications and SDN technologies.

FY19 (BY+2): Continue to provide customers with all required operation & maintenance support needed. Complete Unified Access & Segmentation rollout. Leverage new capabilities to support remote workforce and case management. Integrate Unified Communications across multiple user environments/clients (Windows, virtual, Cloud, mobile). Evaluate and demonstrate next generation Unified Communications and SDN technologies.

FY20 (BY+3): Continue to provide customers with all required operation & maintenance support needed.

FY21 (BY+4): Continue to provide customers with all required operation & maintenance support needed.

Details of Useful Life Period:

Year the investment began: 2001

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
GSP Compliance (Network Devices) - measures the percentage of network devices that meet GSP (Guidelines Standards and Procedures) standards	Strategic and Business Results	Over target	Monthly	Percentage	95.00	95.51	01/31/2016
WAN Availability - measures the percentage of availability of Wide Area Network (WAN) Services	Financial Performance	Over target	Monthly	Percentage	99.95	100.00	01/31/2016
LAN Availability - measures the percentage of availability of Local Area Network (LAN) Services	Strategic and Business Results	Over target	Monthly	Percentage	99.95	99.96	01/31/2016
Internet Access Availability - measures the percentage of internet availability through the three CCGs (Common Communication Gateways)	Customer Satisfaction (Results)	Over target	Monthly	Percentage	99.80	100.00	01/31/2016
GSP Compliance (Network Rules) - measures the percentage of network rules that meet GSP (Guidelines Standards and Procedures) standards	Strategic and Business Results	Over target	Monthly	Percentage	95.00	99.95	01/31/2016

IRS.GOV - Portal Environment

Type of Investment: Major IT Investment

Description:

IRS portal will provide seamless one-stop web-based services to internal and external users, such as taxpayers, business partners, IRS employees, and other government agencies.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	114.58	1.00	1.00	1.00	1.00	1.00	1.00	1.00	121.58
Total DME funding		1.00	1.00	1.00					3.00
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	444.55	67.56	59.61	67.88	69.18	70.52	71.88	73.26	924.45
Total O&M funding		67.56	59.61	67.88					195.05
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	559.13	68.56	60.61	68.88	70.18	71.52	72.88	74.26	1046.02
Total Gov FTE Cost	36.64	4.11	0.00	0.00	0.00	0.00	0.00	0.00	40.75
Number of FTE represented by costs	183.23	24.92	0.00	0.00	0.00	0.00	0.00	0.00	208.15

Summary of Purpose, Goals, and Benefits:

The mission at the IRS is to provide Americas taxpayers top-quality services by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

Return on Investment:

The Integrated Enterprise Portal is an infrastructure hosting and therefore, does not have a direct return on investment. However, the business area such as On-Line Service (OLS) does receive cost savings.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: N/A

Presidential Priority: N/A

Other Requirement: FAR- Subpart 6.2; Full and Open Competition After Exclusion of Sources 6.200 Scope of subpart

This subpart prescribes policy and procedures for providing for full and open competition after excluding one or more sources.

6.201 Policy

- Acquisitions made under this subpart require use of the competitive procedures prescribed in 6.102.

Accomplishments and Future Objectives:

FY 2015 Planned Accomplishment for PUP / RUP /EUP

- Operations and Maintenance

- Filing Season Updates.

FY 2016 Planned Accomplishment for IEP

- Operations and Maintenance
- Filing Season Updates.

FY 2017 Planned Accomplishment for IEP

- Operations and Maintenance
- Filing Season Updates.

Details of Useful Life Period:

Year the investment began: 1996

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment. (Questions T2.b &T2.C).

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Providing a public facing web Portal environment availability of 99.99% that allows taxpayers to meet their tax obligations timely.	Customer Satisfaction (Results)	Over target	Monthly	percentage	99.99	100.00	01/31/2016
Percentage of system response time of search queries completed in less than 3 seconds.	Strategic and Business Results	Over target	Monthly	Percentage	99.00	99.99	01/31/2016
Percentage of system response times of User requests for Website content completed less than 3 seconds.	Strategic and Business Results	Over target	Monthly	Percentage	95.00	93.59	01/31/2016
Providing the percentage of Formal O&M deliverables submitted timely.	Financial Performance	Over target	Monthly	Percentage	90.00	100.00	01/31/2016
Providing a Web portal Content Management System (CMS) that allows availability of 99.99% portal services to meet obligations timely.	Strategic and Business Results	Over target	Monthly	Percentage	99.99	100.00	01/31/2016

Modernized e-File (MeF)

Type of Investment: Major IT Investment

Description:

MeF provides a secure web-based platform for electronic filing of individual and business tax and information returns by registered Electronic Return Originators. Returns are submitted through the Internet in Extensible Markup Language (XML) format.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	301.76	8.94	10.07	14.60	14.87	15.13	15.40	15.68	396.45
Total DME funding		8.94	10.07	14.60					33.61
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	123.15	54.30	44.66	45.45	46.23	47.03	47.84	48.66	457.33
Total O&M funding		54.30	44.66	45.45					144.41
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	424.91	63.23	54.74	60.05	61.10	62.16	63.24	64.34	853.78
Total Gov FTE Cost	76.82	17.15	15.67	16.10	16.31	16.52	16.74	16.96	192.28
Number of FTE represented by costs	524.40	116.98	113.00	115.00	115.00	115.00	115.00	115.00	1329.38

Summary of Purpose, Goals, and Benefits:

The Modernized e-file (MeF) Program provides a secure, web platform for electronically filing tax and information returns by registered Electronic Return Originators (EROs). This system uses a browser-based and application-to-application solution to provide ERO end users with optimized return filing. MeF is becoming the primary system for electronic filing of business and individual tax returns and forms.

The MeF program supports the Treasury and IRS strategic goals by effectively and efficiently using resources to optimize return filing, expand e-Government, and reduce taxpayer burden.

Beneficiaries include the tax preparation community and the taxpayers they represent. MeF also benefits large corporations and tax-exempt organizations that are required at a specific asset threshold to electronically file their tax returns or annual information returns by reducing the handling/mailing of voluminous paper returns which sometimes exceed 700 attachments/schedules.

CY (2015):

- Deploy MeF Release 9.6 which will include changes due to Foreign Account Tax Compliance Act (FATCA), Infrastructure currency activities and maintenance of MeF, including hardware, software, security, helpdesk, training, etc.
- Develop MeF Release 10 which will allow electronic processing of 1040NR and 1040NREZ forms and changes due to ACA, FATCA and maintenance of MeF including hardware, software, security, helpdesk, training, etc.

BY (2016):

Deploy MeF Release 10 which will allow electronic processing of 1040NR and 1040NREZ forms and changes due to ACA, FATCA and maintenance of MeF including hardware, software,

security, helpdesk, training, etc.

Develop MeF Release 11 which will allow electronic processing of Estate Forms 706, 706N, Gift Forms 708, 709 and maintenance of MeF including hardware, software, security, helpdesk, training, etc.

MeF has dependencies with:

irs.gov - Portal Environment

Information Return and Document Matching (IRDM)

Individual Master File (IMF)

Business Master File (BMF)

Tax Return Data Base (TRDB)

Electronic Fraud Detection System (EFDS).

Return on Investment:

Benefits of Modernized e-File (MeF) include a cost savings of \$2 for filing a business return vs. a paper return. As of December 31, 2014 since over 20.5M BMF returns have been accepted this translates to a cost savings of \$41M. For individual returns the cost savings are \$3.13 per return. As of December 31, 2014 over 238M IMF returns have been accepted. The total IMF cost savings are \$745M. Total cost savings for MeF program are therefore \$786M. For FY2014 the total cost expended for MeF is \$49M. As a result the MeF Return on investment is 1604%.

Modernized e-File (MeF) receives and processes e-file returns in an Internet environment. MeF provides for real time processing of acknowledgements, streamlined error detection, standardization of business rules and requirements across form types, capability to attach PDF files, and capability for IRS employees to view MeF return data through the Employee User Portal (EUP) and also the Business Objects Server.

MeF contributes to Treasury's Federal Enterprise Architecture (FEA) Performance Reference Model (PRM) objectives 'Increase Voluntary Tax Compliance'; and 'Increase electronic transactions with public to improve service, prevent fraud and reduce costs'.

Requirements/ Benefits/ Mandates:

Legislative Mandate: 1. Title II, Section 2001 of the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA98) - includes a provision setting a goal of an 80 percent e-file rate for all federal tax and information returns.

2. Worker, Homeownership, and Business Assistance Act of 2009 (H.R. 3548) Section 17 - Requires tax return preparers who expect to file more than 10 tax returns to file such returns electronically.

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: MeF supports the Treasury Strategic Goal of Managing the Government's Finances in a Fiscally Responsible Manner, Objective #2, Expand the use of electronic transactions by providing a secure, web platform for electronically filing tax and information returns by registered Electronic Return Originators (ERO).

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

CY (2015):

- Deploy MeF Release 9.6 which will include changes due to Foreign Account Tax Compliance Act (FATCA), Infrastructure currency activities and maintenance of MeF, including hardware,

software, security, helpdesk, training, etc.

- Develop MeF Release 10 which will allow electronic processing of 1040NR and 1040NREZ forms and changes due to ACA, FATCA and maintenance of MeF including hardware, software, security, helpdesk, training, etc.

BY (2016):

Deploy MeF Release 10 which will allow electronic processing of 1040NR and 1040NREZ forms and changes due to ACA, FATCA and maintenance of MeF including hardware, software, security, helpdesk, training, etc.

Develop MeF Release 11 which will allow electronic processing of Estate Forms 706, 706N, Gift Forms 708, 709 and maintenance of MeF including hardware, software, security, helpdesk, training, etc.

Details of Useful Life Period:

Year the investment began: 2001

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Error rate for electronically filed tax returns	Financial Performance	Under target	Quarterly	percentage	8.00	8.00	12/31/2015
The percentage of scheduled system availability per the approved Service Level Agreement, as documented monthly by IRS Enterprise Operations.	Customer Satisfaction (Results)	Over target	Monthly	percentage	99.00	99.00	01/31/2016
The average number of minutes within which electronic filers receive acknowledgement of their electronically filed tax returns.	Customer Satisfaction (Results)	Under target	Monthly	minutes	5.00	5.00	01/31/2016
Percent of business tax returns processed electronically by MeF.	Strategic and Business Results	Over target	Monthly	percentage	40.00	52.79	01/31/2016
Percent of individual tax returns processed electronically.	Strategic and Business Results	Over target	Quarterly	percentage	80.00	85.45	12/31/2015
Total quarterly cost savings derived from electronically filed tax returns. Savings achieved is based on an average of \$10M target savings per quarter. This a periodic metric.	Strategic and Business Results	Over target	Quarterly	Millions of Dollars. (\$M)	3.00	6.24	12/31/2015

Return Review Program (RRP) (Previously Implement RRP - Replaces EFDS)

Type of Investment: Major IT Investment

Description:

The Return Review Program (RRP) is an automated system designed to maximize fraud detection at the time that tax returns are filed to eliminate the issuing of questionable refunds.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	150.99	30.29	41.45	41.57	54.49	55.47	56.47	57.48	488.21
Total DME funding		30.29	41.45	41.57					113.31
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	0.00	11.32	50.44	51.35	52.29	53.24	54.22	55.21	328.07
Total O&M funding		11.32	50.44	51.35					113.11
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	150.99	41.61	91.90	92.91	106.78	108.71	110.68	112.69	816.28
Total Gov FTE Cost	26.24	10.96	15.01	15.21	15.41	15.61	15.81	16.01	130.24
Number of FTE represented by costs	180.82	70.83	100.50	100.50	100.50	100.50	100.50	100.50	854.65

Summary of Purpose, Goals, and Benefits:

RRP will be the enterprise anomaly detection platform for all anomaly type fraud, noncompliance supporting pre and post refund processes. The purpose of RRP is to implement a framework that will use leading-edge technologies to advance IRS effectiveness in detecting, addressing, preventing tax refund fraud and protecting United States Treasury revenue. Using the analytics capability provided by RRP, the goal is to create predictive fraud and non-compliance detection models, which will seek out subtle data patterns to determine reliability of return data, including the filer's identity.

RRP is critical for IRS mission success in tackling ever-evolving tax schemes in a sophisticated, scalable and adaptable manner. RRP will allow the business operating divisions the ability to perform analytic self-service to facilitate rapid deployment of new rules and models for non-compliance, emerging fraud schemes, and research. In addition, RRP will improve workload management for the business divisions, RRP will develop rules and models that flag potential cases to facilitate case selection and to dynamically route anomalies/exceptions to different treatment streams, thus increasing efficiencies to assist in prioritization of workload.

The future state of RRP will have an expanded role beyond fraud detection. RRP will perform the function of correlating data across multiple data sources. Currently, RRP supports IRS enforcement of international compliance with the Foreign Account Tax Compliance Act (FATCA) through its matching and analysis of withholding data reported by foreign financial institutions to prevent fraudulent refund requests from being paid.

Return on Investment:

The ROI for the RRP Identity (ID) Theft Pilot for Filing Season 2015 was quite impressive. RRP selected 721,000 potential ID Theft Returns that have a refund dollar value of \$4.4 Billion.

Other qualitative benefits both internal and external to the Federal Government that RRP will

provide are as follows:

- RRP will result in improved tax compliance and revenue protection for the U.S. Department of Treasury.
- Pre-refund revenue protection and fraud detection functionality resulting in preventing payment from the Treasury of fraudulent refund claims through data analysis of foreign financial institutions' tax withholding reports to the IRS and the withholding claimed on taxpayers' returns
- Identification of real-time potential fraud/ suspicious activity by using a comprehensive and flexible set of data analytic techniques including risk scoring and anomaly detection, to detect suspicious conditions on returns and react quickly
- Systemic identification of suspected identity theft on tax returns based on entity analytics, resulting in greater revenue protection for the Government and reduced impact to the taxpayers whose identities were stolen
- Off-line simulation of rule and model analytics-based changes using production data to reduce risk
- New entity-based non-compliance and fraud pattern detection through predictive analytics, data mining using external sources and IRS entity history, a business rules engine that enables near real-time response to emerging trends, and Linked Return Analysis (LRA), a comprehensive view of filer's identity and filing history, enabling systemic detection of new fraud.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: Bureau Strategic Plan:

Goal 2: Effectively enforce the law to ensure compliance with tax responsibilities and combat fraud.

Objective 2: Deter and promptly resolve noncompliance by protecting revenue from refund fraud and ensuring appropriate revenue collection.

Agency Strategic Plan:

Goal 3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems.

Objective 3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code.

Goal 5: Create a 21st century approach to government by improving efficiency, effectiveness, and customer interaction.

Objective 5.2: Support effective, data-driven decision-making and encourage transparency through intelligent gathering, analysis, sharing, use, and dissemination of information.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

RRP has successfully deployed Transition State (TS) 1 and Filing Season 2015 (FS15) changes to production and exited the TS1 Deployment Phase (Milestone 5). The Identity Theft Pilot has been deployed to production; this increased the number of ID theft cases. RRP has completed

Data Computing Appliance (DCA) realignment to ensure better performance for end users using Business Objects for reporting. RRP has completed development of the Restart Plan; it has been approved by the Revenue Protection Technology (RPT) Executive Steering Committee (ESC). The Restart Plan focuses on establishing RRP as the analytics platform leveraging enterprise initiatives. RRP implemented the Non-Identity (ID) Theft anomaly detection pilot in September 2015; it is included in RRP FS16 scope. RRP now provides results from analytics as well as taxpayer identification data to the Electronic Authentication system. For FS16, the system will also receive and analyze early W-2 data from several large employers to improve its pre-refund capabilities.

The Withholding and Refund Release 2 functionality will be deployed. Disaster Recovery (DR) will be implemented in quarter one of Fiscal Year 2016. The Release Plan is complete; it identifies the cost, scope and schedule for Phase 1 of RRP. It has been approved by the Governance Board and is scheduled to be approved by the Executive Steering Committee in January 2016. FS17 planning, design, and development efforts will start in Q2 of Fiscal Year 2016 and will include annual and legislative changes.

Details of Useful Life Period:

Year the investment began: 2010

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Service Center Recognition/Image Processing System (SCRIPS)

Type of Investment: Major IT Investment

Description:

SCRIPS is a data capture, management and image storage system that uses high speed scanning and digital imaging to process the 940, 941, K-1, IRP, and ACA-IRP paper returns and converts data to electronic format for processing downstream.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	2.80	0.30	0.75	7.85	0.75	0.75	0.75	0.75	14.70
Total DME funding		0.30	0.75	7.85					8.90
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	164.87	9.43	9.77	9.96	10.15	10.33	10.52	10.72	235.76
Total O&M funding		9.43	9.77	9.96					29.17
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	167.67	9.73	10.52	17.81	10.90	11.08	11.27	11.47	250.46
Total Gov FTE Cost	18.96	1.34	0.82	0.84	0.85	0.86	0.87	0.88	25.43
Number of FTE represented by costs	99.27	9.77	5.50	5.50	5.50	5.50	5.50	5.50	142.04

Summary of Purpose, Goals, and Benefits:

The Service Center Recognition/Image Processing System (SCRIPS) is a major paper input processing system specifically designed to automate the processing of Information Return Processing (IRP) forms, Schedule K-1's (Forms 1041 K-1, 1065 K-1, and 1120 K-1), Form 941 (and associated Schedules B and Schedule R), and Form 940 (and associated Schedule A and Schedule R). In addition, beginning in 2016, SCRIPS will process ACA-IRP Forms 1094-x and 1095-x. SCRIPS scans and stores images of all tax documents processed, saving time by converting the scanned images and data to computer-readable code and providing hardcopy images when requested. This is accomplished using the Optical Character Recognition/Intelligent Character Recognition (OCR/ICR) engine in addition to utilizing 2D bar code recognition which optimizes and automates data entry of the taxpayer data.

SCRIPS is one of the front-end input systems that operates at four IRS Service Centers where forms are received, sorted, and then sent to the scanning areas. SCRIPS sends the electronic taxpayer data to the IRS downstream tax processing systems, including Generalized Mainline Framework (GMF) and Master File for posting to the IRS database, as well as Service-Wide Employment Tax Research System (SWETRS) and Statistics Of Income (SOI) for compliance. Beginning in 2016, SCRIPS will send data to ACA Information Returns (AIR) database for Master Files. Images are archived and retained on the Enterprise Shared Storage platform. IRS Customer Service Representatives can request hard copies of images through the Integrated Data Retrieval System (IDRS).

SCRIPS will deliver legislatively mandated Tax Year Changes to keep SCRIPS up-to-date. Program, test, and deploy new Affordable Care Act (ACA) functionality. SCRIPS processed more than 66 million tax forms in 2015 and expects to process 66 million tax forms in 2016.

Goal 3: Strategic Objectives

Objective 3.1: Improve the efficiency and transparency of federal financial management and government-wide accounting

Objective 3.2: Improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. government

Objective 3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code

SCRIPS provides top quality service to all taxpayers through fair and uniform application of the law.

Return on Investment:

The average cost-per-page to process documents on SCRIPS is between 1/15 and 1/20th the cost that it is on its sister system, the Integrated Submission and Remittance Processing System (ISRP). Even though the cost of maintaining and updating the software is more expensive to perform on SCRIPS than it is on ISRP, especially the Annual Legislative and Forms Changes, the cost savings are realized very early in the Filing Season. In Calendar Year (CY) 2015, SCRIPS scanned 63,193,360 taxpayer documents, and is on track to complete 66,000,000 in CY2016. Considering the total cost to operate SCRIPS per year, including IRS FTE's in the program office, the contract with the vendor for maintenance and support, the cost of Enterprise Operations to support SCRIPS, etc., the break-even point for SCRIPS is about 5.5 million documents. By the end of February of each year, SCRIPS has processed more than 15 million documents. Thus, the break-even point for SCRIPS is achieved before the end of the 2nd month of the Filing Season.

If the ROI is based on the following assumptions, then the ROI for SCRIPS is between 8 and 15.

Assumption 1 - 5 year cost of operations on SCRIPS is roughly \$50,000,000.

Assumption 2 - 5 years of scanned documents, at 90,000,000 per year is 450,000,000.

Assumption 3 - Cost Per Page of processing on SCRIPS is \$1.00 less than ISRP (actual amount is higher).

Assumption 4 - Cost saved for 5 years is \$450,000,000.

Then $(\$450,000,000 - \$50,000,000) / \$50,000,000 = 8$.

If the Cost Per Page for Information Returns (IRP) on SCRIPS is \$.08 versus \$1.90 on ISRP, then:

$((450,000,000 * \$1.82) - \$50,000,000) / \$50,000,000 = 15.38$.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: SCRIPS addresses the U.S. Department of the Treasury Goal 3, Fairly and effectively reform and modernize federal financial management, accounting, and tax systems, Objective 3.3, Pursue tax reform, implement the Patient Protection and Affordable Care Act (ACA) and Foreign Account Tax Compliance Act (FATCA), and improve the execution of the tax code as SCRIPS will begin processing ACA forms 1094-x and 1095-x in Calendar Year 2016.

SCRIPS also satisfies Treasury Goal 5, Create a 21st century approach to government by improving efficiency, effectiveness, and customer interaction, Objective 5.3 Promote efficient use of resources through shared services, strategic sourcing, streamlined business processes, and accountability when SCRIPS implemented an EA compliant system in 2014 that utilizes a Shared Storage platform.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

Delivered legislatively mandated Tax Year Changes to keep SCRIPS up-to-date (2015).
Deliver legislatively mandated Tax Year Changes to keep SCRIPS up-to-date (2016).
Deployed updated Symantec Endpoint Protection (SEP) Version 12 (2014).
Consider proposals and options to leverage functionality between the SCRIPS and ISRP systems to improve efficiency and reduce costs (2016).
Deploy Affordable Care Act (ACA) functionality (2016).
Deploy new Data Perfection Operator workstations (2017).

Details of Useful Life Period:

Year the investment began: 1991

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: SCRIPS utilizes a life cycle approach that involved an initial period of development followed by a period of operational spending, with periodic legislative and/or regulatory updates. This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

Performance Evaluation and Metrics:

Metric Description	Performance Measurement Category Mapping	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
The percentage of time the SCRIPS system is available per month for processing (system up-time).	Financial Performance	Over target	Monthly	percentage	99.00	100.00	01/31/2016
Percent of tax return image print requests fulfilled within 2 days.	Customer Satisfaction (Results)	Over target	Monthly	percent	100.00	100.00	01/31/2016
Maintain a character recognition error rate on scanned forms of no more than 4% per month.	Strategic and Business Results	Under target	Monthly	percent	4.00	4.28	01/31/2016
Number of Moderate Priority (P2) trouble tickets not closed within 24 hours.	Strategic and Business Results	Under target	Monthly	numeric	1.00	0.00	01/31/2016
Number of High Priority (P1) trouble tickets not closed within 4 hours.	Strategic and Business Results	Under target	Monthly	numeric	0.00	0.00	01/31/2016
Average number of tax return-related documents processed per hour (for all sites). This is a seasonal metric.	Strategic and Business Results	Over target	Quarterly	numeric	200.00	247.64	12/31/2015

Web Applications (formerly Online Services (OLS))

Type of Investment: Major IT Investment

Description:

Web Applications will simplify the taxpayer's online experience by providing secure digital communications and more interactive capabilities. Components include: Online Account; eAuthentication; Authorization; Third Party; and Mobile.

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	2.15	11.07	19.19	23.29	27.27	27.87	28.05	49.84	188.73
Total DME funding		11.07	19.19	23.29					53.55
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	4.35	4.44	4.46	9.64	22.90
Total O&M funding		0.00	0.00	0.00					0.00
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	2.15	11.07	19.19	23.29	31.62	32.31	32.52	59.48	211.63
Total Gov FTE Cost	0.00	2.52	6.06	6.14	6.75	7.43	8.17	18.87	55.94
Number of FTE represented by costs	0.00	15.48	36.00	36.00	36.00	36.00	36.00	36.00	231.48

Summary of Purpose, Goals, and Benefits:

The FY 2017 request will lead the IRS to achieving enterprise themes of facilitating voluntary compliance by empowering taxpayers with innovative tools and support and driving more agility and efficiency in IRS operations. The Web Applications investment is a digital-first approach that enhances the taxpayer's online experience, provides secure digital communications, and adds more interactive capabilities to existing web self-service products.

To keep pace with increasing taxpayer demand for IRS service, the IRS must create and enhance online, self-service capabilities for taxpayers, tax practitioners, and internal IRS stakeholders. This allows taxpayers the ability to easily access both public and personal information from their computers, smart phones and tablets and interact digitally with the IRS within a secure framework. Web Applications will drive the IRS transition to digital government and supports the long-term vision of migrating services from expensive traditional channels to the internet. Web Applications will continue to enhance the taxpayer's experience by providing additional self-service options within a secure communications infrastructure.

The IRS goal is to deliver new digital communication channels and migrate service delivery from offline channels to the World Wide Web by implementing Online Account, Advanced Mobile projects; upgrading the eAuthentication Platform; developing Authorization services; and expanding the Third Party Application Programming Interfaces (API).

Return on Investment:

Online Account is a multi-phase effort that provides single sign-on capability to offer taxpayers easy access account-related information. It will provide a consolidated view of taxpayer capabilities with access to applications including Online Payment Agreement, IRS Direct Pay, and Where's My Refund? as well other tools. Online Account will continue to implement additional individual taxpayer capabilities and integrate with other IRS projects that need to

interact with Web Apps to provide better online access for taxpayers.

The IRS2Go Mobile Application will continue to evolve, allowing taxpayers to increase their use of multiple mobile digital devices such as smart phones and tablets as a primary source for accessing information and conducting business. By offering new services tailored for mobile devices, taxpayers will be able to find tax-related information and meet their filing obligations with added convenience and flexibility. Developing a framework for mobile applications to leverage many of the features developed for Online Account provides taxpayers with a new generation of faster and more feature-rich mobile applications.

Upgrade of the eAuthentication system provides more advanced tools and techniques to confirm the identity of taxpayers, which will assist in the registration of individuals, businesses, and tax professionals who wish to use the IRS online digital services. The eAuth upgrade supports externally-hosted applications, providing the IRS with more flexible development options and continued migration of legacy applications to the upgraded platform. The enhancements will also include automated reporting and improve user interface for mobile browsers and mobile applications.

New Authorization services provide the Centralized Access File (CAF) Registration feature and lay the ground work for the Third Party Access Tool (TPAT) capabilities. CAF Registration will allow third-parties to claim their previously assigned CAF numbers online. This is a pre-requisite to TPAT which will allow third-party practitioners the ability to submit Disclosure Authorizations (Form8828), Powers of Attorney (Form2848) and potentially other authorization forms online.

Third Party Expansion of Application Programming Interface (API) will increase the number of tax services available to third parties and broaden the definition of third party to include other federal and state government agencies, as well as commercial tax preparers.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: Long-Term Strategy Needed to Improve Interactive Services; GAO-13-435: Published: Apr 16, 2013. Publicly Released: Apr 16, 2013.

GAO recommended that IRS develop a long-term strategic plan for its web services. While the IRS has already developed a long term strategy on improving web services for taxpayers, we will continue to expand the strategy and make improvements as appropriate. This strategy is a living document that will evolve as priorities and progress are made over time. Based on the GAO recommendations, we will make necessary changes to continue to improve our long term strategy.

Agency Strategic Plan / Annual Performance Plan: The IRS' implementation of Web Apps will support the strategic goals and objectives of the Department of the Treasury as shown below:

Goal 3: Fairly and effectively reform and modernize federal financial management, accounting, and tax systems

Strategic Objective 3.2: Improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. government

Strategic Objective 3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code

Goal 5: Create a 21st century approach to government by improving efficiency, effectiveness, and customer interaction

Strategic Objective 5.2: Support effective, data-driven decision-making and encourage

transparency through intelligent gathering, analysis, sharing, use, and dissemination of information

Strategic Objective 5.4: Create a culture of service through relentless pursuit of customer value.

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

In FY 15, the Web Applications PMO was established providing a single IT point of contact for business partners and establishing foundational capabilities that enable IT to deliver on the Service's vision for Web Applications. Short and long-term scope and requirements for Online Account capabilities were developed and the acquisition and configuration of Dev and Test technical environments was completed. Web Applications will continue striving to provide a user-centric, data-informed approach in order to ensure that taxpayer information is being presented and provided in a way that is easy for a taxpayer to interpret. This will include the release of new and continuing applications providing a wide variety of services to the taxpayer. This will include Third Party Secure Access by APIs, online taxpayer accounts, and Power of Attorney that will provide a better user experience, clearer content, an enhanced portal, and more robust analytics to continuously improve the taxpayer experience.

In the future Web Applications will continue working to enhance online services by enhancing the taxpayer's online experience, providing secure digital communications and add more interactive capabilities. This will include providing enhanced online capabilities and services to tax payers, tax practitioners, and internal IRS stakeholders. Web Applications will provide new taxpayer services by implementing Online Account, Advanced Mobile. Web Applications will be upgrading the eAuthentication Platform and Third Party to provide an expansion of API. These efforts will help provide a better user experience, clearer content, an enhanced portal and more robust analytics to continuously improve the taxpayer's experience.

In the budget out years, Web Applications hopes to continue providing taxpayers the option to communicate digitally. The IRS will achieve significant savings through fewer help desk and informational calls and walk-ins and deliver a greater level of service.

Details of Useful Life Period:

Year the investment began: 2015

End Year of the current planning cycle: 2022

Description of why the investment is not consistent with life cycle model defined in OMB Circular A-131.: Web Applications utilizes a life cycle approach that involved an initial period of development followed by a period of operational spending, with periodic legislative and/or regulatory updates, and no pre-determined end point. Our alternatives analysis is adapted to our life cycle by following the IRS-managed Enterprise Life Cycle process. This investment covers ongoing functionality with no clear retirement date. We are using 5 year standard Period of Performance (POP) - Lifecycle not applicable to overall investment.

NON-IT INVESTMENTS

Criminal Investigations Capital Assets

Type of Investment: Major Non-IT Investment

Description:

This investment is managed by Criminal Investigations

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total DME funding		0.00	0.00	2.96					2.96
Unallocated DME funding		0.00	0.00	-2.96					-2.96
O&M Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total O&M funding		1.00	3.84	2.50					7.34
Unallocated O&M funding		-1.00	-3.84	-2.50					-7.34
Total Cost (Including Gov FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Gov FTE Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of FTE represented by costs	0.00	0.00	0.00	0.00					0.00

Summary of Purpose, Goals, and Benefits:

This investment is managed by Criminal Investigations. These assets are used to protect CI special agents from threats and bodily injury while performing their law enforcement duties including conducting investigations concerning alleged criminal tax fraud violations, financial crimes, and other related offenses.

Return on Investment:

Ensure the safety and security of IRS personnel and property.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: N/A

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

N/A.

Leasehold Improvements

Type of Investment: Major Non-IT Investment

Description:

Leasehold Improvements managed in AWSS

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total DME funding		0.00	0.00	2.96					2.96
Unallocated DME funding		0.00	0.00	-2.96					-2.96
O&M Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total O&M funding		1.00	3.84	2.50					7.34
Unallocated O&M funding		-1.00	-3.84	-2.50					-7.34
Total Cost (Including Gov FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Gov FTE Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of FTE represented by costs	0.00	0.00	0.00	0.00					0.00

Summary of Purpose, Goals, and Benefits:

Many projects undertaken by IRS entail the design, alteration, and furnishing of space either upon acquisition, at lease renewal, or for other purposes, such as supporting space consolidation or reduction. The portion of the project that is captured as a capital asset is reflected in OMB Object Class 3200, Land and Structures, and includes alterations to buildings; fixtures such as elevators, plumbing, power-plant boilers, fire-alarm systems, lighting, heating systems, air-conditioning systems, flooring, and carpeting. The total figure is a sum of the expenditures in that object class for all IRS projects in that particular year.

The benefit of these alterations is that they provide the means for the business unit occupants to perform their mission efficiently and in user-friendly space.

Return on Investment:

The benefit of these alterations is that they provide the means for the business unit occupants to perform their mission efficiently and in user-friendly space. In addition to space reduction associated rent savings, a portion of the investment may provide a savings such as in the area of energy consumption.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: N/A

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

N/A.

Security Equipment

Type of Investment: Major Non-IT Investment

Description:

Security Equipment is managed in AWSS

Investment Anticipated Outlay: (In Millions of \$):

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total DME funding		0.00	0.00	2.19					2.19
Unallocated DME funding		0.00	0.00	-2.19					-2.19
O&M Sub Total (Including Gov FTE) Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total O&M funding		0.00	0.00	0.00					0.00
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Gov FTE Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of FTE represented by costs	0.00	0.00	0.00	0.00					0.00

Summary of Purpose, Goals, and Benefits:

The IRS purchases security equipment such as cameras, digital video recorder system (DVRs), access control panels, and card readers. The IRS uses facility-specific security assessments to prioritize asset needs and develop criteria for replacing equipment in a given facility. Additionally, emergency needs arise over the course of the year. These needs are ranked and funded according to the effect the equipment has on the overall security posture.

The need for equipment can arise at any time, such as when employees are moved into a new building, during internal moves, or intermittently when equipment needs to be replaced. The benefit of this capital asset investment is that it supports the IRS priority to provide a safe and secure environment for its employees, equipment, and facilities.

Return on Investment:

Supports the IRS priority to provide a safe and secure environment for its employees, equipment, and facilities.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: N/A

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments and Future Objectives:

N/A.