

APPENDIX 300B – SELECTED OMB GUIDANCE AND OTHER REFERENCES REGARDING CAPITAL ASSETS

EXECUTIVE ORDER

Executive Order No. 12893, "Principles for Federal Infrastructure Investments," provides principles for the systematic economic analysis of infrastructure investments and their management. OMB Bulletin No. 94-16, Guidance on Executive Order No. 12893, "Principles for Federal Infrastructure Investments" (March 7, 1994), provides guidance for implementing this Order and appends the Order itself.

OMB CIRCULARS AND MEMORANDUM

OMB Circular No. A-11, *Preparation and Submission of Budget Estimates* (June 2000):

Part 1

- Section 31.4, Full funding, requires that the agency request include full funding for procurement and construction. See section 300.5 for more discussion of this policy.
- Section 33.21, Major systems acquisitions, states that agencies should develop their estimates of major systems acquisitions, including information technology systems, consistent with guidance in the *Capital Programming Guide*, the requirements of Title V of the Federal Acquisition Streamlining Act of 1994 (FASA), and the Clinger Cohen Act of 1996 (ITMRA).
- Section 53, Information technology, requires agencies to submit data on information technology projects.
- Section 84, Character classification, requires information on different kinds of investment and grants to State and local governments.

Part 3: Planning, Budgeting, and Acquisition of Capital Assets

Capital Programming Guide (June 1997). The *Guide* is a Supplement to this Circular.

OMB Circular No. A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs* (October 1992, with periodic revisions of the discount rate), provides guidance on benefit-cost, cost-effectiveness, and lease-purchase analysis for you to use in evaluating Federal activities including capital asset acquisition. It includes guidelines on the discount rate to use in calculating the present value of future benefits and costs, the measurement of benefits and costs, the treatment of uncertainty, and other issues. This guidance must be followed in all analyses you submit to OMB in support of legislative and budget programs.

OMB Circular No. A-127, *Financial Management Systems* (revised July 23, 1993), prescribes policies and standards for you to follow in developing, operating, evaluating, and reporting on financial management systems. Revised further in Transmittal Memorandum #2 (June 10, 1999).

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OMB Circular No. A-130, *Management of Federal Information Resources* (revised February 20, 1996), provides principles for internal management and planning practices of information systems and technology. See the *Federal Register*, February 20, 1996. A further proposed revision was published in the *Federal Register* on April 13, 2000.

OMB Memorandum M-97-02, *Funding Information Systems Investments* (October 25, 1996). This memorandum is also known as “Raines Rules.”

OMB Memorandum M-00-07, *Incorporating and Funding Security in Information Technology System Investments* (February 28, 2000). This memorandum is also known as “Lew’s Lessons,” and establishes the principles for developing security programs and incorporating security and privacy into information systems.

PUBLICATIONS

American National Standard Institute, *Earned Value Management Systems*, ANSI/EIA-748-1998, (approved May 19, 1998). Electronic Industries Alliance. Arlington, VA 22201.

Capital Planning and IT Investment Committee, Federal Chief Information Officers Council, *ROI and the Value Puzzle* (April 1999) (see www.cio.gov).

Office of Management and Budget, Office of Information and Regulatory Affairs, *Evaluating Information Technology Investments: A Practical Guide* (Version 1.0) (November 1995).

U.S. General Accounting Office, *Assessing Risks and Returns: A Guide for Evaluating Federal Agencies’ IT Investment Decision-Making*, GAO/AIMD-10.1.13 (February 1997).

_____, *Executive Guide: Improving Mission Performance Through Strategic Information Management and Technology*, GAO/AIMD-94-115 (May 1994).

_____, *Executive Guide: Leading Practices in Capital Decision-Making*, GAO/AIMD-99-32 (December 1998).

U.S. General Services Administration, Office of Policy, Planning, and Evaluation, *An Analytical Framework for Capital Planning and Investment Control for Information Technology* (May 1996).