

Policy

Policy Title:	Information Technology Project Budgets				
Policy Number:	DHS-110-001	Version:	2.0	Effective Date:	01/12/2006

DHS Chief Administrative Officer

01/12/2006

Approved By: *(Authorized Signer Name)*

Date Approved

Overview

Description:

This policy establishes formal procedures and processes for review, approval, budgeting, and accounting for all information technology (IT) projects. For the purpose of this policy, IT projects are defined as any IT initiative for which budget limitation/authority has not been established within the Office of Information Services (OIS) base budget. The intended result is to clarify funding of information technology projects as to specific funding sources, transfer of budget limitation/authority from cluster budgets to the OIS budget (where appropriate), establishment of project budgets, and the reporting of actual expenditure versus budget. Any on-going, long-term costs associated with information technology projects are also clarified by acknowledging and identifying budget limitation/authority for these costs at the initiation of projects.

Purpose/Rationale:

Provide guidelines for the allocation, monitoring, and execution of IT project budgets. Provide a mechanism for review and approval of IT project budget limitation/authority at the appropriate level during the budgeting cycle and for projects initiated off-cycle and to define the budget and accounting processes for this activity.

Applicability:

This policy applies to the establishment of budget limitation/authority of all information technology projects.

Failure to Comply:

Failure to comply with this policy and associated policies, standards, guidelines, and procedures may result in disciplinary action up to and including dismissal from state service for employees or termination of contracts for contractors, partners, consultants, and other entities. Legal action also may be taken for violations of applicable regulations and laws.

Policy

1. General

- a. It is the policy of the Department of Human Services that all IT project budgets will be established in the Office of Information Services (OIS). Therefore, all funding for systems work will be budgeted in the Office of Information Services.

- b. This approach is intended to improve budgetary control and accountability for IT projects and to ensure funding of other clusters is adequate for future budget periods.

2. Overview of the Request Process

- a. In all cases, a *formal business case proposal* for use of funds for an IT project will be completed and reviewed for approval or denial as follows:
 - A. *Single cluster project with available funding*: Decision to allocate funds is made by the cluster ISM. The ITGC and Cabinet are notified if approved. If ITGC and Cabinet have no concerns, the business case moves forward for funding transfer.
 - B. *Multi-cluster project with available funding*: Decision to allocate funds is made by the ITGC after review by appropriate ISM(s). ITGC notifies Cabinet if approved. If Cabinet has no concerns, the business case moves forward for funding transfer.
 - C. *Project without required funding*: Decision to allocate funds is made by the Cabinet after review by appropriate ISM(s) and ITGC. If there are no concerns, the business case moves forward for funding transfer.
 - D. *On-going maintenance and other long-term costs*: Any on-going maintenance or other costs will be identified as a part of the proposal, including proposed sources of budget limitation/authority in future years.
- b. *During budget cycle*: For Cabinet-approved proposals made during the normal budget cycle, the Policy Package process will be used to include all IT project proposals in the Agency Request and/or Governor's Recommended budget, within the Office of Information Services.
- c. *Out-of-budget cycle*: For proposals approved out of the budget cycle, the Department will self-fund proposals through the rebalance process or through supplemental funds (i.e., grants) approved through the e-Board process.
- d. *Project-related expenditures*: In all cases, the Department will include transferred or added budget limitation/authority within OIS and all related expenditures will be charged to the OIS budget. In the case of transferred funding, the proposing cluster(s) must identify sources of proposed funding, whether the budget limitation/authority transferal is permanent, how the on-going service/maintenance costs will be funded, and why the cluster's budget should not be permanently reduced.
- e. *Unique project number*: In addition to transfer of the budget limitation/authority to OIS, a unique R*STARS project number will be assigned to the project and monthly progress reports displaying actual expenditures versus budget will be provided to all project manager(s), and cluster business manager(s) overseeing the project.

3. Roles and Responsibilities - For Normal Budget Cycle:

- a. *Cluster managers* will:

- A. Work with OIS to complete the Business Case for Capital IT Investments for the proposed project.
 - B. Work collaboratively with FPA to complete a Policy Package requesting funding for all IT projects to be included in the Department Agency Request budget proposals.
- b. *ISM (Information Systems Management) committee(s)* will:
- . Review all business case proposals brought forth and decide whether to move forward or deny any further action.
- c. *ITGC (Information Technology Governance Council)* will:
- . Review all business case proposals brought forth and decide whether to move forward or deny any further action.
- d. *Cabinet (DHS Cabinet)* will:
- . Review all business case requests brought forth and decide whether to move forward or deny further action.
 - A. Review and prioritize all Policy Packages within the Agency Request budget.
- e. *FPA (Finance & Policy Analysis) Budget Administrators* will:
- . Work collaboratively with OIS (and related cluster(s)) to complete Policy Packages requesting budget authority/limitation for the IT projects that will be included in the Department Agency Request budget. Incorporate justification information provided through the business case proposal within the Department Policy Package proposal.
 - A. Combine monthly project financial reports provided by Office of Financial Services to provide comparative reports of actual expenditures to budget.
 - B. Work with OIS to assure the JLCIMT and e-Board requirements are met.
- f. *OFS (Office of Financial Services)* will:
- . Create a unique R*STARS project number for IT projects.
 - A. Provide monthly project financial reports to OIS project managers and cluster business managers.
- g. *OIS Business Case consultant* will:
- . Work with cluster managers and staff to complete the business case proposal for the proposed project.
- h. *OIS Business/Budget Manager* will:
- . Work collaboratively with FPA and cluster staff/managers to complete Policy Packages requesting funding for the IT projects that will be included in the Department Agency Request budget.
 - A. Work with FPA Budget Administrator and OFS to set up project numbers.

- B. Create budget/expenditure reports for the IT Project Manager and cluster business managers.
 - C. Develop and obtain approval for any required Advanced Planning Documents (APD's) associated with IT Projects.
- i. *IT Project Manager* will:
- . Monitor and execute the IT project budget.
 - A. Provide monthly project budget/expenditure updates to project steering committees.
 - B. Notify project steering committees and IT executive members of project progress relative to the project budget, timetables, and expenditures.

4. Roles and Responsibilities - For out-of-budget cycle projects:

- a. *Cluster managers* will:
- . Work with OIS to complete the business case proposal for the proposed project.
 - A. For supplemental funding projects, work collaboratively with FPA and OIS to prepare the e-Board letter for permission to apply for the new grant.
 - B. For self-funded projects during the course of the biennium (off-cycle), work collaboratively with FPA and OIS to complete the Business Case Summary for IT Project Funding stating the intent to transfer budget limitation/authority to OIS for full or partial financing of an IT project. Once approved, work with FPA to assure the project is clearly presented in the rebalance plan.
- b. *ISM(s)* will:
- . Review all business case proposals brought forth and decide whether to move forward or deny any further action.
- c. *ITGC* will:
- . Review all business case proposals brought forth and decide whether to move forward or deny any further action.
- d. *Cabinet* will:
- . Review all business case requests brought forth and decide whether to move forward or deny further action.
- e. *FPA Budget Administrators* will:
- . For supplemental funding requests and self-funded projects, ensure that IT project budget limitation/authority from non-OIS budget sources are specifically identified and transferred from the cluster providing the budget limitation/authority to OIS upon the approval of the business case.
 - A. Combine monthly project financial reports provided by OFS to provide comparative reports of actual expenditures to budget.
 - B. Work with OIS to assure the JLCIMT and e-Board requirements are met.

f. OFS will:

- . Create a unique R*STARS project number for IT projects.
- A. Provide monthly project financial reports to OIS project managers and cluster business managers.

g. OIS Business Case consultant will:

- . Work with cluster managers and staff to complete the business case proposal for the proposed project.

h. OIS Business/Budget Manager will:

- . Work with FPA Budget Administrator and OFS to set up project numbers.
- A. Create budget/expenditure reports for the IT Project Manager and cluster business managers.
- B. Ensure compliance with all DAS-JLCIMT (Joint Legislative Committee on Information Management and Technology) and e-Board (Legislative Emergency Board) policies, procedures, and approval requirements relative to IT projects.
- C. Develop and obtain approval for any required Advanced Planning Documents (APD's) associated with IT Projects.

i. IT Project Manager will:

- . Monitor and execute the IT project budget.
- A. Provide monthly project budget/expenditure updates to project steering committees.
- B. Notify project steering committees and IT executive members of project progress relative to the project budget, timetables, and expenditures.

Procedure(s) that apply:

None

Form(s) that apply:

[DHS 0096, Business Case for Capital IT Investments](#)

[DHS 0096C, Guidelines for Completing a Business Case](#)

[DHS 0096S, Business Case Summary for IT Project Funding](#)

Definition(s):

See [Common Terms](#) for department-wide support services policies

Reference(s):

None

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Policy History:

- **Version 2.0:**
 - 01/12/2006 - Revision incorporates approval process based on budget cycle and levels of approval authority based on availability of funding and number of clusters involved.
- **Version 1.0:**
 - 05/01/2005 Initial Release

Keywords:

(List keywords here that might be used by someone to search for this policy on the internet)

