

# FEDERAL STUDENT AID IT IRB Executive Briefing

<b>Administrative Information</b>						
<b>Initiative Name:</b>	Financial Management System (FMS) – Modernization Integration and Oracle Upgrade					
<b>Overall Initiative Name:</b>	<b>Modernization Partner</b>					
<b>Initiative Period of Performance:</b>	10/02-9/03	<b>Executive Sponsor:</b>	Jim Lynch			
<b>Overall Initiative Period of Performance:</b>	10/99	<b>FSA Project Manager:</b>	Shirley Singleton			
<b>Principal Office:</b>	FSA	<b>Modernization Project Manager:</b>	Todd Elliott			
<b>General Description</b>						
<p>One of the initial modernization efforts at FSA involved the implementation of the Financial Management System (FMS) over four phases. As a key component of the FSA Modernization effort, the Financial Management System is currently providing significant benefit and financial control for FSA.</p> <p>FMS will develop and deploy the necessary interfaces and extensions to FSA FMS in order to be fully operational with other FSA systems, which are undergoing transformation. In addition, this initiative includes internal enhancements to FMS and integration and upgrade efforts with the Department of Education's financial management systems.</p>						
<b>Initiative Scope</b>						
<p>This initiative is very dependent on other Integrated Product Team (IPT) initiatives as well as entities external to FSA. There are three components of scope for this effort:</p> <ol style="list-style-type: none"> <li>1. FMS driven enhancements, owned by the CFO for improving the existing system</li> <li>2. Modernization enhancements, driven by outside IPTs and dependent on their schedule and scope of work</li> <li>3. Department of Education initiatives, such as the Oracle upgrade to 11i, which are also dependent on their schedule and scope of work.</li> </ol> <p>The following summarizes the anticipated FY2003-04 scope areas:</p> <ul style="list-style-type: none"> <li>• Begin the upgrade to Oracle Federal Financials Release 11i</li> <li>• Interfaces to support Modernization efforts for DMCS Reengineering, DLSS Reengineering (Common Servicing for Borrowers), DLCS Reengineering, NSLDS II and other reengineering efforts, including integration with EAI for these initiatives</li> <li>• Enhanced coordination and integration with the Department of Education's financial management systems</li> <li>• Ongoing enhancements due to Forms 2000 (Guaranty Agencies), Lender Redesign, Web draw down and Common Origination and Disbursement (COD)</li> </ul>						
<b>Life Cycle Costs (in thousands)</b>						
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Development Costs</b>	2,650	9,195	5,000	5,000	3,000	3,000
<b>Operations Costs</b>	14,639	10,389	9,500	10,000	11,442	11,442
<b>Total Initiative Funding (Development + Operations)</b>	17,289	19,584	14,500	15,000	14,442	14,442
<b>Impact(s) to the Department of Education</b>						

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1. Interfaces to FMS will be built or modified to exchange information between FSA FMS and other FSA subsystems. There will be changes to business processes such as system balancing and reconciliation between FMS and affected FSA subsystems. The greatest impact areas will be the upgrade to Oracle 11i, the implementation of the FSA/Title IV web-based draw down and award capability and the interaction with the Department of Education's FMSS.
2. The following specific systems will be impacted by this initiative:
  - DLSS – incorporate changes required due to reengineering efforts
  - DLCS – incorporate changes required due to reengineering efforts
  - NSLDS – incorporate changes required due to reengineering efforts
  - DMCS – replace sub-ledger functionality with FSA FMS functionality
  - EAI – develop interfaces as required due to reengineered subsystems
  - Forms 2000/Lender Redesign – modify/enhance design to accommodate product upgrade
  - COD – modify/enhance existing interfaces to accommodate interface updates and upgrade
  - ED GAPS/FMSS – modify/enhance existing interfaces to accommodate interface updates and upgrade
3. End users of this functionality include all FSA recipient institutions who currently use GAPS to draw down or receive FSA funds, including approximately 5000 schools, 56 states and territories and 4000 lenders.
4. FMS project owners will continue to conduct interface meetings with respective system owners with whom it will be exchanging information, during development or enhancement of interfaces.
5. Employee training will need to be provided to enable them to operate the new modules of this initiative.

## Benefits

FMS supports FSA's Performance Based Organization (PBO) objectives of Cost Reduction, Employee Satisfaction, and Customer Satisfaction. First and foremost, FMS will provide the financial accounting mechanism critical to an organization responsible for \$65B+ of grant and loan awards and through which FSA objectives can in part be measured (i.e., for financial-based measures). FMS will provide the following:

Reduce the overall unit cost of Delivering Student Aid:

- Provide new integrated system that will replace financial management systems currently residing in legacy program systems. This will result in the reduction of contract and FTE needs in other Channels as more of the work that is done is performed through the use of the COTS product and reengineered work processes.
- Provide effective funds management and budget controls
- Provide sufficient level of data for strategic decision making
- Provide cost and performance-based information
- Provide better integrity and internal controls over costs and program funds in the delivery system

Improve Employee Satisfaction:

- Provide timely information retrieval and reporting to meet business needs
- Enable employees to make accurate decisions with complete and timely information
- Provide employees with better tools which will increase their accuracy and efficiency by reducing manual, paper-based work efforts

Improve Customer Service:

- Improve response time to financial information by providing a single source of current, on-line, accurate data
- Provide access to program financial data

## Risks

**Category:** Project Resources

**Probability:** High

**Impact:** High

**Description:** Lack of resources within FSA; Lack of SME sufficient to provide intricate details on process and dependencies; Inadequate existing contractor support due to contract demise or realignment

**Management Strategy:** Leverage Modernization Partner resources to manage the project; work closely with eCAD technology Product Management teams and FSA project lead to resolve issues

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<b>Category:</b> Data/Information	<b>Probability:</b> High	<b>Impact:</b> High
<b>Description:</b> External access to more information contained within FSA may expose some inaccuracies contained within feeder systems		
<b>Management Strategy:</b> Acknowledge the potential for the inaccuracy and enable FSA to determine appropriate strategies for corrective action. The Channel needs to be responsible for content that they provide. Arbitration of data integrity should exist at a level exclusive of specific channel direction to ensure impartiality		
<b>Consequence(s) of Not Funding the Initiative</b>		
Failure to implement FMS Modernization Integration will result in FSA not meeting its goal to modernize and integrate all stove-pipe systems, and reduce its high risk status. Additionally, FMS will not be able to provide the integration capability for a number of FSA reengineered subsystems.		
Failure to fund the upgrade to Oracle 11i will jeopardize the ongoing Oracle support of the financial package.		
<b>Acquisition Overview</b>		
<ul style="list-style-type: none"> <li>Single Contract.</li> <li>This initiative will be contracted as a Firm Fixed Price with the FSA Modernization Partner.</li> <li>No financial incentives or performance based contracting components will be used. The contract type is Blanket Purchase Agreement (BPA) under GSA Schedule 70 Contract (GS-35F-4692G) implemented using Task Orders (FP, FP Share in Savings IF, and T&amp;M).</li> <li>9/30/02. Same as GSA Contract (9/7/99 – 9/30/02, with two 5 year options)</li> <li>Blanket Purchase Agreement (BPA) under GSA Schedule 70 Contract (GS-35F-4692G) implemented using Task Orders (FP, FP Share in Savings IF, and T&amp;M) for the Mod Partner project. BPA #:ED-99-DO-0002.</li> </ul>		
<b>Enterprise Architecture</b>		
<b>ROI? (\$\$\$)</b>		*Certified and Accredited? (Y/N/N/A)
		N – 9/30/02
*Completed Security Risk Assessment? (Y/N/N/A)	Y	*508 Compliant? (Y/N/N/A)
		N – By 10/04 with Oracle 11i Upgrade
*Completed Security Plan? (Y/N/N/A)	Y	Supports GPEA? (Y/N/N/A)
		NA

\*Where response is 'N', please also provide a planned completion date.