Statement of Need

- The existing Financial Management System (FMS) is 30 years old and continued reliance on it presents an enormous risk to VA operations.

- The technical and functional ability to support the legacy application becomes more difficult with each passing year.

- Procurement and Financial Management Systems are not integrated

- Accounting staff relies on manual processes and reconciliations

- New audit issues have surfaced, including security related issues that cannot be fixed with the existing FMS:
  - Deficiencies in configuration management and access controls (FISMA)
  - Complex disjointed architecture and difficulties meeting financial management reporting requirements (including DATA Act) (FFMIA)
  - Operational and security vulnerabilities due to the age of the system (FFMIA)
Shared Service Provider Selection

- Assessed two Federal Shared Service Providers (FSSPs)
  - Attended separate 3-week pre-discovery workshops with United States Department of Agriculture (USDA) and Department of Treasury
  - Collected and analyzed SME feedback and FSSP readiness
- FSSP selection justification
  - Followed a methodical qualitative and quantitative process
  - Leveraged best practices, guidance and lessons learned from GAO, OMB, USSM, DHS, HUD, AGA, PMI and ISO
  - Collected and analyzed documentation to support FSSP selection
  - Focused on objectivity and defensibility
- Comprehensive assessment package with all findings and recommendation was presented to the FMBT Executive Steering Committee (ESC) which unanimously approved USDA as the preferred provider on September 19, 2016
- Recommendation approved by the Deputy Secretary on September 22, 2016
- Interagency Agreement (IAA) executed with USDA on September 27, 2016
- Joint VA/USDA Program Kickoff planned for October 17, 2016
The initial scope of the FMBT Program includes migration of the functionality performed in VA’s legacy core FMS to USDA’s financial management and acquisitions system solution.

- The effort includes:
  - Replacing the procurement functionality of IFCAP, Centralized Admin Accounting Transactions System (CAATS), and Electronic Contract Management System (eCMS)
  - Implementing a new business intelligence solution and data warehouse for financial reporting
  - Interfacing the FSSP solution with selected legacy VA systems not targeted for replacement

- The effort achieves:
  - Compliance with federal regulations
  - Standardized financial and acquisition management business processes across VA

The implementation phasing approach and timeframes will be identified in conjunction with the ongoing FSSP engagement efforts.
VA FMBT Program Objectives

What is the Program Vision?
Provide a modern integrated financial management and acquisition solution with transformative business processes and capabilities that enable VA to meet its goals and objectives in compliance with financial management legislation and directives ultimately enhancing service to the Veterans.

What are the Program Objectives?

Standardized Processes  
Stronger Data Analytics  
Enhanced Customer Service to the Veterans  
Greater Speed and Reliability

How will we get there?
Leveraging the experience and solutions from our Federal Financial Management Shared Services Provider, USDA, VA will transform the way the Department performs Financial Management and Acquisition functions.

- Provide insight and information into their financial systems and unique customer needs
- Evaluate opportunities to adopt new solutions to achieve support service excellence

- Recommend configuration of shared services offering
- Leverage migration expertise and assist VA throughout the transition
- Listen and respond to VA’s concerns, and configure solutions to align with VA Departmental Mission
Organizational Structure

- **Acquisition/Contract Management**
- **Budget Liaison Travel**
- **Performance Reporting**
- **Scope Management**
- **Schedule Management**
- **Risk/Issue Management**
- **Strategic Planning**
- **Program Communications**
- **Quality Management**
- **Integration Management**
- **Organizational Change Management**
- **Test Management & Coordination**
- **Test Plan Development**
- **User Acceptance Testing**
- **Defect Management**

**Office of Management/Office of Finance/Office of Financial Solutions**

**FMTS Director Program Manager**

**Office of Information & Technology (OI&T) Program Office**

**Financial Process Improvement and Audit Readiness (FPIAR)**

**Program Management**

**Organizational Change Management**

**Business Testing**

**Data Management & Reporting**

**Business Process Reengineering**
- **Business Policy & Procedure Recommendations**
- **Process Reengineering**
- **Business Requirements**
- **Fit/Gap Analysis**
- **Requirements Traceability**

**Program Management**
- **Acquisition/Contract Management**
- **Budget Liaison Travel**
- **Performance Reporting**
- **Scope Management**
- **Schedule Management**
- **Risk/Issue Management**
- **Strategic Planning**
- **Program Communications**
- **Quality Management**
- **Integration Management**

**Organizational Change Management**
- **Organizational Change Management**
- **Job Aids**
- **Training**
- **Tactical/Deployment Communications**
- **Workforce Impacts**
- **Liaison to VHA/VBA/NCA/VACO**
- **Delivery & Implementation Management**

**Business Testing**
- **Test Management & Coordination**
- **Test Plan Development**
- **User Acceptance Testing**
- **Defect Management**

**Data Management & Reporting**
- **Data Conversion**
- **Data Migration & Validation**
- **Reporting Requirements**
- **Data Analytics**
- **Data Cleansing**
- **Source-to-Target Mapping**
The FMBT Program will abide by the following guiding principles to meet program goals:

<table>
<thead>
<tr>
<th>We will...</th>
<th>Which means...</th>
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</table>
| Centralize Core Functions: Accounting, Acquisitions, and Grants Management | ▪ No core functions outside the target state integrated shared services solution, except as dictated by law or Government-wide policy  
▪ No cuff systems or duplicative systems will be included in the target state integrated shared services solution, except as dictated by law or Government-wide policy |
| Avoid Customization of Shared Services Solutions | ▪ Baseline solutions will be adopted to minimize lifecycle costs and maximize the use of functionality designed to perform best practice core functions Standard configuration selections will be made for all Administrations, except as required by law or Government-wide policy |
| Standardize Business Processes around Core Functions | ▪ Business processes will be redesigned to align with standard configuration  
▪ Business processes will be redesigned to leverage usability and automation features of the shared services solution |
| Consolidate Data Sources for Core Functions | ▪ Minimize points of entry for transactional and reference data to improve controls and avoid reconciliation challenges |
| Optimize Service Delivery Model | ▪ VA’s existing tools, technology solutions, and organizational design will be leveraged to augment the shared services solution to improve the quality of outputs, customer service and support of goods, supplies, and services for those who serve our Veterans |
| Strengthen Management Decision Making and Improve Financial Reporting Accuracy | ▪ Standardizing, integrating, and streamlining financial processes including budgeting, procurement, accounting, resource management, and financial reporting to provide advanced analytics and projections |
Where we are: Engagement

2016

PREPARE
- PMO & Contract Support
- ROMs
- Planning
- Governance
- Stakeholders
- Selection Criteria
- Change Management

EVALUATE
- SMEs
- Deep Dive Meetings
- Detailed Cost Estimates
- SSP Providers & Customers
- Change Management

IDENTIFY
- BPR
- Strategy & Roadmaps
- Gap Analysis
- Cost Refinement
- Phased Approach Strategy
- Change Management

Design/Configure
- Detailed cost Estimates
- Monitoring program risks & issues
- BPR
- Data Cleansing
- Integration Approach & Schedule
- SLAs Defined
- Change Management

2017
High Level Approach

The initial focus is on the following strategies, roadmaps and plans:

- Organizational Change Management
- Business Process Reengineering
- Business Intelligence Reporting
- Data Management
- Shared Service Provider Integration

Workshops will be conducted to provide:
- VA and FSSP knowledge of critical processes & FSSP standard services;
- Documented high-level requirements;
- Critical gaps between VA requirements and FSSP solution;
- Recommendations for closing gaps;
- Solution demonstrations.
## Fit-Gap Approach

### What We Have Done
- System SMEs
- Inventory functions of core financial, acquisitions and feeder systems
- Inventory challenges and desired capabilities
- Understand constraints (policies, system EOL dates)

### Where We Are Now
- Program Advisors
- Business Process Leads and SMEs
- Develop scenarios and business process flows

### Where We are Going
- Representative Sample of SMEs
- Conduct detailed system demonstrations, based on refined requirements
- Document gaps for development of gap solutions
- Select gap solutions (post-workshops)

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**Inventory**
- Conduct systems demonstrations, based on initial understanding
- Collect feedback on scenarios and business process flows; refine requirements
VA/USDA will leverage an agile approach:

Program Management
- Program Operations
- Governance and Executive Alignment
- Risk Management
- Project Resource/Procurement Management
- Administration and Logistics

Organizational Change Management
- Stakeholder Engagement and Communications
- Change Impact Assessment
- Training End User Support
- Workforce and Labor Relations
- O&M Planning and Onboarding

Technology
- Security (External)
- Security (Application)
- Infrastructure
- Network
- Performance
- Conversion
- Interfaces
- Technical Operations
- Legacy Systems

Process & Service Delivery
- Accounting and Compliance
- Business Process Redesign (FM)
- Business Process Redesign (Acquisition)
- Contact Center/Help Desk
- Quality Assurance and IV&V
# Business Processes

<table>
<thead>
<tr>
<th>BUSINESS PROCESS</th>
<th>DESCRIPTION</th>
</tr>
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<tbody>
<tr>
<td>Request to Procure</td>
<td>The Request to Procure process describes the good or service to be obtained, and on the basis of which a procurement action is initiated. When combined with specifications, statement-of-work, and data requirement list, it comprises the procurement request package.</td>
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<tr>
<td>Procure to Pay</td>
<td>The Procure to Pay request process is the procurement processes from managing requests/approvals for goods, equipment, construction and services through receipt of items or service.</td>
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<tr>
<td>Acquire to Dispose</td>
<td>The Acquire to Dispose process includes an end-to-end process for managing assets through their life cycle, defining purchase/acquisition and including the requisition development to a formal disposal.</td>
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<tr>
<td>Bill to Collect</td>
<td>The Bill to Collect process includes receivables and debt management activities associated with financial management.</td>
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<tr>
<td>Record to Report</td>
<td>The Record to Report process includes the general ledger and budgetary control functions.</td>
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<tr>
<td>Budget Formulation to Execution</td>
<td>The Budget Formulation to Execution process includes activities associated with budget formulation approval, execution, and distribution.</td>
</tr>
<tr>
<td>Reimbursable Agreements</td>
<td>The Reimbursable Agreements process is the producing the agreements, entering agreements into the system through order processing, tracking activities, and automated billing.</td>
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<tr>
<td>Grants Management</td>
<td>The Grants Management process is a financial management aspect of grants.</td>
</tr>
<tr>
<td>Business Intelligence (BI) Reporting</td>
<td>The BI Reporting process is leadership reporting their requirements to include finance, procurement, and asset data.</td>
</tr>
</tbody>
</table>
Questions?