



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

**MEMORANDUM FOR EXECUTIVE DEPARTMENTS WHO PASSED PART 1 OF THE  
FEDERAL FINANCIAL MANAGEMENT SHARED SERVICE PROVIDER  
APPLICATION**

**FROM:** Elizabeth Angerman, Director of the Office Financial Innovation and  
Transformation

**SUBJECT:** Part 2 of Federal Financial Management Shared Service Provider Application

This Memorandum serves as notification of your Executive Department meeting the mandatory requirements of Part 1 of the Federal Financial Management Shared Service Provider (FSSP) Application. As such, your Executive Department is eligible to continue in the FSSP Application process. The next step in this process is to complete Part 2 of the FSSP Application. An overview of the remainder of the process and instructions are stated below.

Part 2 of the FSSP Application is composed of a Background Information Section (with five accompanying supplemental forms), Evaluation Section, and three appendices for reference purposes. An evaluation committee comprised of an agency representative, a representative from the CIO community, a subject matter expert in shared services and financial operations, a representative from FIT, and a representative from the Office of Management and Budget's (OMB) Office of Federal Financial Management will evaluate the responses to Part 2 of the FSSP Application.<sup>1</sup> FSSP designations are expected to be made before the end of Q2 of FY 2014.<sup>2</sup>

Written responses to Part 2 must be submitted to FIT by COB January 17, 2014, to [elizabeth.angerman@fms.treas.gov](mailto:elizabeth.angerman@fms.treas.gov) to be considered. Part 2 must be filled out in its entirety and signed off on by the Executive Department CFO and proposed/current FSSP Director in order to be considered complete.

---

<sup>1</sup> The responses to the Background Information questions will not be scored individually, but will provide supplemental information to help the Evaluation Committee score the responses to the Evaluation Section. Each Evaluation Section question will be worth a total of 100 points. The customer references will also be worth a total of 100 points. The Evaluation Committee will review the written responses, provide an initial score, and note areas of risk, deficiency, and concern. The Applicant will be expected to respond to identified areas of risk, deficiency, and concern in an Oral Presentation. The initial Evaluation Section scores will then be adjusted accordingly. Lastly, the Evaluation Committee will apply a best-value methodology when making its final decision. For this effort best-value to the government involves a consideration of the overall financial management system environment, immediate agency modernization needs, the envisioned end-state for shared services, and the amount of investment in infrastructure currently in place.

<sup>2</sup> An appeals process has been established for any Applicant that chooses to contest the decision.

If you have any questions, please do not hesitate to contact me ([elizabeth.angerman@fms.treas.gov](mailto:elizabeth.angerman@fms.treas.gov)) or Dorsy Yoffie ([isadora.yoffie@fms.treas.gov](mailto:isadora.yoffie@fms.treas.gov)). Thank you.

**ATTACHMENT:**

Attachment 1: Financial Management FSSP Application Part 2

## General Instructions

Part 2 of the Financial Management Shared Service Provider (FSSP) Application is only to be completed by Applicants who passed Part 1. Applicants should follow the instructions for each section and submit their response to elizabeth.angerman@fms.treas.gov by COB January 17, 2014. Applicants must respond to each question and have their completed Application signed by the Executive Department CFO and proposed/current FSSP Director. Applicants should anticipate that their responses will be made public unless the information is properly designated as classified or has other disclosure restrictions.

## Overview of the Evaluation Process

An Evaluation Committee comprised of an agency representative, a representative from the CIO community, a subject matter expert in shared services and financial operations, a representative from FIT, and a representative from the Office of Management and Budget's (OMB) Office of Federal Financial Management will evaluate the responses to Part 2 of the FSSP Application.<sup>1</sup> The Evaluation Committee will make final recommendations to Norman Dong, OMB Deputy Controller, and Richard Gregg, Treasury's Fiscal Assistant Secretary, who will make the final decision on whether the applicant will be designated a FSSP. FSSP designations are expected to be made before the end of Q2 of FY 2014.<sup>2</sup>

## Section I. Background Information

*Respond to the "Information Requested" section. Provide any applicable supporting documentation or reference materials in the form of an attachment (web links will not be reviewed). Written responses are limited to two one-sided pages with 12-point Times New Roman font per question. Responses to this section will not be scored; however, the responses will contribute to the scoring of responses to Section II – Evaluation.*

### **Information Requested:**

1. Name of Applicant's Executive Department and Federal Agency.
2. The Applicant's organizational chart including the names and positions of key personnel for the services being proposed.
3. *Supplemental Forms A-E.*
4. As applicable, a summary of the Applicant's Exhibit 300 submissions related to upcoming Development, Modernization and Enhancement (DME)<sup>3</sup> expenditures to its financial management system(s), including its financial system.

---

<sup>1</sup> The responses to the Background Information questions will not be scored individually, but will provide supplemental information to help the Evaluation Committee score the responses to the Evaluation Section. Each Evaluation Section question will be worth a total of 100 points. The customer references will also be worth a total of 100 points. The Evaluation Committee will review the written responses, provide an initial score, and note areas of risk, deficiency, and concern. The Applicant will be expected to respond to identified areas of risk, deficiency, and concern in an Oral Presentation. The initial Evaluation Section scores will then be adjusted accordingly. Lastly, the Evaluation Committee will apply a best-value methodology when making its final decision. For this effort best-value to the government involves a consideration of the overall financial management system environment, immediate agency modernization needs, the envisioned end-state for shared services, and the amount of investment in infrastructure currently in place.

<sup>2</sup> An appeals process has been established for any Applicant that chooses to contest the decision.

<sup>3</sup> Defined in OMB's "Guidance on Exhibit 53 and 300".

Draft Financial Management Federal Shared Services Provider Application Part 2

Version 1.0

December 2013

5. In accordance with FIPS 199, state what security categorization is applied to the Applicant's financial management system?
6. A list of findings, equivalent to a material weakness, significant deficiency or reportable condition, within the past year resulting from financial statement audits, SSAE 16 Type II audits, other audits, or internal control reviews related to the financial operations and systems under the applicant's control and responsibility? For each finding, include the date of the original finding(s), corrective action plan(s), current status of the corrective action plan(s), and customer(s) (as applicable) to which each finding was applicable.
7. A list of quality assurance processes, standards or certifications that the Applicant has received (e.g., International Standard for Organization, Information Technology Infrastructure Library, Certified Information Systems Security Professional, Project Management Professionals, Lean Six Sigma Certified Individuals).
8. A describe of the Applicant's current ability to track a common Award ID among the grant, procurement, loan and financial management systems (as applicable).

## Section II. Evaluation

*Respond to each of the below questions. Provide the applicable supporting documentation or reference materials in the form of an attachment (web links will not be reviewed). Written responses are limited to five one-sided pages with 12-point Times New Roman font per question.*

*Responses will be scored based upon the evaluation factors listed below each question. Responses to Section I of the application will be used to further support the scoring.*

1. Describe the Applicant's model for offering services to customers (e.g., bundling transaction processing with system support, requiring that particular mixed systems be adopted in addition to the financial system).
  - Higher scores will go to those Applicants who offer customers more options to choose bundled or individual services.
  - Lower scores will go to those Applicants who limit customers to bundled services or individual services.
2. Describe the Applicant's current financial system environment. In particular, describe: the architecture of the Applicant's financial management system and its components, including the application, database, computing platform, storage, network, and interfaces; how it is designed to virtually partition its data and configuration for each customer (multi-tenancy); how it is set up to ensure continuity of service and recovery from disasters; and what the peak throughput is at the application, database, server, network, and storage layers.
  - Higher scores will go to those Applicants whose financial management system environment is more standardized and shared across customers unless legitimately unique customer requirements dictate otherwise (e.g., statute, regulation)
  - Lower scores will go to those Applicants whose financial management system environment is less standardized and shared across customers
3. Describe the Applicant's (prospective) process for on-boarding new customers (e.g., Discovery) and how a common solution limiting agency preferences over legitimately unique agency requirements is achieved. As part of the description, address the Applicant's approach to situations in which the prospective customer's software needs are more extensive than what is currently offered by the Applicant (e.g., prospective customer has more bona fide requirements than the Applicant's offering).
  - Higher scores will go to those Applicants whose Discovery process:
    - is standardized and repeatable
    - aids in moving customers to a standard solution
    - includes a gap analysis with solutions geared towards leveraging existing or shared solutions
  - Lower scores will go to those Applicants whose Discovery process:
    - is ad hoc
    - results in customized solutions based on agency preferences over legitimately unique agency requirements
    - does not include a gap analysis with solutions geared towards leveraging existing or shared solutions

Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

4. Describe the existing or proposed governance practices/framework between the Applicant, the Applicant's Executive Department, and the (prospective) financial management customers. The response should address the following elements in relation to the governance practices/framework:
- the role of the customer
  - differences between the role of internal customers versus external customers
  - scope of the Applicant's governance decision-making authority versus the scope of the parent organization's decision-making authority
  - how changes to customer pricing are made
  - approach to handling customization and change requests
  - approach to making new investments

If the Applicant has existing governance practices, include any proposed changes to it and their anticipated effective date in the response.

- Higher scores will go to those Applicants whose governance practices/framework:
    - is more inclusive of the customers
    - considers the needs of all customers in a manner proportional to their size and selected services
    - does not unduly favor the Applicant's Executive Department
  - Lower scores will go to those Applicants whose governance practices/framework:
    - is less inclusive of the customers
    - favors the needs of one or more customers over the others
    - favors the Applicant's Executive Department
5. Describe the Applicant's results from implementing its most recent financial management system offering. As part of the description, provide information on the following:
- scope of the implementation
  - original planned cost
  - final cost
  - original planned schedule
  - final schedule
  - number of re-baselines (planned and unplanned)
  - justification for any cost and schedule variances
- Higher scores will go to those Applicants who:
    - implement projects with smaller percentage variance between original planned cost and final cost
    - implement projects with smaller percentage variance between original planned schedule and final schedule (in terms of # of days)

Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

- provide stronger justification for larger cost and schedule variance percentages (e.g., scope expansion)
  - perform fewer re-baselines
  - Lower scores will go to those Applicants who:
    - implement projects with larger percentage variance between original planned cost and final cost
    - implement projects with larger percentage variance between original planned schedule and final schedule
    - provide weaker justification for larger cost and schedule variance percentages
    - perform more re-baselines
6. Describe the Applicant's experience and performance in migrating federal agencies, bureaus, commissions, and/or boards external to its own Executive Department to its shared offering(s) (e.g., financial management, payroll, travel). If the applicant is a previously designated FMLoB provider, examples from implementing financial management offerings should be included in the response. As part of the description, provide information on the following:
- scope of services including if it is systems support, transaction processing or both
  - size of the customer(s) (e.g., volume s, number of users)
  - length of implementation(s)
  - complexity (e.g., geographically-dispersed operation versus centrally-located operation) of the migration effort)
  - total cost to the customer
  - Higher scores will go to those Applicants:
    - whose migration experience is more recent and successful (e.g., cost, schedule, functionality)
    - who have demonstrated experience with implementing a range of customers in terms of size and scope
    - whose customer satisfaction remained high for existing customers when new customers were being on boarded
  - Lower scores will go to those Applicants:
    - whose migration experience is less recent and not as successful (e.g., cost, schedule, functionality)
    - who have not demonstrated as much experience with implementing a range of customers in terms of size and scope
    - whose customer satisfaction declined for existing customers when new customers were being on boarded
7. Describe the Applicant's financial management business plan, including key goals to be reached by the five and ten year points. The response should address what customers the Applicant envisions taking on, what additional support, if any, the Applicant will need to take on those customers, and what kinds of investments the Applicant will make to remain technologically current and competitive.

Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

- Higher scores will go to those Applicants whose response:
  - includes a plan that is responsive to the Agency Modernization Timetable in Appendix C, including what customers the Applicant will target
  - addresses what support or changes will have to occur to be able to take on the new customers (e.g., scaling staffing, revising software and database licensing contracts, implementing new contract vehicles)
  - strategically leverages the private sector
  - includes plans to stay current and competitive with technology in the market (e.g., cloud computing)
- Lower scores will go to those Applicants whose response:
  - does not present a plan to address the government-wide needs identified in the Agency Modernization Timetable in Appendix C and state what customers the Applicant will target
  - does not leverage economies of scale lay to take on new customers
  - does not strategically leverage the private sector
  - does not include an innovative approach to remain current and competitive in the market

8. Describe how the Applicant's revolving fund is or will be used to support the Applicant's ongoing operations and capital investments. Include the fund's operating reserve balance for the last three fiscal years in the response.

- Higher scores will go to those Applicants:
  - whose pricing is more transparent to customers
  - who involve customers in fee changes and reserve expenditure decisions
  - who reinvest a higher percentage of retained earnings back into the shared services operation
  - whose capital expenditures model relies on funds acquired in a more financially sustainable manner (e.g., via retained earnings or additional customer fees approved through a governance process versus appropriations or ad hoc customer fees)
- Lower scores will go to those Applicants:
  - whose pricing is less transparent to customers
  - who do not involve customers in negotiations of fee changes and reserve expenditure decisions
  - who reinvest a lower percentage of retained earnings back into the shared services
  - whose capital expenditures model relies on funds acquired in a less financially sustainable manner (e.g., appropriations or ad hoc customer fees versus retained earnings or additional customer fees approved through a governance process)



**Supplemental Form B: FTE Employment**

*INSTRUCTIONS: Provide FTE data by the groupings and definitions listed in Appendix B, Financial Management Products & Services Catalog, for FY13. Applicants should include the FTEs necessary to run the overall service offering in the Management & Administrative (overhead) category. In the comments, provide any necessary notes or explanations of the data.*

	FY13	
	Government FTEs	No. of Contractors
<b>Financial Management Services</b>	0	0
<b>Technology Hosting and Administration</b>	0	0
<b>Application Management Services</b>	0	0
<b>Systems Implementation Services</b>	0	0
<b>Management &amp; Administrative (overhead)</b>	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

COMMENTS:



## Supplemental Form D: Cost Summary

*INSTRUCTIONS: Provide a cost summary of your financial management services<sup>5</sup> for FY11, FY12 and FY13 by completing the following table. All costs should reflect government and contractor actuals (Object Class 25 – Other Contractual Services) and are to be provided in millions of dollars; rounding to two decimal places (precision to thousands of dollars) is recommended. The definitions of Planning, DME and O&M costs, reference the OMB’s “Guidance on Exhibit 53 and 300.” You may use space for comments or an additional page (one-sided, 12 point font) to provide any necessary notes or explanations of the data.*

	Summary of Financial Management Services Costs (in millions)		
	FY11	FY12	FY13
<b>Planning costs:</b>	\$0.000	\$0.000	\$0.000
<b>DME Costs:</b>	\$0.000	\$0.000	\$0.000
<b>O&amp;M Costs:</b>	\$0.000	\$0.000	\$0.000
<b>Operational Costs:</b>	\$0.000	\$0.000	\$0.000
<b>Total Costs:</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**Planning** refers to preparing, developing, or acquiring the information used to design the asset; assess the benefits, risks, and risk-adjusted costs of alternative solutions; and establish realistic cost, schedule, and performance goals for the selected alternative, before either proceeding to full acquisition of the capital project or useful component or terminating the project. Planning must progress to the point where the agency is ready to commit to achieving specific goals for the completion of the acquisition before proceeding to the acquisition phase. Information gathering activities to support planning may include market research of available solutions, architectural drawings, geological studies, engineering and design studies, and prototypes. Planning may be general to the overall investment or may be specific to a useful component.

**DME** refers to costs for projects and activities leading to new IT assets/systems and projects and activities that change or modify existing IT assets to: substantively improve capability or performance, implement legislative or regulatory requirements, or meet an agency leadership request. As part of DME, capital costs can include hardware, software development and acquisition costs, commercial off-the-shelf acquisition costs, government labor costs, and contracted labor costs for planning, development, acquisition, system integration, and direct project management and overhead support.

**Operations and Maintenance (O&M)** refers to the phase of the life cycle in which the financial management systems are in operations and produces the same product or provides a repetitive service. Also commonly referred to as steady state.

**Operational Costs** refers to the cost of performing the mandatory service offerings listed in *Appendix B: Financial Management Products & Services Catalog*.

<sup>5</sup> Previously designated FMLoB providers should provide a cost summary inclusive of their customers. Federal agencies interested in becoming a financial management shared service provider should provide a cost summary inclusive of the services they currently provide to their agency (e.g., other bureaus) and any external customers.

**COMMENTS:**

## **Supplemental Form E: Financial Management Systems**

*INSTRUCTIONS: Using the embedded Excel document, provide details on each financial management system that the prospective SSP is using to meet its mandatory financial management requirements.*



Financial  
Management System

**Appendix A: Glossary of Terms**

*This appendix contains a list of terms and abbreviations that are used throughout this document.*

Term/Abbreviation	Definition
<b>Applicant</b>	Organization(s) (including their systems and operations) that are applying to be a FSSP for financial management in accordance with OMB Memorandum 13-08. This shall include the formerly designated Financial Management Line of Business (FMLoB) providers that want to continue to provide services and federal agencies that would like to be designated as FSSPs for the first time.
<b>Development Modernization and Enhancement (DME)</b>	Costs for projects and activities leading to new IT assets/systems and projects and activities that change or modify existing IT assets to: substantively improve capability or performance, implement legislative or regulatory requirements, or meet an agency leadership request. As part of DME, capital costs can include hardware, software development and acquisition costs, commercial off-the-shelf acquisition costs, government labor costs, and contracted labor costs for planning, development, acquisition, system integration, and direct project management and overhead support.
<b>Federal Shared Service Provider (FSSP)</b>	Federal agency that is designated to provide shared services to other federal agencies external to itself. The purpose of this Application is to designate FSSPs for financial management service offerings, in line with OMB Memorandum 13-08.
<b>Financial Management System</b>	Includes an agency’s overall financial operation, reflecting the people, processes, and technology to capture, classify, summarize, and report data in a meaningful manner to support business decisions. It includes hardware, applications and system software, personnel, procedures, data, and reporting functions. The financial management system can be fully integrated with other management information systems (i.e., mixed systems) where transactions automatically flow into an accounting general ledger. The financial management system could also include manual processes to post transactions from other management systems into the accounting general ledger.
<b>Financial System</b>	Information system or set of applications that comprise the accounting portion of the financial management system that maintains all summary or detailed transactions resulting from budgetary and proprietary financial activity. The financial system encompasses processes and records that: <ul style="list-style-type: none"> <li>• Identify and record all valid transactions;</li> <li>• Describe on a timely basis the transactions in sufficient detail to permit proper classification of transactions for financial reporting;</li> <li>• Measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements; and</li> <li>• Determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period.</li> </ul>

Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

Term/Abbreviation	Definition
<b>FIT Agency Modernization Evaluation (FAME)</b>	Evaluating agency modernization proposals and overseeing the agency and SSP “discovery” process in accordance with OMB Memorandum 13-08.
<b>IPAC</b>	Intragovernmental Payments and Collection System
<b>Mixed System</b>	Hybrid of financial and non-financial portions of the overall financial management system. The following are examples of mixed systems: payment and invoice systems, procurement systems, receivable systems, loan systems, grants systems, payroll systems, budget formulation systems, billing systems, property management systems, travel systems, or other mission operational systems that impact a financial system.
<b>NIST</b>	National Institutes of Standards and Technology
<b>Operations and Maintenance (O&amp;M)</b>	Phase of the life cycle in which the financial management systems are in operations and produces the same product or provides a repetitive service. Also commonly referred to as steady state.
<b>Operational Costs</b>	Cost of performing the mandatory service offerings listed in <i>Appendix B: Financial Management Products &amp; Services Catalog</i> .
<b>Planning</b>	Preparing, developing, or acquiring the information used to design the asset; assess the benefits, risks, and risk-adjusted costs of alternative solutions; and establish realistic cost, schedule, and performance goals for the selected alternative, before either proceeding to full acquisition of the capital project or useful component or terminating the project. Planning must progress to the point where the agency is ready to commit to achieving specific goals for the completion of the acquisition before proceeding to the acquisition phase. Information gathering activities to support planning may include market research of available solutions, architectural drawings, geological studies, engineering and design studies, and prototypes. Planning may be general to the overall investment or may be specific to a useful component.
<b>Recording Obligations</b>	Obligations are recorded in the financial solution in three ways: (1) integration with a solution; (2) interfaced; and/or (3) entered manually.
<b>SSAE 16</b>	Statement on Standards for Attestation Engagements 16
<b>SSP Discovery</b>	Reimbursable period where a potential customer and an SSP review their respective needs and offerings to determine if the customer would be a good match before entering into a long term arrangement. Specifically, both parties will (1) verify that no gaps exist between the prospective customer (e.g., agency) and provider (SSP) and (2) finalize the implementation terms, conditions, and costs.
<b>Transaction</b>	A business event that has a monetary impact on an entity's financial statements, and is recorded as an entry in its accounting records.
<b>Transaction Processing</b>	Transaction processing is a term that refers to the adding, changing, deleting, or looking up of a record in a data file or database by entering the data at a terminal or workstation.

## **Appendix B: Financial Management Products & Services Catalog**

*This appendix represents an initial catalog of mandatory FSSP capabilities (e.g., Authorization and Accreditation of their system) and products and services (e.g., General Ledger Accounting) that FSSPs offer to agencies. It was developed using the FMLoB Due Diligence Checklist, OMB Circular A-11 and FASAB standards. FIT will be working with the community to further develop and refine this catalog (including adding prices for services offered to agencies) with the goal of publishing another version in spring/summer 2014. It will then be updated on an annual basis. As a part of this process other artifacts, such as the FEA, may also need to be revised in the future.*

*Though Memorandum 13-08 only requires agencies move their systems to shared services, designated FSSPs must offer both systems support and transaction processing should the agency opt to transition that portion of its operations as well.*

Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

	Product/Service	Activity	Definition	Reference*
<b>&gt;&gt;&gt;Financial Management Services</b> Inclusive of the financial management activities for which a provider must offer system and transaction processing services to its customers.				
<b>1</b>	Budget Execution	Mandatory	Financial management activities pertaining to the recording of the legal and managerial uses of budgetary resources to achieve results that comply with the enacted budget and Administration policy. Financial management with respect to budget execution activities include but are not limited to: apportionments, allotments, commitments, reprogramming actions, incurring obligations, and funds control.	OMB A-11
<b>2</b>	General Ledger Accounting	Mandatory	Activities related to accounting code setup as well as edit checks, recording budgetary and proprietary accounting entries, reconciling transactions and recording adjustments to the general ledger. Reconciliations include Budgetary to Proprietary, Fund Balance with Treasury (FBWT), SF 224: Statement of Transactions, FMS 6652: Statement of Differences, Payroll, Accounts Payable and Accounts Receivable.	OMB A-11
<b>3</b>	Financial Reporting	Mandatory	Activities associated with preparing and generating internal and external reports such as financial statements, trial balance, FACTS I and FACTS II, SF133, SF224, SF1219/1220, fund status, transaction history, and ad hoc queries	OMB A-11  OMB A-136
<b>4</b>	Accounts Payable	Mandatory	Accounts payable are amounts owed by a federal entity for goods and services received from, progress in contract performance made by, and rents due to other entities.  Activities that lead up to and including disbursing payments due to the public, such as recording obligations, receiving and accepting goods and services, vendor file management, and establishing payables.	SFFAS #1  OMB A-11
<b>5</b>	Accounts Receivable	Mandatory	Accounts receivable arise from claims to cash or other assets.  Activities associated with establishing and collecting amounts due from the public for performance of services, delivery of goods sold, the passage of time (e.g., interest earned), overpayments, dunning notices, referrals to Treasury, writeoffs, customer file management, or other actions by the agency	SFFAS #1  OMB A-11



Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

<b>9</b>	Travel Accounting	Mandatory	Includes services such as travel authorizations, payments, collections, reconciliation and reports processing.	FMLoB
<b>10</b>	Cost Accounting	Mandatory	<p>Managerial cost accounting should be a fundamental part of the financial management system and, to the extent practicable, should be integrated with other parts of the system. Managerial costing should use a basis of accounting, recognition, and measurement appropriate for the intended purpose. Cost information developed for different purposes should be drawn from a common data source, and output reports should be reconcilable to each other.</p> <p>Activities associated with accumulating, recognizing, and distributing organization and program costs for management information purposes. Include activities associated with Budget and Performance integration</p>	<p>SFFAS #4</p> <p>OMB A-11</p>
<b>11</b>	Charge Card Accounting	Mandatory	<p>A government charge card is an account established by a commercial financial institution on behalf of agencies or individual agency employees to which the cost of purchasing goods and services may be charged. There are several types of government charge cards, including: purchase, travel, fleet, AIR, SEA, and integrated cards.</p> <p>Charge Card Services includes: track charge card delinquencies; review bank reports; monitor charge card fraud, waste and abuse; invoice file receipt tracking; master accounting code updates; prepare and report charge card activity to the Internal Revenue Service; and GSA SmartPay vendor and task order coordination</p>	<p>Appendix B</p> <p>OMB A-123</p>
<b>12</b>	Audit Support	Mandatory	<p>Activities associated with supporting the annual financial statement audit, e.g., audit liaison. Activities include assistance in meeting all federal audit requirements; ensuring all transactions are supported by appropriate audit trails and remain in compliance with federal regulations.</p> <p>Audit support includes providing financial records and supporting documentation to auditors, assisting in the development of process cycle memorandums, procedural walk-throughs, and responding to various inquiries to assist the auditor with the development and documentation of their work papers. As well as participation in scheduled or requested audit status meetings.</p>	<p>OMB A-11</p>

Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

<b>&gt;&gt;&gt;Technology Hosting and Administration</b>		Includes providing the IT infrastructure (facilities and infrastructure software) that serve as the foundation for running business software applications and the services to maintain that infrastructure.		
<b>13</b>	IT Hosting	Mandatory	Provides a secure, managed environment spanning multiple architectures and technologies; services include hardware monitoring and management (procurement, installation, upgrades, and testing); power backup redundancy; network monitoring, management, and redundancy; root cause analysis of issues; full system backups and restores, mirrored site; Disaster Recovery and Continuity of Operations plans and testing; also includes Web hosting	FMLoB
<b>14</b>	IT Administration Services	Mandatory	Include infrastructure software management, server and database administration and continuity planning; services include infrastructure software (i.e. operating system, network communications, database management software and middleware) installation, setup, configuration, upgrades, maintenance, and testing; server systems administration and tuning; non-application-specific job scheduling; database administration and performance tuning and root cause analysis of issues; database backup, Disaster Recovery and Continuity of Operations plans and testing	FMLoB
<b>15</b>	IT Security Services	Mandatory	Involves setup and maintenance of network security software, database security software and server/operating system security software; security monitoring of network, server/operating system and database; intrusion detection and response; computer security training as required by FISMA; security control audits; systems certification and assessments; network, server and database User IDs and password resets	FMLoB
<b>16</b>	Authorization and Accreditation (Certification & Accreditation)	Mandatory	Includes security assessment; rules of engagement; assessment summary reports; issue resolution (IR) documentation; plan of action and milestones; and security assessment report	FMLoB
<b>17</b>	Information System Security	Mandatory	Provides Federal Information Security Management ACT (FISMA) compliance. According to FISMA, the term information security means protecting information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide integrity, confidentiality and availability.	FMLoB

Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

<b>18</b>	Customer Support Services	Mandatory	Involves the management of the user concerns from the point of notification to closure; services include online customer support, call logging, incident management, and Tier 1, Tier 2, and Tier 3	FMLoB
<b>19</b>	Network Services	Mandatory	Typically limited to administration and consultative services performed in managing, planning, building and monitoring a network between the hosting center and agency	FMLoB
<b>&gt;&gt;&gt;Application Management Services</b> Includes services for running and managing access to business software applications, in this case, financial management software and the feeder systems that provide data to the financial management software.				
<b>20</b>	Application Software Management	Mandatory	Involves providing services to maintain, enhance, and manage business software applications such as a financial management system; this service involves installing, maintaining and managing the configuration of software patches and upgrades	FMLoB
<b>21</b>	Application Performance Management	Mandatory	Involves ensuring the application availability, performance and the end user system performance metrics are acceptable and within the service level targets by performing application performance tuning and testing and by scheduling application jobs	FMLoB
<b>22</b>	Continuity Planning	Mandatory	Involves providing Disaster Recovery and Continuity of Operations plans for the business applications supported	FMLoB
<b>23</b>	Application Security Administration	Mandatory	Involves serving as a security administrator for user access to the business application; service providers may offer this as part of their application management services package	FMLoB
<b>24</b>	Application Software Development	Mandatory	Involves the services to deploy customer enhancements to the application software such as change request management; release management, software bug fixes; design, development and testing of enhancements, extensions, interfaces, canned repots and/or customer reports	FMLoB
<b>25</b>	Application Data Management	Mandatory	Outlines the policies for storing and maintaining data within the application	FMLoB
<b>26</b>	Interfaces Supported	Mandatory	Lists the types of interfaces from feeder systems to the financial management application that the shared service providers support; the level of support includes maintaining and executing the interfaces to ensure that data is fed into the financial system with timeliness and accuracy	FMLoB

Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

<b>&gt;&gt;&gt;Systems Implementation Services</b>		Involves providing consulting services to help an agency through a migration of their current financial management operations to a new environment.		
<b>27</b>	Project Management Support	Mandatory	Includes developing and maintaining charter, master work plan, project schedule and milestones; monitoring project to identify and track risks, issues and changes in scope; developing and overseeing the execution of a change management plan; and providing status reports to agency	FMLoB
<b>28</b>	Requirements Analysis	Mandatory	Includes obtaining business and functional agency requirements for the new financial system application implementation such as accounting structure, roles and responsibilities, data validation rules and spending controls; obtaining technical system requirements; obtaining security requirements, obtaining training requirements; obtaining capacity planning requirements; and detailing any gaps between system capabilities or shared service provider business processes and the customer agency's requirements, and determining methods to mitigate the identified gaps	FMLoB
<b>29</b>	Business Process Management	Mandatory	Includes business process reengineering (involves helping the customer agencies reengineer their business processes as part of the migration effort); and application system configuration (involves configuring the business software application to support the customer agency's business processes in the system)	FMLoB
<b>30</b>	System Migration Management	Mandatory	Involves managing aspects of the agency's migration to the new financial system including transition planning, pre-conversion data clean-up, data conversion, and system deployment	FMLoB
<b>31</b>	System Conversions	Mandatory	Conversion approach includes Discovery; Initiation and Planning; Configuration and Design; and Deployment	

Draft Financial Management Federal Shared Services Provider Application  
Version 1.0  
December 2013

<b>32</b>	Testing	Mandatory	Includes developing test scenarios and executing the following types of tests: System Testing; Business Process Testing; Regression Testing; User Acceptance Testing; Integration/End-to-End Testing; System Performance Testing; Conversion Testing; Migration Dry-Run Testing; Internal Verification and Validation; and Certification and Accreditation Testing	FMLoB
<b>33</b>	Training Services	Mandatory	Includes the development and deployment of user training, system training, and financial management internships	FMLoB
<b>34</b>	Change Management	Mandatory	Managing the organizational changes to facilitate the transition from an agency's existing financial systems and/or operations to a shared service center	FMLoB

**\* Indicates the source that was used for the definition. In some cases definitions were expanded, revised or added based on subject matter expertise input.**

**Appendix C: Agency Modernization Timetable**

*These appendices will assist FSSPs in planning efforts with prospective customer agencies by sharing a timeline and overview of the anticipated demand on an annual basis. FIT received the information from agencies and asked them to confirm it in September-October 2013. Note that FIT did not independently verify the agency-provided data. Additionally, due to the government shutdown all agencies did not have time to confirm the initial data before its release.*



Agency

Modernization Timeta



Agency

Modernization Timeta