## PART I: CAPITAL ASSET PLAN AND BUSINESS CASE (All Assets)

Agency *U.S. Nuclear Regulatory Commission*
Bureau *N/A*
Account Title *Salaries and Expenses*
Account Identification Code 31-0200-0-1-276
Program Activity *Financial Management*
Name of Project *Cross-Servicing of the Federal Financial System(FFS)*
Unique Project Identifier: 429—00-01-01-01-2020-00
(IT only)(See section 53)
Project Initiation Date *06/2001(Dept. of Interior) and 07/1991(Financial Management Services)*
Project Planned Completion Date *TBD-Project In Production*
This Project is: Initial Concept ____ Planning ____ Full Acquisition ____ Steady State _X__
Mixed Life Cycle ____

| | | |
|---|---|---|
| Project/useful segment is funded: | Incrementally __ | Fully _X_ |
| Was this project approved by OMB for previous Year Budget Cycle? | Yes _X_ | No ___ |
| Did the Executive/Investment Review Committee approve funding for this project this year? | Yes _X_ | No ___ |
| Did the CFO review the cost goal? | Yes _X_ | No ___ |
| Did the Procurement Executive review the acquisition strategy? | Yes _X_ | No ___ |
| Is this investment included in your agency's annual performance plan or multiple agency annual performance plans? | Yes X | No |
| Does the project support homeland security goals and objectives, i.e., 1) improve border and transportation security, 2) combat bio-terrorism, 3) enhance first responder programs; 4) improve information sharing to decrease response times for actions and improve the quality of decision making? | Yes ___ | No _X_ |
| Is this project information technology? (See section 300.4 for definition) | Yes _X_ | No ___ |
| For information technology projects only: | | |
| a. Is this Project a Financial Management System? (see section 53.3 for a definition) | Yes _X_ | No ___ |
| If so, does this project address a FFMIA compliance area? | Yes _X_ | No ___ |
| If yes, which compliance area? | *Systems Requirements;I Federal Accounting Standards; and, SGL at the transaction level* | |
| b. Does this project implement electronic transactions or record keeping that is covered by the Government Paperwork Elimination Act (GPEA)? | Yes _X_ | No _X_ |

Information in the record was deleted in accordance with the Freedom of Information Act, exemptions 5
FOIA- 2003-341

A118

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|---|---|---|
| If so, is it included in your GPEA plan (and does not yet provide an electronic option)? | Yes ___ | No ___ |
| Does the project already provide an electronic option? | Yes ___ | No ___ |
| c. Was a privacy impact assessment performed for this project? | Yes _X_ | No |
| d. Was this project reviewed as part of the FY 2002 Government Information Security Reform Act review process? ***Included in DOI's GISRA review.*** | Yes _X_ | No ___ |
| d.1 If yes, were any weaknesses found? ***NRC does not yet have a copy of DOI"s FY 2002 GISRA review*** | Yes _X_ | No ___ |
| d.2. Have the weaknesses been incorporated into the agency's corrective action plans? ***DOI took corrective action to resolve FY 2001 GISRA weaknesses.*** | Yes _X_ | No ___ |
| e. Has this project been identified as a national critical operation or asset by a Project Matrix review or other agency determination? ***Preparations for NRC's Project Matrix Review are just underway. The Review will not be completed until the first Quarter FY 2003, at the earliest.*** | Yes ___ | No _X_ |
| e.1 If no, is this an agency mission critical or essential service, system, operation, or asset (such as those documented in the agency's COOP Plan), other than those identified above as national critical infrastructures? | Yes ___ | No _X_ |

**SUMMARY OF SPENDING FOR PROJECT STAGES**
**(In Millions)**
**(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)**

| | PY-1 and Earlier | PY 2002 | CY 2003 | BY 2004 |
|---|---|---|---|---|
| Planning: | | | | |
| Budgetary Resources | | | | |
| Outlays | | | | |
| Acquisition : | | | | |
| Budgetary Resources | | | | |
| Outlays | | | | |
| Total, sum of stages: | | | | |
| Budgetary Resources | | | | |
| Outlays | | | | |
| Maintenance: | | | | |
| Budgetary Resources | | ***$1.082*** | ***$.600*** | ***$.691*** |
| Outlays | | ***1.628*** | ***.600*** | ***.691*** |
| Total, All Stages: | | | | |

| | | | | |
|---|---|---|---|---|
| Budgetary Resources | *$1.082* | *$.600* | *$.691* | - |
| Outlays | *1.628* | *.600* | *.691* | |

**I. A. Project Description**

1. Provide a brief description of this project and its status through your capital planning and investment control (CPIC) or capital programming "control" review for the current cycle.

***The Federal Financial System (FFS) is in the steady state (control) phase of the CPIC. The FFS serves as the core accounting system for the NRC. The NRC contracts for accounting system services from the Department of Interior, National Business Center (DOI/NBC) through a cross-servicing, interagency agreement. The FFS allows NRC to comply substantially with Federal financial system requirements, the standard general ledger at the transaction level, and reporting objectives established for the Federal Government.***

***The NBC provides NRC with mainframe support for testing and production applications; administers to mainframe security and access privileges; executes all programs and cycles for conversion testing and implementation; and, performs application backups, copies, and restores.***

***FFS continues to be of value to the NRC because it produces reliable up-to-date financial data to agency managers and provides the framework to produce the annual financial statements required by the CFO ACT. It perpetuates sound business practices at the NRC.***

***The NRC entered into its agreement with the NBC in June 2001 and accounting system services began in May 2002. The NRC foresees a three to five year relationship with the NBC while planning to implement a state-of-the-art, off-the-shelf, integrated accounting system. The decision for any change will be based on budget dollars, successful off-the-shelf software availability, and cost benefits.***

2. What assumptions are made about this project and why? ***It is assumed that DOI/NBC will continue to offer this cross-service function. Throughout the life of the contract NRC may require additional support in the area of new report/extract development and modifications of the current electronic report generation provider (Document Direct). In addition, planning is underway to introduce Graphic User Interface (GUI) screen enhancements to create a more user friendly environment for NRC staff. Support for the FFS production system is an ongoing effort requiring that contractor personnel maintain its efficiency and effectiveness and ensure maximum availability for the NRC staff. This business production application must be maintained and be kept running so that NRC can meet mission essential needs.***

3. Provide any other supporting information derived from research, interviews, and other documentation.

***This cross-servicing arrangement eliminates substantial use of paper by allowing electronic reporting to support on-line review of reports; provides efficient query capabilities through set queries; and, provides a data warehouse capability for ad hoc reporting for internal and external use and executive decision making.***

**I.B. Justification (All Assets)**

1. How does this investment support your agency's mission and strategic goals and objectives?

| NRC's Strategic Goals | NRC Strategies | Supports | How Does Your Initiative Support this NRC Goal or Corporate Management Strategy? |
|---|---|---|---|
| 1. Nuclear Reactor Safety: Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of civilian nuclear reactors. | | | ▪ |
| 2. Nuclear Materials Safety: Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of source, byproduct, and special nuclear material for medical, academic, and industrial purposes | | | ▪ |
| 3. Nuclear Waste Safety: Prevent adverse impacts from radioactive waste to the current and future public health and safety and the environment, and promote common defense and security | | | ▪ |
| 4. International Nuclear Safety Support: Support U.S. interests in the safe and secure use of nuclear materials and in nuclear non-proliferation | | | ▪ |
| NRC Corporate Management Strategy 1: Employ innovative and sound business practices | *NRC will find new and better ways of doing business to increase effectiveness and efficiency of operations, and will improve customer service.* | *X* | ▪ *The FFS cross-servicing agreement with DOI/NBC is considered a sound business practice. NRC has also provided online/electronic reports available to NRC staff on a daily basis, and the following day after the close of the accounting month. This improves timeliness (saves three days over the previous method) of distributing paper reports.* |
| NRC Corporate Management Strategy 2: Sustain a high-performing, diverse workforce. | | | ▪ |
| NRC Corporate Management Strategy 3: Provide proactive information management and information technology services. | | *X* | ▪ *Through its cross-servicing agreement with DOI, NRC is providing online/ electronic reports available to NRC staff on a daily basis and the next day after closing the accounting month.* |
| NRC Corporate Management Strategy 4: Communicate strategic change. | | | ▪ |

2. How does it support the strategic goals from the President's Management Agenda?

| Presidents Management Agenda (PMA) | Supports | How Does Your Initiative Support This PMA Item? |
|---|---|---|
| Human Capital | X | *The use of electronic interfaces, including automated disbursements, and electronic reporting, has utilized staff abilities more effectively, reducing duplicative and manual entries, and improving performance* |
| Competitive Sourcing | X | *NRC evaluated other alternatives, and competing cross-service providers before selecting DOI.* |
| Financial Performance | X | *Meets the requirements of JFMIP and OMB Circular A-127; Provides up-to-the-minute data on-line to manager's for funds management purposes; Automated integration with the Human Resources Management System and Cost Accounting; and, NRC has received eight consecutive unqualified audit opinions.* |
| E-Government | X | *The use of electronic reports, and automated interfaces, and automated disbursements meet the objectives of the initiative on E-government, with security controls.* |
| Budget and Performance Integration | | |

3. Are there any alternative sources in the public or private sectors that could perform this function?

***Yes. Cross-servicing of the FFS is currently being done by DOI/NBC. Prior to this effort, FFS had been cross-serviced by the Financial Management Services (FMS) of the Department of Treasury which is scheduled to terminate all cross-servicing activities at the end of FY 2002.***

4. If so, explain why your agency did not select one of these alternatives.

***NRC did choose the cross-servicing of FFS.***

5. Who are the customers for this project?

***The customers are the Program and Administrative Offices, NRC licensees, and public and private vendors.***

6. Who are the stakeholders of this project?

***The stakeholders are the Program and Administrative Offices, NRC licensees, and public and private vendors.***

7. If this is a multi-agency initiative, identify the agencies and organizations affected by this initiative.

***No. FFS is not a multi-agency initiative.***

8. How will this investment reduce costs or improve efficiencies?

***This investment will reduce costs because the cross-servicing agency has over 20 other clients including their own bureaus. Software maintenance and upgrades, hardware, and telecommunication costs are spread to all clients. It will improve efficiency because***

***software management and upgrades benefit all clients. On-site programmers provide more timely fixes and enhancements.***

9. List all other assets that interface with this asset_____. Have these assets been reenigineered as part of this

***The Human Resources Management System (HRMS), which includes time and labor, payroll and human resources management, the cost accounting system, and the fee billing system have automated interfaces with FFS.***
project? Yes____, No_*X*___.

**I.C. Performance Goals and Measures (All Assets)**

| Fiscal Year | Strategic Goal(s) Supported | Existing Baseline | Planned Performance Improvement Goal | Actual Performance Improvement Results | Planned Performance Metric | Actual Performance Metric Results |
|---|---|---|---|---|---|---|
| 2002 | *Employ innovative and sound business practices* | *Provide timely and reliable reports to managers*<br>*Provide timely and reliable data for financial statement* | *Maintain electronic reporting one day after close of month*<br>*Adhere to scheduled due date* | | *Provide reports one day after accounting period is closed*<br>*Meet prescribed OMB due date* | |
| 2003 | *Employ innovative and sound business practices* | *Provide timely and reliable reports to managers*<br>*Provide timely and reliable data for financial statement* | *Maintain electronic reporting one day after close of month*<br>*Adhere to scheduled due date* | | *Provide reports one day after accounting period is closed*<br>*Meet prescribed OMB due date* | |
| 2004 | *Employ innovative and sound business practices* | *Provide timely and reliable reports to managers*<br>*Provide timely and reliable data for financial statement* | *Maintain electronic reporting one day after close of month*<br>*Adhere to scheduled due date* | | *Provide reports one day after accounting period is closed*<br>*Meet prescribed OMB due date* | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2005 | *Employ innovative and sound business practices* | *Provide timely and reliable reports to managers*<br>*Provide timely and reliable data for financial statement* | *Maintain electronic reporting one day after close of month*<br>*Adhere to scheduled due date* | | *Provide reports one day after accounting period is closed*<br>*Meet prescribed OMB due date* | |
| 2006 | *Employ innovative and sound business practices* | *Provide timely and reliable reports to managers*<br>*Provide timely and reliable data for financial statement* | *Maintain electronic reporting one day after close of month*<br>*Adhere to scheduled due date* | | *Provide reports one day after accounting period is closed*<br>*Meet prescribed OMB due date* | |
| 2007 | *Employ innovative and sound business practices* | *Provide timely and reliable reports to managers*<br>*Provide timely and reliable data for financial statement* | *Maintain electronic reporting one day after close of month*<br>*Adhere to scheduled due date* | | *Provide reports one day after accounting period is closed*<br>*Meet prescribed OMB due date* | |

**I.D. Program Management [All Assets]**

1. Is there a program manager assigned to the project? If so, what is his/her name? Yes ___X___ No _____

*Raymond Holt- (301) 415-6066*
*Senior Systems Accountant* Yes ___ No ___X___
*OCFO/DAF/GAB*

2. Is there a contracting officer assigned to the project? If so, what is his/her name? _____ _____

*Interagency Agreement*
*Contracting Officer at DOI* Yes ___X___ No ___

3. Is there an Integrated Project Team? _____ _____

3.A. If so, list the skill set represented.
*Senior Systems Accountants, Senior Staff Accountant, Computer specialists, Budget Analysts, Financial Managers,*

Is there a sponsor/owner? ***Jesse L. Funches, Chief Financial Officer (301) 415-7322*** Yes ***X*** No ____

**Part II: Additional Business Case Criteria for Information Technology**

II. A. Enterprise Architecture

II.A.1 Business

A. Is this project identified in your agency's enterprise architecture? If not, why?

***Yes, the cross-servicing for utilization of the Federal Financial System (FFS) has been identified in NRC's in-progress enterprise architecture (EA).***

B. Explain how this project conforms to your departmental (entire agency) enterprise architecture.

***The FFS falls within the scope of NRC's baseline EA. As such, this system supports the performance of the business functions identified in the agency enterprise business model, documented in the NRC publication, "NRC Enterprise Model," provides the data required by NRC's internal operations/infrastructure inter-agency operations financial management business function. The FFS is an external system utilized by multiple Federal agencies that will be serviced by the Department of the Interior's National Business Center (NBC). As such, only the inputs and outputs from this system must be compatible with NRC's current application and technology standards and future direction as specified in NRC's existing technology planning documents. Although the NRC's existing technology planning documents are being updated, the current documents identify some core technology needs. These core technology needs are in the process of being updated and expanded through an evolving organizational EA governance process that will ensure that all current and future technology needs are vetted by NRC business managers to validate links to NRC business drivers for the identified technologies. When fully functional, NRC's integrated EA and CPIC processes will enable NRC to apply the same sound risk management strategies to its IT investments that have long characterized NRC's core business operations. NRC has also provided the Federal Enterprise Business Reference Model (FEBRM) with high level business functions and subfunctions derived from the NRC Enterprise Model. In its utilization of FFS, NRC has successfully identified a cross-agency business function that is best met through utilization of an external system serviced by another Federal agency.***

A. Identify the Lines of Business and Sub-Functions within the Federal Enterprise Architecture Business Reference Model that will be supported by this initiative.

***Since the FEA BRM is undergoing continual update, our responses are based upon the latest data that we have available.***

| *FEABRM Lines of Business* | *FEABRM Sub-Functions Supported* |
|---|---|
| *Internal Operations/Infrastructure Intra-Agency Financial Management* | *Cost Management*<br>*Financial Reporting*<br>*Funds Management*<br>*General Ledger Management*<br>*Payment Management* |

| | |
|---|---|
| | *Receivable Management* |
| | |

C. Briefly describe how this initiative supports the identified Lines of Business and Sub-Functions of the Federal Business Architecture.

***FFS provides a complete package of accounting system services that fall within the scope of intra-agency financial management.***

D. Was this project approved through the EA Review committee at your agency?

***Yes, utilization of FFS was approved through the NRC EA Review committee.***

E. What are the major process simplification/reengineering/design projects that are required as part of this initiative?

***Because of the need to transmit data from other financial systems, namely cost accounting, the Human Resources Management System, and the License Fee billing system, it was necessary to design in those systems an electronic capability to accomplish this exchange.***

F. What are the major organization restructuring, training, and change management projects that are required?

***No current major organization restructuring will be taking place because of this initiative.***

F. What are the Agency lines of business involved in this project?

***This project indirectly supports all NRC mission-related business areas. FFS directly supports the NRC support business function financial management and its sub-functions:***

***FINANCIAL MANAGEMENT***
- ***Program Direction***
- ***Budget Planning Management***
- ***Funds Control***
- ***Accounting***
- ***Review/Audit***

I. What are the implications for the agency business architecture?

***There are no significant changes to the agency business architecture anticipated as a result of utilization of the FFS NBC cross-servicing agreement.***

## II.A.2 Data

A. What types of data will be used in this project?

***Financial data at the transaction level, as well as personal data.***

B. Does the data needed for this project already exist at the Federal, State, or Local level? If so, what are your plans to gain access to that data?

***Financial data specific to the NRC does not exist at the Federal, State, or Local Level, however, personal data is likely to be found.***

B. Are there legal reasons why this data cannot be transferred? If so, what are they and did you address them in the barriers and risk sections above?

***Some data contains Privacy Act information such as Social Security Number.***

C. If this initiative processes spatial data, identify planned investments for spatial data and demonstrate how the agency ensures compliance with the Federal Geographic Data Committee standards required by OMB Circular A–16.

***FFS does not process spatial data.***

**II.A.3 Application and Technology**

A. Discuss this initiative/project in relationship to the application and technology layers of the EA. Include a discussion of hardware, applications, infrastructure, etc.

***The FFS NBC is in compliance with the application and technology layers of the EA to the extent necessary for a project that is a cross-servicing agreement with another agency's business center. There is neither new development nor acquisition of hardware, applications, or infrastructure usage associated with this project. Impacts, interfaces, and data exchange have been addressed adequately so that the project complies with the EA.***

C. Are all of the hardware, applications, and infrastructure requirements for this project included in the EA Technical Reference Model? If not, please explain.

***FFS NBC is a cross-servicing agreement with another agency's business center. Thus, all NRC EA concerns lie at the EA data layer or below at the EA business layer. There is neither new development nor acquisition of hardware, applications, or infrastructure usage associated with this project. Impacts, interfaces, and data exchange have been addressed adequately so that the project complies with the EA. The project appears in the TRM as an outsourced service compatible with NRC's baseline architecture as delineated in the as-is portion of the NRC Technical Reference Model that is now undergoing revision.***

## II. B. Security and Privacy

NOTE: Each category below must be addressed at the project (system/application) level, not at a program or agency level. Referring to security plans or other documents is not an acceptable response.

II.B.1. How is security provided and funded for this project (e.g., by program office or by the CIO through the general support system/network)?

***Security is provided at the DOI mainframe access level, application level, and at NRC. At the DOI cross-servicing mainframe site, RACF security is provided, with user access codes and passwords in compliance with NIST guidelines. Another user access controls are used when NRC accesses its records on FFS. At NRC, access to the DOI FFS mainframe is controlled via a dedicated telecommunications connection, and with access controls required to access NRC's network.***

***Security costs are funded through the overhead percentage applied by DOI/NBC, and is not specifically identified as a direct charge to the NRC.***

What is the total dollar amount allocated to security for this project in FY 2004?

***Security costs for FY 2004 are estimated to be $10K or less.***

II.B.2 Does the project (system/application) meet the following security requirements of the Government Information Security Reform Act, OMB policy, and NIST guidance?

***The FFS application used in our cross-servicing agreement with DOI/NBC meets NIST, OMB, and GISRA requirements. The system has been certified and accredited, and tests of business continuity capability were conducted in September 2001 and March 2002. GISRA self-assessment was conducted in July 2001, and is being conducted for 2002. When assessing the system's compliance with requirements, NRC reviewed the SAS 70 reports, business continuity testing, GISRA self-assessments, GAO reports issued on the NBC, responses to the auditors, and discussions with the NBC auditor responsible for oversight.***

A. Does the project (system/application) have an up-to-date security plan that meets the requirements of OMB policy and NIST guidance? What is the date of the plan?

***Yes. The system security plan is dated December 2000, and meets requirements of OMB policy and NIST guidance. The security plan and business continuity plan were being updated during Summer 2002.***

B. Has the project undergone an approved certification and accreditation process? Specify the C&A methodology used (e.g., NIST guidance) and the date of the last review.

***FFS, as cross-serviced by DOI has been certified and accredited and is in compliance with OMB Circular A-130 and NIST guidance and has been certified and accredited. Updates to the business continuity/security plan are being updated as of Summer 2002. SAS 70 reviews are performed annually, the most recent test/review of business continuity plan was in March 2002 and September 2002.***

C. Have the management, operational, and technical security controls been tested for effectiveness? When were most recent tests performed?

***Yes, these security controls were last tested in the business continuity tests run in March 2002 and September 2002.***

D. Have all system users been appropriately trained in the past year, including rules of behavior and consequences for violating the rules?

***System users have been trained, including consequences for violating rules of behavior.***

E. How has incident handling capability been incorporated into the system, including intrusion detection monitoring and audit log reviews? Are incidents reported to GSA's FedCIRC?

***Audit logs are in place which track use/entry into the system. The firewall and software on NRC's side check for intrusion with sniffers, etc. Intrusion detection testing is also conducted on NRC infrastructure and telecommunications on a recurring basis. System security officers and DOI mainframe security personnel also monitor security. It is NRC's policy to report incidents to GSA's FedCIRC, although no FFS incidents have been identified for NRC.***

F. Is the system operated by contractors either on-site or at a contractor facility? If yes, does any such contract include specific security requirements required by law and policy? How are contractor security procedures monitored, verified, and validated by the agency?"

***The system is operated by federal employees and contractors at a federal cross-servicing mainframe facility. As part of the interagency agreement with DOI/NBC, the NRC mandates that contractors who have IT Level II access to agency sensitive/personal data be required to obtain a favorably adjudicated Access National Agency Check with Inquiries (ANACI) prior to an individual performing work under the agreement. The agency uses keystroke monitoring, network and other application audit logs, and secured access to buildings and work space.***

II.B.3 How does the agency ensure the effective use of security controls and authentication tools to protect privacy for those systems that promote or permit public access?

***FFS prohibits public access. However, firewalls, virus and intrusion detection, as well as user access controls are used on NRC systems and infrastructure, including the connection to FFS at DOI.***

II.B.4 How does the agency ensure that the handling of personal information is consistent with relevant government-wide and agency policies.

***Access is limited to systems and modules containing personal information. In addition, reports containing sensitive/privacy information is specifically identified, and is physically controlled. Workstations with access to sensitive/privacy information are also physically controlled within special locked/secured work space during and after work hours.***

***The Interagency Agreement requires contractors not to disclose Privacy Act information and to conform to all security regulations and requirements of the NRC which are subject to change as directed by the NRC Division of Facilities and Security. The Agency has posted its Privacy Act Systems of Records in the Federal Register, and issued policy, guidance***

***(mgmt directives), and security awareness training regarding personal information. The Agency IG uses random audits on areas of sensitivity within the Agency.***

II.B.5 If a Privacy Impact Assessment was conducted, please provide a copy to OMB.

***A Privacy Impact Assessment is attached to this Exhibit 300.***

**II. C. Government Paperwork Elimination Act (GPEA)**

II.C.1 If this project supports electronic transactions or record-keeping that is covered by GPEA, briefly describe the transaction or record-keeping functions and how this investment relates to your agency's GPEA plan.

***FFS utilizes electronic file transfer, electronic records, automated interfaces, and media which support paperwork elimination. Historical data is maintained on physically controlled electronic media.***

II.C.2 What is the date of your GPEA plan?

***The Agency's GPEA plan is dated August, 2002.***

II.C.3 Identify any OMB Paperwork Reduction Act (PRA) control numbers from information collections that are tied to this investment.

***There are no OMB control numbers.***