Washington State · Office of the
Chief Information Officer

2019 Information Technology Gated Funding process overview

The 2019-2021 Biennial Budget places certain IT projects under **Gated Funding** by the Office of the Chief Information Officer (OCIO) and the Office of Financial Management (OFM). These projects are subject to gated funding based on section 719 of the Operating Budget or section 701 of the Transportation Budget.

This gated funding oversight structure tracks project status in stages.
- The project's scoped deliverables will be planned into stages.
- The project's financial elements will also be planned based on those stages.

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 fiscal and technological oversight
- Mitigate project risk to help improve project success
- Meet legislative requirements outlined in the 2019-2021 Operating and Transportation Budgets

What gated funding means to the project budget:
- The technology budget must be submitted using the standard template and format
- At project initiation, gated funds must be transferred or unallocated, or both
- At each gate the project will apply to OCIO and OFM to receive funds for the next project stage.

Gated Funding Process Overview
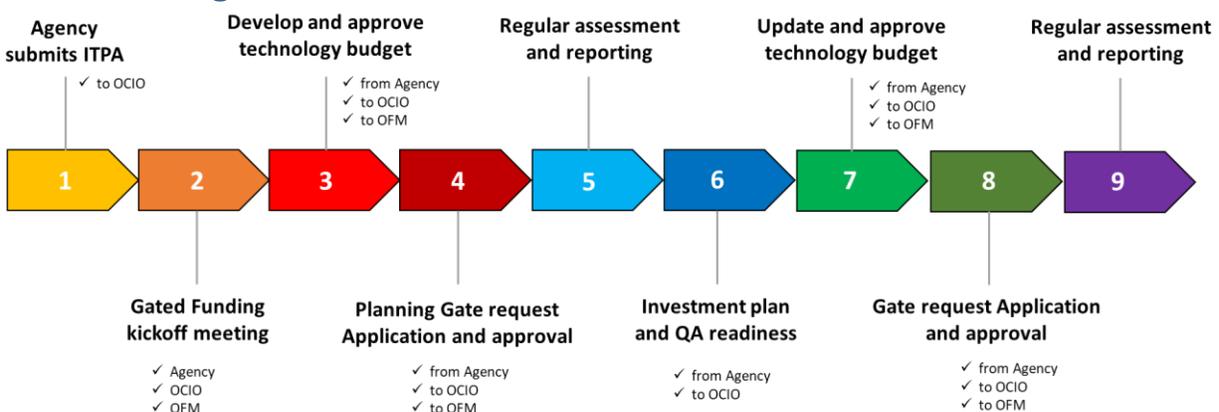
1. IT Project Assessment

The first step is for the project to complete an **IT Project Assessment** (ITPA) online.

2. Gated Funding Kickoff Meeting

The ITPA initiates the **gated funding kickoff** meeting. Once the agency submits the ITPA, the OCIO will disposition it and respond within a week to schedule a gated funding kickoff meeting.

To prepare for this meeting the agency will draft, and provide the OCIO in advance, the **Project Concept Briefing** document.

The kickoff will review the specifics of the project, and will clarify expectations for the oversight activities over the life of the project. It will also cover requirements for the gated funding process. The meeting will provide guidance on the project's important early steps.

3. The Technology Budget

Planning the **technology budget** involves establishing the project's spend plan, the deliverables for the project, and the gates for each stage. The project works together with the oversight consultant to develop sensible stage gates.

The draft technology budget will be reviewed by the OCIO and OFM. Once approved by the project's oversight consultant and OFM budget analyst, the agency will post the approved technology budget to the project's **IT Dashboard**.

The technology budget is explained more fully in this **Technology Budget Overview**. Projects can plan for the following key elements:

- **Standard Template**. Each project must use the approved technology budget template.
- **Dedicated Project Coding**. Projects will use dedicated project coding based on the agency chart of accounts.
- **Identified Fund Source**. Projects will identify specific fund sources, such as state or federal.
- **Identify Project Costs by Fiscal Month**. The technology budget is based on the pace the project expects to spend funds. Total project costs will be accounted for monthly. .
- **Subobject Level of Detail.** Costs will be coded with object and subobject codes to categorize the spending throughout the project life.

- **Reviewed at Each Gate**. The project will review the technology budget at each gate, and update planned to actuals and resource planning efforts accordingly.
- **15% Holdback of Gate Funds**. After the initial planning stage, in the typical situation, at each gate 85% of the upcoming stage funding will be released. The remaining 15% will be provided at the end of the stage once the deliverables and requirements are certified.

4. Application for Planning Stage Dollars.

Upon approval of the technology budget, the project can submit a request for funding of the first project stage to the OCIO and OFM. In most cases, this first gate request will be for budget to complete the project's planning deliverables. An OCIO and OFM approved technology budget is required for each gate request.

Planning Gate Request: Application and Approval Process
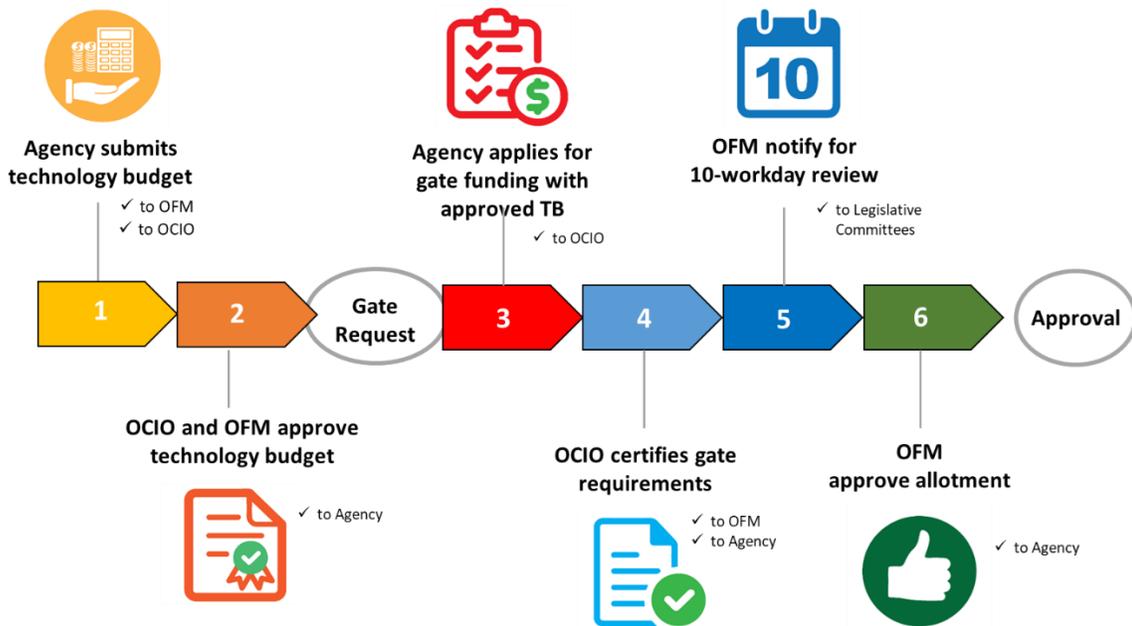
The process for an agency to apply for their initial planning stage follows these steps:

1. The project submits the project's technology budget to OCIO and OFM
2. OCIO and OFM approve the technology budget
3. The agency submits a gate request for the planning stage funding. The application must include the approved technology budget
4. OCIO certifies the application and recommends approval to OFM
5. OFM informs the legislative committee who has 10 working days to review before funds are released
6. OFM approves the allotment

5 ⟩ 5. Regular Assessment and Reporting Begins

The gated funding kickoff meeting initiates ongoing project monitoring and reporting. These will continue through project closeout. The following are examples of regular monitoring and reporting activities. Further details will be provided at the gated funding kickoff meeting.

- The project will be established on the IT Dashboard
- The project begins monthly Executive Steering Committee meetings, and the oversight consultant attends
- The cycle of monthly status reporting takes place

6 ⟩ 6. Approved Investment Plan and QA Readiness

The preparation and approval of the investment plan validates the IT investment is thoroughly planned and ready to move ahead. The approved investment plan describes how the project is planned, and how it will be managed. It serves as the foundation for future oversight.

The project's planning stage may include any number of deliverables. However, two are essential to complete during the planning stage:

- **Procurement of external Quality Assurance** (QA) to conduct a **readiness assessment** for the project.
- **Completion of an approved investment plan**. The investment plan must include the findings and mitigation strategies based on results of the QA readiness assessment.

The project works with their oversight consultant who assists in the investment plan preparation and approval process by reviewing and providing feedback on the draft.

Project initiation activities that should also take place during the planning stage may include:

- Engage a qualified project manager
- Hire qualified provider for ongoing QA
- Start scheduled Executive Steering Committee meetings
- Begin regular reporting of project status.

7 ⟩ 8 ⟩ 9 ⟩ 7-8-9.Regular Funding Gate Requests, Ongoing Project Activity & Oversight

As the end of a stage approaches, the project will submit a gate request and work with OCIO for certification of that stage's deliverables. Upon certification OCIO will recommend OFM approve the funding request.

For regular gate requests, the process is:
1. The technology budget will be reviewed and updated at each funding gate. The technology budget needs OCIO and OFM approval at each gate.
2. The investment plan will be reviewed and updated if there are changes to baseline scope, schedule, budget, or to governance.
3. The project applies to OCIO requesting the next stage's funding.
4. The OCIO will certify the request by validating the project is planned, managed, and meeting the current stage's deliverable targets. The stage deliverables are defined in the project's approved technology budget and investment plan. The OCIO certifies based on agency documentation.
5. OCIO sends certification to OFM
6. OFM informs the legislative committee who has 10 working days to review before funds are released
7. OFM approves the allotment

If you have questions, please contact OCIOConsultants@ocio.wa.gov