

# 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 of the 2021-23 Operating Budget ([Engrossed Substitute Senate Bill 5092](#))

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

and section 701 of the 2021-23 Transportation Budget ([Substitute Senate Bill 5165](#).)

*(6) If the 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 before the Office of Financial Management (OFM) has authorized allotments. Agencies must apply to OFM and the Office of the Chief Information Officer (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 if OFM does not authorize their funding, the agency that the agency may need to cover those costs within their existing base budget.

**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 that 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 should the agency reflect increased PEBB costs in FY2023 since the technology budget only has the PEBB cost for FY 2022 on the inputs tab?**

A7: Agencies can add the difference as a line item under Section 6 Other on the Budgeted Resources tab using object and sub-object code "TB" for employee benefits. (Alternatively, if the difference is not that big, agencies can elect to forego this step.)

**Q8: How does my Budgeted Resources tab relate to appropriated funds?**

A8: 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.

**Q9: What is a subobject code?**

A9: 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 needed.

**Q10: How can I verify the correct AFRS coding at program sub-projects and project gates?**

A10: 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.

**Q11: How am I supposed to track in-kind actuals?**

A11: It depends. The technology budget is not the tool to track actuals. An agency with 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.

**Q12: We asked for \$100M but now we only plan to spend \$50M. How do we explain this in our technology budget?**

A12: 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 [2021 Operating Budget \(ESSB 5092\)](#), effective May 18, 2021:

*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. Your OCIO and OFM consultants are available to help the project team when these types of situations occur.

**Q13: Why do I need to include prior budgets from earlier biennia?**

A13: 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.

**Q14: How many years of future information do I add to the technology budget?**

A14: 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.

**Q15: Should maintenance and operations costs be included in the technology budget?**

A15: The 2021-23 operating and transportation budgets require that “each project must have a technology budget... identify... at least five years of maintenance and operations costs.” The Technology budget template now provides a tab to include these annual cost estimates and the estimated number of FTE’s that will be needed each year. You will also need to confirm funding sources are available to cover the planned costs. The five year average M&O costs are also required on the Inputs tab of the template. See [Engrossed Substitute Senate Bill 5092 and Substitute Senate Bill 5165 for further details.](#)

**Q16: Can we submit the initial technology budget without M&O filled out?**

A16: No. You will need to provide your best estimates for the costs and funding needed to support at least five years of maintenance and operations (M&O). As your project continues, these estimates will become more accurate as you learn more about the solution and support needs.

**Q17: How do you know what your M&O costs might be if you are just starting a project?**

A17: One place to begin is with your project team and agency budget office to investigate similar past efforts or past systems that have been implemented at your agency for some historical estimates. You can also estimate some professional services such as supplemental IT resources by referring to the Dept of Enterprise Services [ITPS Web Site](#) or software licensing by referencing the NASPO Master Contract.

**Q18: How do I know when I have completed my technology budget correctly?**

A18: On the Summary tab, check to see that the totals for Budgeted Resources for each fiscal year match the totals for fund sources for each fiscal year. Also, verify that the gate totals for each gate for the biennium accurately reflect your detailed budgeted resources tab total amounts. 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 OCIO.

**Q19: Do I need to complete the Central Service Model Addendum?**

A19: Central Service agencies that provide core services to support agency operations and missions will be required to provide a statewide impact by agency and by fund as a worksheet in the technology budget file. (Section 701(4)(b)(i)(B)). Work with your [OFM budget assistant](#) and OCIO Oversight Consultant to complete this addendum. If your agency is listed below, you may need to complete this Addendum:

- Consolidated Technology Services (WaTech).
- Secretary of State.
- State Auditor's Office.
- Attorney General's Office.
- Office of Administrative Hearings.
- Department of Enterprise Services.
- Office of Financial Management.
- Department of Labor and Industries.

**Q20: Should I have some internal quality review before submission?**

A20: 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 that has been reviewed and approved by agency stakeholders is a good start.

**Q21: How can we alleviate manual entry of numbers in order to align budgeted, total project and historical costs?**

A21: There are several planned enhancements to the technology budget template that can 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.

**Q22: I submitted my technology budget a month ago. Why is it taking so long to approve?**

A22: While there is currently no formal service level agreement to review technology budgets for gated funding projects, 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.

**Q23: How can I track the status of my technology budget submission?**

A23: You may contact your (OFM) budget assistant, your OCIO oversight consultant or email [OCIOConsultants@ocio.wa.gov](mailto:OCIOConsultants@ocio.wa.gov) to track the progress of a technology budget review. Currently, we do not have a self-service tracker.

**Q24: How often do I have to update the technology budget?**

A24: 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 deliverables are completed and artifacts are posted to the Washington IT Project dashboard. If the project goes through a reorganization or major change you will have to amend your technology budget along with your investment plan.

**Q25: Should I update the technology budget with actual expenditures at each gate?**

A25: No. Actual expenditures are automatically captured using the coding structure provided on the Inputs tab via AFRS. Those are presented on OCIO's dashboard. Assuming no change in your budget plan, for gate certification you will update the inputs tab with OFM Approval Letter information and you will update the status to "Complete" and enter the actual completion dates for deliverables listed the Deliverables tab. 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.

**Q26: How does the gated funding technology budget total of in-kind and budgeted cost relate to the investment plan?**

A26: One of the first checks OCIO does to gauge the quality of your submittals is to verify whether the investment plan reports the same total planned spend 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 planned spend.

**Q27: Why does the technology budget need to be synced with the investment plan?**

A27: 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.

**Q28: I am confused about required OCIO and OFM approvals. Can you clarify?**

A28: OFM and OCIO must approve your technology budget. OCIO approves your investment plan. The same rules apply to amended technology budgets and investment plans.

## Gated funding and deliverables.

### **Q29: How does a project select the appropriate deliverables in a gate?**

A29: This can often feel more like art than science. 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? A sample deliverables list is included in the technology budget template to help projects get an idea of what could be included on this tab. However, every project is different and will have unique artifacts to demonstrate performance at gated intervals (preferably four to eight months in length). Your last deliverable's target due date should be close to 30 days from the end of your gate to allow for the gate certification process.

### **Q30: What is the acceptable range for gate length?**

A30: 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.

### **Q31: Do my gates need to exactly match or align with my project phases?**

A31: 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.

### **Q32: 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].)

A32: 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](#).

### **Q33: Can I have a gate that extends beyond a biennium?**

A33: No. For example, a project may be 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.

**Q34: For expenses beyond the current biennium, are the annual values put into a single column per year, or still by month?**

A34: You will include annual estimates by fiscal year for expenses past the current biennium. You can include as many fiscal years as you need.

**Q35: Is there a list of common deliverables and gate designations I can use to draft my technology budget?**

A35: A sample deliverables list has been provided in the latest version of the Technology Budget template and 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.

**Q36: What dates are required on the Deliverables tab?**

A36: 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..

**Q37: How much time should there be between the deliverables due in a gate and the gate end date?**

A37: 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 in a conditions memorandum from 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.

**Q38: What happens if my project does not complete all deliverables by the certification target date? How is the next gate funded?**

A38: 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. Your project will be asked to document a business case for the change and provide it 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 of having a project be placed on hold or canceled, per section 701(11) of the [2021 Operating Budget](#) (ESSB 5092), effective May 18, 2021:

*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.

### Q39: Why is my project subject to the pool/gated funding oversight?

A39: 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.

### Q40: How long will it take for me to receive funds after I request them?

A40: 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.

### Q41: Is the holdback negotiable?

A41: No. The 15% is a minimum. OCIO in partnership with OFM could require a different (higher) holdback percentage, per section 701(3) of the [2021 Operating Budget](#) (ESSB 5092), effective May 18, 2021:

*...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...*

### Q42: How can I track the progress of a gated funding certification request?

A42: You may contact your (OFM) budget assistant, your OCIO oversight consultant or email [OCIOConsultants@ocio.wa.gov](mailto:OCIOConsultants@ocio.wa.gov) to track the progress of a gated funding certification request. Currently, we do not have a self-service tracker.

### Q43: Will we receive a notification to enter allotments?

A43: Once you submit your final technology budget and investment plan, a couple of notifications will occur: 1) a memo from OCIO to 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).

### Q44: Should we only enter allotments one gate at a time?

A44: Yes. You will not be given authority to allot more than one gate at a time.



**Q45: 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?**

A45: 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 Washington State IT Project Dashboard.

**Q46: What do I need to know about the dashboard?**

A46: You will be posting your project deliverables on the [Washington State IT Project 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.

**Q47: Do I post my technology budget to the Washington State IT Project Dashboard when it is complete and approved?**

A47: No. The OCIO will post the approved technology budget to the [Washington State IT Project Dashboard](#). OCIO posts all deliverables requiring OCIO or OFM approval.

**Q48: Why doesn't the Washington State IT Project Dashboard reflect my project actuals?**

A48: There is a tab for showing actuals on the [Washington State IT Project 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 you expected, contact your OCIO oversight consultant. Some agencies do not use AFRS for expense tracking and use a different process to submit actual expenses to the dashboard. Ask your agency accounting team for more details.

**Q49: Why doesn't my budget grand total under "budget vs. actual spend" match my Total Planned Spend?"**

A49: The budget grand total is reported as shown in the approved technology budget and is how much an agency receives specifically for the IT project from start to finish, including IT hardware, software, IT services, professional contracted services and labor and excludes in-kind resources. The total planned spend calculation includes historical budget, current biennia budget and future biennia planned spend plus historical, current and future biennia in-kind resources and may include initial maintenance and operations if included in the project scope.

## The role of quality assurance.

**Q50: What is the role of the external quality assurance provider in the gated funding process?**

A50: Your quality assurance (QA) vendor reports to you and to 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.

**Q51: How can I leverage my quality assurance vendor in completing gated funding deliverables?**

A51: 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 OCIO.

## Getting support.

**Q52: Who do I contact if I get stuck completing my technology budget?**

A52: There are multiple reference documents available on the [OCIO Gated Funding](#) web 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](#), and your OCIO oversight consultant are also available to help.