

Gated Funding Process Overview

WA State biennium budget places certain IT projects under **Gated Funding**. These projects are subjected to Section 701 of the Operating Budget or the Transportation Budget, or funded through State IT revolving account (IT Pool).

All budget documents are available at [State Budgets Overview \(wa.gov\)](https://www.wa.gov).

This gated funding oversight structure tracks project status in stages.

- The project’s scope and deliverables will be planned into stages.
- The project’s budget will also be planned based on those stages.

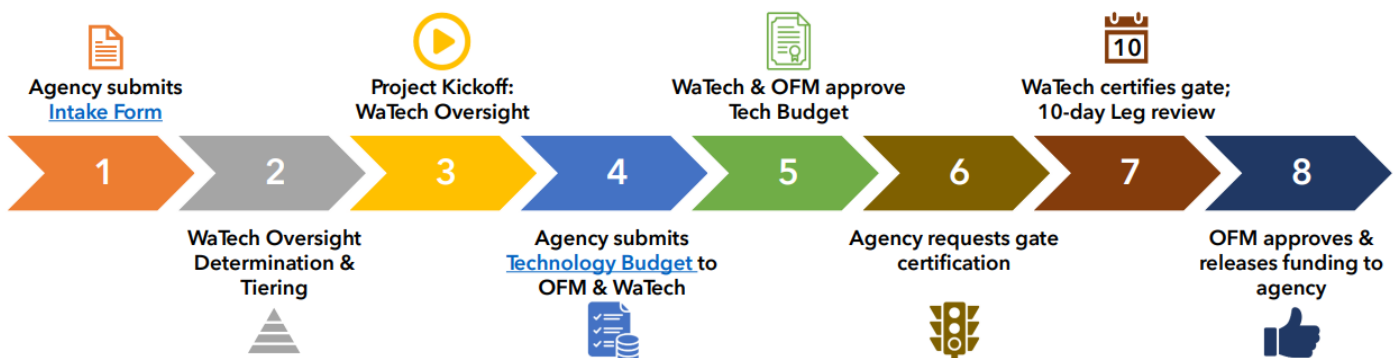
The gated funding process was designed with the following goals:

- Increase accountability between agency projects, WaTech, 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 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 WaTech and OFM to receive funds for the next project stage.

Gated Funding Process



IT Investment Intake

The first step is for the project to complete an [IT Investment Intake \(ITII\)](#) online. This form assists WaTech in assessing the complexity of the investment, determining the oversight requirements, and assessing the tier of oversight engagement.

Oversight Determination and Tiering

The WaTech team will review each submitted investment intake and determine if this would be a project under oversight. WaTech may reach out to the submitter for any clarification or additional information to support this decision making. Each investment determined under oversight will be assigned an oversight tier. The oversight decision and assigned tier will be communicated to the submitter, typically within a week of completing the review.

Project Kickoff Meeting

WaTech determination that the investment is under oversight initiates the project kickoff meeting. WaTech will disposition the intake and respond within a week to schedule a kickoff meeting.

To prepare for this meeting the agency may draft the project charter and technology budget and send these to WaTech in advance.

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

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 gate durations.

WaTech and OFM will review draft technology budget. Once approved by the project's oversight consultant and OFM budget advisor, WaTech will post the approved technology budget to the project's [IT Dashboard](#).

The technology budget requirements are outlined in the enacted biennial budget. See [Technology Budget User Guide](#), and [Technology Budget FAQ](#) for more details. The following key elements apply to the technology budget:

- **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 by month for the current biennium. Future biennia are planned by fiscal year.
- **Sub-object Level of Detail.** Costs will be coded with object and sub-object 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 if the project's scope, schedule or budget has changed.
- **Holdback of Gate Funds.** A portion of funds required for the gate (typically 15%) will be retained for each gate. After the initial funding release (Gate 1), each subsequent funding approval will

release retained funds of the previous gate and eligible funds (after holdback) for the upcoming gate.

Application for Initial Gate

Upon approval of the technology budget, the project can submit a request for funding of the first project gate to WaTech. In most cases, this first gate request will be for budget to complete the project's planning deliverables.

Gate certification and funding request is submitted using an online form available via Salesforce platform provided by WaTech. The information requested will include the following -

- Agency and Project name
- Contact information
- Gate number
- Section-701 legislative requirements alignment

This completed form, when submitted, will be delivered to the WaTech oversight consultants' mailbox for review and certification.

Initial Gate Certification

WaTech will review the gate certification request, consult with project leadership on any gaps in meeting legislative requirements to develop a plan to address these, and issue the initial gate certification. This certification memo is sent to OFM, agency, and the legislative fiscal committee. This notification begins the required 10 business day notice to the legislative fiscal committees.

Legislative Review

The office of financial management may not approve funding for the certified project gate any earlier than ten business days from the date of notification to the legislative fiscal committees.

Gate approval and fund release

Upon WaTech certification of the gate and ten business days of legislative fiscal committee review, OFM will send the funding release memo to the agency, legislative fiscal committee and WaTech.

Subsequent Gate Requests

As the end of a gate approaches, the project will submit a gate request using the same process as for the initial gate certification, and work with the oversight consultant for certification.

For all gate requests-

1. At each funding gate, if there is a change in project scope, schedule, or budget; the technology budget update will be required. The revised technology budget needs WaTech and OFM approval.
2. The project requests the next gate certification and release of funds.
3. The oversight consultant verifies that -
 - a All required deliverables for the gate are complete and posted on the IT dashboard.
 - b All project conditions (from investment approval, previous gate certifications, policy waivers, advisory memo) are progressing as required.

4. WaTech will certify the request by validating the project is planned, managed, and meeting the current stage's deliverable targets. The deliverables for each gate are defined in the project's approved technology budget.
5. Based on agency provided documentation, WaTech certifies the gate and sends notification to OFM, agency staff and the legislative fiscal committee
6. This notification begins the required 10 business day notice to the legislative fiscal committees.
7. After the required review period, OFM approves the allotment and sends the funding release memo to the agency, legislative fiscal committee and the WaTech.

Investment Approval

The agency must receive WaTech approval of the investment prior to making a commitment to purchase, acquire, or develop a product or service. See [PM-01 IT Investments Approval and Oversight Policy](#) and [PM-01-01-PR IT Investments Approval and Oversight Procedure](#) for more details.

Ongoing Project Activity & Oversight

WaTech oversight consultant will continue to partner and engage with agencies throughout the project lifecycle. See [PM-01-01-PR IT Investments Approval and Oversight Procedure](#) (section 4) for more details.

If you have questions, please contact [WaTech Oversight Consultants](#).