

Cost Accounting, Cost Recovery, and Interagency Sharing
of Information Technology Facilities

- a. Accounting and Reimbursement for Sharing of Information Technology Facilities. The Department's IRM policies will ensure that cost accounting, cost recovery, and interagency sharing of information technology facilities occur, as appropriate, to accomplish HUD's programmatic mission and goals. This applies to all information technology facilities that are operated by or on behalf of a Federal agency, provides information technology service to more than one user; operates one or more general management computers; and have obligations in excess of 3 million dollars per year.
- b. Interagency Sharing. HUD will:
 - (1) Share information technology facilities with users from other agencies to the maximum extent feasible.
 - (2) Document sharing arrangements, where the total annual reimbursement exceeds \$500,000, with individual written agreements that identify: services available for sharing; service priority procedures and terms (e.g., quality performance standards) to be provided to each user; prices to be charged for providing services; reimbursement arrangements for services provided; and arrangements for terminating the sharing agreement.
 - (3) Provide standard terms and conditions to users obtaining similar services insofar as possible.
 - (4) Include such sharing arrangements, when fully documented and part of a formal sharing program, in justifications to OMB for resource requests (see OMB Circular No. A-11, revised) and allocations. Direct funding by a shared facility should be requested only where exceptional circumstances preclude the user agency from using alternative sources.

- c. Cost Accounting. HUD will account for the full cost

of the operation of information technology facilities.

- d. User Cost Distribution System. HUD will implement a system to distribute the full cost of providing services to all users. That system will:
- (1) Price each service provided by the facility to the users of that service on an equitable basis commensurate with the amount of resources required to provide that service. The price of individual transactions may be estimated provided that they are periodically reconciled to assure that the full costs of operations are equitably distributed among all users.
 - (2) Directly distribute to the recipient of the services the full costs of dedicated services, including applications developed and maintained; software unique to a single application; and telecommunications equipment, including control units, terminals, modems, and dedicated telephone or satellite links provided by the facility to enable data transfer and computer access to users.
- e. Cost Recovery. Consistent with statutory authority, HUD will: (1) submit periodic statements to all users of HUD's information technology facilities specifying the costs of services provided; (2) recover full costs from Federal users of the facility; and (3) recover costs from nonfederal users of the facilities consistent with OMB Circular No. A-25.
- f. Accounting for Reimbursements Received. For reimbursements for services provided to outside (non-HUD) users HUD will: (1) include resource requests for the amount of planned information technology use in user budget and appropriation requests; (2) assure that shared facilities reduce budget and appropriation requests by the amount of planned reimbursements from users; (3) prepare, at the close of each fiscal year a report that documents in HUD's official records the full past year cost of operating information technology facilities that recover more than \$500,000 per year

from sharing reimbursements; and (4) use the portion of reimbursements arising from equipment and

software depreciation for the replacement of equipment and software capital assets, provided such usage is included in the budget.

- g. Selection of Information Technology facilities to Support New Applications. In selecting information technology facilities to support new applications, HUD will establish a management control procedure for determining which facility will be used to support each significant application. This procedure shall ensure that: all alternative facilities are considered, including other Federal agency and nonfederal facilities and services; and HUD rules do not require that priority be given to the use of in-house facilities.