

SECTION 55—INFORMATION TECHNOLOGY INVESTMENTS

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Summary of Changes

Incorporates policy and requirements from the IT Budget – Capital Planning Guidance to distinguish from the remaining technical guidance.

Updates the IT Portfolio Summary Structure.

Requires a Budget Account Summary as part of the IT Portfolio Summary.

Introduces two standard commodity IT investments into Part 3.

55.1 Overview

Agencies must submit information on their respective information technology (IT) investment portfolios, using the required formats, as applicable, as stated in the [FY 2018 IT Budget – Capital Planning Guidance](#). This section provides general guidance related to reporting on IT and the templates used to collect that information. Section [25.5](#) provides electronic links to the definitions and specific reporting instructions and exhibits related to budgeting for investments in IT.

Strengthening IT Portfolio Management is a continued focus and commitment to assess the effectiveness of current IT management practices and to address opportunities to improve management of IT resources. Authoritative data is key to providing the ability of IT and business leaders to have data-driven discussions about cost and value of IT to best support business goals. As a Government, we will be exploring the adoption of standardized methodologies for IT costing, geared effectively and consistently (using a data-driven agreed upon framework), communicating the cost of IT, and also attributing that cost to business services.

Updates to this section lay a path for additional changes planned:

- New standard commodity IT Infrastructure and IT Management investments. This year, two standard investments are being introduced: IT Security & Compliance (major) and IT Management (non-major). The intent is to identify additional standard investments, against which all agencies will report, to enable Government-wide comparisons and improved benchmarking metrics.

55.2 Why must I report on information technology investments?

As part of the budget process, OMB is required to develop and oversee a process for IT budgeting and portfolio management, with a detailed focus on all major capital investments, to include “analyzing, tracking, and evaluating the risks, including information security risks, and results of all major capital investments made by an executive agency for information systems”. 40 U.S.C. § 11302. OMB also is responsible for IT Portfolio oversight (44 U.S.C. § 3602), i.e. the use of information technologies to

enhance access of information and delivery of services; and to increase the effectiveness, efficiency, service quality, or transformation of government operations.

Agencies must provide required data on total IT funding using the formats specified in the [FY 2018 IT Budget – Capital Planning Guidance](#). IT funding information should be consistent with the overall agency budget submission (see section [51.19](#)), and your agency’s enterprise architecture (EA), Agency IT Portfolio Summary components, and Major IT Business Case submissions.

IT investment costs must include funding from all Federal budgetary resources (e.g., direct appropriation, collections, transfers, and unobligated balances).

55.3 What specific guidance applies to FY 2017, and when is the information required?

Submissions should be consistent with OMB Fiscal Year 2018 Budget Guidance. The IT Portfolio Summary is required to be submitted to OMB the same day in September, or within one week, of your Agency’s current services baseline budget submission. Timing details on the Major Business Cases are outlined in the [FY 2018 IT Budget – Capital Planning Guidance](#).

Additional updates to the Agency IT Portfolio Summary and Agency Major IT Business Cases may be applicable after final budget release in order to reflect changes in funding levels due to enactment of appropriations. Specific instructions and deadlines for submitting updates, corrections, and final submissions of exhibits will be available on the [OMB MAX Federal Community](#).

Consistent with the Federal Information Technology Acquisition Reform Act of 2014 (Pub. L. No. 113–291) and related OMB guidance, Chief Information Officers (CIOs), Chief Financial Officers (CFOs), and budget officers must coordinate to ensure that IT budget data is consistent with the agency’s budget submission, and must complete “IT Resources Statements” described in section [51.3](#).

Per OMB memo [M-16-10, Requirements for the FY 2018 Budget Process](#), agencies are required to work with their respective OMB representatives to identify information needed to develop program level current services estimates. Such information might include the identification of recurring and non-recurring costs in FYs 2017 and 2018, FTE levels, and personnel costs assuming current services, and estimates of program utilization for FY 2018. Agencies should also work with their OMB representatives to identify key programmatic and budget issues that may require attention from the incoming administration. For IT budget submission, agencies may submit fluctuations within IT investments and the IT portfolio between FY 2017 and FY 2018, as long as these fluctuations are coordinated and consistent with the agency’s overall current services baseline. Within the budget process, agencies also must:

- ensure security of Federal information systems and data, while developing a continuous refresh and modernization process to secure information systems by design;
- account for regular software and product lifecycle refreshment;
- leverage best practices and lessons learned from other organizations to increase agility and flexibility in technology programs.

OMB’s IT Category Management (ITCM) policies, [M-16-02, Category Management Policy 15-1: Improving Acquisition and Management of Common Information Technology: Laptops and Desktops](#), and [M-16-12 Category Management 16-1: Improving the Acquisition and Management of Common Information Technology: Software Licensing](#) provide explicit guidance and targets for agencies that will impact how they formulate and execute their IT budgets. As described in these policies, , agencies are required to follow ITCM policies and to ensure that the budgets incorporate the financial benefits as published by OMB. Agency IT budget submissions will be reviewed to ensure they are implementing these policies. Future guidance will include additional ITCM objectives.

The annual [E-Gov MAX collection](#) of information on expected agency contributions to E-Government and Line-of-Business initiatives for FY 2018 commenced in June 2016. This data collection for the FY 2018 budget reflects some important changes from prior years, including:

- the collection of three years of contribution levels (PY, CY and BY) in MAX;
- a requirement that by August 26, 2016, CFOs certify that required contribution levels are being included in the agency's budget planning to OMB; and
- each agency managing or contributing to E-Government and Line-of-Business initiatives must report as a distinct investment within their IT Portfolio Summary.

55.4 How should agencies align IT investments with their strategic plans?

An agency's IT investment management and reporting of IT investments must clearly demonstrate that each investment is needed to help meet the agency's strategic goals and mission and show how governance processes are used to plan, select, develop, implement, and operate those IT investments. Furthermore, each IT investment should demonstrate the enabling and improvement of mission and program performance. Agencies demonstrate the IT Investment requirements and governance processes through Agency Major IT Business Cases, supporting documentation, Information Resources Management Strategic Plan, Enterprise Roadmap, and Agency IT Portfolio Summary submissions. The agency must further demonstrate how the investment supports a business line or enterprise service performance goal as documented in the agency's enterprise architecture (EA), and annual Enterprise Roadmap submission to OMB. Documents used to manage the planning, development, implementation, and operation of IT investments and documents that demonstrate the outcomes of agency, branch, and bureau governance decisions should be maintained and made readily available if requested by OMB. Agency strategic planning should incorporate the requirement for regular software and product lifecycle refresh.

The individual agency's Agency IT Portfolio Summary submissions are used to create an overall "Federal IT Portfolio," which is published as part of the President's Budget. Agency and OMB portfolio reviews and Budget processes will ensure the selection of IT investments that support the agency's strategic objectives or performance goals, as captured in the agency's Strategic Plan and Annual Performance Plan.

55.5 Do these requirements apply to me?

Agencies must submit information on the Agency IT Portfolio Summary (including the IT Provisioned Services Spending Summary, IT Infrastructure Summary, and Budget Account Summary), and Major IT Business Case, using the format specified in this guidance, as applicable, for Agency annual, quarterly, and regular reporting of their IT budget and IT Management information. This requirement applies to any agency subject to Executive Branch review (see section [25.1](#)), unless otherwise directed.

The following agencies must adhere to these IT reporting requirements:

Department of Agriculture	Department of the Treasury
Department of Commerce	Department of Veterans Affairs
Department of Defense	U.S. Agency for International Development
Department of Education	U.S. Army Corps of Engineers
Department of Energy	Environmental Protection Agency
Department of Health and Human Services	General Services Administration
Department of Homeland Security	National Aeronautics and Space Administration
Department of Housing and Urban Development	National Archives and Records Administration
Department of the Interior	National Science Foundation
Department of Justice	Nuclear Regulatory Commission
Department of Labor	Office of Personnel Management

Department of State
 Department of Transportation

Small Business Administration
 Social Security Administration

Separate guidance may be issued amending the above specifications regarding agency submissions, for non-CIO Council agencies.

55.6 What do I need to know about an agency’s IT Budget and Management Requirements?

The agency’s IT Budget and Management information is composed of two parts:

- 1) Agency IT Portfolio Summary – which includes:
 - a. Agency IT Investment Portfolio Summary - Includes IT investment budget, management, and architecture information, and the following Summary information:
 - b. Agency IT Provisioned Services Spending Summary - Includes IT investment budget and management information by cloud computing deployment model and service model;
 - c. Agency Data Center Spending Summary - Includes an Data Center spending summary for data center costs that the agency owns and operates; and
 - d. Budget Account Summary – Includes a summarized view of IT funding levels associated with budget accounts. This summary is derived from the Funding Sources table in the Agency IT Portfolio Summary.
- 2) Major IT Business Case - Includes detailed IT investment budget and management information for major IT investment

Agency reporting of its IT Portfolio should include all of an agency’s annual IT costs. The agency’s complete IT portfolio must be reported, including all major, non-major, migration related, and funding contributions IT investments. For the FY 2018 budget submission, IT funding levels reported in the Agency IT Portfolio Summary should be consistent with your agency’s budget materials and should be categorized based upon the following four parts:

Category	
Part 1	IT Investments for Mission Delivery
Part 2	IT Investments for Administrative Services and Support Systems
Part 3	IT Investments for Commodity IT Infrastructure and IT Management
Part 4	IT Investments for Grants and Other Transferred Funding to Non-Federal Organizations for Information Technology.

Part 2 includes eGov/LoB and Unified Shared Services Management designated shared services. Previously required Part 4: Grants Management should be included in Part 2. Part 5: National Security Systems should be aligned against the appropriate Part above and will be delineated using investment type identifiers.

Per section [51.3](#), your justification materials should include a section beginning with the words "IT Resource Statements" that provides the following: a statement from the CIO affirming that the CIO has reviewed and approved the major IT investments portion of your budget request; a statement from the CFO and CIO affirming that the CIO had a significant role in reviewing planned IT support for major program objectives and significant increases and decreases in IT resources; and a statement from the CIO and CFO that the IT Portfolio includes appropriate estimates of all IT resources included in the budget request. If for any reason any of the above is not accurate, briefly describe the nature of the inaccuracy. The above statements and discussion must also be included in your agency’s annual assurance statement described in [OMB Circular A-123](#).

Funding levels in the agency’s Agency IT Portfolio Summary should be provided for PY, CY, and BY, as outlined below:

For:	Funding levels in Agency IT Portfolio Summary for Preliminary agency requests	Funding levels in Agency IT Portfolio Summary for President’s Budget request to the Congress
PY (2016)	FY 2016 Likely/Enacted actual level	FY 2016 actual level
CY (2017)	Likely/Enacted for FY 2017	Likely/Enacted for FY 2017
BY (2018)	Agency request for FY 2018	President’s Budget request for FY 2018

Funding levels should be consistent with program-level funding and branch, bureau, and agency summary funding tables, as provided to OMB in the agency budget submission.

Investment funding sources must include all Federal budgetary sources of funding used (e.g., budget authority provided in direct appropriations, amounts available for obligation through collections of fees or other receipts, transfers from trust funds or other Federal sources, or via reimbursement, including payments for services).

55.7 What do I need to know about Major IT Business Cases?

OMB provides specific policy, procedural, and analytic guidelines for planning, budgeting, acquisition, and management of major IT capital investments, which is defined within the [FY 2018 IT Budget – Capital Planning Guidance Appendix C](#), in addition to general guidance issued in OMB Circular A-11 and [OMB Circular A-130](#).

An agency’s Major IT Business Cases describe the justification, planning, implementation, and operations of individual capital assets included in the Agency IT Portfolio Summary and serve as key artifacts of the agency’s EA and IT capital planning processes. The Major IT Business Case is comprised of two components:

- 1) The Major Business Case itself which provides key high-level investment information to inform budget decisions, including general information and planning for resources such as staffing and personnel.
- 2) The regular information updates to the Major IT Business Case, which provides more temporal information, related to tracking management of an investment, such as projects and activities, risks, and operational performance of the investment. This includes the CIO’s responsibility to assess each Major IT Investment pursuant to 40 U.S.C. § 11315(c)(2).

Complete details on specifications for completing Agency IT Portfolio Summary and Major IT Business Cases are provided in the [FY 2018 IT Budget – Capital Planning Guidance](#).

