



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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MEMORANDUM FOR THE CHIEF INFORMATION OFFICERS

FROM: Mark Forman
Associate Director for E-Government and Information Technology

SUBJECT: Procedures for Requesting Funds from the E-Government Fund

This memorandum establishes the procedures for accepting and reviewing proposals to receive funding from the E-Government Fund as established by the E-Government Act of 2002 (P.L. 107-347), section 101, 44 U.S.C. §3604. The E-Gov Fund will enable the Federal Government to expand its ability, through the development and implementation of innovative uses of the Internet or other electronic methods, to conduct activities electronically. The Fund is administrated by the Administrator of the General Services Administration to support projects approved by the Director of the Office of Management and Budget.

Process for Submitting Proposals:

- All proposals for funding must meet the requirements set forth in the E-Government Act, section 101, 44 U.S.C. §3604(b)(2). Proposals may be requested from both new and existing projects.
- Proposals shall include a brief description of the initiative to be funded, including a justification and spending plan. Proposals shall be submitted to Jeanette Thornton at jthornto@omb.eop.gov.

Process for review:

1. OMB will review proposals from Chief Information Officers and other agency officials based on the criteria set forth in section 101, 44 U.S.C. §3604(c).
2. Final approval will be granted by the Director of OMB.
3. GSA will prepare a letter from GSA Administrator to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the appropriate authorizing committees of the Senate and the House of Representatives, to provide the required 15 days advance notice to Congress.
4. Following the 15 day waiting period, OMB and GSA will consult on and determine the next steps.
5. Funds transferred to the initiative account for approved projects.

Any questions regarding this memorandum should be addressed to Jeanette Thornton at 202-395-3562.

Relevant Text from the E-Government Act of 2002
--Sec. 3604. E-Government Fund

“(a)(1) There is established in the Treasury of the United States the E-Government Fund.

“(2) The Fund shall be administered by the Administrator of the General Services Administration to support projects approved by the Director, assisted by the Administrator of the Office of Electronic Government, that enable the Federal Government to expand its ability, through the development and implementation of innovative uses of the Internet or other electronic methods, to conduct activities electronically.

“(3) Projects under this subsection may include efforts to--

“(A) make Federal Government information and services more readily available to members of the public (including individuals, businesses, grantees, and State and local governments);

“(B) make it easier for the public to apply for benefits, receive services, pursue business opportunities, submit information, and otherwise conduct transactions with the Federal Government; and

“(C) enable Federal agencies to take advantage of information technology in sharing information and conducting transactions with each other and with State and local governments.

“(b)(1) The Administrator shall--

“(A) <<NOTE: Procedures.>> establish procedures for accepting and reviewing proposals for funding;

“(B) consult with interagency councils, including the Chief Information Officers Council, the Chief Financial Officers Council, and other interagency management councils, in establishing procedures and reviewing proposals; and

“(C) assist the Director in coordinating resources that agencies receive from the Fund with other resources available to agencies for similar purposes.

“(2) When reviewing proposals and managing the Fund, the Administrator shall observe and incorporate the following procedures:

“(A) A project requiring substantial involvement or funding from an agency shall be approved by a senior official with agencywide authority on behalf of the head of the agency, who shall report directly to the head of the agency.

“(B) Projects shall adhere to fundamental capital planning and investment control processes.

“(C) Agencies shall identify in their proposals resource commitments from the agencies involved and how these resources would be coordinated with support from the Fund, and include plans for potential continuation of projects after all funds made available from the Fund are expended.

“(D) After considering the recommendations of the interagency councils, the Director, assisted by the Administrator, shall have final authority to determine which of the candidate projects shall be funded from the Fund.

“(E) Agencies shall assess the results of funded projects.

“(c) In determining which proposals to recommend for funding, the Administrator--

“(1) shall consider criteria that include whether a proposal--

“(A) identifies the group to be served, including citizens, businesses, the Federal Government, or other governments;

“(B) indicates what service or information the project will provide that meets needs of groups identified under subparagraph (A);

“(C) ensures proper security and protects privacy;

“(D) is interagency in scope, including projects implemented by a primary or single agency that--

“(i) could confer benefits on multiple agencies; and

“(ii) have the support of other agencies; and

“(E) has performance objectives that tie to agency missions and strategic goals, and interim results that relate to the objectives; and

“(2) may also rank proposals based on criteria that include whether a proposal--

“(A) has Governmentwide application or implications;

“(B) has demonstrated support by the public to be served;

“(C) integrates Federal with State, local, or tribal approaches to service delivery;

“(D) identifies resource commitments from nongovernmental sectors;

“(E) identifies resource commitments from the agencies involved;

“(F) uses web-based technologies to achieve objectives;

“(G) identifies records management and records access strategies;

“(H) supports more effective citizen participation in and interaction with agency activities that further progress toward a more citizen-centered Government;

“(I) directly delivers Government information and services to the public or provides the infrastructure for delivery;

“(J) supports integrated service delivery;

“(K) describes how business processes across agencies will reflect appropriate transformation simultaneous to technology implementation; and

“(L) is new or innovative and does not supplant existing funding streams within agencies.

“(d) The Fund may be used to fund the integrated Internet-based system under section 204 of the E-Government Act of 2002.

“(e) <<NOTE: Notification.>> None of the funds provided from the Fund may be transferred to any agency until 15 days after the Administrator of the General Services Administration has submitted to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the appropriate authorizing committees of the Senate and the House of Representatives, a notification and description of how the funds are to be allocated and how the expenditure will further the purposes of this chapter.

“(f)(1) <<NOTE: Reports.>> The Director shall report annually to Congress on the operation of the Fund, through the report established under section 3606.

- “(2) The report under paragraph (1) shall describe--
 - “(A) all projects which the Director has approved for funding from the Fund; and
 - “(B) the results that have been achieved to date for these funded projects.
- “(g)(1) There are authorized to be appropriated to the Fund--
 - “(A) \$45,000,000 for fiscal year 2003;
 - “(B) \$50,000,000 for fiscal year 2004;
 - “(C) \$100,000,000 for fiscal year 2005;
 - “(D) \$150,000,000 for fiscal year 2006; and
 - “(E) such sums as are necessary for fiscal year 2007.
- “(2) Funds appropriated under this subsection shall remain available until expended.