

## SECTION 55—INFORMATION TECHNOLOGY INVESTMENTS

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**Summary of Changes**

Updates the language to instruct agencies to begin their phased implementation of the Technology Business Management Taxonomy, Version 4.0 (TBM) Solutions layer (section [55.1](#)).

Updates the language explaining why agencies must submit their IT portfolio data (section [55.2](#)).

Updates the language describing the IT portfolio data agencies are required to submit (section [55.3](#)).

Updates the Electronic Government (E-Gov) and Line-of-Business (LoB) initiatives table (section [55.6](#)).

### **55.1 Overview of Information Technology Investments**

Section 55 provides guidance for agency information technology (IT) budget formulation and information technology portfolio management (ITP<sub>f</sub>M) activities. By following this guidance, agencies enable OMB to review and evaluate each agency's IT investment spending and to analyze and compare IT investment spending across the Federal enterprise. Section 55 also establishes the foundation for effective IT planning and budgeting and ITP<sub>f</sub>M processes. The guidance in this section supersedes any previous guidance documents on ITP<sub>f</sub>M and IT budget reporting.

As provided in this section, agencies must submit their IT budget and IT portfolio summary and detail reports annually to OMB via the Federal [IT Dashboard](#). The data submitted will be made available to the public, with certain exceptions made for procurement-sensitive information and data related to national security systems (NSS). Specific reporting instructions and exhibits related to budgeting for investments in IT can be found in section [25.5](#).

OMB is continuing the implementation and maturation of the Technology Business Management (TBM) Taxonomy, Version 4.0, by introducing Solutions layer reporting.

- The Solutions layer implementation strategy calls for phased adoption over a three-year period, beginning with FY 2025 reporting and building toward full implementation as part of FY 2028 reporting.
- The Solutions layer data will be available to the public after the implementation process is complete and the Solutions layer data submitted by agencies has been reviewed for data quality.
- For FY 2025 reporting, as part of the first phase of the Solutions layer implementation strategy, agencies will be required to submit only standard IT investment data attributable to Delivery, Platform, or Infrastructure solutions. Costs attributable only to Workplace, Business, or Shared & Corporate solutions are out of scope for this first phase of the implementation strategy.
- For FY 2026 reporting, agencies will be required to report IT investment costs attributable to each of the six types included in the TBM Solutions layer: Delivery, Platform, Infrastructure, Workplace, Business, and Shared & Corporate.
- For FY 2027 reporting, agencies will be required to report all IT investment costs attributable to the Solutions layer and ensure the alignment of those costs with their reported costs under the TBM IT Towers and Cost Pool layers.
- The TBM Solutions layer implementation process is projected to be complete by the time for FY 2028 reporting.

### **55.2 Why must agencies submit data on their IT portfolios?**

By statute, OMB is required to develop and oversee a process for IT budgeting and ITPfM, with a focus on analyzing, tracking, and evaluating the risks and performance results of all major capital investments made by an executive agency for information technology systems (40 U.S.C. § 11302). OMB is also responsible for IT portfolio oversight—promoting and improving agencies' use of information technologies to enhance access to information and delivery of services and to increase the effectiveness, efficiency, and productivity of government operations.

Agencies must provide specified data on their total IT funding, and the information should be consistent with the overall budget submission (see section [25](#)), agency IT portfolio summary components, and Major IT Business Case submission. More detailed technical specifications for the submission of required data are publicly available in the IT Collect Submission Overview document on the Federal [IT Dashboard](#).

### **55.3 What IT portfolio data are agencies required to submit?**

An agency's IT budget-related submissions reported in the agency IT portfolio summary should be consistent with the agency's budget materials and should be categorized based upon the following three parts:

- Part 1: IT Investments for Mission Delivery – IT investments that directly support the delivery of the agency's mission. This information should map directly to the agency's strategic and annual performance plan. IT investments may cover more than one agency mission area when reported alongside the mission area overseeing the IT investment.
- Part 2: IT Investments for Mission Support Services – Mission support services consist of activities that are common across all agencies and include functional areas such as financial management, human resources, contracting, travel, and grants management. Section [55.6](#) provides guidance on reporting an agency's contributions to the funding of a shared service officially designated as an electronic government or line of business initiative.

- Part 3: Standard IT Investments – IT investments for technology goods and services common to all agencies such as IT infrastructure, IT security, and IT management. These investments should be reported at the point of management, and thus may be defined by bureau level, functional components, or at the agency level. Consequently, more than one of the same types of standard IT investment may exist within the agency's IT portfolio. Agencies should report at the agency level when the IT investments are managed at the enterprise level.

An agency's IT portfolio submissions to OMB are a complete report of all of an agency's IT spend and related IT management information, and should include the following:

- All types of IT Investments within the agency IT portfolio
- IT investment financial data, including TBM Taxonomy Version 4.0 IT Towers and Cost Pools, and partial Solution technical classifications for delivery, platform, and infrastructure
- IT investment CIO evaluations
- IT investment contracts data
- IT investment project data
- IT investment operational analysis data
- IT investment performance metrics and actual performance results data
- Major IT business case reporting
- Budget accounts summary
- Data on projects funded by the Technology Modernization Fund (TMF)
- Contributions to Electronic Government (e-Gov) and Line of Business (LoB) Initiatives

(a) Types of IT investments within the agency IT portfolio:

- 01: Major IT investments – those IT investments that have been designated as "major" by the agency responsible for the investment or by OMB. When deciding whether a given investment qualifies as major, agencies should consider any relevant factors, including the following:
  - The investment requires special management attention because of its importance to an agency's mission or its implications for agency programs or policies;
  - The investment was designated as a major IT investment in the previous budget submission;
  - The investment has a high annual cost or high projected total lifecycle cost;
  - The agency CIO has designated the investment as a high risk;
  - The investment involves a Tier I High Value Asset; and/or

- The investment has a high-visibility profile with agency executive leadership, congressional leadership, and/or the public.
- 02: Non-Major IT investments – those that are not designated major by the agency or OMB, or are designated as a "Standard IT Investment," "IT Migration Investment," or "Funding Transfer Investment."
- 03: IT Migration Investments – the migration costs associated with systems in a Shared Service partner agency that are not captured by the lead agency when the partner agency is migrating to the shared system. They are generally only a portion of a larger technology asset for which there is an existing business case. The description of the IT investment should indicate the unique investment identifier (UII) of the major asset of the lead agency.
- 04: Funding Transfer Investments – generally, the partner contribution to a lead agency investment through inter-agency or intra-agency transfers. The description of the IT investment should indicate the unique investment identifier (UII) of the lead agency's investment.
- 05: Standard IT Investments – expenditures for IT resources that include, but are not limited to, commonly used enterprise-wide information systems and services, computing infrastructure, and other technology services and applications that are commonly used across agencies. Standard IT investments may also include those indirect, general, and administrative costs that are not included in major or non-major IT investment reports, but do support the agency's IT and information systems. All Standard IT Investments should align to Part 3 of the Agency IT portfolio summary.
  - Each standard IT investment may be classified into one of the following categories: IT Security and Compliance, IT Management, Network, Data Center and Cloud, End User, Output, Application, Delivery, and Platform.<sup>1</sup>
  - Business case analysis is not required for IT investments designated as "standard IT investments."

(b) Major IT Business Case reporting

An agency's Major IT Business Case analysis is intended to describe the justification, planning, implementation, performance, and risks of individual capital assets designated by the agency responsible for the investment or by OMB. This analysis serves as a key artifact of the agency's IT budget and IT portfolio management processes. Agencies should regularly review their business case analyses to ensure that the associated IT investments continue to add the expected value to the agency's stated business or mission outcomes. Major IT business case analysis is required for an agency's designated major IT investments and must document, at a minimum:

- Project-level planned, projected, and actual costs, as well as start and end dates of projected life-cycle costs, including development, modernization, and enhancement costs as operations and maintenance costs (Note: activity-level cost and schedule reporting is no longer required)
- Information on the various contract data that support a Major IT Investment

<sup>1</sup> These categories are drawn from the types of IT resources (towers, cost pools, and solutions) delineated by the TBM Council in TBM Taxonomy, Version 4.0 (Dec. 2020).

Anticipated benefits of the investment to support the agency's desired business or mission outcomes

- The current performance of the investment in meeting its business or mission purpose;
- The extent to which any benefits or costs are expected to be shared by other Federal agencies or State or local governments
- The use of an incremental or non-incremental development methodology
- The results of regularly occurring operational analysis
- The performance metrics and actual performance results used to monitor and demonstrate the investment is meeting the needs of the agency, delivering the expected value to the agency, and/or being modernized and replaced
- An assessment of investment risks, including cost, schedule, and performance risks
- A discussion of cybersecurity risks that may affect investment performance, and
- The risk rating assigned by the agency CIO

(c) TBM Taxonomy, Version 4.0

Towers, Cost Pools, and Solutions layers<sup>2</sup> – the continued implementation and maturation of the TBM Taxonomy, Version 4.0, will put into place a reporting standard that promotes more effective value-management of technology investments, enhances the transparency of technology investment costs, and improves the performance of the IT services included in the agency IT investment portfolio. Submission requirements for each of the TBM Taxonomy layers is as follows:

- TBM Taxonomy reporting required for all IT investment types:
  - TBM IT Towers layer – End User, Application, Delivery, Security & Compliance, IT Management, Data Center, Network, Compute, Storage, Platform, and Output.
  - TBM Cost Pools layer – Internal Labor, External Labor, Outside Services, Hardware, Software, Facilities & Power, Telecom, Internal Services, and Other.
- TBM Taxonomy reporting required only for standard IT investments data:
  - TBM Solutions layer – required reporting for budget year 2025, technical solutions categories for Delivery, Platform, and Infrastructure.

(d) Budget Accounts Summary

The agency Budget Accounts Summary provides an overview of IT funding levels associated with Budget Accounts/Funding Sources listed for each IT investment in the agency's IT portfolio. This summary is intended to support FITARA requirements and transparency into the IT investment dollar amount that the agency CIO maintains direct oversight authority. This summary is to be completed at the Agency level (i.e., not at a component/bureau/sub-agency organizational level or at an individual

<sup>2</sup> These categories are drawn from the types of IT resources (towers, cost pools, and solutions) delineated by the TBM Council in TBM Taxonomy, Version 4.0 (Dec. 2020).

investment level) for the prior year (PY), current year (CY), and the budget year (BY). The summary is to include all budget accounts that fund IT investments across the entire agency, comprehensive for all component level organizations, for agency funding only. The Budget Accounts Summary should not include contribution funding amounts that are reported in the agency IT portfolio summary.

(e) Projects funded by the Technology Modernization Fund (TMF)

IT investments receiving TMF funding must report all IT projects that receive TMF funding regardless of investment type.

(f) Electronic Government (e-Gov) and Lines of Business (LoB) Initiatives

For OMB submission requirements for e-Gov and LoB initiatives, please refer to section [55.6](#).

(g) CIO Evaluations

While agency CIOs have authority and responsibility over the entire agency IT portfolio, OMB is only requiring CIOs to provide a numeric evaluation for Type 01 Major IT Investments and Type 05 Standard IT Investments. The CIO evaluation should reflect the CIO's best judgement of the current level of risk for an investment in terms of its ability to accomplish its goals (per 40 U.S.C. § 11315(c)(2)). The evaluation factors should include risk management, requirements management, contractor oversight, historical performance, human capital, and other factors the CIO deems important when assessing the future success of the investment. Evaluations should be updated as soon as the CIO has completed their assessment.

The numerical evaluation should be scored on a five-point scale as follows:

- 1 – High Risk
- 2 – Moderately High Risk
- 3 – Medium Risk
- 4 – Moderately Low Risk
- 5 – Low Risk

Frequency of IT portfolio management data submissions:

- Annual submissions - Agencies are required to update their IT portfolio summary and investment cost data at least twice annually.
- Regular updates – Updates to the IT Dashboard should be made as necessary to reflect the most current information for reported projects, performance, and risk metrics.

Additional updates to an agency's IT portfolio may be required after the final budget decisions to ensure alignment with Congressional Justification materials or if the agency requests supplemental funds that require changes to improve reporting accuracy. Dates of public release of the IT portfolio data submitted to the IT Dashboard will be consistent with the release dates of the President's Budget.

#### 55.4 To which agencies do these data submission requirements apply?

The following agencies are required to submit their IT portfolio management and budget data to OMB:

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	Small Business Administration
Department of Transportation	Social Security Administration

OMB may, as needed, request the submission of IT portfolio data by additional Federal agencies not identified in the table above.

#### 55.5 Where can agencies find additional information on submission requirements?

- [OMB Circular No. A-130](#) provides general guidance on planning, programming, budgeting, and management of IT portfolio investments. This section outlines the reporting requirements from those A-130 processes as they relate to the budget.
- The specific data field elements required for each budget submission have been published on the Federal IT Dashboard, and their technical specifications are available within the system interface [Application Programming Interface \(API\) documentation](#), which describes how agency portfolio management systems can transmit the required data to the Federal IT Dashboard.
- Agency personnel with questions about the IT portfolio data submission requirements outlined within this section should consult with the OMB Desk Officer assigned to their agency for additional assistance.

#### 55.6 What are the submission requirements for Electronic Government and Line of Business Initiatives?

As part of the annual [MAX Collection](#) of information on expected agency contributions to Electronic Government (E-Gov) and Line-of-Business (LoB) initiatives, agencies must submit data on their contributions to specific initiatives over a period of three years: previous year (PY), current year (CY), and budget year (BY). Agency shared services investments included in the table below should report code "24" for the "Shared Services Category" field in the IT Portfolio Summary. Other shared services investments should report code "48."

In reporting to the IT Dashboard, a partner agency should list its investment as a Type 04 Funding Transfer and report funding in the agency funding fields. The lead agency for an initiative should report both their investment as a Type 01 Major Investment and funding from customers in the agency contribution field.

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The E-Gov and LoB initiatives listed below should be included as part of the agency IT portfolio data submission:

<b>E-Gov or LoB Initiative</b>	<b>Responsible Agency</b>	<b>Identifier</b>
Benefits.gov	Labor	0020
Budget Formulation and Execution LoB	Education	3200
Disaster Assistance Improvement Plan	DHS/FEMA	4100
E-Rulemaking	GSA	0060
Federal Audit Clearinghouse LoB	GSA	1400
Federal PKI Bridge	GSA	0090
Financial Management LoB	Treasury	1100
FOIA Portal	Justice	0099
Geospatial LoB	Interior	3100
Grants.gov	HHS	0160
Hiring LoB	OPM/OMB	1275
Human Resources LoB	OPM	1200
Integrated Award Environment	GSA	0230
Performance Management LoB	GSA	0900
Security, Suitability, and Credentialing LoB	OPM	1250