



One state. One system.

**Memorandum of Understanding**

**(MOU)**

between

**FI\$Cal**

and

**California Citizens Redistricting Commission**

## Document Change History

<b>Version No.</b>	<b>Date</b>	<b>Author</b>	<b>Description</b>
1	02/26/2014	Lawrence Cooper	FI\$Cal MOU
2	11/14/2014	Lawrence Cooper	See attached errata sheet
3	12/18/2015	Mike Arakji	See attached errata sheet
6*	03/01/2017	FI\$Cal ISO and Legal	See attached errata sheet

\* This version supersedes all prior versions.

## ERRATA SHEET

This errata sheet lists errors and their correction for this Memorandum of Understanding (MOU) between the FI\$Cal Project/Department and the California Citizens Redistricting Commission. It shows all material changes between this MOU and the last one you signed, i.e., it does not track minor changes in style or format. You may find a gap in the numeration of this MOU versus the previous one (if you received one last year). This gap is intentional as it is intended to reconcile different versions of the MOU that have existed previously for a select number of state entities. From this date forward, there will be one MOU for all state entities.

The corrected MOU is hereby designated as Version 6, necessitated by administrative and technical changes as the FI\$Cal solution progressed into its final releases.

No.	Location	Correction
1	Section 2. Authority. Second sentence:	Added the second sentence
2	Section 3. Definitions.	Added entire section <i>(which also resulted in renumbering all subsequent sections as n + 1)</i>
3	Section 5. Contacts. First sentence	Replaced “business and technical leads” with “technical, business, and Public Records Act leads” Replaced “business and technical responsibilities” with “technical, business and Public Records Act responsibilities”
4	Section 5. Contacts. Second sentence	Added the following to the end of the second sentence:  , and Appendix D for Public Records Act contacts.
5	Section 6. Modification of Agreement. Second sentence:	Added the second sentence
6	Section 7. Dispute Resolution. Second sentence:	Revamped the second sentence to read as follows:  The Project/Department will manage its response per the escalation path defined in the FI\$Cal Service Center Charter, attached as Appendix E and incorporated by reference herein.
7	Section 8. Ownership of Information Assets/Public Records Act Requests. Second sentence	Added the following to the end of the second sentence:  , absent exigent circumstances.

No.	Location	Correction
8	Section 8. Last sentence.	Deleted entire sentence: "Information Ownership will be consistent with SAM 5305.5 INFORMATION ASSET MANAGEMENT."
9	Section 9. Acceptable Use and Disclosure of Confidential Information. Heading title:	Section renamed, replacing "Data" with "Information"
10	Section 9. First sentence.	Added the following to end of the first sentence:  , e.g., state or federal auditors.
11	Section 9. Second sentence.	Replaced the second sentence with the following sentence:  Other requests for access to Confidential Information by a member of the public or an entity that does not own it shall be subject to the written approval of its owner.
12	Section 9. Fourth sentence.	Inserted a new sentence as follows:  All Project/Department staff sign non-disclosure agreements that require them to protect Confidential Information and only share it with others who have signed a non-disclosure agreement or are authorized to review it.
13	Section 9. Last sentence.	At the beginning of the sentence, replaced "If a state entity" with "If either party"
14	Formerly Section 9. Support Hours	Deleted entire section ( <i>which resulted in adjusted numbers of subsequent sections</i> )
15	Section 14. Information Protection and Classification. Heading title:	Section renamed, replacing "Information Classification" with "Information Protection and Classification"

No.	Location	Correction
16	Section 14. Information Protection and Classification. First sentence:	Added the following to the beginning of this section:  Both parties agree to comply with applicable statewide policies and laws on the use and protection of information resources and data.
17	Section 14. Second and third sentences.	Replaced entire second and third sentences with the following:  Both parties agree to collaborate on efforts to ensure the security of FI\$Cal and the protection of information that is stored in, processed in, and transmitted to and from the FI\$Cal System. Information protection depends upon the proper classification of information by its owner.
18	Section 14. Fourth sentence.	Revamped the fourth sentence as follows:  The information owner is responsible for defining special security precautions that must be followed by FI\$Cal to ensure the security (confidentiality, integrity and availability) of its information, and this is done by responding to the data classification outreach efforts engaged in by FI\$Cal prior to the time when a State Entity begins using the FI\$Cal System.
19	Section 14. Fifth sentence.	Inserted "to the Project/Department" between "specified" and "those"
20	Section 15. FI\$Cal Audit Trail. First sentence:	Added the following to the end of the sentence, after "System":  in accordance with applicable special publications of the National Institute of Standards and Technology (NIST)
21	Section 16. Remote Access to FI\$Cal. Heading title.	Section title renamed, Inserting "Remote" before "Access"
22	Section 17. Security Patches and Upgrades.	Added entire section
23	Section 18. Events (Information Security) Heading title:	Section renamed as such for consistency with standard definitions

No.	Location	Correction
24	Section 18. Second sentence:	Deleted and replaced the entire second sentence with the following:  The Owner of Information Assets shall have the right to participate in the investigation of an Incident involving its data or conduct its own independent investigation, and the system operator will cooperate fully in such investigation.
25	Section 19. Incidents (Information Security) in the FI\$Cal System Heading title:	Section renamed as such for consistency with standard definitions
26	Section 20. Breach Responsibility Third sentence:	Revamped the entire sentence for more detail and clarity as follows:  To the extent that an Incident results from the Project/Department's negligence or failure to perform and results in an unauthorized disclosure, release, access, review, modification, or destruction; or loss, theft or misuse of an Information Asset, any costs or damages associated therewith will be borne by the Project/Department.
27	Section 21. Disasters and other Business Continuity Events. First sentence:	Inserted the following at the end of the sentence:  in accordance with the FI\$Cal Continuity Plan.
28	Section 21. Second and third sentences:	Deleted
29	Section 23. Disposition of Records.	Added new section
30	Appendix E – FI\$Cal Service Center Charter	Added a new appendix and attached the FI\$Cal Service Center Charter

# MEMORANDUM OF UNDERSTANDING

## 1. Introduction

The purpose of this Memorandum of Understanding (“Agreement”) is to establish practices to be observed by the FI\$Cal Project (“Project”) or the Department of FI\$Cal (“Department”), as applicable, and California Citizens Redistricting Commission regarding the security-related operations of the Financial Information System for California, (“FI\$Cal” or “System”), as utilized by California Citizens Redistricting Commission. This Agreement will govern the relationship between the Project/Department and California Citizens Redistricting Commission with respect to these matters but does not supersede or otherwise modify obligations imposed on either party by law. The intent of this Agreement is the secure use and exchange of the State’s financial management data in FI\$Cal.

## 2. Authority

The authority for this Agreement resides in the express and implied powers of the parties to enter into agreements to carry out the responsibilities which they have been delegated by law. The Project/Department is required by section 5305.8 of the State Administrative Manual (SAM) to enter into written agreements with state and non-state entities that use the System.

## 3. Definitions.

The following terms used in this Agreement shall have the same meaning as those terms defined pursuant to SAM section 5300.4:

- a) Confidential Information
- b) Incident
- c) Information Assets
- d) Owner of Information Assets
- e) Sensitive Information

The term “Event” shall have the same meaning as that term is defined in the National Institute of Standards and Technology Special Publication 800-53, Revision 4. The term “Personal Information” shall have the same meaning as that term is defined in Civil Code section 1798.3. The term “Protected Health Information” shall have the same meaning as that term is defined in 45 CFR 160.103. The term “State Entity” shall refer to any governmental agency that is a user of the FI\$Cal system.

## 4. Term of Agreement

This Agreement will remain in effect until updated, modified or superseded with the agreement of both parties.

## 5. Contacts

The Project/Department and California Citizens Redistricting Commission agree to designate and provide contact information for technical, business and Public Records

Act leads who will serve as the main point of contact for technical, business and Public Records Act responsibilities, respectively. See Appendix A for technical contacts, Appendix B for business contacts, and Appendix D for Public Records Act contacts.

## **6. Modification of Agreement**

Updates to or modifications of this Agreement must be in writing and approved by both parties, except for changes to appendices, which may be made unilaterally in writing. This version supersedes any previous version.

## **7. Dispute Resolution**

In the event of a dispute arising out of the enforcement of a provision of this Agreement, both parties will make a good faith effort to meet and confer with each other to resolve the issue(s) underlying the dispute. The Project/Department will manage its response per the escalation path defined in the FI\$Cal Service Center Charter, attached as Appendix E and incorporated by reference herein.

## **8. Ownership of Information Assets/Public Records Act Requests**

Use of the System does not change the ownership of information. Unless otherwise required by law, the Project/Department will refer any requests for information under the Public Records Act (PRA) (Gov. Code § 6250 et seq.) to the State Entity deemed to be the Owner of Information Assets within one State business day, absent exigent circumstances. It shall be the responsibility of that State Entity to respond to the request and meet any response deadlines established in accordance with the Act. The Project/Department will work cooperatively with the State Entity to respond timely and correctly to PRA requests.

## **9. Acceptable Use and Disclosure of Confidential Information**

The Project/Department shall not use or disclose Confidential Information other than as permitted by law or to authorized employees, contractors and agents requiring such information to perform their official duties, e.g., state or federal auditors. Other requests for access to Confidential Information by a member of the public or an entity that does not own it shall be subject to the written approval of its owner. The Project/Department agrees to process and maintain Confidential Information in accordance with the law and state policies. All Project/Department staff sign non-disclosure agreements that require them to protect Confidential Information and only share it with others who have signed a non-disclosure agreement or are authorized to review it. If either party operates in a manner that is inconsistent with the law and state policies, whether by act or omission, it will be liable for any costs, claims or damages that may occur as a result thereof, including but not limited to any breach of security or privacy.

## **10. Rules of Behavior**

System users are subject to the rules of behavior which are viewable upon successful log-in to the System. They read as follows: "This is a State of California computer system, which may be accessed and used only for official Government business by authorized personnel. You are advised to read the [Privacy Policy Statement](#) regarding the personally identifiable information that we collect, maintain, and use. Unauthorized

access or use of the computer system may subject violators to criminal, civil, and/or administrative action in compliance with federal and state laws, regulations and policies. All information on this computer system may be intercepted, recorded, read, copied, and disclosed by and to authorized personnel for official purposes, including criminal investigations. Access or use of this computer system by any person whether authorized or unauthorized constitutes consent to these terms."

### **11. Privacy Policy Statement**

The policy that governs the protection of information in FI\$Cal is included in this Agreement (see Appendix C).

### **12. Data Transfer**

If legacy system data will be transferred to FI\$Cal for interface and conversion, it will be transferred using a mutually agreed-upon secure data transfer methodology.

### **13. System Changes**

Project/Department staff will notify California Citizens Redistricting Commission in the event of material business and technical changes that impact the System in accordance with parameters established in the FI\$Cal Change Control process and/or the FI\$Cal Information Security Incident Management Plan, as applicable.

### **14. Information Protection and Classification**

Both parties agree to comply with applicable statewide policies and laws on the use and protection of information resources and data. Both parties agree to collaborate on efforts to ensure the security of FI\$Cal and the protection of information that is stored in, processed in, and transmitted to and from the FI\$Cal System. Information protection depends upon the proper classification of information by its owner. The information owner is responsible for making the determination as to whether its information is to be classified as public or confidential, and whether it contains Personal Information, Sensitive Information or Protected Health Information. The information owner is responsible for defining special security precautions that must be followed by FI\$Cal to ensure the security (confidentiality, integrity and availability) of its information, and this is done by responding to the data classification outreach efforts engaged in by FI\$Cal prior to the time when a State Entity begins using the FI\$Cal System. California Citizens Redistricting Commission certifies that it has classified its FI\$Cal information and specified to the Project/Department those precautions that will ensure the security and privacy thereof in compliance with all applicable laws, regulations, and policies.

### **15. FI\$Cal Audit Trail**

The Project/Department will establish audit trails to retrace and monitor information processing activities within the System in accordance with applicable special publications of the National Institute of Standards and Technology (NIST). Any concerns or risks identified from reviewing audit trails will be communicated to the impacted State Entity. California Citizens Redistricting Commission may request specific audit trail data by contacting the FI\$Cal Technical Contact identified in Appendix A.

Information Activities to be captured may include:

- Date of event
- Time of event
- Type of event (system, security, application)
- Event Description
- Username or user ID
- Source IP address, source terminal identity, or some type of unique source identifier

#### **16. Remote Access to FI\$Cal**

If a State Entity accesses FI\$Cal remotely, such access may be performed by authorized personnel from approved computing devices in accordance with SAM Section 5360.1 Remote Access, as implemented through SIMM Sections 5360-A Telework and Remote Access Security Standard and 5360-B Remote Access Agreement. This provision does not replace or supersede the State Entity's telework or remote access policies for its employees.

#### **17. Security Patches and Upgrades**

Each party is responsible for maintaining system/application upgrades, security patches, and malware protection tools on all systems under its control on which FI\$Cal data may be processed, stored, or transmitted.

#### **18. Events (Information Security)**

Each party is responsible for reviewing and investigating Events of the systems under its control to determine whether such Events are Incidents that must be reported to control agencies and other affected parties as mandated by law or policy. The Owner of Information Assets shall have the right to participate in the investigation of an Incident involving its data or conduct its own independent investigation, and the system operator will cooperate fully in such investigation.

#### **19. Incidents (Information Security) in the FI\$Cal System**

If a State Entity determines that an Incident in FI\$Cal has occurred, it must notify the Project/Department within 24 hours. If the Project/Department determines that an Incident has occurred, it must notify the affected State Entity within 24 hours. Incident handling will be conducted in a manner that is consistent with state policy. The information owner shall be informed of any investigation of an Incident involving its information.

## **20. Breach Responsibility**

Parties responsible for an Incident shall be liable for costs and damages associated therewith in proportion to their responsibility. To the extent that an Incident is the result of improper or inadequate information classification, any liability associated therewith will be borne by the State Entity who is the Owner of the Information Asset. To the extent that an Incident results from the Project/Department's negligence or failure to perform and results in an unauthorized disclosure, release, access, review, modification, or destruction; or loss, theft or misuse of an Information Asset, any costs or damages associated therewith will be borne by the Project/Department.

## **21. Disasters and other Business Continuity Events**

In the event of a disaster or business disruption of FI\$Cal operations, Project/Department staff shall be responsible for notifying California Citizens Redistricting Commission in accordance with the FI\$Cal Continuity Plan.

## **22. Technical Specifications**

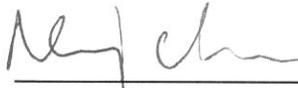
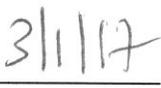
Technical Specifications such as host names, IP addresses (ranges), ports, protocols, and client communication software will be shared separately between the Project/Department and each State Entity for the purpose of setting up secure data exchange.

## **23. Disposition of Records**

During the term of the agreement the Project/Department will dispose of records of California Citizens Redistricting Commission in accordance with instructions provided by California Citizens Redistricting Commission in collaboration with other State Entities who may have an ownership interest in the records and as mutually agreed by the parties in writing.

**SIGNATORY AUTHORITY**

I agree to the terms of this Memorandum of Understanding

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Neeraj Chauhan

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Chief Deputy Director

\_\_\_\_\_  
Title

\_\_\_\_\_  
Department of FI\$Cal

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
State Entity

## APPENDIX A – TECHNICAL CONTACTS

The following representatives have been designated as the main point of contact for technical responsibilities:

FI\$Cal

Name: Subbarao Mupparaju

Phone Number: 916-576-5842

Email: [fiscal.iso@fiscal.ca.gov](mailto:fiscal.iso@fiscal.ca.gov)

California Citizens Redistricting Commission

Name:

Phone Number:

Email:

## APPENDIX B – BUSINESS CONTACTS

The following representatives have been designated as the main point of contact for business responsibilities:

FI\$Cal

Name: Change Management Office (CMO)

Phone Number: 916-576-1250

Email: [fiscal.cmo@fiscal.ca.gov](mailto:fiscal.cmo@fiscal.ca.gov)

California Citizens Redistricting Commission

Name:

Phone Number:

Email:

## **APPENDIX C – PRIVACY POLICY STATEMENT**

**Attached**



# FI\$Cal Project Privacy Policy Statement

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The FI\$Cal Project (the Project) is committed to promoting and protecting the privacy rights of individuals as enumerated in Article 1 of the California Constitution, the Information Practices Act of 1977, and other State and federal laws.

It is the policy of the Project to limit the collection and safeguard the privacy of personal information collected or maintained by the Project. The Project's information management practices conform to the requirements of the Information Practices Act (Civil Code Section 1798 et seq.), the Public Records Act (Government Code Section 6250 et seq), Government Code Sections 11015.5 and 11019.9, and other applicable laws pertaining to information privacy. Electronically collected personal information is exempt from requests made under the Public Records Act.

**The Project collects personal information on individuals only as allowed by law.** The Project values and protects the privacy of individuals by 1) only collecting personal information when it is necessary for carrying out an authorized business function and 2) ensuring that the appropriate physical, technical, and administrative controls are in place to limit access to such information to staff who need it in the course and scope of their jobs.

**Personally Identifiable Information (PII) is only obtained through lawful means and for what is relevant and necessary to accomplish the purpose for which it is collected.** Any personal information obtained will not be sold, disclosed, made available, or otherwise used for a purpose other than that specified, except with the consent of the subject of the data, or as required by law or regulation.

The Project secures PII against loss, damage, modification, unauthorized access, or disclosure as required by law and policy. Appropriate computer, network, and Internet technical security controls at the employee and departmental levels prevent unauthorized access to personal information. Some of these security controls are: password and user identification verification, data encryption, confidential transmissions, secure storage areas, and audit trails.

**The Project does not collect, distribute, or sell home, business, or email addresses, or account information from persons who simply browse our Internet website.** FI\$Cal collects personal information about individuals through our website only if an individual provides such information to the Project voluntarily through forms or surveys, or if it is required through the FI\$Cal System.

Email is considered a communication tool. Any data sent by email is not secured or encrypted by the Project. If a user sends FI\$Cal an email message, the email address and the information submitted will be collected and may be provided to other State agencies to serve the department's needs. Users are prohibited from sending any confidential or personal information (such as Social Security Number (SSN) via e-mail.

**The Project may use session cookies in some areas of the FI\$Cal website to improve the overall usability of the site.** Cookies are simple text files that identify the user's computer to the FI\$Cal Internet site. This website may place and subsequently retrieve cookies. Cookies do not contain personal or confidential information and will only be used to monitor activity.

**The Project strives in each instance to inform people who provide personal information to the Project of the purpose for which the information is collected. In addition, the Project uses Google Analytics to help improve its website,** to track how many people visit it, and to help understand how visitors interact with it so that it can be improved. When users view information on FI\$Cal's website, some non-confidential data may be collected, such as the time and date of access and where the user went during the visit.

Individual users have the right to access information about themselves and may request a correction of any inaccuracies in such records or ask for their electronically collected personal information to be deleted without reuse or distribution by contacting the FI\$Cal Service Center at [fiscalservicecenter@fiscal.ca.gov](mailto:fiscalservicecenter@fiscal.ca.gov) or 1-855-FISCAL0 (1-855-347- 2250) (Toll Free).

Questions concerning this policy should be directed to FI\$Cal Information Security Officer and Privacy Officer by email to: [fiscal.iso@fiscal.ca.gov](mailto:fiscal.iso@fiscal.ca.gov).

## APPENDIX D – PUBLIC RECORDS ACT CONTACT

The following representatives have been designated as the main point of contact for Public Records Act responsibilities:

FI\$Cal

Name: Information Security Office

Phone Number: 916-576-5218

Email: [fiscal.iso@fiscal.ca.gov](mailto:fiscal.iso@fiscal.ca.gov)

California Citizens Redistricting Commission

Name:

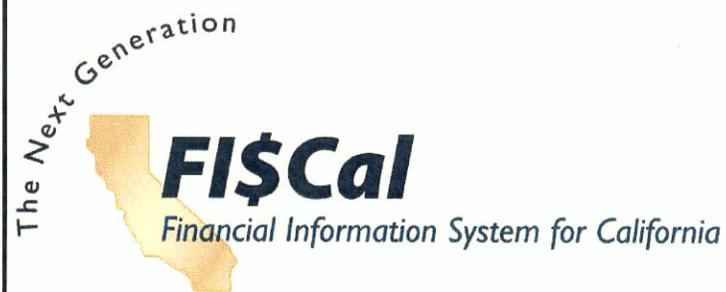
Phone Number:

Email:

**APPENDIX E – FI\$Cal Service Center Charter**

**Attached**

# State of California



## FI\$Cal Service Center Charter Version 1.0

**Final**

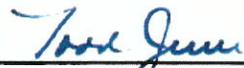
**September 2012**

### Document Revision History

Date	Version	Last Updated By	Status/Comments	Approved By
05/17/12	0.1	T. Veteto	Initial draft.	D. Cunningham
05/18/12	0.2	T. Veteto	Updated per feedback from Leadership Team during the #3 off-site meeting.	Leadership Team
05/21/12	0.3	T. Veteto	Updated per feedback from Leadership Team review of v0.2.	B. Taylor
05/24/12	0.4	T. Veteto	Updated per feedback from T. Armstrong	T. Armstrong
05/31/12	0.5	T. Veteto	Incorporated updates from T. Jerue regarding Steering Committee composition.	T. Armstrong
06/05/12	0.6	T. Veteto	Incorporated updates from D. Cunningham and T. Armstrong.	D. Cunningham
06/06/12	0.7	A. Chehak	Incorporated updates from T. Armstrong	C. Emodi / T. Armstrong
06/11/12	0.8	T. Veteto	Incorporated updates from M. Hariri	B. Taylor
08/14/12	0.8	D. Cottrill	SCO legal updates	FI\$Cal Steering Committee
8/19/12	1.0	A. Chehak	Final for Steering Committee Approval and Signatures	FI\$Cal Steering Committee
9/19/12	1.0	S. Lebhart	Charter approved by the FI\$Cal Steering Committee	FI\$Cal Steering Committee

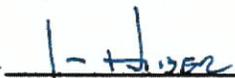
## Approval of the FI\$Cal Service Center Charter

Approved by the FI\$Cal Steering Committee, by consensus decision, at the FI\$Cal Steering Committee Meeting held on: September 19, 2012.

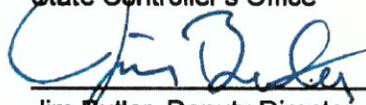
	<u>9/19/12</u>
_____ Todd Jerue, Chief Operating Officer Department of Finance	Date

	<u>9/19/12</u>
_____ Veronica Chung-Ng, Program Budget Manager Department of Finance	Date

	<u>9/19/12</u>
_____ Karen Finn, Program Budget Manager Department of Finance	Date

	<u>9/19/2012</u>
_____ John Hiber, Chief Operating Officer State Controller's Office	Date

	<u>9/28/12</u>
_____ Jim Lombard, Chief Administrative Officer State Controller's Office	Date

	<u>9/28/12</u>
_____ Jim Butler, Deputy Director - Procurement Division Department of General Services	Date

	<u>9/28/12</u>
_____ Esteban Almanza, Chief Deputy Director Department of General Services	Date

	<u>9/19/12</u>
_____ Mark Hariri, Director - Centralized Treasury & Securities Management Division State Treasurer's Office	Date

	<u>9/28/12</u>
_____ Jill O'Connell, Chair Customer Advisory Committee	Date

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## **1.0 Introduction**

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This Charter describes the governance and operational functions of the FISCAL Service Center (FSC) with regards to maintaining and operating the Financial Information System for California (hereinafter “FISCAL System”) and supporting its customers. The FSC Charter provides a delineation of governance roles and responsibilities, outlines operating principles, and describes escalation and prioritization processes. This FSC Charter may be revised at any time as approved by the FSC Steering Committee.

## **2.0 Charter**

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### **2.1 Background**

In 2012, the State contracted with Accenture to implement a statewide financial system to provide critical information required to make financial decisions and manage state resources. The purpose of the FI\$Cal Project is to consolidate and modernize the State's entire financial management process into a single financial management system. The FSC is being established to perform maintenance and operations for the FI\$Cal System. The FSC will incrementally assume responsibility of the FI\$Cal System functionality as waves are implemented and accepted. The FI\$Cal Project and the FSC will run concurrently during the implementation of all waves. Ultimately, the FSC will be responsible for the ongoing operation and maintenance of the entire FI\$Cal System which encompasses budgeting, accounting, procurement, cash management, vendor management, and asset accounting functions (hereinafter "financial management activities").

### **2.2 Purpose**

The purpose of the FSC is to maintain and support the FI\$Cal System, provide operational support to FI\$Cal customers and stakeholders, and perform administrative services to facilitate the operations of the FSC.

### **2.3 Leadership and Partnership for Success**

To achieve the FSC purpose (operating and supporting a statewide system), there is a critical need to provide statewide leadership and coordination. This begins with a partnership among the State's four control agencies (hereinafter "Partner Agencies") which includes Department of Finance (DOF), State Controller's Office (SCO), Department of General Services (DGS), and the State Treasurer's Office (STO). These agencies have reached consensus on the purpose and functions of the FSC, as well as the roles and responsibilities. Underlying this agreement and the roles and responsibilities set forth in this Charter, is the principle that FSC will operate in a manner that represents the common and best interest of the State. As such, the Partner Agencies are committed to work together collaboratively and cooperatively for the common good and benefit of the Partner Agencies, all other State departments, and the public. Each recognizes the unique opportunity that an enterprise view offers the State and its citizens. Each entity has unique constitutional and/or statutory responsibilities relative to specified business processes that will be separately maintained throughout the partnership. This will require some members of the FSC staff to have dual reporting relationships both to the FSC and to their respective constituent department.

### **2.4 Constitutional and Statutory Responsibilities**

The current constitutional and/or statutory responsibilities of the Partner Agencies will not change as a result of implementation of the FI\$Cal System or the operations of the FSC. Further, the parties to this agreement do not intend to interfere with, or in any way contravene,

## Financial Information System for California

the constitutional and/or current statutory responsibilities of the Partner Agencies, nor to expand or diminish the statutory responsibilities through the legislative process relative to the operations and maintenance of the enterprise financial system.

### 2.5 Operating Principles

The following operating principles provide the foundation for FSC governance and context for the performance of the FSC functions:

- The FSC provides maintenance, operation, and support for the technical FI\$Cal System; the FSC does not perform nor control the financial management activities of the State.
- The FSC provides operational support services to its customers, including but not limited to vendors, departments, control agencies, and the legislature.
- The FSC is fully transparent in measuring and reporting the costs and benefits of decisions made operating the FI\$Cal System.
- The FSC will measure and deliver services based on established service levels.
- The FSC will take action to continuously improve service quality.
- The FSC decisions will drive towards outcomes that are in the best interest of the State.
- The FSC decisions will be based on full consideration of statewide risks, costs, benefits, and priorities.
- The FSC will minimize system customizations to preserve the flexibility and ability to maintain and upgrade the FI\$Cal System.

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### **3.0 FISCAL Service Center Governance**

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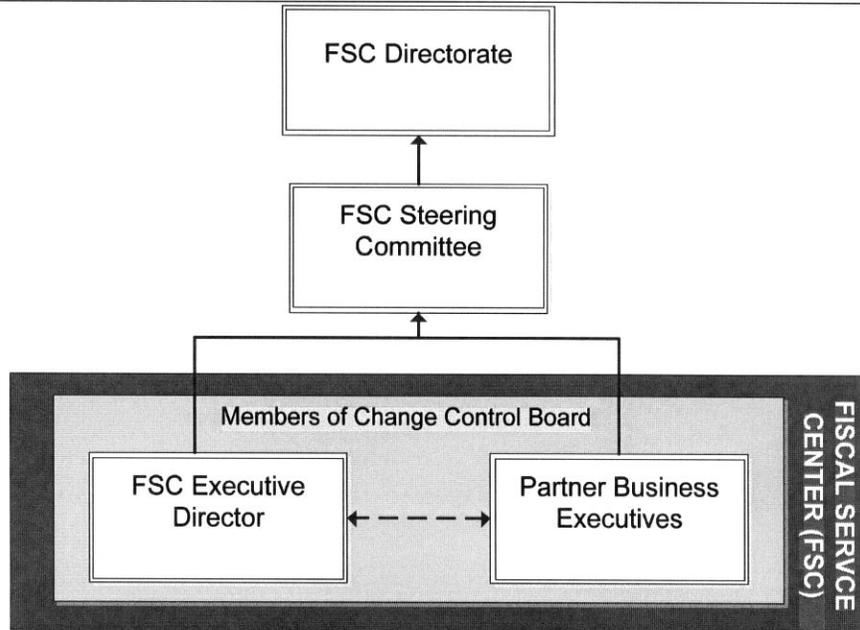
The governance of the FSC is structured to provide a management framework with which decisions are made and to enable decisions to be made at the appropriate level of accountability and responsibility. An important success factor for FSC governance is the common understanding of who participates in the governance, their roles and their responsibilities.

Governance of the FSC includes, but is not limited to, the following activities:

- Prioritize operational and non-operational efforts to be performed
- Define the scope of operational and non-operational efforts
- Establish and monitor policies and procedures as required
- Secure necessary financial and personnel resources to accomplish FSC activities
- Define service level expectations
- Define and enforce data governance rules
- Engage and solicit feedback from agency Subject Matter Experts (SMEs), FSC teams, and other key stakeholders as warranted
- Establish and monitor security roles
- Ensure effective alignment and coordination of statewide efforts
- Secure approval of plans, processes, and work products in accordance with the FSC Governance Plan

Information regarding the types of decisions made by each governing body member is detailed in the FSC Governance Plan.

The diagram below represents the governance framework for the FSC.



A description of these key elements in the FSC governance structure is presented below.

### 3.1 FSC Directorate

The FSC Directorate makes final decisions on critical issues that cannot be resolved by the FSC Steering Committee. The FSC Directorate's representation includes the Director of the Department of Finance, the Director of the Department of General Services, the State Controller, and the State Treasurer. A supermajority of three votes is required to take action.

### 3.2 FSC Steering Committee

The main governing body is the FSC Steering Committee comprised of a representative from each of the four Partner Agencies, the voting members, and the Chair of the Customer Advisory Committee (CAC), a non-voting member. A supermajority of three votes is required to take action. Each Partner Agency identifies their FSC Steering Committee members. The FSC Executive Director is selected by the FSC Steering Committee.

The FSC Steering Committee provides overall strategic direction, establishes the FSC's goals and priorities, approves resource allocations, and provides statewide leadership and issue resolution. It also resolves issues that cannot effectively be handled at other levels in the governance structure. Escalation, if needed, is to the FSC Directorate.

The FSC Steering Committee governs the FSC's operations and meets quarterly, or otherwise as needed. Each FSC Steering Committee member will designate an alternate in the event they are unable to attend.

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### **3.3 Partner Business Executives**

The commitment and involvement of the Partner Agencies, at the highest level, is a key component of managing the operations of the FSC. Therefore, each Partner Agency designates a Partner Business Executive (PBE) who serves as the liaison between the FSC Team and the FSC Steering Committee and acts as a member of the FSC Change Control Board (CCB).

The PBEs make recommendations for joint business process or policy issues, with the goal of driving towards approaches and solutions that continue to support a standardized financial management practice for California. The PBE's may also escalate issues to the FSC Steering Committee as appropriate,

### **3.4 FSC Executive Director**

The FSC Executive Director reports directly to the FSC Steering Committee and will be responsible for the management and leadership of FSC management, contractors, and staff relating to the performance of the FSC functions. The FSC Executive Director is also responsible for providing direct oversight of the day-to-day FSC operations and ensuring that FSC objectives, functions, and policies are identified and implemented. The FSC Executive Director is a member of the FSC CCB. The FSC Executive Director is responsible to communicate benefits and status of the FI\$Cal System, make recommendations, and escalate issues to the FSC Steering Committee as appropriate.

### **3.5 FSC Change Control Board (CCB)**

The FSC CCB serves as a decision-making forum for deliberation and decision of issues consistent with the approved FSC Change Control Plan. The membership of the FSC CCB consists of the FSC Executive Director, the PBEs, and the Customer Advisory Committee (CAC). The group's function is to ensure that important issues are addressed in a timely manner so as not to impede delivery of support or services to FSC's customers. FSC CCB members have decision-making authority delegated by the organization they represent; decisions that are beyond the authority of the FSC CCB are escalated to the FSC Steering Committee. The FSC CCB members have the responsibility to inform their sponsoring organizations of the items that come to the group and the decisions made by the group.

### **3.6 Customer Advisory Committee (CAC)**

As a customer-based organization, the FSC benefits from a customer-focused advisory stakeholder group. The CAC meets on a quarterly basis and serves in support of the FSC. The CAC facilitates customer input and communication for FI\$Cal System customers. The CAC provides a mechanism for departments and agencies to:

- Express their views and receive information from the FSC
- Provide broad input and advice to the FSC
- Promote effective representation of department needs with regards to the FI\$Cal System

### 3.7 Governance Roles and Responsibilities

The roles and responsibilities table below identifies the various tasks and activities that each governing body member is responsible for with regards to the FSC. For all tasks and activities not covered in this table or otherwise defined, the FSC Steering Committee agrees there will be further discussion and mutual agreement regarding the respective roles and responsibilities. The FSC Charter will be updated as appropriate as those decisions are made.

<b>Table 1 – FSC Governance Roles And Responsibilities</b>	
<b>Role</b>	<b>Responsibilities</b>
FSC Directorate	<ul style="list-style-type: none"> <li>• Resolve policy issues or other critical issues in the event that the FSC Steering Committee has reached an impasse.</li> <li>• Make final decisions on outstanding item(s) that cannot be resolved by the FSC Steering Committee.</li> <li>• Champion statewide support for the FSC and the FI\$Cal System.</li> <li>• Any member of the FSC Directorate may call a special meeting to discuss and resolve issues.</li> </ul>
FSC Steering Committee	<ul style="list-style-type: none"> <li>• Provide overall strategic direction and approve policies for operating the FSC.</li> <li>• Establish FSC goals and priorities.</li> <li>• Approve resource requirements and allocations for the FSC organization.</li> <li>• Provide statewide leadership and issue resolution.</li> <li>• Review and approve recommendations from the FSC CCB involving significant changes to the FI\$Cal System or FSC operations.</li> <li>• Appoint the FSC Steering Committee Chair.</li> <li>• Select and assign authority to the FSC Executive Director.</li> <li>• Support the FSC by communicating the benefits and working to reduce barriers and mitigate risk.</li> <li>• Resolve issues that cannot effectively be handled at other levels in the governance structure or escalate, if needed, to the FSC Directorate.</li> </ul>
Partner Business Executive	<ul style="list-style-type: none"> <li>• Appointed by and report to their representative Partner Agencies.</li> <li>• Provide support to their FSC Steering Committee representative(s) and agencies.</li> <li>• Coordinate Partner Agency activities between the FSC and their respective Partner Agencies.</li> <li>• Support the FSC’s functions, policies and procedures.</li> <li>• Assist with prioritizing and resolving business priorities related to the FSC.</li> <li>• Participate as a member of the FSC CCB.</li> <li>• Serve as a FSC champion and spokesperson responsible for communicating FSC benefits, services, status, and recommendations to</li> </ul>

<b>Table 1 – FSC Governance Roles And Responsibilities</b>	
<b>Role</b>	<b>Responsibilities</b>
	<p>their respective Partner Agencies.</p> <ul style="list-style-type: none"> <li>• Identify risks and issues and provide input and solutions into risk mitigation strategies to work cooperatively and collaboratively for the common good.</li> <li>• Receive delegated decision authority from their respective FSC Steering Committee representative(s) provided delegation is limited to decisions that are consistent with FSC Governance and Change Control Plans.</li> <li>• Support and facilitate the hiring of Partner Agency staff with the right skill sets and vision to support the FSC's operations.</li> <li>• Champion change management within their respective organizations.</li> <li>• Make recommendations for business process or policy issues that continue to support a standardized financial management practice for California.</li> <li>• Appoint representatives to workgroups, as appropriate.</li> </ul>
FSC Executive Director	<ul style="list-style-type: none"> <li>• Provide leadership and oversight for the day-to-day operations of the FSC.</li> <li>• Responsible for the effective and efficient delivery of FSC services.</li> <li>• Participate in the identification, quantification, and mitigation of FSC risks.</li> <li>• Ensure that the FSC objectives, functions, and policies are identified and implemented.</li> <li>• Participate as a member of the FSC CCB.</li> <li>• Serve as a FSC spokesperson responsible for communicating FSC benefits, services, status, and recommendations to the FSC Steering Committee.</li> <li>• Ensure FSC managers and staff collaborate with PBEs.</li> <li>• Escalate decisions and issues, as appropriate, to the FSC Steering Committee.</li> <li>• Provide a centralized structure to coordinate and manage the operations of the FSC - its staff resources, contractors, teams, activities, facilities, communication, and outreach using structured project management methodologies.</li> <li>• Effectively engage the PBEs in decision making to minimize negative impacts to state program operations while ensuring that FSC objectives are achieved.</li> </ul>

### 3.8 Decision Prioritization and Escalation

It is important that the FSC has a defined set of principles and priorities to guide its decisions. In particular, decision-making around proposing and approving modifications, changes and

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enhancements to the FISCal System, must be clearly understood and unambiguous.

Accordingly, the following prioritization will guide the FSC as it evaluates proposed changes to the FISCal System:

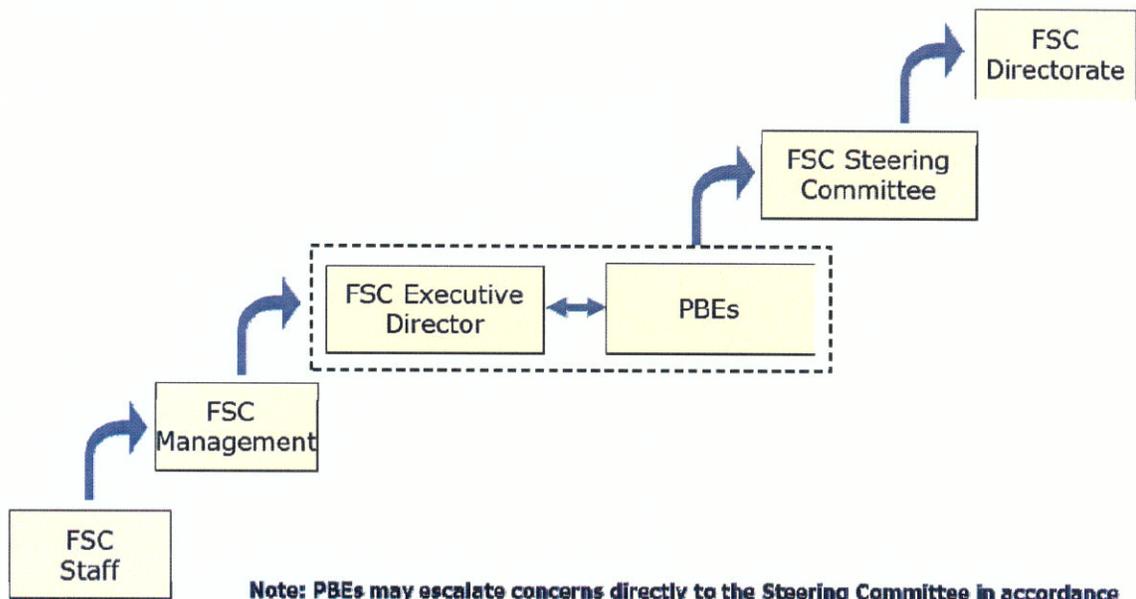
1. Changes in response to emergencies which threaten health and safety
2. Changes in response to emergencies which threaten the operational viability of FISCal
3. Defects and system fixes which safeguard or restore the operational viability of FISCal
4. Defects and fixes that correct erroneous processing or transactional outcomes
5. Modifications and system enhancements that impact operations
6. Modifications and system enhancements which add or change system functionality from a front-line program operations perspective
7. Modifications and system enhancements which add or change functionality of the system from a program management and oversight perspective
8. Modifications and system enhancements which add or change system functionality from a perspective of compliance with best practices

The items above will be further prioritized according to the following additional criteria with consideration given to the existence of a workaround, and/or a financial or non-financial consequence.

1. Constitutional requirements
2. Statutory requirements
3. Judicial requirements
4. Regulatory requirements
5. Policy requirements
6. Industry Standard/Compliance requirements
7. All other changes or enhancements (which do not apply to incidents)

When decisions exceed the level of the authority of the decision-maker, or when consensus cannot be reached, the decision is escalated in accordance with the FSC Governance Plan and as depicted in the diagram below.

## FSC Escalation Process



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## **4.0 FI\$Cal Service Center Operations**

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### **4.1 Functions**

The primary operational functions of the FSC are to provide:

- Service Center Operations – maintenance, operations, and support of the FI\$Cal System
- Customer Service and Support Operations - support services to FI\$Cal customers and stakeholders
- Internal Operations - administrative services for the operation of the FSC

The FSC does not perform nor control the financial management activities of the State. The financial management activities of the State will remain within the respective purview of DOF, SCO, STO and DGS.

#### **4.1.1 Service Center Operations**

Service Center Operations will include daily operations and maintenance of the FI\$Cal System. This includes FI\$Cal System operations and support, data warehouse operations and support, and application management.

#### **4.1.2 Customer Service and Support Operations**

Customer Service and Support Operations will include customer support of the FI\$Cal System. This includes customer relations, training, communication, and outreach.

#### **4.1.3 Internal Operations**

Internal Operations will include administrative and support functions for the operation of the FSC. This includes: human resources, project management, accounting, budgets, vendor management, procurement, business services, facilities, security and technical support.

### **4.2 Staffing**

The FSC staff will include FSC employees and Partner Agency SMEs. Partner Agency SMEs will work in the FSC to represent the business interests of their agency and area of expertise. The areas in the service center organization where SME staff will be matrixed will be determined by the FSC Steering Committee. The FSC will enter into Interagency Agreements with each Partner Agency to define the business relationship in regards to staffing and funding for the FSC.

### **4.3 Concurrent Operations**

This FSC Charter does not replace or supersede the FI\$Cal Project Charter with regard to the design, development, and implementation of the FI\$Cal System through the execution of the FI\$Cal Project. Therefore, the FI\$Cal Project Charter and the FSC Charter will run concurrently during the implementation of all project waves. Upon completion of statewide deployment and

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acceptance of the FISCAL System, the FISCAL Project Charter will sunset and the FSC Charter will remain in place.

The FISCAL Project will continue throughout the design, development, and implementation of each wave. As each wave is implemented, the responsibility for support of departments and agencies using the FISCAL System will transfer to the FSC. The FSC will begin operations upon acceptance of the initial production environment.

The concurrent operation of both the FISCAL Project and the FSC will require separate but coordinated management of changes to the FISCAL System (one for the project and one for maintenance and operations).