Technology Budget FAQ

General questions.

Q1: **My project is a joint venture between two agencies. Can we submit one technology budget?**

A1: No. By statute, if two or more state agencies are substantially involved in a single project each agency must develop its own technology budget. See section 701(8)(a) of the 2020 Operating Budget—Supplemental (ESSB 6168), effective April 3, 2020 for more information:

(8) If a project affects more than one agency: (a) A separate technology budget and investment plan must be prepared for each agency…

See also section 701(6)(a) of the Substitute Senate Bill 6497 for transportation appropriations:

(6) If a project affects more than one agency: (a) A separate technology budget and investment plan must be prepared for each agency…

Technology budget template.

Q2: **Can I get money before I have a technology budget? When can I access the funds I was appropriated?**

A2: No. Per statute, funding is not released without an approved technology budget and the Office of Financial Management (OFM) has authorized allotments. Agencies must apply to OFM and the OCIO to receive funding. The OFM must notify fiscal committees of the receipt of the application and may not approve funding for 10 business days from the date of notification. If an agency elects to spend money prior to OFM approval, they are incurring a budgetary risk that the agency may need to cover the costs within their existing base budget should their approval for funding not be authorized.

Q3: **How do I know if I am using the right/current template?**

A3: The current version of the Technology Budget Template for Gated Funding Projects is always available on the OCIO website. If you pull from this link, you will always get the current and approved template.

Q4: **Where do I go for the Agency Financial Reporting System (AFRS) coding required on the Inputs tab?**

A4: Your internal agency budget or accounting lead should be able to assist. For agencies reporting through AFRS, there are OFM guides on how an agency can create an AFRS code. See OFM Agency Financial Reporting System Project Control Table for more information. There are a few agencies who do not report financial information through AFRS. Please schedule a meeting with your OFM Accounting Consultant to discuss reporting requirements.

Q5: **What is a fund source (on the Summary tab)? What are my options?**

A5: Fund sources are the types of funding that the agency will use to pay for the project such as state, federal or dedicated agency accounts. The Summary tab includes some embedded formulas for

calculating totals and assigning costs to a fund source. See the OFM Fund Reference Manual for more information. Speak with your agency accounting and/or budget teams to answer any questions. Your OFM Accounting Consultant and OFM Budget Assistant can also be available to assist as needed.

Q6: How should I represent indirect costs for staff?

A6: Indirect costs for staff represent the expenses of doing business that are not readily identified with a particular project function but are necessary to support the project. On the Budgeted Resources tab, look for Section 6 Other. Here you will add a line item for "Indirect Costs for FTEs." You should manually add amounts to reflect agency indirect cost. You will want to use object and subobject codes "TA" for salaries and wages and "TB" for employee benefits so they get classified correctly. Section 75.70 of the Statewide Accounting Administrative Manual (SAAM) is the source for object/subobject codes.

Q7: How does my Budgeted Resources tab relate to appropriated funds?

A7: Budget resources are the monies made available through the budget process. Other resources needed to complete the project would be in-kind and must be reflected on the "Agency In-kind Resources" tab. Budgeted resources often represent a large percentage of your appropriation request. The budgeted resources in your technology budget should match both the approved funding and satisfy legislative "intent." Some exceptions may apply.

Q8: What is a subobject code?

A8: A subobject code is a two-digit code used by AFRS to precisely allocate expenditures to the proper general ledger code. You must complete this field for all non-state FTE line items in the Budgeted Resources and In-kind Resources tabs. Section 75.70 of the Statewide Accounting Administrative Manual (SAAM) is the source for object/subobject codes. See the SAAM Glossary for more information. Speak with your agency accounting and/or budget teams. Your OFM Accounting Consultant and OFM Budget Assistant can assist them if help is needed.

Q9: How can I verify the correct AFRS coding at program sub-projects and project gates?

A9: Your agency accounting or budget representatives will be your point of contact for AFRS coding. Close monitoring is necessary to include needed adjustments, if any, prior to fiscal month close. There is also a reference table available on the Office of Financial Management (OFM) website. See OFM Agency Financial Reporting System Project Control Table for more information.

Q10: How am I supposed to track in-kind actuals?

A10: It depends. The technology budget is not the tool to track actuals. An agency that has a budget plan that includes in-kind funding should be monitoring spending against the project budget plan in addition to the AFRS tracking of the budgeted resources. At the end of your project, you will need to compare budget to actuals and include this variance in your post-implementation review (PIR) document. Some agencies have a tracking tool for actuals. Some agencies estimate the actuals.

Q11: We asked for $100M but now we only plan to spend $50M. How do we explain this in our technology budget?

A11: The technology budget should reflect the most accurate project budget plan, even if it decreased. Therefore, a change to the planned spend requires an amended technology budget. Per section (4)(c) of the 2020 Operating Budget—Supplemental (ESSB 6168), effective April 3, 2020:

If a project technology budget changes and a revised technology budget is completed a comparison of the revised technology budget to the last approved technology budget must be posted to the dashboard, to include a narrative rationale on what changed, why and how that impacts the project in scope, budget and schedule.

This narrative rationale will need to be entered onto an Amendment Log tab within the technology budget. If the technology budget version for your project does not have an Amendment Log tab, please create one. Your OCIO and OFM consultants are available to help the project team when these types of situations occur.

Q12: Why do I need to include prior budgets from earlier biennia?

A12: Including prior budgets acknowledges the historical budget as compared to the historical actuals for the project and provides transparency on the financial management of the project to date.

Q13: How many years of future information do I add to the technology budget?

A13: Projects must show total budget across fiscal periods and biennia from project initiation through implementation and closeout. If you are working on a supplemental decision package for your project, discuss with your OCIO oversight consultant and OFM Budget Assistant how to best represent that within your technology budget.

Q14: Should maintenance and operations costs be included in the technology budget?

A14: While our goal is to improve transparency of the total cost of ownership of all state systems, the current version of the technology budget does not support collection of maintenance and operations (M&O) data. In future versions, it will. If you have a special situation where M&O is included in the project budget and is or needs to be gated, please discuss this with your OCIO and OFM consultants.

Q15: How do I know when I have completed my technology budget correctly?

A15: On the Summary tab, check to see that the totals in rows 12, 23, 34, 46, 57, 69 and 79 add up correctly. The total amount requested should match funding by gates. Please use your internal agency resources to review your technology budget prior to sending it to OFM or the OCIO.

Q16: Should I have some internal quality review before submission?

A16: Yes. We encourage all agency project teams to submit strong deliverables. Please confer with agency subject-matter experts including the appropriate agency financial teams, your project executive sponsor and perhaps your quality assurance (QA) consultant(s). Ideally, you want your technology budget to be approved quickly. A complete submission which has been reviewed and approved by agency stakeholders is a good start.

Q17: How can we alleviate manual entry of numbers in order to align budgeted, total project and historical costs?

A17: There are several planned enhancements to the technology budget template that could reduce manual entry. We appreciate feedback on this template and will continue to enhance it to better serve you. Until we do, please make sure your technology budget document aligns with data in the investment plan.

Q18: I submitted my technology budget a month ago. Why is it taking so long to approve?

A18: While there is currently no formal service level agreement to review technology budgets for gated funding projects, the OCIO makes every effort to review and approve (or provide comments on) agency signed technology budgets within 30 days. We are working hard to improve service levels; however, each project is unique and reviewing a technology budget does take time.

Q19: How can I track the status of my technology budget submission?

A19: You may contact your Office of Financial (OFM) budget assistant, your OCIO oversight consultant or email OCIOConsultants@ocio.wa.gov to track the progress of a technology budget review. Currently, we do not have a self-service tracker.

Q20: How often do I have to update the technology budget?

A20: The technology budget is updated, reviewed and approved at the end of each gate for the next gate request. You will update the Deliverables tab as products are completed. If the project goes through a reorganization or major change you will have to amend your technology budget along with your investment plan.

Q21: Should I update the technology budget with actual expenditures at each gate?

A21: No. Actual expenditures are automatically captured using the coding structure provided on the Inputs tab via AFRS. Those are presented on the OCIO dashboard. Assuming no change in your budget plan, the only tab you will be updating for gate certification is the Deliverables tab. You will enter the actual completion dates for deliverables listed. Actual costs could be taken into consideration if a technology budget is being amended to change deliverables or spend dates in order to balance the spend plan to the funding received.

Q22: How does the gated funding technology budget total of in-kind and budgeted cost relate to the investment plan?

A22: One of the first checks the OCIO does to gauge the quality of your submittals is to verify whether the investment plan reports the same budget plan as the technology budget. Your investment plan should tell the story of your project and your technology budget figures should support that story. You will not track actuals in your technology budget. It is always an estimate of future spend.

Q23: Why does the technology budget need to be synced with the investment plan?

A23: The investment plan should tell the story of your project and planned spending. The requirement for an investment plan is to assure the authorizing environment that your project is effectively planned, and the technology budget demonstrates how the planned budget will be spent over time. The two artifacts represent a complete planning effort to ensure successful outcomes.

Q24: I am confused about required OCIO and OFM approvals. Can you clarify?

A24: The Office of Financial Management (OFM) and OCIO must approve your technology budget. The OCIO approves your investment plan. The same rules apply to amended technology budgets and investment plans.

Gated funding and deliverables.

Q25: **How does a project select the appropriate deliverables in a gate?**

A25: This can often feel more like art than science. The OCIO intends for each project to structure its gates and deliverables based on the natural cadence of the project. For example, where are there logical transitions? When are major deliverables due that would demonstrate project progress and value delivery? We are releasing a sample deliverables list to make this more straightforward for projects. Still, every project is different and will have unique artifacts to demonstrate performance at gated intervals (preferably four to eight months in length).

Q26: **What is the acceptable range for gate length?**

A26: It depends. Gates are performance check-ins and an opportunity to demonstrate value delivery at periodic intervals. Gate start and end dates do not have to align with a fully complete project phase. A gate can close mid-way through a phase and still produce artifacts that demonstrate performance and progress. While every project is unique, typically gates range from four to eight months.

Q27: **Do my gates need to exactly match or align with my project phases?**

A27: No. Gates provide opportunities to check in on performance and demonstrate to the public and legislature the value of the investment at periodic intervals. They should be driven by natural transitions within projects and align with sets of key deliverables or milestones.

For example, while implementation might represent a single project phase, you may put gates between requirements/design and development, or development and final user acceptance testing. In agile projects, you could put a gate every "n" sprints. Typical gates can range from four to eight months.

Q28: **Can I have a gate that extends across a fiscal year period?** (For example, a project gate might start on May 1, 2020 [FY 2020] and end August 31, 2020 [FY 2021].)

A28: Yes, but please be aware of your funding sources and their limitations. Expenditure authority for some funds, such as General Fund State, expires on June 30 of each fiscal year (FY). If you have funding that will expire by June 30 take that information into consideration while planning the project gates and deliverables to ensure funding doesn't expire. If you have related questions or concerns, please talk with your OCIO oversight consultant or OFM Accounting Consultant.

Q29: **Can I have a gate that extends beyond a biennium?**

A29: No. While at times a project may be for example, a five-year project, project gate allocations are limited within a single biennium so a project should not have a gate that crosses biennia. This also accommodates anticipation of receipt of the holdback (statutory language is below) on the last gate of the biennium because all deliverables for that gate will need to be completed by June 30 of the biennium. Deliverables that cannot be completed within the biennium should be listed within gates in future biennia.

Q30: **Should I put my OCIO/gated funding process deliverables in my list of deliverables?**

A30: Yes, you certainly can. The OCIO will automatically post any formal approvals or gate certifications to the WA OCIO IT Dashboard. We suggest that some projects include the gate application date and gate certification date in the Deliverables tab. This may make it easier to track and make key milestones more visible.

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Q31: Is there a list of common deliverables and gate designations I can use to draft my technology budget?

A31: While we haven't made this available in the past, we are now preparing to release a sample deliverables list which may be helpful in designing your own project gating and deliverables. Our sample list is not exhaustive but may stimulate your thinking. The key is to think of each gate as a performance check-in.

Q32: What dates are required on the Deliverables tab?

A32: You should indicate the target delivery date and actual completion date for each major deliverable and key milestone. Include the day, month and year (if possible) for each date. We also often suggest you add deliverables and dates for Gate Start and Gate End/Completion for transparency.

Q33: How much time should there be between the deliverables due in a gate and the gate end date?

A33: A good rule of thumb is 30 to 60 days. The duration of the gate certification and approval process depends on the submission of a quality technology budget and investment plan, and having satisfied any conditions of the gate, which are documented a conditions memorandum from the OCIO to the agency. While we are working to reduce that duration, we recommend pushing any deliverables due within 60 days of your gate end date to the following gate. That way all deliverables can be submitted and certified as complete before the next gate is scheduled to begin.

Q34: What happens if my project does not complete all deliverables by the certification target date? How is the next gate funded?

A34: The OCIO will not certify any gate with deliverables outstanding and funding will be delayed. There may be extenuating circumstances that justify the delay of a deliverable or the deferment of a deliverable to a subsequent gate. The project will be asked to make a case for the change to your OCIO oversight consultant. Options for handling this situation may include a condition placed on the next gate or an update to your technology budget and/or investment plan may be requested. Major funding request changes, in general, can be handled via an updated technology budget. Finally, there is the option that a project be placed on hold or canceled, per section 701(11) of the [2020 Operating Budget—Supplemental](#) (ESSB 6168), effective April 3, 2020:

The office of the state chief information officer may suspend or terminate a project at any time if it determines that the project is not meeting or not expected to meet anticipated performance and technology outcomes. Once suspension or termination occurs, the agency shall unallot any unused funding and shall not make any expenditure for the project without the approval of the office of financial management...

Gated funding and IT project oversight.

Q35: Why is my project subject to the pool/gated funding oversight?

A35: Projects are identified by the legislature and the governor to be subject to IT oversight, and this is reflected in statute law. This oversight provides transparency on statewide IT project investments from initiation through closeout. Gated funding is a best practice to help all projects succeed and to mitigate risks. The gated funding process was designed with the following goals:

- Increase accountability between agency projects, OCIO and OFM.
- Allow greater insight into total project costs.

- Enhance financial and technological oversight.
- Mitigate project risk to help improve project success.
- Meet legislative requirements outlined in the Operating and Transportation Budget session law.

Q37: How long will it take for me to receive funds after I request them?

A37: A quick reference is the Gated Funding Process Overview on the OCIO website. Release of funds can take from 30 to 60 days to process from the date you submit the application.

Q38: Is the holdback negotiable?

A38: No. The 15% is a minimum. The OCIO in partnership with OFM could require a different (higher) holdback percentage, per section 701(3) of the 2020 Operating Budget—Supplemental (ESSB 6168), effective April 3, 2020:

…Fifteen percent of total funding allocated by the office of financial management, or another amount as defined jointly by the office of financial management and the office of the state chief information officer, will be retained in the account, but remain allocated to that project. The retained funding will be released to the agency only after successful completion of that stage of the project...

Q39: How can I track the progress of a gated funding certification request?

A39: You may contact your Office of Financial (OFM) budget assistant, your OCIO oversight consultant or email OCIOConsultants@ocio.wa.gov to track the progress of a gated funding certification request. Currently, we do not have a self-service tracker.

Q40: Will we receive a notification to enter allotments?

A40: Once you submit your final technology budget and investment plan, a couple of notifications will occur: 1) a memo from the OCIO to the Office of Financial Management (OFM) that certifies the completed gate and authorizes the release of funding for the next gate (less a holdback, minimally 15%); and 2) a joint memo from OFM and OCIO authorizing the funding based on the technology budget. OFM will include language on the amount to allot and the appropriation index(ces).

Q41: Should we only enter allotments one gate at a time?

A41: Yes. You will not be given authority to allot more than one gate at a time.

Q42: Can the allotment amendment packet be submitted anytime? Normally official allotments are only adjusted quarterly, but gated funding projects can be approved anytime. Do these follow a different process?

A42: Yes. The required allotment amendment packet must be submitted to the OFM using one of the quarterly adjustment packet types. These may be submitted at any time.

Reporting and the WA OCIO IT dashboard.

Q43: What do I need to know about the dashboard?

A43: You will be posting your project deliverables on the WA OCIO IT Dashboard. The dashboard is a public-facing site. The dashboard is a key resource for your agency, legislative members, citizens of the state, and others to better understand IT projects and find information on project status.

Q44: **Do I post my technology budget to the WA OCIO IT Dashboard when it is complete and approved?**

A44: No. The OCIO will post the approved technology budget to the WA OCIO IT Dashboard. OCIO posts all deliverables requiring OCIO or OFM approval.

Q45: **Why doesn't the WA OCIO IT Dashboard reflect my project actuals?**

A45: There is a tab for showing actuals on the WA OCIO IT Dashboard. It combines data from AFRS and the technology budget. In order to enable this calculation, actual costs must be reported in AFRS using the fields and codes identified on the Inputs tab of the technology budget. Note: If the numbers are not what is expected, contact your OCIO oversight consultant.

The role of quality assurance.

Q46: **What is the role of the external quality assurance provider in the gated funding process?**

A46: Your quality assurance (QA) vendor reports to you and to the OCIO. While their primary role is to identify potential risks, your QA provider will be a good sounding board or editor for your gated funding deliverables. We expect QA to review deliverables that are within their normal purview and to comment on them in their reports.

Q47: **How can I leverage my quality assurance vendor in completing gated funding deliverables?**

A47: You should ask your QA vendor to review your deliverables prior to submission. The QA vendors working in Washington are often familiar with the process and the necessary level of quality required by the OCIO.

Getting support.

Q48: **Who do I contact if I get stuck completing my technology budget?**

A48: There are multiple reference documents available on the OCIO Gated Funding website page, including a process overview, instruction video, tip sheet and glossary. Your agency fiscal team should be engaged in this process. Your OFM Budget Assistant, the OFM IT oversight analyst and your OCIO oversight consultant are also available to help.