

SECTION 53 -- INFORMATION TECHNOLOGY

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Summary of Changes
The report on information technology is due before the MAX data base locks (section 53.3).
For the 1999 revision of A-11, exhibit 42 has been renumbered exhibit 53; an electronic version of exhibit 53 is available on the internet and may be submitted by e-mail (section 53.3).
The “all other” category has been revised to include two subcategories, “significant, non-major” and “non-significant” systems (section 53.4)

53.1 Purpose.

You must provide certain data on information technology (IT). This data helps OMB:

- C Identify large IT investments for possible review during the budget process;
- C Ensure that spending on IT supports an agency’s mission;
- C Identify investments in agency local area networks and desktop computers;
- C Identify investments that support agency IT architecture development, business process re-engineering (BPR), IT policy development, and acquisition management;
- C Understand the amounts being spent on development and modernization of IT versus the amount being spent on operating and maintaining the status quo for IT;
- C Identify the funding sources for agency IT investments;
- C Provide a full and accurate accounting of IT expenditures as required by the Paperwork Reduction Act of 1995 and the Clinger-Cohen Act of 1996;
- C Review requests for agency financial management systems; and

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- C Prepare the Government-wide five-year plan required by the Chief Financial Officers (CFOs) Act of 1990.

Provide these data using the Report on Information Technology (exhibit 53) reporting format. This report was developed jointly by OMB and the Chief Information Officers' Council and provides basic information your agency needs to link its internal planning, budgeting, acquisition, and management of IT resources (i.e., the capital programming process). As an output of your agency's internal capital programming process, your budget justification must provide results oriented information on IT operations and improvement initiatives in the context of the agency's missions and operations. Your budget justification, including the status and plans for information systems, should be consistent with your agency's submissions on financial management activities required by section 52 and the applicable guidance in Part 3 of this Circular.

53.2 Definitions.

The following terms apply to this section:

Information technology, as defined by the Clinger-Cohen Act of 1996, means any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For purposes of this definition, equipment is "used" by an agency whether the agency uses the equipment directly or it is used by a contractor under a contract with the agency which (1) requires the use of such equipment or (2) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product. Information technology includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources. It does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.

Information system means a discrete set of information technology, data, and related resources, such as personnel, hardware, software, and associated information technology services organized for the collection, processing, maintenance, use, sharing, dissemination or disposition of information.

Financial management systems means financial systems and the financial portions of mixed systems necessary to support financial management.

Financial system means an information system, comprised of one or more applications, that is used for any of the following:

- C Collecting, processing, maintaining, transmitting, and reporting data about financial events.
- C Supporting financial planning or budgeting activities.
- C Accumulating and reporting cost information.
- C Supporting the preparation of financial statements.

A financial system supports the financial functions required to track financial events and provides financial information significant to the financial management of the agency and/or required for the preparation of financial statements.

Mixed system means an information system that supports both financial and non-financial functions of the Federal Government or components thereof.

Non-financial system means an information system that supports non-financial functions of the Federal Government or components thereof and any financial data included in the system are insignificant to agency financial management and/or are not required for the preparation of financial statements.

53.3 Materials required.

Submit a report on information technology (exhibit 53) to OMB in accordance with the following criteria:

If your agency's information technology BA in PY, CY, or BY is...	And if your financial management system BA is...	Then...
below \$50 million	below \$1 million	no exhibit 53
below \$50 million	above \$1 million	do Part 1 only
above \$50 million	n/a	do all exhibit 53

For the FY 2001 Budget, exhibit 53 must be submitted in an electronic format either by using the special MAX application that was available last year or by e-mailing a spreadsheet version of exhibit 53. If you elect to use MAX, your exhibit 53 is due September 20th. If you elect to submit your exhibit 53 using either I-TIPS or the spreadsheet version, your submission is due September 27th and must be formatted and error checked according to the requirements in section 53.4(c). In addition, prior to agency MAX lock out (mid January), you must update each exhibit 53 you submitted in September to reflect any changes due to final budget decisions.

As a general rule, exhibit 53 covers IT for your entire agency. However, in some cases, OMB might require you to prepare the exhibit at the bureau level. Provide budget authority amounts in millions PY through BY; where obligations are a better measure of total costs for the prior year, you may report obligations, rather than budget authority, for PY only. Information reported here must be consistent with data you report in schedule O, object classification (specifically, classes 11.1 through 12.2, 23.1, 23.2., 25.2, 25.3, 25.7, 26.0, 31.0, and 41.0). Include all major IT systems, including financial management systems, reported in exhibit 300B.

(a) Overview of exhibit 53.

Exhibit 53 has four major parts:

- C Part 1 IT Systems by Mission Area
- C Part 2 IT Infrastructure and Office Automation
- C Part 3 IT Architecture and Planning
- C Part 4 IT Resource Summary

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Parts 1 through 3 request the following common data elements:

- C **Major IT system** means a system that requires special management attention because of its importance to an agency mission; its high development, operating, or maintenance costs; or its significant role in the administration of agency programs, finances, property, or other resources. Large infrastructure investments (e.g., major purchases of personal computers or local area network improvements) should also be evaluated against these criteria. In addition, a “major” IT system is one reported on your “Capital Asset Plan and Justification,” exhibit 300B (see Part 3 of this Circular). For the financial management mission area, “major” is any system that rounds to \$1 million (i.e., costing more than \$500,000). If you are unsure about what systems to consider as “major,” consult your agency budget officer or OMB representative. Systems not considered “major” are either “significant, non-major” or “non-significant” (see section 53.3(b)).
- C **Development/modernization/enhancement** means the program cost for new systems, changes or modifications to existing systems that improve capability or performance, changes mandated by Congress or agency leadership, personnel costs for project management, and direct support. This amount equals the sum of amounts reported for planning and full acquisition of that system in exhibit 300B and is required for “major” systems only.
- C **Steady state** means maintenance and operation costs at current capability and performance level including costs for personnel, maintenance of existing information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment. This amount equals amounts reported for maintenance of that system in exhibit 300B and is required for “major” systems only.
- C **Funding source** means the direct appropriation or other specific budget authority an agency receives to pay for a particular project or service. You need to identify the account (or operating division) and the budget authority provided. Report those accounts (or operating divisions) that provide the financing for a particular investment. *To avoid double counting, do not report any accounts receiving intragovernmental payments (e.g., working capital funds) to purchase IT investments or services as funding sources.* For example:
 - < You may receive specific budget authority for the acquisition of long-distance telecommunications. If you obtain those long-distance telecommunication services through the GSA FTS 2001 contract, you should report the amount rather than GSA who is the contracting agency.
 - < The Department of Army receives budget authority to obtain messaging service from DISA. In this case Army would report the IT investment, but DISA would not record a receipt.

(b) *IT systems by mission area (Part 1).*

Consistent with your agency’s strategic and annual performance plan, report amounts for IT investments that directly support an agency-designated mission area (e.g., command and control, human resource management, financial management). Report each mission area in which IT systems, programs, projects, or initiatives are funded. For each mission area, itemize each “major” and each “significant, non-major” IT system by name and the total cost of all “non-significant” systems. To determine how many systems should be listed as either

“major” or “significant, non-major” in each mission area, use the rule that at least 50 percent of your IT expenditures should be identified within the combined listing of the two categories. Include IT applications that cover more than one agency in the mission area with oversight over the project. You must have a mission area titled “Financial Management,” and it must be reported as the first mission area. When a system supports several mission areas, report the appropriate amounts under each mission area.

(c) *IT infrastructure and office automation (Part 2).*

Report amounts for IT investments that are common user systems, communications, and computing infrastructure. These investments usually support multiple mission areas and might include general LAN/WAN, desktops, data centers, and telecommunications. Report each “major” and each “significant, non-major” IT infrastructure system, program, project, or initiative separately.

(d) *IT architecture and planning (Part 3).*

Report amounts for IT investments that support strategic management of IT operations (e.g., Business Process Redesign, IT architecture development, IT investment planning, procurement management, and IT policy development and implementation).

(e) *IT resource summary (Part 4).*

Report totals for development and steady state costs and totals for all IT costs reported in Parts 1 through 3.

53.4 Reporting requirements.

(a) *Coding.*

Use the following six digit line number coding system to complete exhibit 53:

Entry:	Description:
XX-xxxx	<p>The first two digits will take the following values:</p> <p>For Part 1 of the exhibit these digits identify a mission area:</p> <p>01 financial management mission area</p> <p>02-10 reserved system values—do not use</p> <p>11-89 other mission areas</p> <p>For Parts 1-4:</p> <p>99 totals for all costs reported in the individual Parts of the exhibit (i.e., Parts 1, 2, 3, or 4), as follows:</p> <p>C totals for "development/modernization/enhancement;"</p> <p>C totals for "steady state;" and</p> <p>C totals for IT costs (i.e., the sum of "development" and "steady state" entries) in each individual Part.</p> <p>For Parts 2-4, the first two digits will always be "01," except total lines will be coded as "99," as described above.</p>

xx-Xxxx	The third digit distinguishes between data reported in the "major system," "all other systems" or "subtotal" categories listed below:
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Entry:	Description:
	<ol style="list-style-type: none"> 1 major system (i.e., major IT system (in Part 1), major IT infrastructure system (in Part 2), or major IT architecture and planning system (Part 3); 2 all other systems; and 3 subtotals for each specific mission area and totals for the individual Parts of the exhibit. <p><i>Note: Lines ending in 2993 + 3001 + 3002 = 3003 for all mission areas. For Part 1 only, 99-3003 equals the sum of all lines 3003. This addition is necessary since "development" and "steady state" entries are not required for the "All Other" category.</i></p>
xx-xXXx	The fourth and fifth digit (00-79) identifies the specific IT system for which data are reported. To report "significant, non-major" systems under the "All Other" category use numbers 01-78. Use 79 for the sum of costs of "non-significant" systems.
xx-xxxX	<p>The sixth digit identifies whether the line title represents the title of the investment, the component of the system, or funding source for which data are reported, as follows:</p> <ol style="list-style-type: none"> 0 title of mission area or investment class (i.e., "major" or "all other"); 1 development, modernization, and enhancement costs of the system; 2 steady state (i.e., operating) costs of the system; 3 for "major" systems, subtotals for the sum of development, modernization, and enhancement costs, and steady state costs; for "all other" systems, subtotal of all "significant, non-major" and "non-significant" systems; 4 appropriation or other sources that fund the costs of the system (where multiple funding sources are reported, use line sequence numbers as shown in the example at exhibit 53); 5 cost for each "significant, non-major" system and the sum of the costs of "non-significant" systems; and 7 subtotals for the sum of appropriation or other funding sources reported for the system

(b) *Data elements required.*

The following provides a line-by-line description of each entry required in exhibit 53. MAX will automatically generate the line entries indicated in **boldface**.

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Entry	Description
Part 1. IT Systems by Mission Area	
	Report amounts for IT investments that directly support an agency-designated mission area (e.g., command and control, human resource management, financial management), consistent with your agency's strategic and annual performance plan. Include IT applications that cover more than one agency in the mission area with oversight over the project.

Entry	Description
Mission area <i>Your first mission area should be "Financial Management."</i>	Report each mission area in which IT systems, programs, projects, or initiatives are funded.
xx-xxxx Major IT system	For each mission area, list each major IT system. Section 53.3(a) defines "major" IT systems. When a system supports several mission areas, report the appropriate amounts under each mission area.
xx-xxx1 Development/ modernization/ enhancement	Report program costs for new systems, changes or modifications to existing systems that improve capability or performance, changes mandated by Congress or agency leadership, personnel costs for project management, and direct support. This amount equals the sum of amounts reported for planning and full acquisition of that system in exhibit 300B. Report for "major" systems only.
xx-xxx2 Steady state	Report maintenance and operation costs at current capability and performance level including costs for personnel, maintenance of existing information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment. This amount equals amounts reported for maintenance of that system in exhibit 300B. Report for "major" systems only.
xx-xxx3 Subtotal, IT costs	For each major IT system, report the sum of lines xxx1 and xxx2.
xx-xxx4 Funding source	For each funding source, identify the direct appropriation or other specific budget authority for a project or service. Identify the budget account or operating division and the budget authority provided. To avoid double counting, do not report any accounts receiving intragovernmental payments to purchase IT investments or services.
xx-xxx7 Subtotal, funding source	For each major IT system, report the sum of lines xxx4 for each year. For each system, the annual funding total should equal the subtotal for IT costs for a year.
xx-2000 All other IT systems	
xx-2xx5 Significant, non- major systems	Report the total costs associated with each significant, non-major system. The 4 th and 5 th digits (01-79) of the line number should increment by 1 beginning with 01 (e.g., the first system will be xx-2015, the second xx-2025, etc.).
xx-2886 Subtotal, significant, non-major systems	Report the sum of costs for significant, non-major systems.
xx-2895 Non-significant systems	Report the sum of costs for non-significant systems.
xx-2993 Subtotal, all other	Sum of all significant, non-major and non-significant systems within the all other category.
xx-3xxx Total, mission area	For each mission area, report totals for development and steady state costs and totals for all costs reported for the mission area.

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Entry	Description
99-3xxx Total, all mission areas	Total for all mission areas reported in Part 1. Add lines ending in 2993 directly to the sums in lines ending in 3003. This direct addition is necessary because development and steady state are not reported for the all other category.
Part 2. IT Infrastructure and Office Automation	
	Report amounts for IT investments that are common user systems, communications, and computing infrastructure. Investments listed will usually support multiple mission areas (e.g., general LAN/WAN, desktops, data centers, telecommunications). Report each major IT infrastructure system, program, project, or initiative and each significant, non-major system separately. Sum the costs of non-significant systems.
01-xxxx Major IT infrastructure system	Report each major IT infrastructure system, program, project, or initiative separately. Section 53.3(a) defines major system.
01-xxx1 Development/modernization/enhancement	For each IT infrastructure entry, report amounts for development, steady state, funding sources, and totals consistent with the line entry instructions provided above in Part 1.
01-xxx2 Steady state	
01-xxx3 Subtotal, IT costs	
01-xxx4 Funding source	
01-xxx7 Subtotal, funding source	
01-2xxx All other infrastructure systems	
01-2xx5 Significant, non-major systems	Report the total costs associated with each significant, non-major system. The 4 th and 5 th digits (01-79) of the line number should increment by 1 beginning with 01 (e.g., the first system will be xx-2015, the second xx-2025, etc.).
01-2886 Subtotal, significant, non-major programs	Report the sum of costs for significant, non-major systems
01-2895 Non-significant systems	Report the sum of costs of non-significant systems.
01-2993 Subtotal, all other	Sum of significant, non-major and non-significant systems.
99-3xxx Total infrastructure	Total for all IT infrastructure and office automation costs reported in Part 2. Lines 2993 + 3001 + 3002 = 3003 for all mission areas.

Entry	Description
Part 3. IT Architecture and Planning	
	Report amounts for IT investments that support strategic management of IT operations (e.g., business process redesign, IT architecture development, IT investment planning, procurement management, and IT policy development and implementation).
01-xxxx Major IT architecture and planning system	Report each major IT system, program, project, or initiative separately.
01-xxx1 Development/modernization/enhancement	For each entry, report amounts for development, steady state, funding, and subtotals consistent with the line entry instructions provided above in Part 1.
01-xxx2 Steady state	
01-xxx3 Subtotal, IT costs	
01-xxx4 Funding sources	
01-xxx7 Subtotal, funding source	
01-2000 All other architecture systems	
01-2xx5 Significant, non-major systems	Report the total costs associated with each significant, non-major system. The 4 th and 5 th digits (01-79) of the line number should increment by 1 beginning with 01 (e.g., the first system will be xx-2015, the second xx-2025, etc.).
01-2886 Subtotal, significant, non-major systems	Report the sum of costs for significant, non-major systems.
01-2895 Non-significant systems	Report the sum of non-significant systems costs.
01-2993 Subtotal, all other	Sum of all significant, non-major and non-significant systems.
99-3xxx Totals for IT architecture and planning	Total for all IT architecture and planning costs reported in Part 3. Lines 2993 + 3001 + 3002 = 3003 for all mission areas.
Part 4. IT Resource Summary	
99-3xxx Totals for mission areas, infrastructure, and architecture	Report totals for development and steady state costs and totals for all IT costs reported in Parts 1 through 3.

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(c) *E-mail spreadsheet.*

If you choose to e-mail this information rather than use the MAX application, use the spreadsheet provided at www.cio.gov. This spreadsheet is formatted to meet all the reporting requirements of the MAX application exhibit 53. Send the completed spreadsheet to exhibit53@omb.eop.gov. The subject line must have the three digit OMB agency code (see appendix C) and the full agency name. In addition, verify that your data meets the following error and consistency checks:

- Every line of the spreadsheet must have a column that lists the agency code, bureau code (if applicable), part number, line number, and a descriptive title;
- If you submit an exhibit 53, then you must have a Part 1 in your spreadsheet;
- If you have a Part 1 then the spreadsheet must have a “Mission Area 1: Financial Management” which either lists “major” investments or contains the “All Other” category;
- All mission areas must have a line number XX-3003 which has values for PY, CY, and BY;
- If the mission area has “major” investments then the spreadsheet must have a line number XX-3001 and XX-3002 in addition to the XX-3003;
- If you have a listing of “major” investments, then for each such investment the subtotal of development, modernization and enhancement with steady state must be within \$3 million of the subtotal of all funding sources; and
- Part 4 lines 99-3001 and 99-3002 must equal the sum of each of the other parts (1 through 3) lines 99-3001 and 99-3002. Part 4 line 99-3003 must equal the sum of all Parts lines 99-3003.

Report on Information Technology

Department of Government (in millions of dollars)				
Line number code	Entry	PY BA	CY BA	BY BA
Part 1. Data on IT Systems By Mission Area				
01-0000	01	Mission Area 1: Financial Management		
01-1000		Major IT:		
01-1010		Inventory system		
01-1011		1	18	23
01-1012		16	16	17
01-1013		17	34	40
		Appropriation/Funding Sources		
01-1014	01	2	19	20
01-1014	02	5	5	5
01-1014	03	10	10	15
01-1017		17	34	40
01-1020		Core Accounting system		
01-1021		11	9	7
01-1022		5	5	5
01-1023		16	14	12
		Appropriation/Funding Sources		
01-1024	01	4	5	6
01-1024	02	12	9	6
01-1027		16	14	12
01-2000		All Other Financial management:		
01-2886		0	0	0
01-2895		1	2	1
01-2993		1	2	1
01-3000		Total Mission Area 1		
01-3001		12	27	30
01-3002		21	21	22
01-3003		34	50	53
11-0000		Mission Area 2: Human Resources		
11-1000		Major IT:		
11-1010		Personnel system		
11-1011		7	8	5
11-1012		11	10	11
01-1013		18	18	16
		Appropriation/Funding Sources		
11-1014	01	1	1	1
11-1014	02	7	8	5

2993 + 3001 + 3002 = 3003

11-1014	03	Source 3	11	10	11
11-1017		Subtotal, funding sources	19	19	17
11-2000		All other for Mission Area 2:			
11-2015		First "significant, non-major" System	2	3	2
11-2025		Second "significant, non-major" System	1	2	2
11-2035		Third "significant, non-major" System	3	3	4
11-2886		Roll-up of "significant, non-major" Systems	6	8	8
11-2895		Roll-up of "non-significant" Systems	1	2	1
11-2993		Subtotal for All Other	7	10	9
11-3000		Mission Area 2			
11-3001		Development/modernization/enhancement	7	8	5
11-3002		Steady state	11	10	11
11-3003		Total, Mission Area 2	25	28	25

7	10	9
7	8	5
11	10	11
25	28	25

2993 + 3001 + 3002 = 3003

99-3000		All Mission Areas			
99-3001		Development/modernization/enhancement	19	35	35
99-3002		Steady state	32	31	33
99-3003		Total, All Mission Areas	59	78	78

For Part 1 only, 99-3003 equals the sum of all lines 3003.

Part 2. Data on IT Infrastructure and Office Administration

Major IT Infrastructure System:

01-1010		Corporate network system			
01-1011		Development/modernization/enhancement	4	3	9
01-1012		Steady state	3	8	6
01-1013		Subtotal, IT costs	7	11	15
		Appropriation/Funding Sources			
01-1014	01	Source 1	3	5	9
01-1014	02	Source 2	4	2	2
01-1014	03	Source 3	0	4	3
01-1017		Subtotal, funding sources	7	11	14
01-1020		Long-haul communications			
01-1021		Development/modernization/enhancement	3	7	6
01-1022		Steady state	4	4	5
01-1023		Subtotal, IT costs	7	12	11
		Appropriation/Funding Sources			
01-1024	01	Source 1	2	3	4
01-1024	02	Source 2	2	3	3

01-1024	03	Source 3	3	6	5
01-1027		Subtotal, funding sources	7	12	12
01-2000		All Other Infrastructure System:			
01-2015		First "significant, non-major" System	2	3	2
01-2025		Second "significant, non-major" System	1	2	2
01-2035		Third "significant, non-major" System	3	3	4
01-2886		Roll-up of "significant, non-major" Systems . . .	6	8	8
01-2895		Roll-up of "non-significant" Systems	1	2	1
01-2993		Subtotal for All Other	7	10	9
01-3001		All Infrastructure Systems:			
01-3001		Development/modernization/infrastructure . . .	7	10	15
01-3002		Steady state	7	12	11
01-3003		Total, All Infrastructure Systems	21	32	35
Part 3. Data on IT Architecture and Planning					
01-1000		Major IT Architecture and Planning:			
01-1010		IT modernization blueprint:	2993 + 3001 + 3002 = 3003		
01-1011		Development/modernization/ enhancement	3	2	8
01-1012		Steady state	6	8	7
01-1013		Subtotal, IT costs	9	10	15
		Appropriation/Funding sources			
01-1014	01	Source 1	3	5	11
01-1014	02	Source 2	4	2	2
01-1014	03	Source 3	3	4	2
01-1017		Subtotal, funding sources	10	11	15
01-2000		All Other Infrastructure and Planning			
01-2015		First "significant, non-major" System	2	3	2
01-2025		Second "significant, non-major" System	1	2	2
01-2035		Third "significant, non-major" System	3	3	4
01-2886		Roll-up of "significant, non-major" Systems . . .	6	8	8
01-2895		Roll-up of "non-significant" Systems	1	2	1
01-2993		Subtotal funding sources	7	10	9
		All IT Architecture and Planning			
99-3001		Development/modernization/enhancement . . .	3	2	8
99-3002		Steady state	6	8	7
99-3003		Total, All IT Architecture	16	20	24
Part 4. IT Resources Summary					
		Mission Area, Infrastructure, and Architecture			
		Totals:			
99-3001		Development/modernization/enhancement	29	47	58
99-3002		Steady state	45	51	51
99-3003		Total, All IT costs	95	128	136