# **Policy 122**

# **Administrative and Financial Systems Investment Approval**

**Purpose**

IT systems designated as supporting [enterprise administrative and financial functions](https://ocio.wa.gov/policies/administrative-and-financial-system-definitions), processes, or data should be used by state agencies whenever possible. The Office of Financial Management (OFM) is the business owner of statewide financial processes and related data. The business owner of statewide administrative processes may be OFM or the Department of Enterprise Services (DES) and in some cases it is shared between these agencies. Agencies are required to obtain [formal, written approval](https://www.ofm.wa.gov/sites/default/files/public/legacy/policy/80.30.htm#80.30.88) before beginning any administrative or financial solution modification, development or acquisition.

This policy supports the evaluation of proposed investments in administrative or financial solutions from a strategic, cross-agency perspective that provides the greatest opportunity for reuse and efficiency, particularly where there are shared business needs. As part of the ongoing modernization of statewide enterprise solutions, existing agency applications will be reviewed to determine if there is a strong business case for the continuation of a separate, agency-specific solution and to identify opportunities for increased reuse among agencies. As a result of this review, agencies may be required to discontinue use, in whole or in part, of agency-specific solutions.

In situations where a state enterprise solution cannot meet an agency’s specific business needs, approval may be given for the agency to procure a new solution or to leverage an existing solution in use by other agencies following an evaluation of the investment request.

**Policy Statement**

1. Agencies must request and receive written approval from the OCIO and OFM or DES before:
	1. Acquiring, developing, implementing and/or investing in a new solution supporting administrative and/or financial business processes.
	2. Making additional investments to an existing agency-deployed system supporting administrative and/or financial business processes.
		1. The threshold for dispositioning the additional investment is based on the combined level of effort or hardware/software costs as provided in the Threshold Table for Administrative and Financial System Investments.
		2. These thresholds may change based on current or planned availability of enterprise or cross agency solutions.
		3. Agencies may request a broad-scope, system-level evaluation to determine if the system can be exempted from future investment-level approvals.
2. Agency requests must contain the information necessary to evaluate the investment.
	1. At a minimum, the request must include information about the business process areas involved, the business drivers for the agency, and a description of the investment scope and budget.
	2. Requests shall be submitted as soon as the investment need is identified. In situations where the investment supports an immediate need, such as break/fix condition, the agency shall submit the request as soon as the situation is stabilized.
3. Agencies shall perform due diligence to understand the business and technology needs driving the investment, conduct high level analysis of existing enterprise or agency-deployed systems to determine if an existing or planned solution meets their business needs, and provide the results to the OCIO as required.
4. For any proposed custom development of an administrative or financial system, the agency must provide the results of research conducted and justification for why a Commercial Off-The-Shelf (COTS) or Software-as-a-Service (SaaS) solution will not meet the agency’s business needs.
5. The OCIO shall consult with OFM and/or DES to evaluate agency requests. Agencies may be required to attend consultations with the OCIO, OFM and/or DES in support the evaluation.
6. Based on the results of the evaluation of the request, a formal, written disposition from the OCIO and OFM or DES will be provided to the agency and may include:
	1. Approval of the investment request as presented.
	2. Approval of the investment request with conditions indicating the agency shall use a state enterprise system or leverage an existing agency-deployed system, in whole or in part. The scope and timeline of the investment may be limited in anticipation of migrating to another system.
	3. Approval of the investment request with additional consideration of future investments of similar scope and budget.
	4. Denial of the investment request.
7. Agencies must comply with the disposition notice as written. Investments may be re-evaluated if new or enhanced functionality is enabled within available enterprise solutions and may result in an amended disposition issued to the agency.

**SUNSET REVIEW DATE: June 30, 2024**

**ADOPTION DATE: TBD**

**APPROVAL DATE: TBD**

**APPROVING AUTHORITY: Bill Kehoe, State Chief Information Officer and Chair, Technology Services Board**

**Resources:**

[Administrative and Financial Systems Investment Approval Guide](https://watech.sp.wa.gov/ask/ocioea/SitePages/Administrative%20Financial%20System%20Investments.aspx)

[Administrative and Financial Business Processes and Definitions](https://ocio.wa.gov/policies/administrative-and-financial-system-definitions)

Threshold Table for Administrative and Financial System Investments (attached)

[Administrative and Financial Systems Investment Request Form](https://stofwadeptofenterpriseservices.formstack.com/forms/ocio_admin_financial_system_investment_request)