pennsylvania
OFFICE OF ADMINISTRATION
INFORMATION TECHNOLOGY

# Information Technology Policy

## *Financial Applications Policy*

| ***ITP Number***<br>ITP-APP022 | ***Effective Date***<br>March 23, 2009 |
|---|---|
| ***Category***<br>Recommended Policy | ***Supersedes*** |
| ***Contact***<br>RA-itcentral@pa.gov | ***Scheduled Review***<br>April 2015 |

**This Information Technology Policy (ITP) establishes enterprise-wide standards and policies for financial applications as part of the Commonwealth's Enterprise Resource Planning (ERP) system.**

## 1. Purpose

The purpose of this Information Technology Policy (ITP) is to establish enterprise-wide standards and policies for financial applications as part of the Commonwealth's Enterprise Resource Planning (ERP) system. Establishing standards will provide guidance to agencies as they plan for new application development projects or make investments in existing applications.

## 2. Background

ERP enables organizations to gain a deeper financial insight across the enterprise, tighten control of financial processes, and improve financial performance. Automated financial and management accounting ensures compliance with enterprise objectives.

Financial and management accounting provides core accounting and reporting capabilities with scalability to support the requirements of large enterprises. Preparing financial statements, maintaining the general ledger-performing revenue and cost accounting, and order and project management are key features of an accounting system.

The general ledger integrates accounts payable and receivable applications. Complete integration with the general ledger ensures the most up-to-date

balances and reporting accuracy. Governance and transparency are improved with broad support of accounting standards, federal regulations, and improved administration of internal controls.

Other important financial features include self-service capability, corporate services, and public sector fund management. Self-service capabilities provide managers with the ability to easily manage cost and budgets in a way that supports the organization's strategy. Self-service allows users to receive comprehensive reports based on ERP information and empowers users to make informed decisions.

Additional tools that organizations can use to make strategic decisions include stakeholder relationship management, corporate performance monitoring, business planning and simulation, business consolidation, and financial analytics. Stakeholder relationship management enables the grouping of people and institutions that have an interest in the organization and provides them with information about the organization. Simultaneously, stakeholder relationship management provides the means to trace actions (e.g., information distribution) such that at any time it is clear which stakeholder was provided with which information.

Corporate performance monitoring covers two large areas: strategy management and performance measurement.
Strategy management offers facilities to represent and make operational strategies including:

- Balanced Scorecard: Integrates historical-based financial key figures and qualitative factors through a user-defined evaluations system to provide a comprehensive view. Strategy templates permit custom modeling of the organizational strategy.
- Value Driver Tree: Permits the analysis of relationships between complex value drivers and the value drivers that influence them through an iterative drill-down approach.
- Risk Management: Permits specification of actions taken to respond to certain risks that allow for timely control of risk with quick response to events.

Performance measurement offers facilities to measure and evaluate the performance of organizations. Reporting tools present graphical data to illustrate interdependencies.

## 3. Scope

This Information Technology Policy (ITP) applies to all departments, boards, commissions and councils under the Governor's jurisdiction. Agencies not under the Governor's jurisdiction are strongly encouraged to follow this ITP.

## 4. Policy

Agencies requiring new or updating existing financial applications are to leverage the financial application solutions available from Integrated Enterprise Systems (IES) when the IES financial application solutions meet the agencies' business requirements. Current standards and product availability are in sections 5 and 6 of this ITP.

Agencies are to analyze their financial business requirements and assess the business value of integration and exchange of information with the Commonwealth's ERP system. ERP applications include financial, human resources, customer relationship management, supplier relationship management, platform life cycle management, supply chain management, and material management enterprise applications.

Agencies are to analyze their financial data warehousing and business intelligence requirements and assess the business value of utilizing the Commonwealth's ERP data warehouse and business intelligence platform.

## 5. Standards

**CURRENT STANDARDS**

(These technologies or products meet the requirements of the current architecture and are recommended for use.)

| Technology | Platforms | Technology Classification |
|---|---|---|
| **SAP Enterprise Resource Planning (ERP) Financials**<br><br>Strategic Enterprise Management<br>▪ Stakeholder Relationship Management<br>▪ Strategy Management<br>▪ Performance Measurement<br>▪ Strategic Planning & Simulation<br>▪ Business Consolidation<br>▪ Business Analytics<br>▪ Financial Analytics<br>Accounting<br>▪ Financial Statements<br>▪ General Ledger/Sub- ledgers<br>▪ Revenue & Cost Accounting<br>▪ Order & Project Planning<br>Self Service<br>▪ Financial Manager Self Service<br>Corporate Services<br>▪ Real Estate Management | All | Current |

| Technology | Platforms | Technology Classification |
|---|---|---|
| ▪ Travel Management<br>▪ Treasury & Risk Management<br>Public Sector - Funds Management<br>Tax and Revenue Management | | |

**CONTAIN**

(These technologies or products no longer meet the requirements of the current architecture and are not recommended for use. They are to be phased out over time. No date has been set for their discontinuance.)

| Technology | Platforms | Technology Classification |
|---|---|---|
| -- | -- | Contain |

**RETIRE**

(These technologies or products are being phased out. Plans are to be developed for their replacement, especially if there is risk involved, such as lack of vendor support. A date for retirement has been set.)

| Technology | Platforms | Technology Classification |
|---|---|---|
| -- | -- | Retire mm/dd/yy |

**EMERGING / RESEARCH**

(Emerging technologies or products have the potential to become current standards. At the present time, they are to be used only in pilot or test environments where they can be evaluated. Use of these technologies is restricted to a limited production mode, and requires approval of a waiver request. Research technologies are less widely accepted and time will determine if they will become a standard.)

| Technology | Platforms | Technology Classification |
|---|---|---|
| -- | -- | Emerging / Research |

## 6. Product Availability

| Enterprise Resource Planning Product Availability | |
|---|---|
| **Product / Module** | **Status** |
| **SAP Enterprise Resource Planning (ERP)**<br><br>**Financials**<br><br>**Strategic Enterprise Management** | |
| Stakeholder Relationship Management | Available |
| Strategy Management | Available |
| Performance Measurement | Available |
| Strategic Planning & Simulation | Available |
| Business Consolidation | Available |
| Business Analytics | Available |
| Financial Analytics | Available |
| **Accounting** | |
| Financial Statements | In Production |
| General Ledger/Sub- ledgers | In Production |
| Revenue & Cost Accounting | In Production |
| Order & Project Planning | In Production |
| **Self Service** | |
| Financial Manager Self Service | Available |
| **Corporate Services** | |
| Real Estate Management | Available |
| Travel Management | In Production |
| Treasury & Risk Management | Available |
| **Public Sector - Funds Management** | In Production |
| **Tax and Revenue Management** | Available |

## 7. Related ITPs/Other References

## 8. Authority

- Executive Order 2011-05, Enterprise Information Technology Governance

## 9. Publication Version Control

It is the user's responsibility to ensure they have the latest version of this publication. Questions regarding this publication are to be directed to RA-itcentral@pa.gov.

This chart contains a history of this publication's revisions:

| Version | Date | Purpose of Revision |
|---|---|---|
| Original | 3/23/2009 | Base Document |
| | 10/25/2010 | ITB Refresh |
| | 4/2/2014 | ITP Reformat; Merged GEN-APP022B, STD-APP022A into ITP |