

Section 2: Budget

Functional Area	Attributes	Traits	Level 1 Basic Capabilities Characteristics	Level 2 Evolving Maturity Characteristics	Level 3 Demonstrated Maturity Characteristics
BUDGET TRANSLATING STRATEGY INTO ACTION	<p>Functional Area Description: The IT budget process translates strategy into actionable plans by making funding choices for investments and operational programs. For IT, the budget process begins with formulation processes that result in budget justifications that demonstrate the role of IT in fulfilling agency mission, business, and program goals. Budget justification documents at the program, bureau/component and agency eventually find their way to Congress through either the President's budget or in supporting documentation like Congressional justifications for the Appropriations committees. This process and the resulting artifacts become the primary mechanism for demonstrating the value proposition and mission criticality of IT spending. The IT budget process continues with budget execution, which ensures a linkage of agency strategic direction to tactical commitment of resources. In particular, budget execution is one of the most reliable mechanisms to ensure that IT spending across the organization is economical and effective supporting agency missions. Budget execution supports FITARA through CIO approval of decisions to obligate funds by approving IT acquisitions, reprogramming requests for IT, and even stopping payments for poor contractor performance. Within this Function, traits are identified as tied to either budget formulation or budget execution. In a few cases, traits are associated with both phases of the budget process.</p> <p><i>Note: Yellow highlights identify linkages to the M-15-14 Attachment A: Common Baseline for IT Management and CIO Assignment Plan elements.</i></p>				
	Horizontal integration: Is there the proper level of involvement from all appropriate stakeholders, including CIO, CAO, CFO, CHCO (the CXOs) and the mission/business leadership of the agency in the budget preparation and execution process?	The agency has an enterprise governing board that oversees all facets of the agency IT budget (Formulation)	Agency-wide board exists and meets	B1. CIO role in pre-budget submission. Agency-wide board includes all CXOs and mission/business leaders and addresses all phases of the spending lifecycle from investment to O&M and balances both IT and non-IT considerations	Agency-wide board is the authoritative decision making body for all facets of IT spending over its lifecycle
		Planned IT expenditures are established and reported according to agency policy (Execution)	The CIO has defined a policy for defining and communicating IT spend plans	A1, A2 & F1. Visibility of IT resources & Visibility of IT planned expenditure reporting to CIO. The CIO, CFO and CAO collaborate on the agency-wide policy to establish and report on planned expenditures for all transactions that include IT resources	The CIO, CFO and CAO collaborate on the enforcement of the agency wide policy to establish and report on planned expenditures for all transactions that include IT resources
		Joint Accountability exist between the CIO and CFO for budget decisions and oversight (Formulation/Execution)	The CIO is minimally involved in budget decisions for IT resources and the CFO often determines the final outcome	The CIO is somewhat involved in budget decisions IT resources and is consulted by the CFO before final decision making	The CIO is fully engaged IT resources and equally accountable for budget decisions as the CFO

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		Program budgets are overseen by the PM with support from senior leadership (Formulation/Execution)	The PM has limited authority and oversight of the budget of the program	The PM has some authority and oversight for the program budget but is not involved in the final decisions	The PM has full (primary) control of all budget aspects of the program to include operating, planning, execution, deviation, and presentation
		Mission/business leadership along with IT management are held jointly accountable for performance on IT initiatives and the contribution of IT to the agency mission (Formulation)	All IT spending is assessed through a variety of measures including both business outcome measures and IT project progress measures	C1, E1. CIO role in planning program management & Ongoing CIO engagement with program managers. Ongoing IT spending is regularly evaluated with regard to project progress against the plan and continued contribution to the agency's mission	The CIO is significantly involved in the development of the Agency Strategic Plan, and the CIO's IRM Plan explicitly supports that plan. IT spending is regularly assessed regarding its contribution to the agency mission and Strategic Plan
		IT spending review examines both investments and base spending for operations and maintenance activities (Formulation/Execution)	IT spending review includes review of investments and some operational programs	Agency has a robust operational analysis capability to look for economies and unnecessary spending in operational IT systems	Agency has conducted a zero-based budget review of IT spending to identify to eliminate unnecessary and free up spending for new IT investments
		Rules are established that provide for repurposing and reprogramming of IT spending consistent with agency priorities and appropriate use of funds (Formulation)	J1. CIO role in recommending modification, termination, or pause of IT projects or initiatives. IT spending is monitored and reported on by the CIO through established performance measures and TechStats (or similar) reviews	C1. CIO role in planning program management Ongoing IT spending is regularly evaluated with regard to their progress and continued contribution to the agency's priorities. This information informs the prioritization of IT spending on a regular basis by the investment board, on which the CIO sits	Agency-level decision making is highly adaptable to externalities and supports just in time decision making that provides for effective agency responses to emerging requirements
	Vertical Integration: Is there clearly stated and quantified relationship	The agency has processes and workforce capabilities linking	General linkage to IT spending to business goals	Specific linkage of IT spending elements to mission accomplishment	E1. Ongoing CIO engagement with program managers. Linkages of IT spending to business goals and

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	between agency mission/business outcomes and investment scope and timelines?	measurable mission/business goals, benefits, and outcomes to time and IT resources invested (Execution)			mission accomplishment supported by a mix of quantitative and qualitative measures of impact
		The agency has the ability to review and prioritize the investment backlog at the agency, bureau or component, and program levels (Formulation)	Only Agency-level investment backlog management	Agency, bureau/component and program-level investment backlog management exist separately	Integrated backlog management among agency, bureau/component and program level portfolios
		The agency IT strategic plan satisfies three objectives: 1) aligns to agency mission and strategic goals; 2) addresses gaps the current strategic and organizational plan through IT spending; and 3) sets a course for successful deployment of IT initiatives to advance realization of agency mission and business goals (Formulation)	Alignment of IT spending priorities to agency missions and strategic goals	Alignment of IT spending to address agreed-upon gaps in organizational capabilities	Alignment of IT spending agency priorities and to address agreed-upon gaps in organizational capabilities over a number of years with high-level milestones and anticipated deliverables

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		An EA enables the agency to understand the relationship among the mission and business requirements and provides the basis for organizing IT spending portfolios for those requirements. (Formulation)	Existence of an EA program	An EA program that shapes IT spending portfolios	An EA program that outlines spending needs and priorities across portfolios
		The agency has a IT cost estimating policy and practices (Formulation)	IT cost estimating policy established at the agency level	IT cost estimating guidance and related training program across agency	Acceptable methods of performing IT cost estimates that can be applied to varying kinds of IT spending projects across agency
		Technical basis of IT spending estimates (Formulation)	Program staff develops IT spending estimates	Technical SMEs inform IT spending estimates	Program staff and technical SMEs inform IT spending estimates based on historical data by spending class and available industry data
		Budgets are executed in a way that provides transparency into commitments, obligations, and expenditures for appropriate stakeholders (Formulation/Execution)	A1, A2 &. F1. Visibility of IT resources & Visibility of IT planned expenditure reporting to CIO. IT budget (formulation and execution) data information is shared among relevant stakeholders upon request	IT budget (formulation and execution) data are shared regularly among relevant stakeholders	IT budget (formulation and execution) data are posted internally for appropriate staff to review
		Program Managers and key stakeholders are actively involved in all aspects of the program budget (Program engagement)	The program manager is responsible for managing the budget but not involved in budget formulation or other key budget decisions	The program manager is somewhat involved in the budget formulation and oversees budget execution of the program	The program manager is fully involved in the budget formulation and execution of the program budget

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	TBM- IT Cost Accounting:	The agency is reporting planning expenditures in the TBM taxonomy outlined by OMB (Reporting requirements)	The agency is reporting standard investments in the TBM taxonomy (through the CPIC process); however, a majority of the alignment to IT towers and cost pools is based on rough percentages	The agency is reporting standard investments in the TBM taxonomy and the alignment to IT towers and cost pools is reported with a high level of confidence	The agency is reporting standard investments in the TBM taxonomy and alignment to IT towers and cost pools are validated with actual obligations and expenditures
		TBM informs decision making at all levels of the agency (decision making)	The agency has not fully implemented TBM and is not used the framework in any IT decision making activities	The agency has fully implemented TBM and is using data in selective cases to inform IT decisions	The agency has fully implemented TBM and is using the framework to make key decisions in IT activities and resources
	Support for Modular Execution: Does the agency IT budgeting process enable many of the objectives for incremental and modular development?	Does the IT budgeting process enable IT spending for projects and programs to be broken down into discrete increments or useful segments that deliver value and measurable outcomes over time? (Formulation)	IT budgets for programs and projects are sometimes described in a modular manner aimed at achieving overall program objectives over a time period	IT budgets for programs and projects are consistently described in a modular manner aimed at achieving overall program objectives over a time period and enable logical and progressive program and acquisition planning and budget execution	The agency maintains a fully mature IT budget process that can relate the processes for mission and business-driven investment to support planning for modular execution in ways that enable extensive use of Strategic Sourcing vehicles and enterprise sourcing concepts across the agency, including extensive consolidation of commodity IT infrastructure and service
	Right Authority: Is there clear review and approval authority in budget formulation and execution decisions for IT programs and acquisitions?	The IT budgeting process ensures the CIO helps to shape agency IT spending policies and requirements through all budget formulation and execution processes (Formulation/Execution)	H1. CIO role on program governance boards. The CIO is a formal member of the IT budget process of the agency	D1, G1. CIO role in budget request & CIO defines IT processes and policies. The CIO is an active participant in and has review and approval authority over IT spending throughout the IT spending lifecycle for all major IT spending. The CIO and CFO jointly affirm the CIO's significant role in	L1. CIO approval of reprogramming. CIO is informed and participates in negotiations with OMB and Congress regarding any changes on the IT budget to include re-allocation/reprogramming requests. CIO approves all reprogramming of IT funds that require Congressional notification. CFO ensures CIO participation

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				developing the IT budget request	
	Right Timing: Does the agency plan and allocate sufficient resources and time for: <ul style="list-style-type: none"> Budget formulation Budget plan development Budget execution To make sound portfolio decisions and meet budgetary timelines?	<p>During budget formulation, is there a schedule to begin planning the budget.</p> <p>Are the IT spend plans being used as your baseline and priority decision-making?</p>	<p>A generalized budget planning timeline is known but not documented or published</p> <p>Spend plan is available to IT offices and stakeholders</p> <p>IT Actuals are being tracked against the project apportionments</p>	<p>A generalized budget planning timeline is known and published</p> <p>Spend plan is readily available to offices and stakeholder in a centralized place</p> <p>Polices and process are in place to track IT spending deviations and reprogramming</p>	<p>A generalized budget planning timeline has achieved milestones that are being met</p> <p>The most current IT spending plan is being maintained, used and leveraged</p> <p>Polices and process are in place to track IT spending deviations and reprogramming and brought to an internal governing body for a decision</p>
		<p>Does the timing of updates to actual costs and forecast expenditures support routine agency cost and schedule performance reporting, and does it fully support agency reporting requirements for TechStat and PortfolioStat?</p> <p>(Execution)</p>	<p>IT spending data are generally available, subject to some reporting lags, with some manual adjustment and interpretation to support external reporting requirements</p>	<p>IT spending data are available with minimal manual intervention and reporting lags to support agency external reporting requirements.</p>	<p>IT spending data are available real time with no manual intervention. The data includes updates for latest actual costs and current forecast cost, schedule and performance outcomes. The data supports internal management information requirements and external reporting to OMB, Congress and other external stakeholders</p>