

[Name of Customer Agency]

# Financial Systems Strategy Justification Template

[DATE]

# Table of Contents

|   |          |
|---|----------|
| <b>1. Current Environment &amp; Scope of Migration Request.....</b> | <b>2</b> |
| <b>2. Migration Justification.....</b>                              | <b>2</b> |
| <b>3. Risks/Issues/Challenges.....</b>                              | <b>3</b> |
| <b>4. Customer Agency Research / Analysis.....</b>                  | <b>4</b> |
| <b>5. Signatures.....</b>   | <b>5</b> |
| <b>Appendix A: Systems Inventory Template.....</b>                  | <b>6</b> |

**Purpose:** The purpose of the *Financial Systems Strategy Migration Justification* document is for the customer agency to justify its financial management migration request.

## 1. Current Environment & Scope of Migration Request

This section should describe 1) the customer agency's existing financial management system environment, and 2) the scope of what the customer agency is requesting. Information on mixed system environments is only being requested to understand the current operating environment and the possible totality of what the customer agency could consider in adopting a shared solution.

Customer agencies should look to *OMB Circular A-136, Section II.2.8 Analysis of Entity's Systems, Controls and Legal Compliance, OMB Circular A-11 OMB Circular A-11 Section 230 Agency Strategic Planning* and *OMB PortfolioStat* submissions to help complete this section<sup>1</sup>.

## 2. Migration Justification

This section should state the rationale for: 1) why the customer agency needs to migrate its financial management system; and 2) how the migration will improve the customer agency's financial management environment.

The rationale for the customer agency's migration request should include 1) risks, issues and challenges associated with the current financial management system; 2) how the risks, issues and challenges are being mitigated today; and 3) how the migration will directly address and/or mitigate the aforementioned risks, issues and challenges. The rationale should clearly identify any consequences if the migration does not occur. Examples of potential risks, issues and challenges include, but are not limited to:

- Current system performance (e.g., brownouts, missed service level agreements)
- Technical obsolescence
- Audit findings
- Dependencies and interoperability between this system and mixed systems
- Manual processes
- Performance gaps
- Resources
- Capability of agency to manage the investment
- Compliance with government-wide mandates, laws and regulations
- Sustainment costs
- Strategic alignment.

Customer agencies should look to *OMB Circular A-136, Section II.2.8 Analysis of Entity's Systems, Controls and Legal Compliance, OMB Circular A-11 Section 230 Agency Strategic Planning* and *OMB PortfolioStat* submissions to help complete this section.

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<sup>1</sup> Due to updates to the circulars, the specific section references to *OMB Circular A-136 and OMB Circular A-11, Preparation, Submission and Execution of the Budget* may change on an annual basis.

### 3. Risk/Issue/Challenges <sup>2</sup>

Use the table below to identify risks, issues, and challenges with implementing the proposed migration request. If internal documents, such as a risk register or issue log already exist, or if there is not enough space in the table provided, attachments are acceptable. If a different risk register is used, it needs to include, at a minimum, the information requested below. Unless otherwise noted, it will be assumed that the impact and probability scales included in this section are being used.

| Risk / Issue / Challenge | Risk / Issue / Challenge Description  | Mitigation Strategy   | Impact on Implementation (Low, Medium, High) | Probability of Occurrence (Low, Medium, High) |
|--------------------------|---|---|--|---|
| <b>EXAMPLE:</b><br>Risk  | If data is not cleansed prior to migration and is still migrated, then the quality of data in the shared environment could compromise the integrity of the shared platform and result in possible audit issues. | Engage a contractor to develop data cleansing strategy, and schedule tasks early in the implementation. | High   | Medium  |
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<sup>2</sup> The impact and probability scales noted below are based on the FIPS Publication 199, Table 1. The definitions have been revised to be applicable to the FAME guidance.

| Impact Scale   |   |   |
|--|---|---|
| Low  | Medium  | High  |
| Limited adverse effect – insignificant or minor<br><br>Example: Data is cleansed prior to the migration to the new solution    | Serious adverse effect – moderate<br><br>Example: Data is not fully cleansed prior to migration and additional data cleansing is required following the migration to the new solution | Severe or catastrophic adverse effect – major or extreme<br><br>Example: Data is not cleansed prior to migration and is still migrated, resulting in possible audit issues. |
| Probability Scale  |   |   |
| Low  | Medium  | High  |
| Likelihood of occurrence is rare or unlikely<br><br>Example: Data cleansing strategy is developed and tasks are being executed | Likelihood of occurrence is possible<br><br>Example: Resources to develop a data cleansing strategy are in the process of being hired   | Likelihood of occurrence is likely or almost certain<br><br>Example: Implementation is underway and a data cleansing strategy is not developed                              |

#### 4. Customer Agency Research / Analysis

Customer agency policy may require separate due diligence around alternative analysis and cost/benefit analysis. If so, please provide information about the results of any customer agency mandated research, including cost/price information if applicable.

## 5. Signatures<sup>3</sup>

|                                |      |                                |      |
|--------------------------------|------|--------------------------------|------|
| _____                          |      | _____                          |      |
| Customer Department/Agency CFO | Date | Customer Department/Agency CIO | Date |

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<sup>3</sup> Given that signatory authorities may vary at customer agencies, the title of the official may be modified as long as it is of equivalent or higher rank and authority.

## Appendix: Systems Inventory Template

The customer agency should complete the embedded *Systems Inventory* and submit it with the *Financial Systems Strategy Justification*. The completed document should be a list of the financial and mixed systems used by the customer agency along with some basic information about each system. (Information on mixed system environments is only being requested to understand the current operating environment and the possible totality of what the customer agency could consider in adopting a shared solution.)



Final FAME Systems  
Inventory v1.0

(See *attachments* in Adobe Acrobat if document fails to launch.)