



LEGISLATIVE BUDGET REQUEST

September 15, 2023

Chris Spencer, Director
Office of Policy and Budget
Executive Office of the Governor
1702 Capitol
Tallahassee, Florida 32399-0001

Eric Pridgeon, Staff Director
House Appropriations Committee
221 Capitol
Tallahassee, Florida 32399-1300

Tim Sadberry, Staff Director
Senate Committee on Appropriations
201 Capitol
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Legislative Budget Request for the Department of Financial Services is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our proposed needs for the 2023-24 Fiscal Year. This submission has been approved by Jimmy Patronis, Chief Financial Officer of the State of Florida.

Sincerely,

A handwritten signature in blue ink that reads "Jimmy Patronis". The signature is written in a cursive, flowing style.

Jimmy Patronis
Chief Financial Officer



OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

RON DESANTIS
GOVERNOR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

WILTON SIMPSON
COMMISSIONER OF
AGRICULTURE

MICHAEL YAWORSKY
COMMISSIONER

Letter of Transmittal Office of Insurance Regulation

September 15, 2023

Chris Spencer, Director
Office of Policy and Budget
Executive Office of the Governor
1701 Capitol
Tallahassee, Florida 32399-0001

Tim Sadberry, Staff Director
Senate Committee on Appropriations
201 The Capitol
Tallahassee, Florida 32399-1100

J. Eric Pridgeon, Staff Director
House Appropriations Committee
221 The Capitol
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, enclosed is the Legislative Budget Request for the Office of Insurance Regulation. The information contained herein is a true and accurate presentation of our proposed needs for the 2024-25 Fiscal Year. I have approved this submission as the Insurance Commissioner of the State of Florida.

Sincerely,

Michael Yaworsky
Insurance Commissioner

...

MICHAEL YAWORSKY • COMMISSIONER
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-3140 • FAX (850) 488-3334
WEBSITE: WWW.FLOIR.COM • EMAIL: MICHAEL.YAWORSKY@FLOIR.COM

Affirmative Action / Equal Opportunity Employer



Commissioner Russell C. Weigel, III

LEGISLATIVE BUDGET REQUEST

Florida Office of Financial Regulation

Tallahassee, Florida

September 15, 2023

Chris Spencer, Director
Office of Policy and Budget
Executive Office of the Governor
1702 Capitol
Tallahassee, Florida 32399-0001

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House Appropriations Committee
221 Capitol
Tallahassee, Florida 32399-1300

Tim Sadberry, Staff Director
Senate Committee on Appropriations
201 Capitol
Tallahassee, FL 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, the accompanying Legislative Budget Request for the Office of Financial Regulation is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our proposed needs for the 2024-25 Fiscal Year. This submission has been approved by Russell C. Weigel, III, Commissioner of the Office of Financial Regulation.

Sincerely,

Russell C. Weigel, III
Commissioner
Office of Financial Regulation

DEPARTMENT OF FINANCIAL SERVICES

PAY ADDITIVES PLAN
FISCAL YEAR 2024-2025

The Department of Financial Services (Department), in accordance with Section 110.2035(7)(b), Florida Statutes (F.S.), and Chapter 60L-32.0012(2)(e), Florida Administrative Code (F.A.C.), is requesting approval to implement ‘temporary special duties – general’ pay additives during Fiscal Year 2022-23.

When approved, the Department can implement and sustain these pay additives from existing appropriations, so no additional appropriations or rate is requested as a part of this plan.

Temporary Special Duties – General (s. 110.2035(7)(b), F.S.)

The Department requests approval to grant a temporary 5% pay additive to Law Enforcement Officers (LEO) who perform additional duties as a canine (K-9) handlers.

1. Justification and Description:

The Bureau of Fire and Arson Investigations (BFAI) currently has eight (11) K-9 LEO throughout the state. To become a K-9 handler, the LEO must attend and successfully complete a five-week training academy and maintain proficiency and certification for K-9 handling. Each K-9 is specially trained as an Accelerant Detection Canine (ADC) and, along with the LEO, work in the BFAI, as well as assists other agencies on special details. The LEO has full time (24/7) responsibilities for care and feeding of the K-9, and must also be able to house and maintain the K-9 at their residence. The K-9 must be trained daily, even when the handler is not on duty.

2. Length of Time for Additive:

The LEO is granted the temporary pay increase (calculated at 5% of the LEO’s current salary) after completion of the training for K-9 handling duties, and begins on the first day that LEO receives the K-9. The LEO’s temporary pay increase ends when the K-9 retires or upon reassignment of the K-9 to a different LEO.

3. Classes and Number of Positions Affected:

<u>Class Code</u>	<u>Class Title</u>	<u>No. of FTE</u>
8541	Law Enforcement Investigator II	11

4. Area of State Impacted:

The additive will impact employees statewide, as K-9 handlers are assigned to regions throughout Florida.

5. Historical Information:

The Department has participated in the State Farm Arson Dog Program since 1998. State Farm Insurance provides financial support for the acquisition and training of the ADC and its handler.

6. Estimate Cost of Additive:

Based on a salary estimate at the mid-range for a Law Enforcement Investigator II, the calculation is as follows: $\$58,000 \times 5\% = \$2,900$ annually $\times 11$ positions = $\$31,900$ annually.

7. Additional Information:

The Department's K-9 handlers receive recertification annually. The handlers work a full investigative case load in addition to the K-9 duties. These employees often work unusual and long hours. The K-9 LEO pay additive provides the incentive needed to recruit and retain these highly trained employees.

Lastly, the Department respectfully requests the following language be added into the "Pay Additives and Other Incentive Programs" section of the Fiscal Year 2024-2025 General Appropriations Act:

"In addition to the K-9 additive, the temporary special duty - general pay additives outlined in the Department of Financial Services plan may also include duties and responsibilities that will be performed on a temporary basis. This type of pay additive will begin on the first day the special duties are assigned. The temporary special duty pay additive will not go beyond 90 days without the Department reviewing the circumstances to extend it beyond 90 days. When necessary, the Department is authorized to continue temporary special duties beyond 90 days without having to obtain approval from the Department of Management Services. The temporary special pay additive will be an amount up to 15% of the employee's base rate of pay, depending on the extra duties given. These requests meet the requirements specified in the applicable collective bargaining agreements."

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	Department of Financial Services		
Contact Person:	Kimberly Masson	Phone Number:	850-413-4126
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>Delaware v. Pennsylvania and Wisconsin</i>		
Court with Jurisdiction:	United States Supreme Court; United States Court of Appeals for the Second Circuit, Hon. Pierre N. Leval, Special Master		
Case Number:	220145; 220146		
Summary of the Complaint:	<p>The issue is whether under the Federal Disposition of Abandoned Money Orders and Traveler's Checks Act (Federal Disposition Act), 12 U.S.C. §§ 2501–03, MoneyGram's "official checks" escheat to the state in which they are purchased or, alternatively, to the state where MoneyGram is incorporated (Delaware). When a money order is not cashed, MoneyGram submits the unclaimed funds to the state in which the order was purchased, but when one of its official checks is not cashed, it submits the unclaimed funds to Delaware. Various states, including Florida, learned of that practice in 2014 and demanded all official check funds from Delaware (in total, over \$250 million), asserting that under the Federal Disposition Act, the funds escheat to the state in which the checks were purchased. Delaware refused and Pennsylvania and Wisconsin sued in federal district court.</p> <p>Delaware then filed a bill of complaint in the United States Supreme Court seeking a declaratory ruling, and shortly thereafter, Florida and 27 other states filed their own bill of complaint. Arkansas leads that state coalition. The U.S. Supreme Court consolidated the cases and assigned a Special Master, who bifurcated the action into two-stages, liability and damages.</p>		
Amount of the Claim:	It is estimated that approximately \$12 million in unclaimed checks will be reported and remitted to the Department of Financial Services' Division of Unclaimed Property (Division). The Division will then execute its statutory duties to notify apparent owners, process claims, and remit the unclaimed funds to the rightful owners.		
Specific Statutes or Laws (including GAA) Challenged:	Federal Disposition of Abandoned Money Orders and Traveler's Checks Act, 12 U.S.C. §§ 2501–03		

<p>Status of the Case:</p>	<p>The Supreme Court unanimously held that the disputed monetary instruments fall within the scope of the Disposition of Abandoned Money Orders and Traveler’s Checks Act (Federal Disposition Act or FDA) and that the states of purchase of the unclaimed monetary instruments may therefore escheat the proceeds. The Court rejected Delaware’s contention that the instruments fall outside the scope of the Act noting that the statute does not require a decision as to whether the MoneyGram checks actually are money orders, just whether they are sufficiently “similar” to a money order to fall within the FDA.</p> <p>The case was remanded to the Special Master for a determination as to damages. The Special Master’s case management Order issued on June 29, 2023, required that initial written discovery be served on or before August 4, 2023, and that fact discovery, including depositions and third-party practice, be completed within 180 days from service of the initial written discovery. The Order also set a tentative trial date of the fourth quarter of 2024.</p> <p>Delaware served the states with its first set of Requests for Production on August 4, 2023. All fact discovery must be completed on or before January 31, 2024.</p>	
<p>Who is representing (of record) the state in this lawsuit? Check all that apply.</p>		<p>Agency Counsel</p>
	<p>X</p>	<p>Office of the Attorney General or Division of Risk Management</p>
<p>If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).</p>		<p>Outside Contract Counsel</p>

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	Department of Financial Services		
Contact Person:	Kimberly Masson	Phone Number:	850-413-4126
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>Alieda Maron, individually and on behalf of all others similarly situated, v. Jimmy T. Patronis, Jr., in his official capacity as the Chief Financial of the State of Florida</i>		
Court with Jurisdiction:	United States District Court for the Northern District of Florida, Tallahassee Division		
Case Number:	4:22-cv-00255-RH-MAF		
Summary of the Complaint:	<p>The issue is whether claimants are entitled to the interest earned on unclaimed funds while the funds are in the State's custody. Pursuant to section 717.123, Florida Statutes, all unclaimed funds received under chapter 717, Florida Statutes, are deposited in the Unclaimed Property Trust Fund. The Department retains \$15 million to pay claims and cover the costs incurred in the administration and enforcement of chapter 717, and the remaining funds are deposited into the State School Fund. Currently, section 717.124(4)(a) provides in relevant part, "if a claim is determined in favor of the claimant, the department shall deliver or pay over to the claimant the property or the amount the department actually received."</p> <p>Plaintiffs allege that because the State does not compensate an owner of unclaimed property for (1) lost interest, dividends, or other earnings, (2) the loss of the beneficial use of the property, or (3) the time value of the property while it is in State custody, the State has effectuated a taking of private property without just compensation in violation of the Fifth and Fourteenth Amendments to the United States Constitution and Article X, section 6 of the Florida Constitution.</p>		
Amount of the Claim:	No dollar amount has been specified; however, the outcome of this case may require amendments to the law which will likely have a significant fiscal impact to the State.		

Specific Statutes or Laws (including GAA) Challenged:	Section 717.124(4)(a), Florida Statutes	
Status of the Case:	The Department filed a Motion to Dismiss challenging the class representative's standing and the sufficiency of the Complaint's allegations on September 15, 2022. Plaintiff filed a Response in Opposition to the Motion to Dismiss on September 29, 2022. On March 14, 2023, the court granted a stay of discovery while the Motion to Dismiss is pending. The discovery deadline and trial date will be reconsidered upon entry of an order on the Motion to Dismiss.	
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input type="checkbox"/>	Agency Counsel
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management
	<input checked="" type="checkbox"/>	Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	Jeeves Law Group, P.A.; Jeeves Mandel Law Group, P.C.; Craig E. Rothburd, P.A.; Smith, Katzenstein & Jenkins, LLP; The Law Office of Arthur Susman.	

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the “Legislative Budget Request (LBR) Instructions” located on the Florida Fiscal Portal.

Agency:	Department of Financial Services		
Contact Person:	Thomas Nemecek	Phone Number:	850-413-1694
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>Normandy Insurance Co., et al. v. Department of Financial Services, Division of Workers’ Compensation</i>		
Court with Jurisdiction:	First District Court of Appeal		
Case Number:	1D2023-0834; 1D2023-0830		
Summary of the Complaint:	<p>Appeal of Final Order of ALJ Darren Schwartz in DOAH Case 22-2767RP finding that proposed Rule 69L-7.501, <i>Florida Administrative Code</i>, is not an invalid exercise of delegated legislative authority.</p> <p>Rule 69L-7.501 became effective on May 23, 2023, and sets forth the reimbursement methodology for inpatient hospital services. Despite the ALJ’s findings, the insurance carriers continue to argue that the Three-Member Panel did not consider other payment levels for similar treatment and care, and the Division’s use of historical payment data that includes stop-loss reimbursements was not appropriate for cost comparison.</p>		
Amount of the Claim:	The outcome of this case may require amendments to the law under which the agency operates.		
Specific Statutes or Laws (including GAA) Challenged:	Proposed Rule 69L-7.501, <i>Florida Administrative Code</i> .		
Status of the Case:	<p>Appeal proceeding. The Department is awaiting the filing of the Initial Brief and will file an Answer Brief 30 days thereafter.</p> <p>There is an ongoing mediation effort being facilitated by the parties regarding individual reimbursement disputes involving stop-loss methodology.</p>		
Who is representing (of record) the state in this lawsuit? Check all that	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	

apply.		Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).		

Office of Policy and Budget – June 2023

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the “Legislative Budget Request (LBR) Instructions” located on the Florida Fiscal Portal.

Agency:	Department of Financial Services		
Contact Person:	Cassidy Perdue	Phone Number:	850-413-4192
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>Publix Super Markets, Inc. v. Department of Financial Services, Division of Workers’ Compensation</i>		
Court with Jurisdiction:	First District Court of Appeal		
Case Number:	1D2023-0941		
Summary of the Complaint:	<p>Appeal of Final Order of ALJ Darren Schwartz in DOAH Case 23-0276RP finding that proposed Rules 69L-7.730(2)(1)1.b. and 69L-7.740(2)(c), <i>Florida Administrative Code</i>, are not invalid exercises of delegated legislative authority.</p> <p>These Rules became effective on July 1, 2023, and inform providers and insurance carriers of the billing and bill review process for physician-dispensed medication. Despite the ALJ’s findings, the insurance carriers continue to argue that section 440.13(3)(j) only applies to pharmacies and pharmacists, and not dispensing practitioners.</p>		
Amount of the Claim:	The outcome of this case may require amendments to the law under which the agency operates.		
Specific Statutes or Laws (including GAA) Challenged:	Proposed Rules 69L-7.730(2)(1)1.b. and 69L-7.740(2)(c), <i>Florida Administrative Code</i> .		
Status of the Case:	Appeal proceeding. Initial Brief filed July 31, 2023. Department’s Answer Brief due August 30, 2023. The Petitioners have requested Oral Argument, but the court has not ruled on that motion.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	Outside Contract Counsel	

If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	
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Office of Policy and Budget – June 2023

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the “Legislative Budget Request (LBR) Instructions” located on the Florida Fiscal Portal.

Agency:	Department of Financial Services		
Contact Person:	Thomas Nemecek	Phone Number:	850-413-1694
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>Zenith Insurance Company v. Department of Financial Services, Division of Workers’ Compensation</i>		
Court with Jurisdiction:	First District Court of Appeal		
Case Number:	DOAH Case 18-3844 1D2023-1346		
Summary of the Complaint:	<p>The petition alleged the Department’s reimbursement dispute determination requires reimbursement for charges and services that are unreasonable, in violation of section 440.015, 440.13(12-15), and 440.44(2), F.S. The petition further alleged the determination applies to both adopted and unadopted agency rule(s) or policy in violation of section 120.57(1), F.S., and illegally creates a conclusive presumption that all charges billed by the health care provider are reasonable and reimbursable in violation of Florida law.</p> <p>DOAH held a Final Hearing and DOAH issued a Recommended Order (RO). On May 23, 2023, the Department issued an Amended Final Order rejecting DOAH’s RO and finding the RO incorrectly determined that the Department’s stop-loss rule is invalid. In addition, the Department’s Reimbursement Dispute Third Amended Determination correctly determined that Petitioner improperly adjusted payment to Lawnwood Regional Medical Center (LRMC) and Petitioner owes LRMC an additional reimbursement amount of \$79,014.54.</p> <p>On June 5, 2023, Petitioner filed a Notice of Appeal to challenge the findings in the Amended Final Order.</p>		
Amount of the Claim:	The outcome of this case may require amendments to the law under which the agency operates.		
Specific Statutes or Laws (including GAA) Challenged:	Rule 69L-7.501, <i>Florida Administrative Code</i>		

<p>Status of the Case:</p>	<p>Appeal proceeding. The Department is awaiting the filing of the Initial Brief.</p> <p>There is an ongoing mediation effort being facilitated by the parties regarding individual reimbursement disputes involving stop-loss methodology.</p>	
<p>Who is representing (of record) the state in this lawsuit? Check all that apply.</p>	<input checked="" type="checkbox"/>	<p>Agency Counsel</p>
	<input type="checkbox"/>	<p>Office of the Attorney General or Division of Risk Management</p>
	<input type="checkbox"/>	<p>Outside Contract Counsel</p>
<p>If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).</p>		

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the “Legislative Budget Request (LBR) Instructions” located on the Florida Fiscal Portal.

Agency:	Office of Insurance Regulation		
Contact Person:	Jillian Wheeler	Phone Number:	850-413-2474
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	N/A		
Court with Jurisdiction:	N/A		
Case Number:	N/A		
Summary of the Complaint:	N/A		
Amount of the Claim:	\$		
Specific Statutes or Laws (including GAA) Challenged:	N/A		
Status of the Case:	N/A		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	Outside Contract Counsel	
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	N/A		

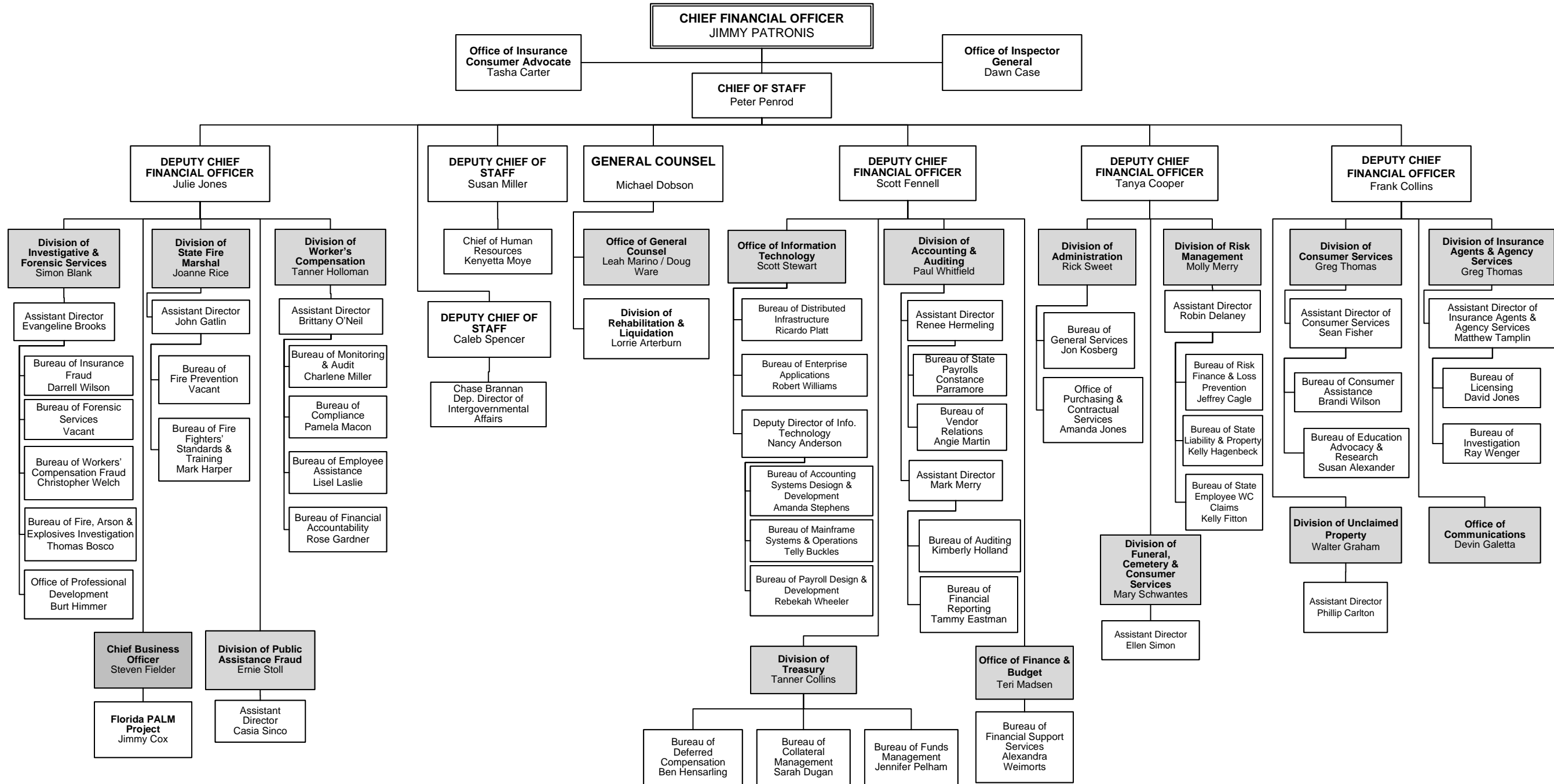
Schedule VII: Agency Litigation Inventory

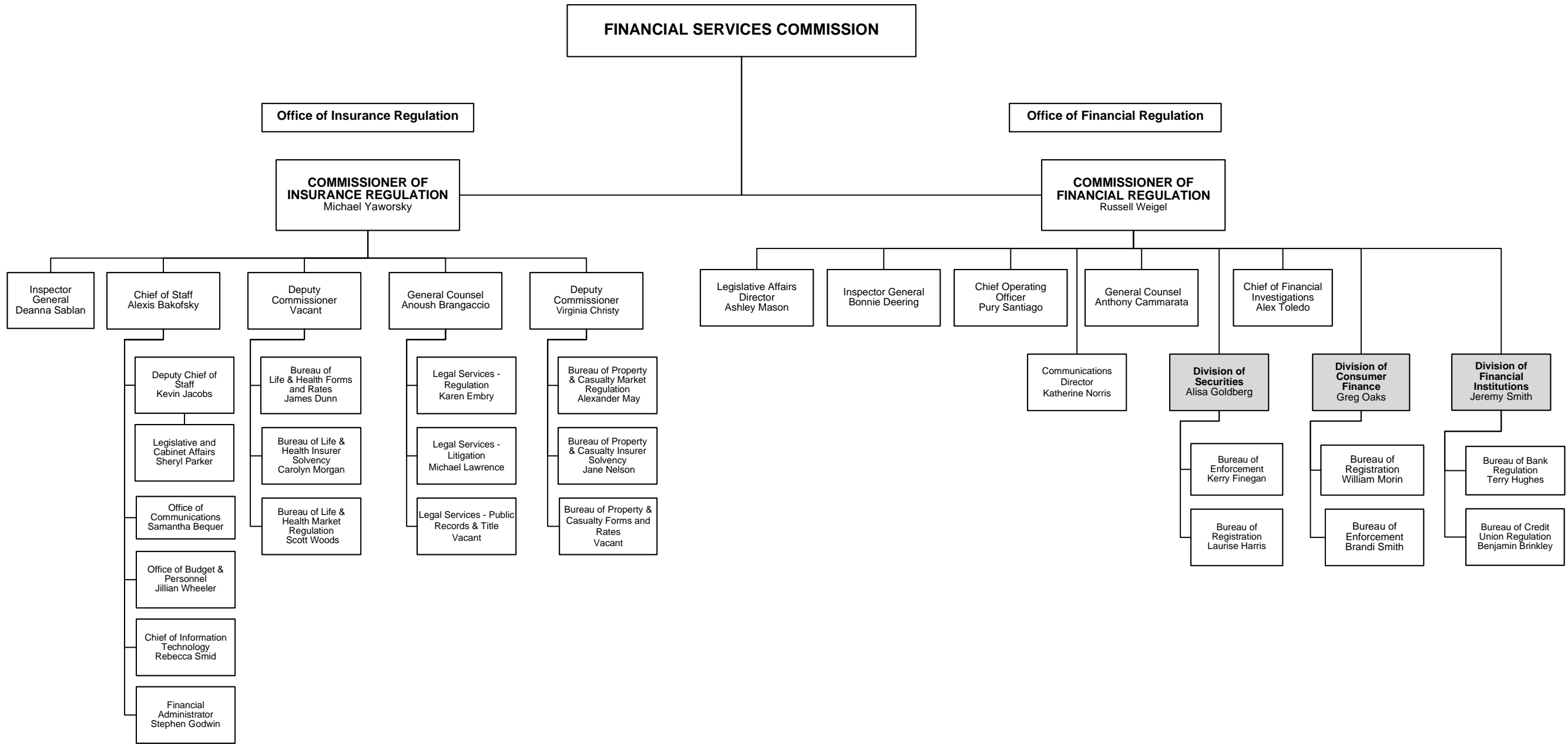
For directions on completing this schedule, please see the “Legislative Budget Request (LBR) Instructions” located on the Governor’s website.

Agency:	Office of Financial Regulation		
Contact Person:	General Counsel’s Office	Phone Number:	850-410-9703
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	Office of Financial Regulation v. National Senior Insurance, Inc. d/b/a Seeman Holtz, Marshall Seeman, Centurion Insurance Services Group, LLC, Brian J. Schwartz, et al.		
Court with Jurisdiction:	Circuit Court, Palm Beach County, Florida.		
Case Number:	50-2021-CA-008718-XXXX-MB		
Summary of the Complaint:	<p>This civil action filed in 2021 sought to halt the alleged securities fraud scheme and common enterprise operated and controlled by Marshall Seeman and Seeman’s deceased business partner Eric C. Holtz. Holtz passed in 2021 by suicide. Seeman and Holtz were assisted in the scheme and enterprise by Brian J. Schwartz who primarily acted as the Seeman and Holtz’s Enterprise (SH Enterprise) untitled chief financial officer. In 2023, Schwartz also passed by suicide. In 2022, the Office obtained a preliminary injunction and the appointment of a monitor. In 2023, the monitorship was converted into a receivership by the court. As part of the SH Enterprise, Seeman, Holtz and Schwartz (“SH&S”) created and operated a myriad of corporate entities, certain of which are named as Defendants or Relief Defendants in the Complaint and certain of which are no longer active corporate entities. Generally, Seeman acted as the chief executive officer of the SH Enterprise, Holtz focused on sales and marketing, and Schwartz focused on financials and accounting. The SH Enterprise raised more than \$400 million in capital since 2011, through the sale of unregistered securities in the form of purportedly secured promissory notes (“notes”). There are currently more than \$300 million in outstanding notes held by more than 1,000 current investors, many holding more than one note. Per reports to the court by the receiver, the SH Enterprise note program is believed to have at least \$300 million in liabilities and minimal assets. The note securities were not registered with the OFR, exempt from registration, or federal covered securities. SH&S has also misled the OFR as to ongoing fund-raising activities involving the offer and sale of additional unregistered securities in the form of stock. The activities of SH&S and the SH Enterprise entity Defendants are in violation of various provisions of chapter 517, Florida Statutes, including §§ 517.301, 517.12, and 517.07, Florida Statutes. Litigation in this matter is ongoing.</p>		
Amount of the Claim:	Potential restitution and civil penalties to be determined.		

Specific Statutes or Laws (including GAA) Challenged:	N/A	
Status of the Case:	N/A	
Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	N/A	

DEPARTMENT OF FINANCIAL SERVICES





FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2022-23			
SECTION I: BUDGET		OPERATING	FIXED CAPITAL OUTLAY		
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		432,623,973	44,615,000		
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		73,787,841	-10,073,838		
FINAL BUDGET FOR AGENCY		506,411,814	34,541,162		
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					34,541,162
Provide Analysis On Securities Held For Deposit And Qualified Public Depositories * Number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for regulatory collateral deposit.		5,206	85.06	442,834	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		66,783	16.48	1,100,490	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		60,700,000,000	0.00	964,661	
Provide Cash Management Services * Number of cash management consultation services.		20	137,800.20	2,756,004	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,980,000	0.72	2,152,417	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.		1,708,438	1.09	1,869,493	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		36,230	128.69	4,662,406	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		10,106,375	0.09	860,198	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		320,866	24.83	7,967,381	
Process State Employees Payroll * Payroll payments issued		3,164,089	0.69	2,198,274	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		7	13,581.14	95,068	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		21	42,735.43	897,444	
Article V - Clerk Of The Courts * NA		21	15,576.05	327,097	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		3,095,341	1.16	3,580,709	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		491,226	7.68	3,771,663	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		8,180	80.63	659,560	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		14,792	330.11	4,883,400	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		437	1,554.65	679,381	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		1,011	722.06	729,999	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		1,870	11,667.90	21,818,976	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		187,054	15.30	2,862,184	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		10,422	125.97	1,312,840	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		150,241	8.21	1,234,163	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,831,651	0.12	343,700	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		16,121	2,433.82	39,235,559	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		5,780	2,388.37	13,804,787	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		1,388	1,756.14	2,437,525	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		1,403	1,546.76	2,170,105	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		15	51,676.60	775,149	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		187,957	15.32	2,879,706	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		82,692	20.74	1,714,840	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		2,674,936	0.29	770,251	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		379,789	1.23	468,434	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		2,683	2,138.13	5,736,611	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,072	25,275.57	27,095,408	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		382	10,805.32	4,127,631	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		58,447	74.95	4,380,563	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		436,809	1.45	632,710	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		85,067	57.74	4,911,911	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		2,055	1,436.11	2,951,210	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		96,721	48.29	4,670,362	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		24,703	628.26	15,519,806	
Facilitate The Informal Resolution Of Disputes With Injured Workers, Employers And Insurance Carriers * Number of injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office.		489	10,908.25	5,334,132	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		907	1,522.17	1,380,609	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		66,314,280	0.01	706,261	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,605,246	0.72	4,044,233	
Reimbursement Disputes * Number of petitions resolved annually		9,762	182.41	1,780,682	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		2,270	3,616.51	8,209,469	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		45	23,610.98	1,062,494	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		228	15,383.12	3,507,352	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		8,439	2,401.65	20,267,498	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		11,280	872.12	9,837,501	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		329	14,415.69	4,742,762	
Evaluate And Process Applications For Licensure As A Financial Services Entity. * Applications processed or evaluated for licensure or registration as a non-depository financial services entity.		22,193	110.16	2,444,842	
Examine And Enforce Laws Regarding Banks, Trusts, And Credit Unions To Ensure Safety And Soundness. * Number of domestic financial institutions examined to ensure safety and soundness.		99	120,385.24	11,918,139	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		8	104,538.63	836,309	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		156	30,122.31	4,699,081	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		92	60,060.60	5,525,575	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		173	31,766.51	5,495,606	
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/Or Individual. * Securities applications processed for registration of firms, branches, and/or individuals.		74,757	32.74	2,447,200	
TOTAL				296,692,295	34,541,162
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS				3,042,000	
OTHER				97,329,053	
REVERSIONS				109,348,410	159,343
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				506,411,758	34,700,505

SCHEDULE XI/EXHIBIT VI: AGENCY-LEVEL UNIT COST SUMMARY

(1) Some activity unit costs may be overstated due to the allocation of double budgeted items.

(2) Expenditures associated with Executive Direction, Administrative Support and Information Technology have been allocated based on FTE. Other allocation methodologies could result in significantly different unit costs per activity.

(3) Information for FCO depicts amounts for current year appropriations only. Additional information and systems are needed to develop meaningful FCO unit costs.

(4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

SECTION III - PASS THROUGH ACTIVITY ISSUE CODES SELECTED:

TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

1-8:

AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

1-8:

AUDIT #1: THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND SHOULD NOT:

*** NO ACTIVITIES FOUND ***

AUDIT #2: THE FCO ACTIVITY (ACT0210) CONTAINS EXPENDITURES IN AN OPERATING CATEGORY AND SHOULD NOT: (NOTE: THIS ACTIVITY IS ROLLED INTO EXECUTIVE DIRECTION, ADMINISTRATIVE SUPPORT AND INFORMATION TECHNOLOGY)

*** NO OPERATING CATEGORIES FOUND ***

AUDIT #3: THE ACTIVITIES LISTED IN AUDIT #3 DO NOT HAVE AN ASSOCIATED OUTPUT STANDARD. IN ADDITION, THE ACTIVITIES WERE NOT IDENTIFIED AS A TRANSFER-STATE AGENCIES, AS AID TO LOCAL GOVERNMENTS, OR A PAYMENT OF PENSIONS, BENEFITS AND CLAIMS (ACT0430). ACTIVITIES LISTED HERE SHOULD REPRESENT TRANSFERS/PASS THROUGH THAT ARE NOT REPRESENTED BY THOSE ABOVE OR ADMINISTRATIVE COSTS THAT ARE UNIQUE TO THE AGENCY AND ARE NOT APPROPRIATE TO BE ALLOCATED TO ALL OTHER ACTIVITIES.

BE	PC	CODE	TITLE	EXPENDITURES	FCO
43500400	1205000000	ACT1020	HOLOCAUST VICTIMS ASSISTANCE	304,006	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	663,719	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	16,115,185	
43010100	1602000000	ACT1060	MY SAFE FLORIDA HOMES	13,678,560	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	302,645	
43200100	1601000000	ACT2140	CONDUCT POST-AUDITS OF MAJOR	317,829	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	40,608,994	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,223,459	
43300200	1202000000	ACT3250	CONSTRUCTION MATERIALS MINING	690,475	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	1,419,444	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	798,911	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43700200	1205000000	ACT3610	MAINTENANCE AND REPAIR	293,147	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,153,549	
43400100	1601000000	ACT5510	HURRICANES AND OTHER NATURAL	3,375,351	

43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	2,040,090
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,093,689
43600100	1102020000	ACT9940	TRANSFER TO THE UNIVERSITY OF	250,000

AUDIT #4: TOTALS FROM SECTION I AND SECTIONS II + III:

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	506,411,814	34,541,162
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	506,411,758	34,700,505
	-----	-----
DIFFERENCE:	56	159,343-
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

*FCO difference is due to the 159,343 reverted in category 080990 in budget entity 43300400.

Schedule XII - Series Outsourcing or Privatization of State Service or Activity

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2024-25 Legislative Budget Request)

**SCHEDULE XIII
PROPOSED CONSOLIDATED FINANCING OF DEFERRED-PAYMENT
COMMODITY CONTRACTS**

Contact Information
Agency: Department of Financial Services, Office of Information Technology (OIT)
Name: Technical Contact – Claude Richbourg - Manager Mainframe Systems, Budget Contact – Joe Walker, Director’s Office.
Phone: Claude Richbourg 850-413-2266, Joe Walker 850-413-2256
E-mail address: Claude.Richbourg@myfloridacfo.com or Joe.Walker@myfloridacfo.com

Deferred-payment commodity contracts are approved by the Department of Financial Services (department). The rules governing these contracts are in Chapter 69I-3, Florida Administrative Code and may be accessed via the following website <https://www.flrules.org/gateway/ChapterHome.asp?Chapter=69I-3> . Information on the program and other associated information on the Consolidated Equipment Financing Program and Guaranteed Energy Savings Contracts may be accessed via the following website <http://www.myfloridacfo.com/Division/AA/StateAgencies/default.htm> under the Financing tab.

For each proposed deferred-payment commodity contract that exceeds the threshold for Category IV as defined in section 287.017, Florida Statutes, complete the following information and submit Department of Financial Services forms Lease Checklist DFS-A1-411 and CEFP Checklist DFS-A1-410 with this schedule.

1. Commodities proposed for purchase.				
Product Code	Product Name	Qty	Unit Sales	Extended Sales
8562-T02	IBM z15	1	\$946,074.00	\$946,074.00
14	Migration Offering Machine	1	Inc.	Inc.
33	Service Docs Optional Print	1	Inc.	Inc.
100	vHMC	1	Inc.	Inc.
137	Fanout Airflow PCIe	10	Inc.	Inc.
175	PCIe Fanout	2	Inc.	Inc.
196	2965 w/o TEIO & w/o HtR	1	Inc.	Inc.
389	Returning MT Digit 1	2	Inc.	Inc.
390	Returning MT Digit 2	9	Inc.	Inc.
391	Returning MT Digit 3	6	Inc.	Inc.
392	Returning MT Digit 4	5	Inc.	Inc.
394	Plant of MFG Digit 2	2	Inc.	Inc.
396	Serial Number Digit 2	2	Inc.	Inc.
397	Serial Number Digit 3	15	Inc.	Inc.
398	Serial Number Digit 4	15	Inc.	Inc.
399	Serial Number Digit 5	8	Inc.	Inc.
421	PCIe Interconnect	4	Inc.	Inc.

426	OSA-Express6S 1000BASE-T 2 ports	5	Inc.	Inc.
427	FICON Express16S+ LX 2 ports	10	Inc.	Inc.
505	Model T02	1	Inc.	Inc.
630	380-415V 32A, 3 Ph WYE PDU	4	Inc.	Inc.
631	Ethernet Switch	2	Inc.	Inc.
650	Max13	1	Inc.	Inc.
666	CPC PSU	2	Inc.	Inc.
899	Crypto Express7S 1 Port	2	Inc.	Inc.
1021	STP Enablement	1	Inc.	Inc.
1507	192 GB Memory	1	Inc.	Inc.
1643	64 GB Mem DIMM (5/feat)	2	Inc.	Inc.
1947	zIIP	2	Inc.	Inc.
1982	16GB Memory Cap Incr	4	Inc.	Inc.
1983	128GB Memory Cap Incr	1	Inc.	Inc.
3100	Universal Lift Tool	1	Inc.	Inc.
3101	Extension Ladder	1	Inc.	Inc.
3863	CPACF Enablement	1	Inc.	Inc.
4021	PCIe+ I/O Drawer	2	Inc.	Inc.
4039	A Frame Air	1	Inc.	Inc.
4809	CP-J	4	Inc.	Inc.
4914	4-Way Processor J04	1	Inc.	Inc.
5071	J04 Capacity Marker	1	Inc.	Inc.
7892	30A/208V 14ft w/TwistLock	4	Inc.	Inc.
7899	Bottom Exit Cabling	1	Inc.	Inc.
ATTHWMA	Attached - Hardware Maintenance (ServiceElite) Upgrade to 3 Year 24x7	1	Inc.	Inc.
Services	Mainline Installation Services (fixed fee with 1 on-site trip included)	1	Inc.	Inc.
	Grand Total			\$946,074.00

2. Describe and justify the need for the deferred-payment commodity contract including guaranteed energy performance savings contracts.

With aging mainframe hardware, which goes out of service on December 31, 2024, a newer mainframe will provide continued system availability to customer applications. Mainframe hardware currently provides support for the State's accounting and payroll systems, LAS/PBS, and Workers Compensation. Without this funding, the department will be unable to obtain hardware maintenance support for the mainframe.

3. Summary of one-time payment versus financing analysis including a summary amortization schedule for the financing by fiscal year (amortization schedule and analysis detail may be attached separately).

OIT is not able to make a one-time purchase of this equipment using existing recurring base budget. However, since recurring budget authority does exist in OIT's Deferred-Payment Commodity Contracts Category, OIT is requesting utilizing existing budget authority to procure a deferred payment contract. The equipment cost over three years at an interest rate of 7.69% (posted by the Division of Accounting and Auditing July 2023) demonstrates an estimated total after interest cost of \$1,068,422.

4. Identify base budget proposed for payment of contract and/or issue code and title of budget request if increased authority is required for payment of the contract.

Increased authority is not required for the contract. OIT will utilize existing recurring authority under the Deferred-Payment Commodity Contracts Category.

Office of Policy and Budget – June 2023

Schedule XIV – Variance from Long Range Financial Outlook

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2024-25 Legislative Budget Request)

Schedule XV - Contract Reporting

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2024-25 Legislative Budget Request)

SCHEDULE IV-B – VENDOR PAYMENT REGISTRATION PLAN - REPORT

For Fiscal Year 2024-25



September 15, 2023

FLORIDA DEPARTMENT OF FINANCIAL SERVICES
DEPARTMENT OF ACCOUNTING AND AUDITING

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SCHEDULE IV-B – VENDOR PAYMENT REGISTRATION PLAN - REPORT

Schedule IV-B Cover Sheet

Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Florida Department of Financial Services, Department of Accounting and Auditing	Schedule IV-B Submission Date: TBD
Project Name: Vendor Management System	Is this project included in the Agency's LRPP? _____ Yes <u> X </u> No
FY 2023-24 LBR Issue Code: 2223-24 RFQ AC	FY 2023-24 LBR Issue Title: Request for procurement for professional consulting services for a tool to support vendor payment management functions
Agency Contact for Schedule IV-B (Name, Phone #, and Email address): Paul Whitfield, 850-410-3045, Paul.Whitfield@myfloridacfo.com	
AGENCY APPROVAL SIGNATURES	
I am submitting the attached Schedule IV-B in support of our legislative budget request. I have reviewed the estimated costs and benefits documented in the Schedule IV-B and believe the proposed solution can be delivered within the estimated time for the estimated costs to achieve the described benefits. I agree with the information in the attached Schedule IV-B.	
Agency Head: _____	Date: _____
Printed Name:	
Agency Chief Information Officer (or equivalent): _____	Date: _____
Printed Name:	
Budget Officer: _____	Date: _____
Printed Name:	
Planning Officer: _____	Date: _____
Printed Name:	
Project Sponsor: _____	Date: _____
Printed Name:	
Schedule IV-B Preparers (Name, Phone #, and Email address):	
Business Need:	Aly Gonne, 267.978.1142, aly.gonne@northhighland.com
Cost Benefit Analysis:	Brian Peacock, 850.222.4733, brain.peacock@northhighland.com
Risk Analysis:	John Lumpkin, 404-975-6114, john.lumpkin@northhighland.com
Technology Planning:	John Lumpkin, 404-975-6114, john.lumpkin@northhighland.com Aly Gonne, 267.978.1142, aly.gonne@northhighland.com
Project Planning:	Aly Gonne, 267.978.1142, aly.gonne@northhighland.com John Lumpkin, 404-975-6114, john.lumpkin@northhighland.com

I. Schedule IV-B Business Case – Strategic Needs Assessment

A. Background and Strategic Needs Assessment

1. Background

The State of Florida uses a combination of discrete enterprise applications, managed by two (2) different State agencies, and manual processes to register, validate, and maintain vendor information including remittance and required federal tax information and payment method preferences. This highly manual solution was originally put in place during the 1986-87 fiscal year and is no longer sufficient to address the technologically sophisticated threats posed by today’s bad actors. It is not a question of whether the current processes will fail, it is a question of when and how much it is going to cost.

The new solutions for vendor payment fraud protection leverage advanced technologies such as Artificial Intelligence (AI) to detect patterns and can perform hundreds of validations in minutes. The entire process is typically completed in days. In contrast, DFS employees spend hours manually checking a small fraction of sources (compared to the number automated solutions examine) over many weeks or months. Human error is the major reason most fraud events are successful, but the level and sophistication of these attacks is becoming increasingly more difficult for people to detect. The table below provides just a few of the many examples from other organizations in which people were tricked into sending vendor payments to fraudsters.

Amount	Victim	Year	Story
\$1.4M	Manatee County, FL	2023	The scammer sent the County an email that appeared to be from a legitimate source requesting a bank account change. They then followed up with a call impersonating a high-ranking official of the firm which resulted in officials feeling the need to rush the payment and skip the normal protocols. (https://floridapolitics.com/archives/604642-manatee-county-victim-of-1-4-million-scam/).
\$1.4M	City of Portland, OR	2022	The City sent \$1.4M in 2022 to a scammer despite the transaction being flagged as a potential fraud attempt before it was sent. The error occurred because the city staff reached out to the imposter to get confirmation that the change was correct and then proceeded. The City does not expect to be able to recover the funds. (https://www.opb.org/article/2022/08/22/portland-oregon-lost-million-funds-cybersecurity-theft/)
\$6.8M	Governments within the State of Washington	2021-2023	Since 2021, governments within the State of Washington have reported \$6.8M in vendor related payment losses. The primary factor making these governments susceptible to these schemes were weak internal controls over vendor master files (where the data is stored to issue payments to vendors). (https://sao.wa.gov/the-audit-connection-blog/protect-your-vendor-master-file-fraudsters)
\$4M	Brunswick County, NC	2020	Brunswick County, NC lost \$4M to scammers who mimicked the email address of a country contractor resulting in four payments over two months before it was detected when the contractor inquired about past due invoices. The County worked with authorities to recover about \$2.8M 10 months later. (https://www.starnewsonline.com/story/news/2022/03/10/brunswick-county-loses-lost-4-million-alleged-phishing-scam-2020/9452028002/).
\$2.6M	Puerto Rico Pension Fund	2020	The scammer sent an email that appeared to come from an employee of the Puerto Rico Employment Retirement System requesting a change in the bank account information. (https://www.nytimes.com/2020/02/13/us/puerto-rico-phishing.htm)
\$700K	City of Naples, FL	2019	The City of Naples lost \$700K where the attacker targeted a specific individual to request a bank account change for a legitimate contractor.

SCHEDULE IV-B – VENDOR PAYMENT REGISTRATION PLAN - REPORT

Amount	Victim	Year	Story
\$184K	Collier County, FL	2018	(https://www.naplesnews.com/story/news/local/2019/08/02/scammers-trick-naples-out-700-000-spear-phishing-cyber-attack/1902321001/) Fraudsters created an email that looked like it came from a legitimate vendor requesting that the bank account be changed. The county was able to recover the funds lost from its insurance carriers.
\$23.5M	US Department of Defense (DoD)	2018	(https://www.naplesnews.com/story/news/government/2019/08/19/collier-county-scammed-out-184-k-cyber-attack-phishing-scheme/2049019001/) This complex attack was launched when the perpetrators sent emails containing links to mimicked webpages that looked like the real General Service Administration (GSA) website where vendors entered their credentials. The perpetrators then "sold" jet fuel to the vendors who paid a (fake) shell company. The scheme fell apart when the criminals encountered complications moving the money out of the first bank account they created. All were eventually caught, tried, and convicted.

Figure 1: Examples of Fraud

These incidents could have been prevented with a solution such as we are proposing. With the new technology, vendors are provided with credentials to a self-service portal to enter and modify their information which eliminates email as the source of the change request. The data is then analyzed and verified against many different sources. Any discrepancies are flagged and reported to both DFS and the Vendor. The vendor will not be authorized for payment until the discrepancies are addressed and DFS approves.

The technology to verify federal tax forms and EFT data is not part of the State’s other systems such as Peoplesoft (Florida PALM) and SAP Ariba (the functionality sought is not common to these types of systems). Building this functionality into these systems would be exceedingly expensive. The recommended path is to acquire a purpose-built COTS system to address the State’s requirements.

The scope of this new system is to replace the existing manual processes for collecting and validating data that is currently processed by DFS. It is also important to note that this technology is one tool and that combating financial fraud requires a comprehensive approach that includes smart policies, effective internal controls, an educated staff, secure payment methods, compliance with security protocols, and other supporting activities.

We are using the term “vendor payment registration solution” to describe the proposed solution as this more closely aligns with industry terminology than the term used in the RFQ: Vendor Management Solution. Vendor Management Solution is an industry term and these systems have not historically included the functionality the Florida Department of Financial Services (DFS) is seeking.

Current Systems and Processes

The Department’s Statewide Vendor File (SWVF) is a component of the Florida Accounting Information Resource (FLAIR) solution. The information recorded in SWVF is used for disbursement transactions, tax reporting, and public transparency sites. It is complemented by the Electronic Funds Transfers (EFT) file in FLAIR; this file maintains a vendor’s banking information to enable the vendor to receive electronic payments from the Department.

A team of seventeen (17) full-time and one (1) part-time Department employees have the responsibility to maintain and update vendor information in the SWVF and EFT.

Vendors seeking to receive funds from the State must have pertinent information available in the FLAIR Statewide Vendor File (SWVF). There are three (3) ways for vendor information to be recorded or updated in FLAIR:

- a) Vendor Registration using MyFloridaMarketPlace (MFMP) Vendor Information Portal (VIP) – The State eProcurement tool, MFMP, has an online vendor registration component called VIP. This application is managed by the Department of Management Services (DMS). Vendors self-register through this tool and

SCHEDULE IV-B – VENDOR PAYMENT REGISTRATION PLAN - REPORT

provide purchasing and remittance address information. Changes or updates to VIP records must be completed by the vendor through VIP. MFMP VIP sends vendor record changes and updates to FLAIR. No validations are performed in MFMP.

- b) Manual Agency add to SWVF – Designated Agency users can add vendors directly to the SWVF and, if applicable, can mark vendor records as confidential.
- c) Manual Department add and update to SWVF – The Department can manually add and update SWVF vendor records for non-MFMP vendors. Records are only actioned by the Department with the appropriate form and supporting documentation. The Department is also responsible for adding foreign vendors to the SWVF once the appropriate Form W8 is provided.

Vendors whose payments are subject to Form 1099 reporting are required to submit a Substitute W9 form. Vendors use the Department’s Vendor website to electronically submit Substitute Form W9 information. This information is transmitted to the Internal Revenue Service (IRS) Taxpayer Identification Number (TIN) Matching Program to validate vendor information. Results from the TIN Match process are stored in the Vendor website and SWVF and are transmitted to VIP. It is the State’s policy not to make payments to a vendor until its TIN information is validated.

Vendors may submit a form requesting payments by Automated Clearing House (ACH) which is a type of EFT instead of receiving a warrant. The information is verified by the Department using several methods including data analytic tools and direct contact of the vendor’s financial institution. Once verified, the vendor will be approved to be paid via EFT and the FLAIR EFT file will be manually updated by the Department to record the verified financial institution account information. FLAIR will generate a pre-note to confirm the information. Once the pre-note is successful, the vendor can receive payments via EFT. FLAIR functionality only allows one financial institution account to be established per vendor TIN. A vendor’s EFT status is not provided to or maintained in MFMP VIP.

The Department can indicate on the vendor record in the SWVF if the vendor has an IRS or Florida Department of Revenue levy. Manual processes are used by the Department to redirect payments to the appropriate levy holder. A vendor may also be subject to back-up or mandatory withholding of taxes but due to limitations in FLAIR, the State cannot deduct these taxes from the vendor payment. The Department is responsible for IRS Form 1099 tax reporting for payments recorded in FLAIR. FLAIR produces only Forms 1099MISC, 1099NEC, 1099INT and 1099G. FLAIR can produce corrected Form 1099s until the IRS filing is complete in August of each year, after which the file is purged. If a corrected Form 1099 is needed after August, the Department manually prepares a letter for the vendor with the corrected information.

Vendor payment information is made available to vendors and the public through the Department’s Transparency website (<https://myfloridacfo.com/Transparency/>). This website does not require a username or password and therefore no confidential or sensitive information is made available. The public can search for payment information by vendor name or vendor number (i.e., TIN), paying agency, date range, and payment classification. These results return the payment method, payment date, amount, invoice number, and paying agency details.

Vendor payment information is also available on the Vendor History website (<https://fs.fldfs.com/dispub2/cvnhphst.htm>). Vendors can search for payments issued to their TIN by month, year, and paying agency. The results display payment date, payment type (e.g., warrant) invoice number, and amount. The Department is implementing PeopleSoft to replace business functions currently performed by FLAIR. This multi-year replacement project is called Florida PALM.

2. Business Need

Three business needs have been identified which will be addressed by a new vendor payment registration solution

- The Florida Department of Financial Services (DFS) plans to implement a new statewide accounting system (Florida PALM) to replace the Florida Accounting Information Resource (FLAIR) system. In advance of the Florida PALM implementation, the Department of Accounting and Auditing at DFS wants to improve the vendor payment registration process, which includes a new solution not offered as part of the statewide accounting system. The new solution transfers the responsibility of adding or updating

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payment registration to the vendor through a self-service portal. It delivers automated vendor verification for payment registration and banking verification for electronic funds transfer (EFT). The self-service portal will enable vendors to securely access payment history and 1099s at any time.

- The current solution uses multiple manual processes to manage vendor interventions (e.g., redirect payments to the right levy holder). The Chubb Corporation estimates a cross-sector industry average of 0.059% of annual accounts payable spend is fraudulent (*Chubb Corporation internal cost-benefit study, 2019*). For FY 2021-22 (the most recently completed fiscal year), vendor payments totaling approximately \$12.9 billion comprised the portion of the overall State of Florida budget the proposed vendor payment registration solution can impact. Multiplying the \$12.9 billion by the .059% rate of fraud produces an estimated fraudulent spend for FY 2021-22 of over \$7.6 million.
- A 2022 payments cost benchmarking study conducted by the Association for Financial Professionals (AFP) found the median cost of initiating and receiving an automated clearing house (ACH) payment for all businesses to be between 26 cents and 50 cents (<https://www.afponline.org/publications-data-tools/reports/survey-research-economic-data/Details/paymentscost/>) which is significantly less expensive than paper checks (warrants), which come with an across-the-board median cost of between \$2.01 and \$4 according to NACHA (<https://www.nacha.org/news/ach-costs-are-fraction-check-costs-businesses-afp-survey-shows>). Therefore, a solution that motivates vendors to register and maintain their own data through a self-service portal is expected to increase adoption and achieve an estimated savings of \$1.51-\$3.74 per check/warrant issued by the State of Florida.

The State of Florida issued 892K warrants to vendors in the past year. It is estimated that 5% of vendors use EFT today and that a self-service portal is expected to increase adoption up to 90%, resulting in significant savings to the State. For example, if the State were to successfully reduce the volume of warrants issued last year by 80%, the annual savings are estimated to be between \$1M and \$2.6M.

3. Business Objectives

The purpose of the proposed project is to provide a self-service portal for vendors to register or update their payment information, while providing verification of vendor payment and banking information to reduce fraud and increase efficiency. Through this project, DFS seeks to:

- Reduce the potential for fraud.
- Improve the ability for DFS to register more vendors with EFT.
- Reduce manual data entry by DFS, freeing up time to focus attention to improve the quality and maintenance of vendor data.
- Increase efficiency and improve vendor payment registration processes.

B. Baseline Analysis

1. Current Business Process(es)

The proposed project modernizes the vendor payment registration process in support of DFS. The current solution includes services, business processes, data management processes, and technical processes within DFS and interconnections and touchpoints with Florida PALM for the administration of vendor payment registration onboarding, management, and maintenance/removal.

The proposed vendor payment registration solution and the existing MFMP system both register vendors, but for distinctly different purposes. The MFMP system is used by the Department of Management Services (DMS) to gather information from vendors to facilitate purchase orders and contracts. It also collects information from vendors who want to do business with the State. The information collected does not undergo any validation to ensure its accuracy or validity.

DFS collects information for payment and federal tax reporting purposes. When the vendor enters their data, the system sends their Taxpayer Identification Number (TIN) to the IRS via a batch file process for verification. All other information must be manually verified by DFS staff.

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DFS has three (3) business functions related to vendor payment registration. These business functions generally align with overall vendor management/maintenance processes although they focus specifically on payment registration. The figure below includes the high-level business processes associated with the three strategic business functions.

DFS Vendor Payment Registration Lifecycle Processes		
1. Onboarding	2. Management	3. Maintenance/Removal
1.1 Create vendor payment registration data (i.e., W-9, W-8)	2.1 Update/approve relevant vendor payment registration data	3.1 Archive vendor payment registration data
1.2 Approve vendor payment registration data	2.2 Report relevant payment registration data	3.2 Purge vendor payment registration data
1.3 Report relevant payment registration data	2.3 Report historical vendor payments	3.3 Report relevant payment registration data
1.4 Create electronic funds transfer (EFT) registration data	2.4 Provide vendor 1099 forms	3.4 Archive EFT registration data
1.5 Approve EFT registration data	2.5 Update/approve EFT data	3.5 Purge EFT registration data
1.6 Report relevant EFT setup data	2.6 Report relevant EFT maintenance data	3.6 Report relevant EFT registration

Figure 2: DFS Payment Registration Processes

The Department recently noted the following business process challenges to be addressed through the vendor payment registration solution.

- Fraud attempts
 - DFS does not have sufficient capacity to achieve the objective of having 90% of vendors use EFT. Only 5% of the vendors currently use EFT.
 - Last year, DFS approved 50% of EFT vendor applicants.
- Incomplete process standardization within DFS
- Inability to validate any information other than the TIN
- Compliance challenges
- Manual processes

2. Strengths and Weaknesses

Based on a review of business operations, existing documentation, and stakeholder interviews, the following DFS strengths, weaknesses, opportunities, and threats were identified for the vendor payment registration solution.



Figure 3: SWOT Analysis

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3. Implementation Assumptions and Constraints

This section highlights the assumptions and constraints which could limit the available solution alternatives or affect the overall outcomes of the recommended solution:

Implementation Assumptions and Constraints		
Assumption	A1	DFS is responsible for the accuracy of data (vendor payment registrations and EFT).
Assumption	A2	A DFS governance structure will be established and provide timely decision making and guidance for the vendor payment registration solution.
Assumption	A3	The implementation vendor assumes DFS will provide adequate resources to support the implementation and make decisions in a timely basis.
Assumption	A4	DFS is responsible for maintaining archive of historical vendor payment registration and EFT data.
Assumption	A5	The solution is to be integrated with other systems (Florida PALM and/or FLAIR). Related data and businesses will need to be considered.
Assumption	A6	Estimated implementation fees include a separate vendor who will support all activities not managed in a vendor payment registration implementation (e.g., internal project management, data conversion, testing, training of DFS users and vendors, cutover, vendor rollout/transition, QA/validation, post-go-live user support).
Assumption	A7	DFS will leverage out of the box software functionality as much as possible to minimize custom code that requires monitoring/maintenance.
Assumption	A8	Any changes discovered after approval of detailed business requirements during the project implementation will carry extra costs. For this reason, the cost benefit analysis assumes a percentage of additional costs.
Assumption	A9	Estimated implementation fees include a post-go-live support period by the vendor to stabilize the solution.
Assumption	A10	Estimated implementation fees include travel costs and expenses.
Constraint	C1	Integration with Florida PALM solution depends upon the Florida PALM go-live date and the IT team’s availability to prioritize connectivity.

Figure 4: Assumptions and Constraints

C. Proposed Business Process Requirements

1. High-Level Business Process Requirements

Interviews with key DFS stakeholders elicited the following business high-level requirements.

Summarized Requirements		
Business	B1	Registration Establishment: ability to create secure profile, permit authorizing users, password creation, etc.
Business	B2	Registration Maintenance: ability to update registration information, change passwords, retrieve historical records, etc.
Business	B3	Information Retrieval: ability to retrieve such items as historical payment information, tax form submission, etc.
Business	B4	Payment Method Management: ability to perform EFT Request submissions, EFT information management, ePayables, etc.
Business	B5	IRS Reporting Management: ability to perform activities supporting IRS requirements such as Form W-9 submission, Form 1099 retrieval, etc.
Business	B6	Account Maintenance: ability for DFS to perform password reset, account inactivation, ad hoc TIN verification, etc.
Business	B7	Account Validation: Ability to perform IRS TIN Verification, address validation, EFT Record validation, etc.
Business	B8	Workflow Engine: ability to enable authorized DFS users to be alerted on, and review and resolve items which do not pass validation.
Business	B9	Integration: ability to be integrated to DFS systems.

Figure 5: DFS Summarized Business Requirements

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2. Detailed Business Process Requirements

DFS stakeholders developed the following business requirements for the new solution.

Detailed Requirements		
Business	B1	Ability to periodically validate and update Taxpayer Identification Numbers (FEIN and SSN) through batch upload.
Business	B2	Ability to periodically validate and update vendor s on the Federal Debarment List.
Business	B3	Provide ability to periodically validate and update vendor information against the Office of Foreign Assets Control (OFAC) List and update the vendor record as appropriate.
Business	B4	Storage of EFT records must meet the National Automated Clearing House Association (NACHA) standards for data at rest.
Business	B5	Ability to maintain an online audit trail of changes to EFT, remittance, and W9 vendor information.
Business	B6	Ability to change a vendor's preferred payment method from EFT to warrant if EFT information is updated.
Business	B7	Ability for authorized user to approve vendor record before record is activated.
Business	B8	Ability for authorized users to add comments/attachments when reviewing and approving workflow items.
Business	B9	Ability for authorized users to bypass validation requirements (e.g., for emergency situations).
Business	B10	Ability for authorized users to review, approve, deny records that do not pass validation processes.
Business	B11	Ability to store driver license information to support validation of vendor information.
Business	B12	Ability for a vendor to identify one primary contact.
Business	B13	Ability for vendor primary contact to authorize other users (e.g., banking contact, tax contact, fraud detection contact) to update the vendor's information.
Business	B14	Ability for vendor primary contact to manage account access for other users authorized to update the vendor's information.
Business	B15	Ability for authorized users to invite vendors to register with the vendor portal.
Business	B16	Provide ability for the portal to be invitation only.
Business	B17	Ability to automatically generate an email to the vendor primary point of contact when a change is made to the vendor record.
Business	B18	Ability to comply with Federal Internal Revenue Service regulations for tax related forms (e.g., Form W8, Form W9).

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Business	B19	Ability to define vendors by type (e.g., foreign, non-foreign).
Business	B20	Ability for authorized users to view, add, and change vendor information.
Business	B21	Ability for authorized users to view, add, and change remittance address.
Business	B22	Ability for authorized users to designate vendor preferred payment method.
Business	B23	Ability for validation of user entry against verification tools (e.g., Internal Revenue Service TIN matching, US Postal Service).
Business	B24	Ability to include vendor information: Address indicated as headquarters.
Business	B25	Ability for authorized users to create vendor record.
Business	B26	Ability for authorized users to attach documents (e.g., PDF) to support vendor record information.
Business	B27	Ability for authorized Department users to generate a report identifying when banking information changes.
Business	B28	Ability for authorized Department users to generate a report identifying when remittance addresses change.
Business	B29	Ability for authorized Department users to generate reports identifying when vendor name changes.
Business	B30	Ability for authorized Department users to generate report identifying when the primary contact changes.
Business	B31	Ability to access vendor portal via a portable device (e.g., smartphone, tablet).
Business	B32	Ability to identify a vendor primary contact on a vendor profile.
Business	B33	Ability for authorized vendor users to opt-in to receive Form 1099s electronically.
Business	B34	Ability for authorized vendor users to opt-out to receive Form 1099s.
Business	B35	Ability for the solution to comply with Internal Revenue Service electronic form 1099 instructions.
Business	B36	Ability for authorized vendor users to Print Form 1099s.
Business	B37	Ability for authorized vendor users to Update Form W9s.
Business	B38	Ability for authorized vendor users to resolve validation errors through workflow.
Business	B39	Ability for authorized vendor users to update banking information.
Business	B40	Ability for authorized vendor users to update remittance address.
Business	B41	Ability for authorized Department users to customize messages displayed on a log-in page.

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Business	B42	Ability for authorized vendor users to see information related to payments made by the Department to the vendor.
Business	B43	Ability for authorized vendor users to submit questions to the Department through workflow.
Business	B44	Ability for authorized Department users to identify comments as internal to the Department only.
Business	B45	Ability for authorized Department users to identify attachments as internal to the Department only.
Business	B46	Ability for authorized Department users to obtain information that vendor record information changes.
Business	B47	Ability for authorized vendor users to receive notifications when vendor record information changes.
Business	B48	Ability for validation activities to trigger when vendor information is updated.
Business	B49	Ability for authorized Department users to update primary contact information.
Business	B50	Ability for authorized Department users to reset vendor portal accounts for vendor contacts.
Business	B51	Ability for authorized Department users to purge incomplete records.
Business	B52	Ability for authorized Department users to inactivate records.
Business	B53	Ability for authorized vendor users to mark vendor information as inactive.
Business	B54	Ability to collect meta data (e.g., IP address).

Figure 6: DFS Detailed Business Requirements

3. Business Solution Alternatives

To address the stated business requirements, the Department assessed three alternatives for the vendor payment registration solution:

- **Alternative 1** – Implement a new cloud-based Software-as-a-Service (SaaS) payment registration solution for vendors which integrates with a larger vendor management solution within the Florida PALM technology ecosystem. The new solution will replace the existing portal.
- **Alternative 2** – Build a custom solution (on-premise or cloud-based) to replace the current vendor payment registration solution that integrates with the Florida PALM technology ecosystem. The new custom solution will replace the existing portal.
- **Alternative 3** – Do nothing. This approach keeps the status quo in place.

Alternatives 1 and 2 seek to implement all priority initiatives, resulting in the completion of a new vendor payment registration solution. Alternative 3 seeks to continue operating as is to avoid any disruption to the current service levels.

4. Rationale for Selection

The following criteria were used to determine the suitability of the options available:

- *Time to Implement* – The elapsed time to complete implementation of the solution. The effort time required to build a solution for Alternative 2 has not been estimated but will undoubtedly take longer.
- *Timing of Benefits* – The amount and elapsed time from project initiation until benefits of the integrated platform occur.
- *Business Agility* – The extent to which the solution provides flexibility and speed to adapt to business changes within DFS, establish new business processes, or modify existing processes within DFS.
- *Technology Agility and System Security* – The extent the solution provides flexibility and speed to adapt to internal technology changes within DFS and evolving technologies in the marketplace.
- *Integration Complexity Reduction* – The extent to which the solution reduces complex or time-consuming interim integrations between the new solution components and components of the old solution.
- *Risk* – The level of risk that is attributable to a solution.
- *Business Disruption* – The extent of business disruption to Departments within DFS. This impact considers the total amount of time, the number of times, and the percentage of resources spent on implementing a solution.
- *Solution Maintenance* – The level of effort required to keep the solution up to date.
- *Change Management* – The amount of organizational change management required to implement a solution.
- *Overall implementation cost* – The total cost to implement a solution.

5. Recommended Business Solution

DFS proposes implementation of a cloud-based SaaS (Alternative 1) to support the entire vendor payment registration ecosystem. A vendor payment registration solution will better protect and serve the citizens of Florida by minimizing the threat of vendor fraud.

Some benefits of this alternative include:

- Improve DFS ability to minimize fraud by using multiple automated system validations and reducing the fraud investigation workload (which lowers the cost of detecting fraud); better visibility as to vendor status, enabling DFS to process vendor payment registrations faster and more efficiently.
- Improves real-time data access and quality.
- Supports increased frontline worker productivity through increased levels of process automation freeing up time to work with vendors to increase EFT registrations and improve vendor data quality.
- Improves workforce management skills and balancing.
- Promotes the Department's business goals of delivering an efficient end-to-end vendor payment registration management solution.
- Improves service to vendors, motivating them to register for EFT, and enables them to receive payments more quickly while reducing costs for DFS to process paper checks (warrants).
- Leverages the investments to be made in the Florida PALM system so that there is no overlapping functionality.
- Supports staff through innovative technological advances and ensures they have the right resources to be successful.

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What are the Risks of Building a Custom Solution (Alternative 2)?

There are several significant risks associated with building a custom solution to best fit DFS’s needs:

- Prohibitively expensive to identify all fraud checks, negotiate contracts with owners of external data sources (estimated at a minimum of 700 vendors), prioritize data sources, build, and test linkages to each external data source.
- High vendor costs to design/build/test/deploy a custom solution, potentially complex interfaces to Florida PALM and to vendors through many interfaces, including ongoing labor costs to support vendors with interface setup and maintenance as requirements evolve.
- Significant time during the design and test phases of the implementation to validate the solution complies with (National Institute of Standards and Technology (NIST) standards.
- Longer timeline to design, build, test, and validate the solution based on known requirements (e.g., backend reporting, dashboards, workflow).
- Significant time and labor required to monitor and maintain interfaces across vendors once the solution is live, likely requiring additional resources to maintain the solution.
- Future investments are likely needed to keep the solution up to date to address evermore increasingly complex attacks (e.g., use of Artificial Intelligence).

What are the Risks of Maintaining the Status Quo? (Alternative 3)

The Department must consider risks associated with the status quo (Alternative 3). These risks include:

- Potential likelihood for significant fraud event increasing over time due to manual checks, limited staff to monitor/follow up with the current solution.
- Continued risk of exposing EFT through interception of vendor mailed EFT application form.
- Lack of visibility/adequate reporting, leading to inability to know where to make process improvements and identify potential fraud events.
- No automation is in place, requiring DFS staff to coordinate with vendors to make manual data updates, thereby limiting their ability to advance the goal of 90% of vendors on EFT.
- Inability to implement end-to-end automation for vendor payment registration in support of the Florida PALM implementation.

The recommended next step is to approve the vendor payment registration solution outlined in section VI, Implementation Roadmap. The CBA shows a realization of the greatest business benefits under Alternative 1. This completion would enable the Department to shift to more valuable/productive work, as well as a result in \$7,838,187 in benefits over five years.

What is the Estimated Cost?

The total cost estimate of implementing this proposed project (the vendor payment registration solution) is \$4,187,218 over 5.0 years as reflected below in Figure 6.

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Total Costs (\$)
Cost (\$)	\$1,203,866	\$791,676	\$791,676	\$700,000	\$700,000	\$4,187,218

Figure 7: Cost Estimates

D. Functional and Technical Requirements

The future state for business processes supporting the vendor payment registration solution focuses on the three critical process areas: Vendor Payment Onboarding, Vendor Payment Management, and Vendor Payment Maintenance.

1. Vendor Payment Onboarding

Vendor payment onboarding consists of the following processes:

- 1.1 **Create vendor payment registration data (i.e., W-9, W-8).** This process begins with a vendor who has either registered or been granted access to use DFS's vendor payment registration portal. The vendor accesses the portal and enters the payment registration data which allows for relevant reporting. This step includes auto-validation so as much data as possible is entered correctly the first time. This step also includes a process to handle exceptions or vendor inquiries should a vendor require further assistance. This step is complete once the vendor payment registration data has been entered.
- 1.2 **Approve vendor payment registration data.** Once the vendor has entered the payment registration data, DFS reviews and approves the data. This step includes the possibility of exception handling should any data entered trigger a need for it. This step also includes workflow management (including escalations as needed) so the right set of data is made available for review and approval by the right people at DFS. The vendor is notified once the payment registration has been approved.
- 1.3 **Report relevant payment registration data.** This process step provides the appropriate payment registration data to the right DFS staff responsible for monitoring the data to signal any appropriate action(s) requiring follow-up. This step also generates all reports needed by vendors for their own reporting needs (e.g., tax reporting).
- 1.4 **Create electronic funds transfer (EFT) registration data.** At the vendor's option, the vendor signs up for EFT through DFS's vendor payment registration portal. This step includes auto-validation so as much data as possible is entered correctly the first time. This step also includes a process to handle exceptions or vendor inquiries should a vendor require further assistance. This step is complete once the vendor payment registration data has been entered.
- 1.5 **Approve EFT registration data.** Once the vendor has entered the EFT registration data, DFS reviews and approves the data. This step includes the possibility of exception handling should any data entered trigger a need for it. This step also includes workflow management (including escalations as needed) so the right set of data is made available for review and approval by the right people at DFS. The vendor is notified once the EFT registration has been approved.
- 1.6 **Report relevant EFT setup data.** This process step provides the appropriate EFT setup data to the right DFS staff responsible for monitoring the data to signal any appropriate action(s) requiring follow-up. This step also generates all reports needed by vendors for their own reporting needs (e.g., tax reporting).

2. Vendor Payment Management

Vendor payment management consists of the following processes:

- 2.1 **Update/approve relevant vendor payment registration data.** This process begins with a vendor who can access DFS's vendor payment registration portal. The vendor accesses the portal and updates the relevant payment registration data which allows for relevant reporting. This step includes auto-validation so as much data as possible is updated correctly the first time. Once the vendor has entered the updated payment registration data, DFS reviews and approves the appropriate data on an as-needed basis. This step includes the possibility of exception handling should any data updated by a vendor trigger a need for a review or approval. This step also includes workflow management (including escalations as needed) so the right set of data is made available for review and approval by the right people at DFS. This step is complete once the vendor is notified the updated payment registration data has been approved.

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- 2.2 **Report relevant payment registration data.** This process step provides the appropriate payment registration data to the right DFS staff responsible for monitoring the data to signal any appropriate action(s) requiring follow-up. This step also generates all reports needed by vendors for their own reporting needs (e.g., tax reporting).
- 2.3 **Report historical vendor payments.** This process step enables DFS or its vendors to obtain a digital historical record of prior vendor payments for purposes of investigation or follow-up in case further inquiry is needed by logging online to review payments received. Historical vendor payment records are retrieved from Florida's accounting system.
- 2.4 **Provide vendor 1099 forms.** On an as-needed basis, either DFS or a vendor can retrieve the required forms needed for tax reporting to the IRS. 1099 forms are produced by and retrieved from Florida's accounting system.
- 2.5 **Update/approve EFT data.** This process begins with a vendor who can access DFS's vendor payment registration portal and updates the relevant EFT data. This step includes auto-validation so as much data as possible is updated correctly the first time. Once the vendor has entered the EFT data, DFS reviews and approves the data on an as-needed basis. This step includes the possibility of exception handling should any data updated by a vendor triggers a need for a review or approval. This step also includes workflow management (including escalations as needed) so the right set of data is made available for review and approval by the right people at DFS. This step is complete once the vendor is notified that the updated EFT data has been approved.
- 2.6 **Report relevant EFT maintenance data.** This process step provides the appropriate EFT data to the right DFS staff responsible for monitoring the data to signal any appropriate action(s) requiring follow-up. This step also generates all reports needed by vendors for their own reporting needs.

3. Vendor Payment Maintenance

Vendor payment maintenance consists of the following processes:

- 3.1 **Archive vendor payment registration data.** Based on rules defined by DFS, the system moves vendor payment registration data from one type of storage where the data can be quickly retrieved to a different type of storage. This archived data is no longer active in the system but can be retrieved on an as-needed basis according to rules defined by DFS. Standard SaaS-based architecture principles are to place archived data into storage which takes longer to retrieve but carry lower data costs, which gives DFS a potentially significant savings depending on the volume of data moved to storage.
- 3.2 **Purge vendor payment registration data.** Based on rules defined by DFS, the system removes vendor payment registration data from the archives. Purged data is no longer available for use by either DFS or its vendors.
- 3.3 **Report relevant payment registration data.** This process step provides the appropriate reporting of payment registration archival data to the right DFS staff responsible for monitoring the data to signal any appropriate action(s) requiring follow-up.
- 3.4 **Archive EFT registration data.** Based on rules defined by DFS, the system moves vendor payment registration data from one type of storage where the data can be quickly retrieved to a different type of storage. This archived data is no longer active in the system but can be retrieved on an as-needed basis according to rules defined by DFS. Standard SaaS-based architecture principles are to place archived data into storage which takes longer to retrieve but carry lower data costs, which gives DFS a potentially significant savings depending on the volume of data moved to storage.
- 3.5 **Purge EFT registration data.** Based on rules defined by DFS, the system removes EFT data from the archives. Purged data is no longer available for use by either DFS or its vendors.
- 3.6 **Report relevant EFT registration data.** This process step provides the appropriate reporting of EFT data to the right DFS staff responsible for monitoring the data to signal any appropriate action(s) requiring follow-up.

This process must make certain the records of the activities performed for each program stand up to scrutiny and are responsive to external auditors at the state and federal levels.

4. Business Principles

The success of the future state relies on four critical business principles: fraud avoidance, improved registration processes/efficiency, improved data management, and rapid and iterative continuous improvement. These must be incorporated into the formation of the necessary business processes to support a solution needed for DFS to manage the vendor payment registration process.

- 4.1 **Fraud Avoidance:** DFS has a public responsibility to have processes and technologies in place to avoid fraud. Avoiding fraud will get increasingly harder as bad actors who want to commit fraud become increasingly more innovative (e.g., use of Artificial Intelligence). Any single attempt to commit fraud not captured and addressed by DFS significantly impacts the State of Florida.
- 4.2 **Improved registration processes/efficiency:** Any efforts to promote vendor self-service boosts the Department's productivity to better support as many vendors as possible. This is important as the Department currently spends a lot of time coordinating with vendors to validate and manually update vendor data. Self-service via portal and field-level validations empower vendors to create and maintain their own data, thereby enabling the Department to refocus skills from data entry/validation to resolve vendor needs. This principle holds true both for vendor payment registration/maintenance and EFT setup/maintenance.
- 4.3 **Improved Data Management:** Business processes should be designed to ensure data produced from the process is usable, and those processes should be managed using data about the process itself. Meaningful, structured data is a critical informational resource, and how to get data back out of a system is just as important as how the data gets in. This means it is vital to ensure data is captured, structured, and stored in a consistent manner to enable reporting and analysis providing valuable and actionable insight. Consideration must be given at every step to how data is produced and how data can be harvested when needed. Similarly, data must be a driver in evaluating productivity. Business processes should be designed with the ability to capture data about the activities being performed. This type of information is critical to identifying the strengths and weaknesses of current practices. Business processes should also be designed in a manner ensuring the quality and integrity of data by implementing sound practices for the consistent collection, storage, and transmission of data.
- 4.4 **Rapid and Iterative Continuous Improvement:** Business processes should be modified incrementally and continuously. This principle requires the development of an improvement plan while ensuring implementation is performed in a quick and phased way allowing for immediate improvements and conducted in stages rather than in one or a few large-scale implementations. This also allows for adaptive changes to be made as new process improvements are implemented which may require modification in other areas or as circumstances dictate. This principle promotes a mentality that improvement is not only possible but achievable by reducing the amount of time and effort needed to develop a significant process change. An incremental approach allows the ecosystem to realize gains more quickly and with less risk that improvements are delayed or never implemented. By breaking down large, complex process improvements into more manageable stages, an iterative process also provides more opportunities to achieve success with the completion of each stage. Along with contributing to an environment of high staff morale, this also helps to better facilitate the adoption of the change in a more gradual manner and mitigate the disruption which can sometimes come with attempting to implement large-scale changes all at once.

II. Success Criteria

The success of the vendor payment registration solution is based on a number of quantitative and qualitative factors. Each of these factors is in alignment with the business objectives and proposed business process requirements, as well as the overall vision and mission of DFS.

The major success criteria for the project, along with the Key Performance Indicators (KPIs), are listed in the table below. The success criteria and the KPIs form the basis of any contracts pursued to implement the new solution.

#	KPI	Benefits
1	Number of vendors registered in new solution	<ul style="list-style-type: none"> Reduces potential for fraud based on manual intervention
2	Average DFS labor time to validate payment registration per vendor	<ul style="list-style-type: none"> Leading indicator of improved registration vendor payment process/efficiency; signal the Department is shifting from data entry/validation to resolving vendor needs
3	Number of vendors registered to use EFT	<ul style="list-style-type: none"> Leading indicator of reduced costs to process vendor payments
4	Percentage of vendors on EFT	<ul style="list-style-type: none"> Replaces check processing costs with ACH processing costs representing a significant savings to the state
5	Average DFS labor time to EFT file registration per vendor	<ul style="list-style-type: none"> Leading indicator of improved EFT registration process/efficiency; signal the Department is shifting from data entry/validation to resolving vendor needs
6	Cleanliness of Vendor data	<ul style="list-style-type: none"> Will assist with the B Notice process executed by the IRS.

Figure 8: Success Criteria

III. Schedule IV-B Benefits Realization and Cost Benefit Analysis

The purpose of this section is to describe and compare the costs and the expected benefits of the proposed vendor payment registration solution. The Cost Benefit Analysis (CBA) forms presented in this section identify:

1. Estimated program costs.
2. Estimated program benefits, both tangible and intangible.
3. Fiscal metrics associated with implementing the program.

The vendor payment registration solution will enable substantial improvements in the Department's ability to process and manage vendor payment registrations and reduce the amount of manual and redundant tasks currently in place. The solution proposes a phased implementation of specific opportunities to reduce the cost of current practices which are labor-intensive and inefficient. These opportunities – when realized – will yield an economic benefit for the Department.

The solution benefits described in this analysis will be the result of aligning the Department's business processes with technology best practices to maximize return on investment. Benefits will accrue as updated functionality is implemented, in combination with targeted improvements in existing business processes. The expected benefits are described in Figure 8: Benefits Realization Table.

A. Benefits Realization Table

#	Description of Benefit	Tangible or Intangible	Who receives the benefit?	How are benefits realized?	How is the realization of the benefit measured?	Realization Date (FY)
1	Improved ability to manage vendor payment registration data and identify potential sources of vendor fraud	Tangible	DFS	Improved ability for vendors to self-validate their own data, enabling DFS to shift focus to spend time on resolving exceptions and investigate underlying data trends that can be root causes for vendor fraud	Annual payments to vendors by the state of Florida * a fraudulent payment factor * an estimated improvement factor to arrive at avoided fraud costs	FY25/26
2	Improvement in state employee productivity, reduction of operational complexity, and an increase of internal controls by enabling standardization and automation of business processes within and between DFS and vendors	Intangible	DFS, Vendors	Reduced time to create, update, and maintain vendor payment registration and EFT data, enhanced management reporting due to identified exceptions and underlying trends; reduced time performing redundant data entry and reconciliation,	Amount of time spent by DFS to create / update / maintain each vendor record	Upon Implementation

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#	Description of Benefit	Tangible or Intangible	Who receives the benefit?	How are benefits realized?	How is the realization of the benefit measured?	Realization Date (FY)
				reformatting reports, and tracking paper documentation		
3	Ability to maximize the speed at which vendors are eligible to receive payment as a result of improved vendor payment registration processing, i.e., faster approvals leading to more timely payouts	Intangible	Vendors	Timely processing of vendor payments is recognized	<ol style="list-style-type: none"> 1. Reduced time to create and approve vendor payment registrations 2. Reduced time to create and approve electronic file transfer for vendor payment registrations 3. Request for authorization after electric funds transfer 	Upon Implementation
4	Transfer of institutional knowledge from workforce to solution	Intangible	DFS	Due to the decentralized structure of the current IT environment and the numerous internally built programs, a select few people retain much of the legacy knowledge. An enterprise solution for DFS will remove a "single point of failure" from the process.	Potential approach: estimated reduced time (in days/ hours) to recover after an employee separates from their office * average employee fully loaded hourly rate * number of employee separations per year	Upon Implementation
5	Improved accuracy and completeness of public records/audit support	Intangible	DFS/State of Florida	A centralized solution with adequate resources to keep the data updated will reduce the risk of compliance gaps	Potential to measure future audit results against current audit results	Upon Implementation

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#	Description of Benefit	Tangible or Intangible	Who receives the benefit?	How are benefits realized?	How is the realization of the benefit measured?	Realization Date (FY)
				and any corrective action plans (CAPs)		
6	Improved staff capture/retention	Intangible	DFS	Updated and current technology will make it easier to attract and retain talented employees to the Department	Not measured for the purposes of this analysis	Upon Implementation

Figure 9: Benefits Realization Table

B. Cost Benefit Analysis

The chart below summarizes the required Forms for the Cost Benefit Analysis (CBA), which are included in Appendix A and must be completed and submitted with the Schedule IV-B.

Form	Description of Data Captured
CBA Form 1 - Net Tangible Benefits	<p>Department Program Cost Elements: Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) the proposed project will impact.</p> <p>Tangible Benefits: Estimates for tangible benefits resulting from the implementation of the proposed project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.</p>
CBA Form 2 - Project Cost Analysis	<p>Baseline Project Budget: Estimated project costs</p> <p>Project Funding Sources: Identifies the planned sources of project funds, e.g., General Revenue, Trust Fund, Grants</p> <p>Characterization of Project Cost Estimate</p>
CBA Form 3 - Project Investment Summary	<p>Investment Summary Calculations: Summarizes total project costs and net tangible benefits and automatically calculates:</p> <ul style="list-style-type: none"> • Return on Investment • Payback Period • Breakeven Fiscal Year • Net Present Value • Internal Rate of Return

Figure 10: Cost Benefit Analysis

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1. Cost-Benefit Analysis Results

This section contains the CBA forms presenting the cost and benefit analyses for the vendor payment registration solution. The program implementation approach requires a multi-year implementation and support. The result is a better picture of the program's true financial value, as evidenced by the Internal Rate of Return (IRR), the Net Present Value (NPV), the Payback Period, and the Breakeven Fiscal Year. The following spreadsheets provide the CBA forms and detailed cost and benefits calculations.

Commented [MD1]: Some screenshots below reference Vendor Management - consider changing to Vendor Payment Registration.

Commented [BP2R1]: All screenshots changed to "Vendor Payment Registration".

CBAForm 1 - Net Tangible Benefits

Agency: Florida Department of Financial Services Project: Vendor Payment Registration

Agency (Recurring Costs Only - No Project Costs)	FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		
	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs Resulting from Proposed Project	(d) Existing Program Costs	(e) = (d) + (b) New Program Costs Resulting from Proposed Project	(f) Existing Program Costs	(g) = (f) + (b) New Program Costs Resulting from Proposed Project	(h) Existing Program Costs	(i) = (h) + (b) New Program Costs Resulting from Proposed Project	(j) Existing Program Costs	(k) = (j) + (b) New Program Costs Resulting from Proposed Project
A. Personnel Costs - Agency-Managed Staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A.1. Total Staff	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A.1.a. State FTEs (Salaries & Benefits)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A.1.b. State FTEs (Other)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A.2. OPS Staff (Salaries)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A.2.a. OPS Staff (I)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A.2.b. OPS Staff (II)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A.3. Staff Augmentation (Contract Cost)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A.3.a. Staff Augmentation (I) of Contractors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A.3.b. Staff Augmentation (II) of Contractors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. Application Maintenance Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B.1. Managed Services (Staffing)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B.2. Hardware	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B.3. Software	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B.4. Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. Data Center Provider Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C.1. Managed Services (Staffing)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C.2. Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C.3. Network / Hosting Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C.4. Disaster Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C.5. Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. Plant & Facility Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E. Other Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E.1. Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E.2. Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E.3. Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total of Recurring Operational Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
F. Additional Tangible Benefits:	\$ -		\$ 1,827,140		\$ 1,827,140		\$ 2,002,284		\$ 2,002,284		\$ 2,086,655
F.1. Reduced incidence of fraudulent vendor payments	\$ -		\$ 1,827,140		\$ 1,827,140		\$ 2,002,284		\$ 2,002,284		\$ 2,086,655
F.2. Increased vendor application processing efficiency	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
F.3. Leveraging a more comprehensive and accurate vendor database for improved vendor and process broadly financial management	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
F.4. Reduced per check transaction costs	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
F.5. Other	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Total Net Tangible Benefits:	\$ -		\$ 1,827,140		\$ 1,827,140		\$ 2,002,284		\$ 2,002,284		\$ 2,086,655

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE - CBAForm 1B			
Choose Type	Estimate Confidence	Enter % (H)	
Detailed/Rigorous	Confidence Level		
Order of Magnitude	Confidence Level	10%	
Placeholder	Confidence Level		

Figure 11: Operational Costs and Tangible Benefits

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Florida Department of Financial Services Vendor Payment Registration

Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Reference vendor quotes in the Item Description where applicable. Include only one-time project costs in this table. Include any recurring costs in CBA Form 1A.

			CBA Form 2A Baseline Project Budget								
			FY2024-25			FY2025-26			FY2026-27		
			\$ 1,203,866			\$ 791,676			\$ 791,676		
Item Description <i>(remove guidelines and annotate entries here)</i>	Project Cost Element	Appropriation Category	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget
Project management personnel and related deliverables.	Project Management	Contracted Services	0.00	\$ 245,960	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -
Project oversight.	Project Oversight	Contracted Services	0.00	\$ 67,080	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -
Staffing costs for all professional services not included in other categories.	Consultants/Contractors - Consulting Support	Contracted Services	0.00	\$ -	\$ -	0.00	\$ 89,440	\$ -	0.00	\$ 89,440	\$ -
Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables - DDI	Contracted Services		\$ 533,000	\$ -		\$ -	\$ -		\$ -	\$ -
Professional services to support transitional system maintenance and operations during the project's DDI phase.	Subscriptions	Contracted Services		\$ 350,000	\$ -		\$ 700,000	\$ -		\$ 700,000	\$ -
Other project expenses not included in other categories.	Other Expenses	Expense		\$ 7,826	\$ -		\$ 2,236	\$ -		\$ 2,236	\$ -
Total			0.00	\$ 1,203,866	\$ -	0.00	\$ 791,676	\$ -	0.00	\$ 791,676	\$ -

Florida Department of Financial Services Vendor Payment Registration

Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Reference vendor quotes in the Item Description where applicable. Include only one-time project costs in this table. Include any recurring costs in CBA Form 1A.

			CBA Form 2A Baseline Project Budget								
			FY2027-28			FY2028-29			TOTAL		
			\$ 700,000			\$ 700,000			\$ 4,187,218		
Item Description <i>(remove guidelines and annotate entries here)</i>	Project Cost Element	Appropriation Category	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	TOTAL		
Project management personnel and related deliverables.	Project Management	Contracted Services	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ 245,960		
Project oversight.	Project Oversight	Contracted Services	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ 67,080		
Staffing costs for all professional services not included in other categories.	Consultants/Contractors - Consulting Support	Contracted Services	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ 178,880		
Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables - DDI	Contracted Services		\$ -	\$ -		\$ -	\$ -	\$ 533,000		
Professional services to support transitional system maintenance and operations during the project's DDI phase.	Subscriptions	Contracted Services		\$ 700,000	\$ -		\$ 700,000	\$ -	\$ 3,150,000		
Other project expenses not included in other categories.	Other Expenses	Expense		\$ -	\$ -		\$ -	\$ -	\$ 12,298		
Total			0.00	\$ 700,000	\$ -	0.00	\$ 700,000	\$ -	\$ 4,187,218		

Figure 12: Baseline Program Budget

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CBAForm 2 - Project Cost Analysis

Agency Florida Department of Financial Services Project Vendor Payment Registration

PROJECT COST SUMMARY (from CBAForm 2A)						
PROJECT COST SUMMARY	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL
TOTAL PROJECT COSTS (*)	\$1,203,866	\$791,676	\$791,676	\$700,000	\$700,000	\$4,187,218
CUMULATIVE PROJECT COSTS <small>(includes Current & Previous Years' Project-Related Costs)</small>	\$1,203,866	\$1,995,542	\$2,787,218	\$3,487,218	\$4,187,218	

Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.

PROJECT FUNDING SOURCES - CBAForm 2B						
PROJECT FUNDING SOURCES	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL
General Revenue	\$1,203,866	\$791,676	\$791,676	\$700,000	\$700,000	\$4,187,218
Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0
Federal Match <input type="checkbox"/>	\$0	\$0	\$0	\$0	\$0	\$0
Grants <input type="checkbox"/>	\$0	\$0	\$0	\$0	\$0	\$0
Other <input type="checkbox"/> Specify	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INVESTMENT	\$1,203,866	\$791,676	\$791,676	\$700,000	\$700,000	\$4,187,218
CUMULATIVE INVESTMENT	\$1,203,866	\$1,995,542	\$2,787,218	\$3,487,218	\$4,187,218	

Characterization of Project Cost Estimate - CBAForm 2C			
Choose Type	Estimate Confidence	Enter % (+/-)	
Detailed/Rigorous	Confidence Level		
Order of Magnitude <input checked="" type="checkbox"/>	Confidence Level	15%	
Placeholder	Confidence Level		

Figure 13: Program Cost Analysis

CBAForm 3 - Project Investment Summary

Agency Florida Department of Financial Services Project Vendor Payment Registration

COST BENEFIT ANALYSIS -- CBAForm 3A						
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL FOR ALL YEARS
Project Cost	(\$1,203,866)	(\$791,676)	(\$791,676)	(\$700,000)	(\$700,000)	(\$4,187,218)
Net Tangible Benefits	\$0	\$1,827,140	\$1,912,708	\$2,002,284	\$2,096,055	\$7,838,187
Return on Investment	(\$1,203,866)	\$1,035,464	\$1,121,032	\$1,302,284	\$1,396,055	\$3,650,969

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	2 1/7	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	2026-27	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	\$3,111,912	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	85.67%	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C					
Fiscal Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Cost of Capital	3.50%	3.50%	3.60%	3.60%	3.60%

Figure 14: Investment Summary

1. The Cost-Benefit Analysis Results

The projected net benefits for the vendor payment registration solution are significant and compelling. The estimated NPV from the vendor payment registration program over the next five years is \$3,111,912. The NPV calculation includes an estimate of \$7,838,187 in total program benefits and total program costs of \$4,187,218. With

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the current solution in place for over forty (40) years, the calculated NPV is quite conservative and likely understates the long-term benefits of the program to DFS and to the citizens in the state of Florida.

Program Costs

The estimated total cost of implementing the proposed vendor payment registration solution is \$4,187,218 over the program life.

Program Financial Return Analysis

DFS has computed the following values for the vendor payment registration solution.

Investment Term	Computed Value
Total Cost	\$4.2M distributed over 5 fiscal years
Benefits	\$7.8M in total benefits
Payback Period	2.14 years
Payback Date	SFY 2026-27
5-Year Analysis	
Net Tangible Benefits	\$3.7M (total benefits minus total costs)
NPV	\$3.1M
IRR	85.67%

Figure 15: Financial Return Analysis

The breakeven year is SFY 2026-27. This breakeven indicates a strong program which pays for itself quickly. The 5-year NPV is \$3.1 Million. By this measure, the vendor payment registration solution is a sound investment.

The IRR is 85.67 percent. The Florida Legislature's Office of Economic and Demographic Research (EDR) estimates the cost of capital for investment analysis purposes to be 3.60 percent at the end of the five-year timeline. Given that the vendor payment registration solution's IRR significantly exceeds the forecasted cost of capital, the program would positively impact DFS's financial position.

As the data shows, the tangible benefits of this program significantly outweigh the upfront costs, making this program a sound investment for the Florida Legislature to approve. The intangible benefits are significant, including improved accuracy and completeness of public records/audit support, improvement in state employee productivity, reduction of operational complexity, and an increase of internal controls by enabling standardization and automation of business processes within and between DFS and vendors.

The Department recommends the proposed vendor payment registration solution be approved and authorized to proceed with the initiation of the program's planning and procurement activities and that the required funding be requested by the Executive Office of the Governor and approved by the Legislature. The Department is confident that the investment required to fund the vendor payment registration solution will produce the identified benefits. The recommended next step is to secure funding of \$1,203,866 for FY 2024-2025 to move forward with the vendor payment registration solution.

IV. Schedule IV-B Major Project Risk Assessment

A. Risk Assessment Summary

A project risk assessment of the vendor payment registration solution project was performed using the assessment tool provided as part of the Information Technology Guidelines and Forms on the Florida Fiscal Portal. The tool requires answering 89 questions about the project being considered, divided into eight assessment categories. The results of the assessment are summarized below.

There are multiple questions within the risk assessment tool that require the software vendor to be identified before work can begin. The risk assessment areas most affected are Technology Exposure, Communication, Project Management and Organizational Change Management. Several items within Fiscal Assessment, Project Organizational Assessment and the Organizational Change Management Assessment require funding to proceed. When the project progresses to the point where these items can be appropriately addressed, the impacted risk ratings will improve substantially. There are also some technology-related questions that are not relevant because this will be a Cloud SaaS (Software-as-a-Service) solution.

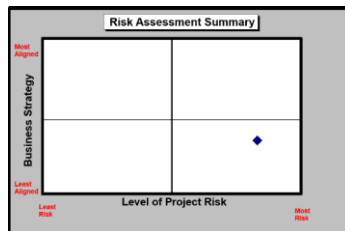


Figure 16: Risk Assessment Summary

Factors that contributed to the project's risk assessment level of "High" and its placement in the lower-right quadrant of the Risk Assessment Summary (see list below) will be addressed within the project's first few months. DFS can begin work prior to procurement to further reduce risks.

- Strategic Risk
 - a. The executive sponsor will sign the project charter.
 - b. Project sponsors, senior management and other executive stakeholders will be actively engaged.
 - c. Program business/program area requirements, assumptions, constraints, and priorities will be defined and documented.
- Technology Risk
 - a. The agency will acquire needed external technical resources for implementation and operations.
- Change Management Risk
 - a. All business process changes will be defined and documented.
 - b. An Organizational Change Management Plan will be developed early in the project.
 - c. Process changes will be thoroughly tested prior to going live.
- Communication Risk
 - a. A Communication Plan will be approved.
 - b. The Communication Plan will promote the routine use of feedback (at a minimum).
 - c. All affected stakeholders will be included in the Communication Plan.
 - d. All key messages will be documented in the Communication Plan.
 - e. The Communication Plan will identify and assign needed staff.
- Fiscal Risk
 - a. A Spending Plan will be documented and approved for the project lifecycle.
 - b. All project expenditures will be identified and documented in the Spending Plan.
 - c. The cost estimates for the project will be accurate within +/- 10%
 - d. Funds will be available within the requested budget to complete the project.
 - e. A contract manager will be assigned.

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- Project Organization
 - a. The project organization and governance structure will be defined and documented.
 - b. A project staffing plan will identify and document all staff roles and responsibilities.
 - c. The Change Review and Control Board will include representation from all stakeholders.
- Project Management Risk
 - a. All design specifications will be defined and documented.
 - b. All requirements and specifications will be traceable to specific business rules.
 - c. All project deliverables and acceptance criteria will be identified.
 - d. The Work Breakdown Structure will be defined to the work package level.
 - e. The project schedule will specify all project tasks, go/no-go decision points, milestones, and resources.
 - f. Formal project status reporting will be in place.
 - g. All planning and reporting templates will be available.
 - h. All known project risks and mitigation strategies will be identified.

The overall project risk level will decrease from "High" when many of the above items are addressed. Additionally, addressing these items will shift the current placement of the project in the risk quadrant to reflect a more accurate alignment with the business strategy not currently represented in the risk assessment tool.

The table below illustrates the risk assessment areas evaluated and the breakdown of the risk exposure assessed in each area. As indicated above, the overall project risk should diminish significantly within the first few months when the project structure is in place, business processes and requirements are fully mapped and defined, and the foundational technology elements have been implemented.

Project Risk Area Breakdown	
Risk Assessment Areas	Risk Exposure
Strategic Assessment	MEDIUM
Technology Exposure Assessment	MEDIUM
Organizational Change Management Assessment	HIGH
Communication Assessment	HIGH
Fiscal Assessment	MEDIUM
Project Organization Assessment	HIGH
Project Management Assessment	HIGH
Project Complexity Assessment	HIGH
Overall Project Risk	HIGH

Figure 17: Overall Project Risk

V. Schedule IV-B Technology Planning

A. Current Information Technology Environment

1. Current System

The current system landscape consists of three solutions:

- **Florida Accounting Information Resource/Florida Planning and Ledger Management (FLAIR / Florida PALM):** FLAIR is the State of Florida's active state accounting system. All receipts of cash, disbursements of state and federal funds, and sub-ledger records for contracts, grants, appropriations, allotments, and financial coding information are housed and recorded in FLAIR. FLAIR is the system of record for all state and federal audits of financial transactions. Florida PALM is the successor system to FLAIR and is currently in an implementation phase with cash management processes being implemented, followed by the other modules over the coming years.
- **MyFloridaMarketPlace (MFMP):** MFMP is the State of Florida's e-procurement management system. It serves as a central portal to do business with the state, for state agencies to request quotes on available goods and services, issue purchase orders, and for vendors to submit invoices for services/goods provided. MFMP also includes the Vendor Information Portal (VIP), which provides functionality formerly performed by the state's Vendor Bid System (VBS). The MFMP VIP provides a self-service portal where vendors can register, receive electronic purchase order information, and receive information on upcoming bids. No validations are performed in MFMP. The use of MFMP is governed by Florida Statutes, Florida Administrative Code, and Department of Management Services guidance.
- **Statewide Vendor File (SWVF):** The Department's Statewide Vendor File (SWVF) is a component of Florida Accounting Information Resource (FLAIR). The information recorded in SWVF is used for disbursement transactions, tax reporting, and public transparency sites. It is complemented by the Electronic Transfers (ET) file in FLAIR; this file maintains a vendor's banking information to enable the vendor to receive electronic payments from the Department.

2. Current System Resource Requirements

The current software platform is a proprietary client-server solution that resides on-premise and requires IT infrastructure to manage. There are approximately 100,000 active vendor records in the system today, but there have been as many as 500,000. Vendor records are periodically purged from the portal, but payment records are kept for 7 years in FLAIR. Records associated with validating EFT must be kept for 50 years. The volume of storage required is not known.

3. Current System Performance

The current solution has relatively reliable performance. However, with a modern system, fraud checking is vastly improved both in terms of identifying fraud and how fast it performs the checks. Modern systems also add functionality for user access control, audit tracking, status monitoring, vendor communications, performance metric tracking capabilities and generation.

The current solution is 40+ years old and has some reliable security features in place (e.g., role/user management, SSL encryption for web portal). However, there are multiple concerns with the current solution based on how security has evolved (e.g., multifactor authentication, single sign-on, regular security upgrade/patching routines, system and/or application event logging).

B. Current Hardware and/or Software Inventory

The current solution is built to support FLAIR, which runs on the AS/400-based client-server architecture.

C. Proposed Technical Solution

1. Technical Solution Alternatives

The recommended approach is to buy and tailor a solution-as-a-Service (SaaS) platform in support of a vendor payment registration solution. The solution will support the business functions and integrate with Florida PALM.

2. Rationale for Selection

Solution Implementation Approach Factors below depict the alignment of each implementation alternative with the alternative selection rationale criteria.

Evaluation Criteria	Implement a cloud-based Software-as-a-Service (SaaS) Solution	Build a Custom Solution	Do Nothing
Time to Implement	●	◐	N/A
Timing of Benefits	●	◐	○
Business Agility	◐	●	○
Technology Agility and System Security	●	◐	○
Integration Complexity Reduction	●	◐	◐
Risk	◐	◐	○
Business Disruption	◐	◐	●
Solution Maintenance	◐	◐	●
Change Management	◐	◐	N/A
Overall Implementation Cost	\$\$	\$\$\$\$	0



Figure 18: Solution Implementation Approach Factors

The Harvey Ball™ analysis shows that Alternative 1, implementing a SaaS solution, is the clear best path forward and provides the best return on investment for DFS. Building a custom solution (Alternative 2) provides comparable benefits to Alternative 1 but will take much longer and carry significantly higher costs to implement and maintain. The primary factors considered include:

Time to Implement – The elapsed time to complete implementation of the solution. The effort time required to build a solution for Alternative 2 has not been estimated but will undoubtedly take longer. Post build implementation time for Alternative 2 will also be longer than implementation time for Alternative 1. This is primarily due to the software vendor having prior experience implementing their solution. Alternative 3 has no implementation time.

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Timing of Benefits – The amount and elapsed time from project initiation until benefits of the integrated platform occur. Alternatives 1 and 2 achieve benefits quickly once the systems are live but build time for Alternative 2 means that the system will go live much later. Alternative 3 achieves no benefits.

Business Agility – The extent to which the solution provides flexibility and speed to adapt to business changes within DFS, establish new business processes, or modify existing processes within DFS. Alternative 1 provides the functionality needed to adapt to changes, but there are some limitations on customizations due to the SaaS platform. Alternative 2 provides the most flexibility but is very expensive to customize over time.

Technology Agility and System Security – The extent the solution provides flexibility and speed to adapt to internal technology changes within DFS and evolving technologies in the marketplace. Alternative 1, by leveraging SaaS, gives DFS an ability to automatically leverage leading practices from other SaaS customers to leverage cutting-edge technologies as they evolve. Alternative 2 offers flexibility but at a significantly higher cost.

Integration Complexity Reduction – The extent to which the solution reduces complex or time-consuming interim integrations between the new solution components and components of the old solution. Alternative 1 involves configuration of an existing API to Florida PALM, reducing the need for interim integration. Alternative 2 requires building a new point-to-point interface requiring maintenance as the systems evolve.

Risk – The level of risk that is attributable to a solution. By leveraging proven SaaS technology with Alternative 1, DFS increases the security posture, reduces the potential for fraud, and reduces the overall risk of the Florida PALM ecosystem. Alternative 2 carries significantly more risk due to its proprietary nature and therefore requires significantly more testing/validation to achieve the similar quality as Alternative 1. Alternative 3 presents the highest risk to DFS due to the potential threat and impact of fraud.

Business Disruption – The extent of business disruption to Departments within DFS. This impact considers the total amount of time, the number of times, and the percentage of resources spent on implementing a solution. Alternative 1 carries some disruption as most of the work to support DFS's desired business process requires configuration. This is much less disruptive than Alternative 2, where the desired business process is built from scratch and requires much more input/feedback/testing from the business. Both Alternative 1 and 2 need to be rolled out to the vendors which will require supporting the vendors through the transition. Alternative 3 has no disruption to the current business processes.

Solution Maintenance – The level of effort required to keep the solution up to date. Alternative 1 will require less effort to maintain vs Alternative 2 as the software vendor absorbs some of the responsibilities that would be up to DFS with Alternative 2. Alternative 3 requires the least amount of technology maintenance, but to keep pace with evolving threats requires increasing amounts of labor. Alternative 3 relies on older technology which will make it harder and more expensive to support as time passes.

Change Management – The amount of organizational change management required to implement a solution. Alternative 1 and 2 will have a similar impact, but there may be a difference in timing depending on how DFS elects to develop the functionality in Alternative 2 to achieve equivalent functionality. Alternative 2 would also likely require DFS to make more changes because the application needs to be developed. While Alternative 3 does not require organizational change, it does require significant manual processing and risk to continue moving forward.

Overall Implementation Cost – The Overall Implementation Cost is the total cost to implement a solution. Alternative 1 leverages a pre-built code base with most discussions focused on system configuration. This is far more cost-effective than Alternative 2, which requires building an entirely new system. Alternative 3 has no implementation costs.

3. Recommended Technical Solution

Engage with a vendor and/or service partner to build a SaaS platform for DFS.

D. Proposed Solution Description

1. Summary Description of Proposed Solution

The cloud-based SaaS is recommended to serve as DFS’s vendor payment registration platform. Below is a high-level flow chart for future process design illustrating how vendor payment registration solution will function with both FLAIR and Florida PALM. The proposed solution will remove significant manual processing needs.

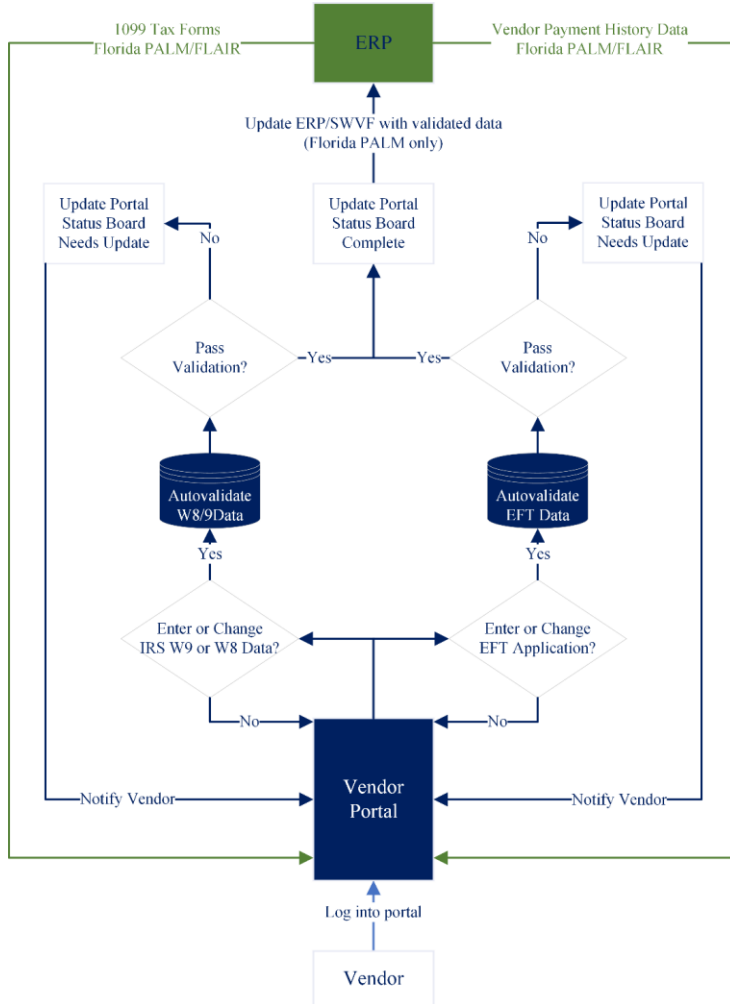


Figure 19: Vendor Payment Registration Flow Chart

E. Capacity Planning

Modernizing system solutions and infrastructure to support program fluctuations of vendor payment registration and EFT registration data is critical.

Capacity requirements are based on historical data, new solution design specifications, and performance requirements. Technology planning includes factors driving relative changes from the current state of processing, storage, and network capacity to support DFS operations.

The processing to support operational data processing will change driven by:

- Fluctuation in vendor registration volume and EFT registration volume.
- Ecosystem-wide use of real-time information.
- Reduction in system-to-system interface data replication and interface processing.
- Increased information used in processing.
- Real-time business rules and decision-making.

To minimize the risk of processing, storage, and network capacity affecting business operations, new systems will:

- Encourage the use of cloud infrastructure which can be dynamically provisioned quickly at a low cost.
- Require proof of ability to scale horizontally, allowing transactions processing to occur in parallel.
- Monitor impacts on bandwidth capacity and make the adjustments for endpoints.

VI. Implementation Roadmap

A. Estimated Implementation Project Schedule

Based on our estimation and understanding as gleaned from meetings with potential SaaS vendors, the expectation is the implementation of a vendor payment registration solution will take approximately 6 months to complete. A schematic representation of such a timeline is presented below (Figure 19). Included below is the timeline to develop the integration with Florida PALM or connectivity with FLAIR. The decision will need to be made early in the process.

Should DFS opt not to include integration with Florida PALM during the implementation of the vendor payment registration, a separate implementation will need to occur. This may impact the overall implementation fees and the schedule will need to be discussed with the software vendor.

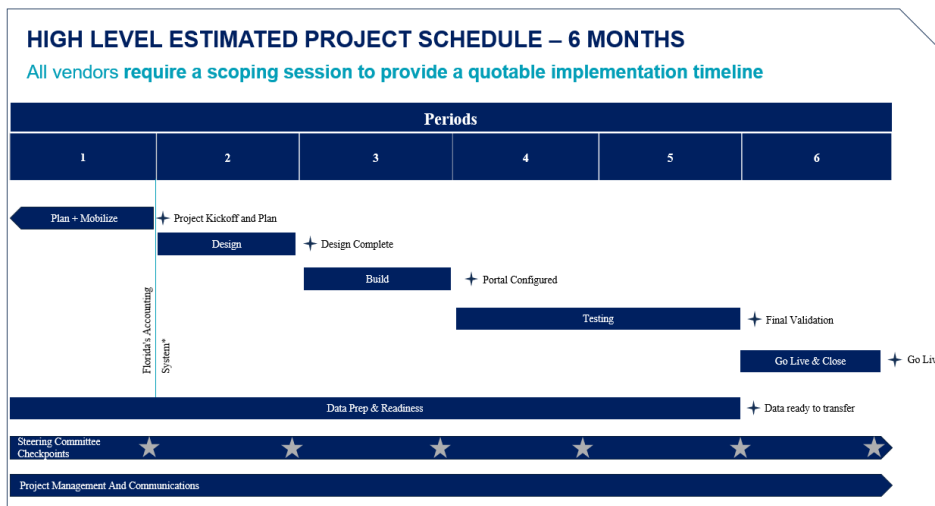


Figure 20: Implementation Roadmap

Schedule Considerations

The estimated project schedule was designed to align with the State’s requirements. Key considerations are as follows.

- Due to the Florida PALM schedule, the vendor payment registration solution would need to be implemented by June 2025.
- Procurement can begin once the Schedule IV-B is approved.
- Procurement activities will be completed within 6 months.
- The 6-month implementation timeline may limit solution choice.
 - The risk is less when working with a vendor whose standard implementation project schedule fits within the State’s timeline requirement.
 - Vendors can typically accelerate their implementation schedules, but an accelerated schedule requires DFS to allocate more time within the implementation timeframe.
 - It is advisable for DFS to assign full-time resources to the project with accelerated schedules.
- Solution interfaces need to be ready to test with Florida PALM to coincide with the planned April/May testing period.

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- If the vendor payment registration solution is launched prior to Florida PALM being ready for integration with the vendor payment registration solution, labor may be required to transfer information from the vendor payment registration solution to FLAIR/SWVF.
 - There are no plans to integrate the output of the vendor payment registration solution with FLAIR/SWVF.
 - The impact would depend on the specific launch plan (to be worked out with the software vendor).
 - There is a risk that a large quantity of the existing 100K vendors could register within the first few months. Because the solution makes it much easier to apply for EFT, many of the registering vendors would likely opt for EFT (which adds to the labor burden).
- The Office of Florida Financial Education team has the available resources to notify and prepare vendors for the conversion within the allotted time.
 - DFS will need to work out a plan with the software vendor to determine the best path to onboard vendors.
 - The resources required to launch may determine the strategy for onboarding vendors and could impact implementation costs.
- The Office of Florida Financial Education team (internal A&A training team) has the capability to prepare the team for the magnitude of changes the new solution will produce.
 - DFS is evolving from a manual centric operation to a technology driven operation.
 - Job requirements will change.
 - The DFS team will need skilled individuals to monitor and manage updates to the software (the updates occur on the vendor's schedule).
 - The DFS team will need skilled individuals to make changes to improve the effectiveness of the software as they grow their understanding of the technology or gain access to new capabilities.
 - DFS management will have much greater visibility into the day-to-day activities of the DFS workforce. This will likely impact the culture.

VII. Schedule IV-B Project Management Planning

Include through file insertion or attachment the agency's project management plan and any associated planning tools/documents.

NOTE: For IT projects with a total cost in excess of \$10 million, the project scope, business objectives, and timelines described in this section must be consistent with existing or proposed substantive policy required in s.216.023(4)(a)10, FS.

The project management methodology used by DFS is based on the PMI's Project Management Framework and adheres to Rule 60GG-1, F.A.C., Department of Management Services Project Management and Oversight Standards. The DFS Project Manager and the implementation vendor will agree on an appropriate project management methodology. The Project Director or Project Sponsor may consider changes to the methodology at any phase of the project, as deemed appropriate, including the use of Agile methodologies that focus on customer satisfaction through the early and continuous delivery of working software, close cooperation between business users and software developers, quality improvement, and continuous attention to technical excellence and good design.

Regardless of the specific project management methodology employed, certain management and control mechanisms will be relevant to all phases of this project, including:

- Project Charter that conveys what is in and out of scope and will be accomplished by the project, signed, and authorized by the Project Executive Sponsor
- Project Contract(s) & Procurement Management
- Project Management Plan
- Baseline project schedule
- Requirements Management
- Scope Management
- Deliverable Management
- Quality Management (excludes Independent Verification and Validation (IV&V) due to limited size of the implementation)
- Organizational Change Management
- Project Issues Register
- Project Risk Register
- Stakeholder Register
- Financial Management
- Monitoring and Reporting

The use of the project control framework indicated above, together with the Project Management Plan application, will assist the Project Manager and Project Sponsor in planning, executing, managing, administering, and controlling all phases of the project. Control activities will include, but may not be limited to:

- Monitoring project progress.
- Identifying, documenting, evaluating, and resolving project-related problems that may arise.
- Reviewing, evaluating, and making decisions on proposed changes; changes to the project scope will be tightly controlled according to a documented change request, review, and approval process agreed to by key stakeholders.
- Identifying risks, developing timely risks mitigation strategies, monitoring, and managing to minimize the impact on the project as required by the risk management plan.
- Identifying issues, developing timely issue resolution strategies, monitoring, and tracking, and managing to minimize the impact on the project as required by a documented issue reporting and management process.
- Monitoring the quality of project deliverables and taking appropriate actions about any project deliverables that are deficient in quality.
- Monitoring the contracts to ensure the terms of the contract and statement of work are being met.

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A. Project Deliverables

The following table contains a preliminary list of potential project deliverables. The final deliverables list, which will include acceptance criteria, will be developed in conjunction with the selected implementation vendor and will be appropriate to the final implementation methodology.

Name	Owner	Deliverable Description
PROJECT MANAGEMENT		
Project Charter	DFS	Provides an overview of key aspects of the project, including key resource needs, project roadmap, solution description, and other information
Project Management Plan	Vendor/DFS	The Project Management Plan (PMP) is a formal, approved document used to manage project execution. The PMP documents the actions necessary to define, prepare, integrate, and coordinate the various planning activities. The PMP defines how the project is executed, monitored, controlled, and closed. Updates progressively elaborate throughout the project. Includes the following documents as required by the Project Director and/or the PMO: <ul style="list-style-type: none"> • Work Breakdown Structure • Resource and Cost Loaded Project Schedule • Procurement Management Plan • Requirements Management Plan • Organizational Change Management Plan • Communication Plan • Document Management Plan • Scope Management Plan • Quality Management Plan • Deliverable Expectations • Deliverable Management Plan • Risk Management Plan • Risk Response Plan • Issue Management Plan • Change Management Plan • Resource Management Plan • Conflict Resolution Plan • Baseline Project Budget
Project Communication Plan	DFS	The communications management plan defines who (project stakeholders) will need what specific information, when the information is needed, and the expected modality for the communication message. The Communication Plan will include, at a minimum, the purpose and approach, communication goals and objectives, communication roles, communication tools and methods, and high-level project communication messages
Project Management Status Reports	Vendor	Weekly status reports to the project management team
Risk and Issue Registers	DFS/Vendor	Prioritized lists of risks and issues identified and reviewed during the project
Meeting Minutes	DFS	Record of decisions, action items, issues, risks, and lessons learned identified along the course of the project and during formal stakeholder meetings
CHANGE MANAGEMENT		
Organizational Change Management (OCM) Plan	DFS	Describes the overall objectives and approach for managing organizational change during the project, including the methodologies and deliverables that will be used to implement OCM for the project
OCM Status Reports	DFS	Weekly status reports to the project management team

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Name	Owner	Deliverable Description
Stakeholder Analysis	DFS	Identifies the groups impacted by the change, the type and degree of impact, group attitude toward the change, and related change management needs
Training Plan	DFS	Defines the objectives, scope, and approach for training all stakeholders who require education about the new organizational structures, processes, policies, and system functionality
Change Readiness Assessment	DFS	Surveys the readiness of the impacted stakeholders to "go live" with the project and identifies action plans to remedy any lack of readiness
FUNCTIONAL SOLUTION		
As-Is Business Process Flows	DFS	Represents, graphically, the current state of program areas' business processes using standard business process notation This document should include narrative descriptions of key activities, including owners, inputs, and outputs
To-Be Business Process Flows	Vendor	Represents the future state of program area business processes, as re-engineered by the vendor in conjunction with DFS subject matter experts. The process flows are developed using standard business process notation. This document should include narrative descriptions of key activities, including owners, inputs, and outputs
Process Improvement Plan	Vendor	The plan that defines potential business process changes and how those changes are to be implemented
Functional Requirements	Vendor	Functional requirements determined to implement the solution
Design Demonstration	Vendor	Review and acceptance of the solution design are required before proceeding to development. Key stakeholders will experience the prototype, and then a go/no-go decision will be submitted to the Project Sponsors for action
TECHNICAL SOLUTION		
Technical Requirements	Vendor	Technical requirements determined to implement the solution
Technical Design Specification	Vendor	Detailed technical design for data and information processing in the new business solution.
User Security Requirements	DFS	Detailed requirements so that solution users are given the appropriate level of access to create/maintain/archive/view solution content
DATA CONVERSION		
Data Conversion Plan	Vendor	Plan to convert data from existing systems that meet the specifications of the new database design, including detailed data conversion mapping
Data Migration Plan	Vendor/DFS	Plan to migrate data from existing systems to new databases as required
SOLUTION TESTING		
Test Plans	DFS	Detailed test plans for unit testing, solution testing, load testing, and user acceptance testing
User Acceptance Testing	DFS	Execution of a documented set of actions to be performed within the solution to confirm that all functional requirements have been met
CUTOVER		
Functional Business Solution	Vendor	A final production version of the new business solution
Implementation Plan	Vendor	Detailed process steps to implement the new solution

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Name	Owner	Deliverable Description
Knowledge Transfer Plan	Vendor	Based on a gap analysis, this plan will detail the steps taken to transfer knowledge about the solution to the resources that ultimately will be responsible for post-implementation support; includes a post-go-live period of Hypercare by the project team
Solution Operation and Maintenance Plan	DFS	A detailed plan for how the finished solution will be operated and maintained, including all requirements for the solution to comply with NIST standards

Figure 21: Project Deliverables

B. Risk Management Plan

All phases of the project will follow the standards defined by the Florida Digital Service (FL[DS]). Standards include processes, templates, and procedures for documenting and mitigating risk.

A Risk Management Plan (RMP) will be developed and adhered to throughout all project phases. The RMP will include clear risk management procedures, standard checkpoints, and mitigation strategies. Executing a well-defined RMP with clear mitigation strategies for each risk is critical to the project’s success. The purpose of risk management is to identify the risk factors for the project and establish a risk management plan to minimize the probability that the risk will negatively affect the project. It is recommended that the following checkpoints be followed during the project:

Task	Recommendation
Risk Management Plan	Have planned semiannual reviews and updates after the submission and approval of the risk management plan with the Project Director and Project Sponsor. More frequent or “as required” updates should be performed.
Risk Management Reviews	As part of a disciplined approach to addressing project risks, monthly risk meetings should be conducted during the project life cycle at intervals agreed upon with the Project Director and Project Sponsor.

Figure 22: Risk Management

C. Organizational Change Management

Effective Organizational Change Management (OCM) will be integral to the success of this project and will be a critical success factor for ensuring staff participation in business process improvement, implementation, and user acceptance. A significant organizational impact is expected because of automating existing manual processes and consolidation to an enterprise approach. OCM will be effectively implemented throughout the project life cycle through communication, awareness, and training.

A specific OCM methodology has not been identified at this phase but will be identified in the Organizational Change Management Plan.

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At a minimum, the following will be included in the final Organizational Change Management Plan:

- Description of roles, responsibilities, and communication between vendor and customer
- Skill/role gap analysis between the existing system and the proposed solution
- Training plan including curriculum, platform (e.g., classroom, virtual), and schedule
- OCM Communication Plan
- Overview of Changes (Why this, Why Now?)
- Job aids that include changes in policies, business practices, use of tools, data, and reporting
- Exception Handling, Stakeholder Analysis, Communication Phases
- Communications Matrix of Activities
- Implementation Readiness Assessment
- Readiness Assessment Reporting Process

The following key roles will have varying degrees of responsibility for executing the change management plan and delivering a consistent, positive message about change throughout the life of the project:

- Project Business Stakeholders Committee
- Organizational Change Manager (a member of the project management team dedicated to OCM)
- Project Director
- Project Sponsor(s)

D. Project Communication

All phases of the project will use communication methods proven to be effective in IT transformations and will follow the standards developed by the PMO. These will include a communication plan, a formal project kick-off meeting, status meetings, milestone reviews, adoption of methodology in defining roles, responsibilities, and quality measures of deliverables, regular status reports, regular review and evaluation of project issues and risks, periodic project evaluation, regular demonstrations, and reviews, and a project artifact repository.

Disseminating knowledge among stakeholders is essential to the project's success. Project sponsors, core project team members, and key stakeholders must be kept informed of the project status and how changes to the status affect them. The more people are kept informed about the progress of the project and how it will help them in the future, the more they will participate and benefit.

At this time, the specific communication needs of project stakeholders and the methods and frequency of communication have not been established. A detailed Communication Plan will be completed, which outlines the requirements for effective communication methods and how they will be implemented, including Legislative reporting requirements as defined in procurement. These will include project kick-off, regular status meetings, regular status reports, regular review and evaluation of project issues and risks, milestone reporting, periodic project evaluation, regular product demonstrations and reviews, a web-based discussion board, project website, etc. It is expected that the Communication Plan will be adhered to and receive updates as applicable during the life of the project.

E. Quality Management Plan

Due to the relative size of the project, a Quality Management Plan will act as a scaled-down version of a more formal Independent Validation and Verification (IV&V) Plan. It focuses on the delivery of value throughout the project and ensures that deliverable quality will stay consistently high for DFS regardless of size or scale of the project.

The approach builds a cadence to support strong team collaboration on deliverables, including peer review, a formal review and approval of deliverables, and formal tracking of those approvals. A deliverable is never reviewed by only one individual; it is the product of a broader team review to maintain the best possible quality.

The project will follow the PMO guidelines delineating timeline, budget, and quality specifications for each deliverable. Each deliverable will be assigned detailed acceptance criteria in the project contract. Quality will be monitored and controlled by the Project Management Team and deliverables will be accepted only when the acceptance criteria have been met. The PMO will provide oversight and assistance to the entire Project Team to ensure that standards are followed.

VIII. Appendices

A. Cost Benefit Analysis Tool



FY24-25
CBA_DFS_Vendor Pay

B. Risk Assessment Tool



Appendix_B_Project
_Risk_Assessment.xlt

C. Diagram Reference Guide

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No. 2	DFS Payment Registration Processes	8
No. 3	SWOT Analysis	9
No. 4	Implementation Assumptions and Constraints	10
No. 5	DFS Summarized Business Requirements	11
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No. 20	Implementation Roadmap	36
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D. Source Material Guide

Document	Page No.
CBA	Page 53 Cost Benefit Analysis Tool
Risk Assessment Tool	Page 53 Risk Assessment Tool

E. DFS Vendor Management Analysis Presentation



DFS.Vendor.Manag
ement.Analysis.Deliv

	B	C	D	E	F	G	H	
3	Project		<i>Project Name</i>					
4								
5	Agency		<i>Florida Department of Financial Services</i>					
6	FY 2023-24 LBR Issue Code:			FY 2023-24 LBR Issue Title:				
7	<i>Issue Code</i>			<i>Issue Title</i>				
8	Risk Assessment Contact Info (Name, Phone #, and E-mail Address):							
9	<i>Name ----- Phone # ----- E-mail address</i>							
10	Executive Sponsor		<i>Sponsor Name</i>					
11	Project Manager		<i>Project Manager Name</i>					
12	Prepared By		<i>Preparer Name</i>			<i>MM/DD/YYYY</i>		
14	Risk Assessment Summary							
15								
16	Business Strategy	Level of Project Risk						
17								Most Aligned
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29	Least Aligned							
30								
31	Least Risk							
32								
33	Most Risk							
34	Project Risk Area Breakdown							
35	Risk Assessment Areas						<i>Risk Exposure</i>	
36	Strategic Assessment						MEDIUM	
37								
38	Technology Exposure Assessment						MEDIUM	
39								
40	Organizational Change Management Assessment						HIGH	
41								
42	Communication Assessment						HIGH	
43								
44	Fiscal Assessment						MEDIUM	
45								
46	Project Organization Assessment						HIGH	
47								
48	Project Management Assessment						HIGH	
49								
50	Project Complexity Assessment						HIGH	
51								
52								
53	Overall Project Risk						HIGH	

	B	C	D	E
1	Agency: Florida Department of Financial Services			Project: Project Name
3	Section 1 -- Strategic Area			
4	#	Criteria	Values	Answer
5	1.01	Are project objectives clearly aligned with the agency's legal mission?	0% to 40% -- Few or no objectives aligned	81% to 100% -- All or nearly all objectives aligned
6			41% to 80% -- Some objectives aligned	
7			81% to 100% -- All or nearly all objectives aligned	
8	1.02	Are project objectives clearly documented and understood by all stakeholder groups?	Not documented or agreed to by stakeholders	Documented with sign-off by stakeholders
9			Informal agreement by stakeholders	
10			Documented with sign-off by stakeholders	
11	1.03	Are the project sponsor, senior management, and other executive stakeholders actively involved in meetings for the review and success of the project?	Not or rarely involved	Most regularly attend executive steering committee meetings
12			Most regularly attend executive steering committee meetings	
13			Project charter signed by executive sponsor and executive team actively engaged in steering committee meetings	
14	1.04	Has the agency documented its vision for how changes to the proposed technology will improve its business processes?	Vision is not documented	Vision is completely documented
15			Vision is partially documented	
16			Vision is completely documented	
17	1.05	Have all project business/program area requirements, assumptions, constraints, and priorities been defined and documented?	0% to 40% -- Few or none defined and documented	81% to 100% -- All or nearly all defined and documented
18			41% to 80% -- Some defined and documented	
19			81% to 100% -- All or nearly all defined and documented	
20	1.06	Are all needed changes in law, rule, or policy identified and documented?	No changes needed	No changes needed
21			Changes unknown	
22			Changes are identified in concept only	
23			Changes are identified and documented	
24			Legislation or proposed rule change is drafted	
25	1.07	Are any project phase or milestone completion dates fixed by outside factors, e.g., state or federal law or funding restrictions?	Few or none	Few or none
26			Some	
27			All or nearly all	
28	1.08	What is the external (e.g. public) visibility of the proposed system or project?	Minimal or no external use or visibility	Moderate external use or visibility
29			Moderate external use or visibility	
30			Extensive external use or visibility	
31	1.09	What is the internal (e.g. state agency) visibility of the proposed system or project?	Multiple agency or state enterprise visibility	Multiple agency or state enterprise visibility
32			Single agency-wide use or visibility	
33			Use or visibility at division and/or bureau level only	
34	1.10	Is this a multi-year project?	Greater than 5 years	1 year or less
35			Between 3 and 5 years	
36			Between 1 and 3 years	
37			1 year or less	

	B	C	D	E
1	Agency: Florida Department of Financial Services			Project: Project Name
3	Section 2 -- Technology Area			
4	#	Criteria	Values	Answer
5	2.01	Does the agency have experience working with, operating, and supporting the proposed technical solution in a production environment?	Read about only or attended conference and/or vendor presentation	Read about only or attended conference and/or vendor presentation
6			Supported prototype or production system less than 6 months	
7			Supported production system 6 months to 12 months	
8			Supported production system 1 year to 3 years	
9			Installed and supported production system more than 3 years	
10	2.02	Does the agency's internal staff have sufficient knowledge of the proposed technical solution to implement and operate the new system?	External technical resources will be needed for implementation and operations	External technical resources will be needed for implementation and operations
11			External technical resources will be needed through implementation only	
12			Internal resources have sufficient knowledge for implementation and operations	
13	2.03	Have all relevant technical alternatives/solution options been researched, documented and considered?	No technology alternatives researched	Some alternatives documented and considered
14			Some alternatives documented and considered	
15			All or nearly all alternatives documented and considered	
16	2.04	Does the proposed technical solution comply with all relevant agency, statewide, or industry technology standards?	No relevant standards have been identified or incorporated into proposed technology	Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards
17			Some relevant standards have been incorporated into the proposed technology	
18			Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards	
19	2.05	Does the proposed technical solution require significant change to the agency's existing technology infrastructure?	Minor or no infrastructure change required	Minor or no infrastructure change required
20			Moderate infrastructure change required	
21			Extensive infrastructure change required	
22			Complete infrastructure replacement	
23	2.06	Are detailed hardware and software capacity requirements defined and documented?	Capacity requirements are not understood or defined	Capacity requirements are based on historical data and new system design specifications and performance requirements
24			Capacity requirements are defined only at a conceptual level	
25			Capacity requirements are based on historical data and new system design specifications and performance requirements	

	B	C	D	E
1	Agency: Florida Department of Financial Services			Project: Project Name
3	Section 3 -- Organizational Change Management Area			
4	#	Criteria	Values	Answer
5	3.01	What is the expected level of organizational change that will be imposed within the agency if the project is successfully implemented?	Extensive changes to organization structure, staff or business processes	Moderate changes to organization structure, staff or business processes
6			Moderate changes to organization structure, staff or business processes	
7			Minimal changes to organization structure, staff or business processes structure	
8	3.02	Will this project impact essential business processes?	Yes	Yes
9			No	
10	3.03	Have all business process changes and process interactions been defined and documented?	0% to 40% -- Few or no process changes defined and documented	41% to 80% -- Some process changes defined and documented
11			41% to 80% -- Some process changes defined and documented	
12			81% to 100% -- All or nearly all processes defined and documented	
13	3.04	Has an Organizational Change Management Plan been approved for this project?	Yes	No
14			No	
15	3.05	Will the agency's anticipated FTE count change as a result of implementing the project?	Over 10% FTE count change	Less than 1% FTE count change
16			1% to 10% FTE count change	
17			Less than 1% FTE count change	
18	3.06	Will the number of contractors change as a result of implementing the project?	Over 10% contractor count change	Less than 1% contractor count change
19			1 to 10% contractor count change	
20			Less than 1% contractor count change	
21	3.07	What is the expected level of change impact on the citizens of the State of Florida if the project is successfully implemented?	Extensive change or new way of providing/receiving services or information)	Moderate changes
22			Moderate changes	
23			Minor or no changes	
24	3.08	What is the expected change impact on other state or local government agencies as a result of implementing the project?	Extensive change or new way of providing/receiving services or information	Minor or no changes
25			Moderate changes	
26			Minor or no changes	
27	3.09	Has the agency successfully completed a project with similar organizational change requirements?	No experience/Not recently (>5 Years)	No experience/Not recently (>5 Years)
28			Recently completed project with fewer change requirements	
29			Recently completed project with similar change requirements	
30			Recently completed project with greater change requirements	

	B	C	D	E
1	Agency: Agency Name		Project: Project Name	
3	Section 4 -- Communication Area			
4	#	Criteria	Value Options	Answer
5	4.01	Has a documented Communication Plan been approved for this project?	Yes	No
6			No	
7	4.02	Does the project Communication Plan promote the collection and use of feedback from management, project team, and business stakeholders (including end users)?	Negligible or no feedback in Plan	Negligible or no feedback in Plan
8			Routine feedback in Plan	
9			Proactive use of feedback in Plan	
10	4.03	Have all required communication channels been identified and documented in the Communication Plan?	Yes	No
11			No	
12	4.04	Are all affected stakeholders included in the Communication Plan?	Yes	No
13			No	
14	4.05	Have all key messages been developed and documented in the Communication Plan?	Plan does not include key messages	Plan does not include key messages
15			Some key messages have been developed	
16			All or nearly all messages are documented	
17	4.06	Have desired message outcomes and success measures been identified in the Communication Plan?	Plan does not include desired messages outcomes and success measures	Plan does not include desired messages outcomes and success measures
18			Success measures have been developed for some messages	
19			All or nearly all messages have success measures	
20	4.07	Does the project Communication Plan identify and assign needed staff and resources?	Yes	No
21			No	

	B	C	D	E
1	Agency: Florida Department of Financial Services		Project: Project Name	
3	Section 5 -- Fiscal Area			
4	#	Criteria	Values	Answer
5	5.01	Has a documented Spending Plan been approved for the entire project lifecycle?	Yes	No
6			No	
7	5.02	Have all project expenditures been identified in the Spending Plan?	0% to 40% -- None or few defined and documented	81% to 100% -- All or nearly all defined and documented
8			41% to 80% -- Some defined and documented	
9			81% to 100% -- All or nearly all defined and documented	
10	5.03	What is the estimated total cost of this project over its entire lifecycle?	Unknown	Between \$2 M and \$10 M
11			Greater than \$10 M	
12			Between \$2 M and \$10 M	
13			Between \$500K and \$1,999,999	
14			Less than \$500 K	
15	5.04	Is the cost estimate for this project based on quantitative analysis using a standards-based estimation model?	Yes	No
16			No	
17	5.05	What is the character of the cost estimates for this project?	Detailed and rigorous (accurate within ±10%)	Detailed and rigorous (accurate within ±10%)
18			Order of magnitude -- estimate could vary between 10-100%	
19			Placeholder -- actual cost may exceed estimate by more than 100%	
20	5.06	Are funds available within existing agency resources to complete this project?	Yes	No
21			No	
22	5.07	Will/should multiple state or local agencies help fund this project or system?	Funding from single agency	Funding from single agency
23			Funding from local government agencies	
24			Funding from other state agencies	
25	5.08	If federal financial participation is anticipated as a source of funding, has federal approval been requested and received?	Neither requested nor received	Neither requested nor received
26			Requested but not received	
27			Requested and received	
28			Not applicable	
29	5.09	Have all tangible and intangible benefits been identified and validated as reliable and achievable?	Project benefits have not been identified or validated	All or nearly all project benefits have been identified and validated
30			Some project benefits have been identified but not validated	
31			Most project benefits have been identified but not validated	
32			All or nearly all project benefits have been identified and validated	
33	5.10	What is the benefit payback period that is defined and documented?	Within 1 year	Within 3 years
34			Within 3 years	
35			Within 5 years	
36			More than 5 years	
37			No payback	
38	5.11	Has the project procurement strategy been clearly determined and agreed to by affected stakeholders?	Procurement strategy has not been identified and documented	Stakeholders have reviewed and approved the proposed procurement strategy
39			Stakeholders have not been consulted re: procurement strategy	
40			Stakeholders have reviewed and approved the proposed procurement strategy	
41	5.12	What is the planned approach for acquiring necessary products and solution services to successfully complete the project?	Time and Expense (T&E)	Firm Fixed Price (FFP)
42			Firm Fixed Price (FFP)	
43			Combination FFP and T&E	
44	5.13	What is the planned approach for procuring hardware and software for the project?	Timing of major hardware and software purchases has not yet been determined	Just-in-time purchasing of hardware and software is documented in the project schedule
45			Purchase all hardware and software at start of project to take advantage of one-time discounts	
46			Just-in-time purchasing of hardware and software is documented in the project schedule	
47	5.14	Has a contract manager been assigned to this project?	No contract manager assigned	No contract manager assigned
48			Contract manager is the procurement manager	
49			Contract manager is the project manager	
50			Contract manager assigned is not the procurement manager or the project manager	
51	5.15	Has equipment leasing been considered for the project's large-scale computing purchases?	Yes	No
52			No	
53	5.16	Have all procurement selection criteria and outcomes been clearly identified?	No selection criteria or outcomes have been identified	Some selection criteria and outcomes have been defined and documented
54			Some selection criteria and outcomes have been defined and documented	
55			All or nearly all selection criteria and expected outcomes have been defined and documented	
56	5.17	Does the procurement strategy use a multi-stage evaluation process to progressively narrow the field of prospective vendors to the single, best qualified candidate?	Procurement strategy has not been developed	Multi-stage evaluation and proof of concept or prototype planned/used to select best qualified vendor
57			Multi-stage evaluation not planned/used for procurement	
58			Multi-stage evaluation and proof of concept or prototype planned/used to select best qualified vendor	
59	5.18	For projects with total cost exceeding \$10 million, did/will the procurement strategy require a proof of concept or prototype as part of the bid response?	Procurement strategy has not been developed	Not applicable
60			No, bid response did/will not require proof of concept or prototype	
61			Yes, bid response did/will include proof of concept or prototype	
62			Not applicable	

	B	C	D	E
1	Agency: Florida Department of Financial Services		Project: Project Name	
3	Section 6 -- Project Organization Area			
4	#	Criteria	Values	Answer
5	6.01	Is the project organization and governance structure clearly defined and documented within an approved project plan?	Yes	No
6			No	
7	6.02	Have all roles and responsibilities for the executive steering committee been clearly identified?	None or few have been defined and documented	Some have been defined and documented
8			Some have been defined and documented	
9			All or nearly all have been defined and documented	
10	6.03	Who is responsible for integrating project deliverables into the final solution?	Not yet determined	Agency
11			Agency	
12			System Integrator (contractor)	
13	6.04	How many project managers and project directors will be responsible for managing the project?	3 or more	2
14			2	
15			1	
16	6.05	Has a project staffing plan specifying the number of required resources (including project team, program staff, and contractors) and their corresponding roles, responsibilities and needed skill levels been developed?	Needed staff and skills have not been identified	Some or most staff roles and responsibilities and needed skills have been identified
17			Some or most staff roles and responsibilities and needed skills have been identified	
18			Staffing plan identifying all staff roles, responsibilities, and skill levels have been documented	
19	6.06	Is an experienced project manager dedicated fulltime to the project?	No experienced project manager assigned	No experienced project manager assigned
20			No, project manager is assigned 50% or less to project	
21			No, project manager assigned more than half-time, but less than full-time to project	
22			Yes, experienced project manager dedicated full-time, 100% to project	
23	6.07	Are qualified project management team members dedicated full-time to the project	None	None
24			No, business, functional or technical experts dedicated 50% or less to project	
25			No, business, functional or technical experts dedicated more than half-time but less than full-time to project	
26			Yes, business, functional or technical experts dedicated full-time, 100% to project	
27	6.08	Does the agency have the necessary knowledge, skills, and abilities to staff the project team with in-house resources?	Few or no staff from in-house resources	Mostly staffed from in-house resources
28			Half of staff from in-house resources	
29			Mostly staffed from in-house resources	
30			Completely staffed from in-house resources	
31	6.09	Is agency IT personnel turnover expected to significantly impact this project?	Minimal or no impact	Minimal or no impact
32			Moderate impact	
33			Extensive impact	
34	6.10	Does the project governance structure establish a formal change review and control board to address proposed changes in project scope, schedule, or cost?	Yes	No
35			No	
36	6.11	Are all affected stakeholders represented by functional manager on the change review and control board?	No board has been established	No board has been established
37			No, only IT staff are on change review and control board	
38			No, all stakeholders are not represented on the board	
39			Yes, all stakeholders are represented by functional manager	

	B	C	D	E
1	Agency: Florida Department of Financial Services		Project: Project Name	
3	Section 7 -- Project Management Area			
4	#	Criteria	Values	Answer
5	7.01	Does the project management team use a standard commercially available project management methodology to plan, implement, and control the project?	No	Project Management team will use the methodology selected by the systems integrator
6			Project Management team will use the methodology selected by the systems integrator	
7			Yes	
8	7.02	For how many projects has the agency successfully used the selected project management methodology?	None	More than 3
9			1-3	
10			More than 3	
11	7.03	How many members of the project team are proficient in the use of the selected project management methodology?	None	Some
12			Some	
13			All or nearly all	
14	7.04	Have all requirements specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	81% to 100% -- All or nearly all have been defined and documented
15			41 to 80% -- Some have been defined and documented	
16			81% to 100% -- All or nearly all have been defined and documented	
17	7.05	Have all design specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	0% to 40% -- None or few have been defined and documented
18			41 to 80% -- Some have been defined and documented	
19			81% to 100% -- All or nearly all have been defined and documented	
20	7.06	Are all requirements and design specifications traceable to specific business rules?	0% to 40% -- None or few are traceable	0% to 40% -- None or few are traceable
21			41 to 80% -- Some are traceable	
22			81% to 100% -- All or nearly all requirements and specifications are traceable	
23	7.07	Have all project deliverables/services and acceptance criteria been clearly defined and documented?	None or few have been defined and documented	Some deliverables and acceptance criteria have been defined and documented
24			Some deliverables and acceptance criteria have been defined and documented	
25			All or nearly all deliverables and acceptance criteria have been defined and documented	
26	7.08	Is written approval required from executive sponsor, business stakeholders, and project manager for review and sign-off of major project deliverables?	No sign-off required	Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables
27			Only project manager signs-off	
28			Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables	
29	7.09	Has the Work Breakdown Structure (WBS) been defined to the work package level for all project activities?	0% to 40% -- None or few have been defined to the work package level	0% to 40% -- None or few have been defined to the work package level
30			41 to 80% -- Some have been defined to the work package level	
31			81% to 100% -- All or nearly all have been defined to the work package level	
32	7.10	Has a documented project schedule been approved for the entire project lifecycle?	Yes	No
33			No	
34	7.11	Does the project schedule specify all project tasks, go/no-go decision points (checkpoints), critical milestones, and resources?	Yes	No
35			No	
36	7.12	Are formal project status reporting processes documented and in place to manage and control this project?	No or informal processes are used for status reporting	No or informal processes are used for status reporting
37			Project team uses formal processes	
38			Project team and executive steering committee use formal status reporting processes	
39	7.13	Are all necessary planning and reporting templates, e.g., work plans, status reports, issues and risk management, available?	No templates are available	Some templates are available
40			Some templates are available	
41			All planning and reporting templates are available	
42	7.14	Has a documented Risk Management Plan been approved for this project?	Yes	No
43			No	
44	7.15	Have all known project risks and corresponding mitigation strategies been identified?	None or few have been defined and documented	None or few have been defined and documented
45			Some have been defined and documented	
46			All known risks and mitigation strategies have been defined	
47	7.16	Are standard change request, review and approval processes documented and in place for this project?	Yes	No
48			No	
49	7.17	Are issue reporting and management processes documented and in place for this project?	Yes	No
50			No	

	B	C	D	E
1	Agency: Florida Department of Financial Services			Project: Project Name
2				
3	Section 8 -- Project Complexity Area			
4	#	Criteria	Values	Answer
5	8.01	How complex is the proposed solution compared to the current agency systems?	Unknown at this time	Less complex
6			More complex	
7			Similar complexity	
8			Less complex	
9	8.02	Are the business users or end users dispersed across multiple cities, counties, districts, or regions?	Single location	More than 3 sites
10			3 sites or fewer	
11			More than 3 sites	
12	8.03	Are the project team members dispersed across multiple cities, counties, districts, or regions?	Single location	3 sites or fewer
13			3 sites or fewer	
14			More than 3 sites	
15	8.04	How many external contracting or consulting organizations will this project require?	No external organizations	1 to 3 external organizations
16			1 to 3 external organizations	
17			More than 3 external organizations	
18	8.05	What is the expected project team size?	Greater than 15	5 to 8
19			9 to 15	
20			5 to 8	
21			Less than 5	
22	8.06	How many external entities (e.g., other agencies, community service providers, or local government entities) will be impacted by this project or system?	More than 4	More than 4
23			2 to 4	
24			1	
25			None	
26	8.07	What is the impact of the project on state operations?	Business process change in single division or bureau	Statewide or multiple agency business process change
27			Agency-wide business process change	
28			Statewide or multiple agency business process change	
29	8.08	Has the agency successfully completed a similarly-sized project when acting as Systems Integrator?	Yes	Yes
30			No	
31	8.09	What type of project is this?	Infrastructure upgrade	Combination of the above
32			Implementation requiring software development or purchasing commercial off the shelf (COTS) software	
33			Business Process Reengineering	
34			Combination of the above	
35	8.10	Has the project manager successfully managed similar projects to completion?	No recent experience	No recent experience
36			Lesser size and complexity	
37			Similar size and complexity	
38			Greater size and complexity	
39	8.11	Does the agency management have experience governing projects of equal or similar size and complexity to successful completion?	No recent experience	Similar size and complexity
40			Lesser size and complexity	
41			Similar size and complexity	
42			Greater size and complexity	

SCHEDULE IV-B FOR FLORIDA PALM

For Fiscal Year 2024-25



July 1, 2024

FLORIDA PALM

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SCHEDULE IV-B FOR FLORIDA PALM

Schedule IV-B Cover Sheet

Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Department of Financial Services	Schedule IV-B Submission Date: July 14, 2023
Project Name: Florida PALM	Is this project included in the Agency's LRPP? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
FY 2024-25 LBR Issue Code: 36105C0	FY 2024-25 LBR Issue Title: FLAIR System Replacement
Agency Contact for Schedule IV-B (Name, Phone #, and E-mail address): Jimmy Cox, (850) 410-9020, Jimmy.Cox@myfloridacfo.com	
AGENCY APPROVAL SIGNATURES	
I am submitting the attached Schedule IV-B in support of our legislative budget request. I have reviewed the estimated costs and benefits documented in the Schedule IV-B and believe the proposed system can be delivered within the estimated time for the estimated costs to achieve the described benefits. I agree with the information in the attached Schedule IV-B.	
Agency Head: _____	Date: _____
Printed Name: Jimmy Patronis	
Agency Chief Information Officer (or equivalent): _____	Date: _____
Printed Name: Scott Stewart	
Budget Officer: _____	Date: _____
Printed Name: Teri Madsen	
Planning Officer: _____	Date: _____
Printed Name:	
Project Sponsor: _____	Date: _____
Printed Name: Steven Fielder	
Schedule IV-B Preparers (Name, Phone #, and E-mail address):	
Business Need:	Tommy Werner, (850) 410-9062, Tommy.Werner@myfloridacfo.com
Cost Benefit Analysis:	Tommy Werner, (850) 410-9062, Tommy.Werner@myfloridacfo.com
Risk Analysis:	Tommy Werner, (850) 410-9062, Tommy.Werner@myfloridacfo.com
Technology Planning:	
Project Planning:	

General Guidelines

The Schedule IV-B contains more detailed information on information technology (IT) projects than is included in the D-3A issue narrative submitted with an agency's Legislative Budget Request (LBR). The Schedule IV-B compiles the analyses and data developed by the agency during the initiation and planning phases of the proposed IT project. A Schedule IV-B must be completed for all IT projects when the total cost (all years) of the project is \$1 million or more.

Schedule IV-B is not required for requests to:

- Continue existing hardware and software maintenance agreements,
- Renew existing software licensing agreements that are similar to the service level agreements currently in use, or
- Replace desktop units ("refresh") with new technology that is similar to the technology currently in use.
- Contract only for the completion of a business case or feasibility study for the replacement or remediation of an existing IT system or the development of a new IT system.

Documentation Requirements

The type and complexity of an IT project determines the level of detail an agency should submit for the following documentation requirements:

- Background and Strategic Needs Assessment
- Baseline Analysis
- Proposed Business Process Requirements
- Functional and Technical Requirements
- Success Criteria
- Benefits Realization
- Cost Benefit Analysis
- Major Project Risk Assessment
- Risk Assessment Summary
- Current Information Technology Environment
- Current Hardware/Software Inventory
- Proposed Technical Solution
- Proposed Solution Description
- Project Management Planning

Compliance with s. 216.023(4)(a)10, F.S. is also required if the total cost for all years of the project is \$10 million or more.

A description of each IV-B component is provided within this general template for the benefit of the Schedule IV-B authors. These descriptions and this guidelines section should be removed prior to the submission of the document.

Sections of the Schedule IV-B may be authored in software applications other than MS Word, such as MS Project and Visio. Submission of these documents in their native file formats is encouraged for proper analysis.

The Schedule IV-B includes two required templates, the Cost Benefit Analysis and Major Project Risk Assessment workbooks. For all other components of the Schedule IV-B, agencies should submit their own planning documents and tools to demonstrate their level of readiness to implement the proposed IT project. It is also necessary to assemble all Schedule IV-B components into one PDF file for submission to the Florida Fiscal Portal and to ensure that all personnel can open component files and that no component of the Schedule has been omitted.

Submit all component files of the agency's Schedule IV-B in their native file formats to the Office of Policy and Budget and the Legislature at IT@LASPBS.STATE.FL.US. Reference the D-3A issue code and title in the subject line.

I. Schedule IV-B Business Case – Strategic Needs Assessment

A. Background and Strategic Needs Assessment

Purpose: To clearly articulate the business-related need(s) for the proposed project.

1. Business Need

The Chief Financial Officer (CFO) is identified as the chief fiscal officer and designated agency head for the Department of Financial Services (Department of DFS) by Article IV, § 4(c), of the Florida Constitution (Fla. Const.) and Chapter 17, section 17.001 and Chapter 20, section 20.21(1), Florida Statutes (F.S.). Section 215.94, F.S., identifies DFS as the functional owner of the Florida Accounting Information Resource Subsystem (FLAIR) and the CFO as the functional owner of the Financial Management Subsystem (FMS). FLAIR and FMS perform various financial and cash management functions. The systems support the business aspects of the Department's Division of Accounting and Auditing (A&A), Division of Treasury (Treasury), and State agency financial accounting.

A capable, flexible, and reliable financial management system is essential for an enterprise the size of Florida. FLAIR is not keeping up with the state's evolving and growing business needs and, as time goes on, the operational risk of relying on FLAIR only increases. Additionally, FLAIR was built using outdated code base, causing increasing difficulty finding development staff that can support the environment. The limitations with FLAIR and the associated impacts (e.g., proliferation of agency compensating systems and agency unique processes) are not trivial and negatively impact the operational productivity and the financial management of the state.

- The ability of the CFO and DFS to perform their mission is becoming increasingly difficult given the significant limitations with FLAIR. A new financial management system (FMS) is needed and the need for change is supported by the following factors: Organizations have implemented and continue to implement workarounds and financial related business systems to fill "gaps" created by FLAIR limitations. The proliferation of these organization unique processes and compensating financial systems will only continue as business needs change. The result is an increase in operational complexity, maintenance and administrative costs, and increased difficulty for the CFO and DFS to manage the state's financial resources. A secondary impact related to the number of organization unique processes and homegrown systems will be an increased level of complexity to transition to the new FMS.
- FLAIR was developed over 40 years ago and is maintained on an outdated code base and data structure and cannot be sufficiently updated to meet the state's changing business and financial management needs. This is demonstrated by the complexity and limited ability to add data elements, change data elements, etc. The limiting factor is the structure of the programming modules code base.
- Resources needed to maintain FLAIR are scarce and are becoming more limited. The loss of irreplaceable institutional knowledge and lack of qualified resources to support FLAIR increases future operational risk when changes to the system are needed or system issues need to be resolved. Resource knowledge is critical since system documentation may not always reflect the full productive state.
- FLAIR and the Florida Financial Management Information System (FFMIS) subsystems are designed and operated in a way contrary to supporting an enterprise-wide FMS. If the state wants to move towards an enterprise-wide FMS, the state will need to establish a flexible foundation to allow for evolution and to be a catalyst for future statewide operational efficiency and effectiveness efforts.

In accordance with Proviso Section 6, Line 2340A of the 2014 General Appropriations Act (GAA), the Florida Planning, Accounting, and Ledger Management (PALM) Project (Project), formerly known as the FLAIR and CMS Replacement Project, will replace the existing FLAIR and CMS systems with a single, integrated FMS.

In accordance with Section 122 of the 2022 GAA, the Project procured services to conduct an independent assessment for an information warehouse (IW) solution that retains the current historical reporting functionality and data provided by the FLAIR IW and inclusive of PALM data. The recommendation of the assessment was that an Oracle based data warehouse (DW) be implemented by the software and system integrator (SSI) vendor.

Florida PALM Operations currently uses a shared version of ServiceNow (SNow) provided by the SSI vendor through the SSI Contract. The shared instance is used by multiple clients and therefore limited in its ability to provide desired functionality to Florida PALM Production Operations.

Additional funding was established through:

- Chapter 2015-232, Section 6, Line 2331A, Laws of Florida
- Chapter 2016-066, Section 6, Line 2317A, Laws of Florida
- Chapter 2017-070, Section 6, Line 2334, Laws of Florida
- Chapter 2018-009, Section 6, Line 2332, Laws of Florida
- Chapter 2019-115, Section 6, Line 2422, Laws of Florida
- Chapter 2020-111, Section 6, Line 2389, Laws of Florida
- Chapter 2021-2022, Section 6, Lines 2344 and 2344A, Laws of Florida
- Chapter 2022-2023, Section 6, Lines 2395 and 2396, Laws of Florida
- Chapter 2023-2024, Section 6, Lines 2449A, 2449B and 2450, Laws of Florida

2. Business Objectives

NOTE: For IT projects with total cost in excess of \$10 million, the business objectives described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

The overall vision for the Florida PALM Project is to:

Implement a statewide accounting system to enforce standardization, acts as a scalable foundation to evolve as business needs change, and positions Florida for future innovation as it considers a true enterprise-wide solution.

To achieve this, the goals for the Project are:

1. Reduce the State's risk exposure by harnessing modern financial management technology built on the premises of scalability, flexibility, and maintainability
2. Improve state and agency specific decision making by capturing a consistent and an expandable set of data
3. Improve the State's financial management capabilities to enable more accurate oversight of budget and cash demands today and, in the future,
4. Increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies

B. Baseline Analysis

Purpose: To establish a basis for understanding the business processes, stakeholder groups, and current technologies that will be affected by the project and the level of business transformation that will be required for the project to be successful.

1. Current Business Process(es)

The core financial management transaction processing performed today in FLAIR are limited in scope. The limitations of these transactions, due in large part to the technical limitations of FLAIR has led to agencies developing and maintaining their own processes and systems, linked to FLAIR through automated and manual interfaces, to perform their financial management activities. The State currently lacks a set of clearly documented, enterprise level financial management processes and guidelines.

NOTE: If an agency has completed a workflow analysis, include through file insertion or attachment the analyses documentation developed and completed by the agency.

2. Assumptions and Constraints

The Florida PALM Project is operating under the following assumptions:

- There is commitment to the Project goals from all stakeholders
- The Project budget will be approved each fiscal year of the Project
- The Project schedule will be used to establish and monitor scope and progress of tasks supporting defined milestones and deliverables
- Revisions to the Project schedule will follow the established PMP change management process as appropriate
- Executive Steering Committee will provide timely decisions on items impacting project scope and schedule
- All core functionality to be included in the financial management solution will be identified as part of the requirements gathering and finalized in the Requirements Traceability Matrix
- Changes resulting from significant Legislative, business requirement, or policy changes during the Project that materially impact the Project will follow the change management process as defined in the PMP
- Software customization will be evaluated on a case-by-case bases; however not all customizations will be implemented
- The current FLAIR system will function until the FMS is fully implemented in production
- There is a sufficient talent pool within budget from which to hire state employee resources
- SSI contractor and state resources will be available to support the Project Schedule
- There will be sufficient engagement by agencies by resources knowledgeable about agency business processes and technical capabilities
- There will be sufficient and adequate responses from the vendor community for contracted services
- Collaborative partnerships with external advisors will focus on value to and success of the Project
- Agencies will understand and document their internal processes and modify them where possible to accommodate the financial management solution functionality
- Agencies will understand and document their current state technical architecture and business systems and modify to integrate with the financial management solution
- Agencies will request and timely receive budget needed to prepare and modify current business systems to integrate

C. Proposed Business Process Requirements

Purpose: To establish a basis for understanding what business process requirements the proposed solution must meet in order to select an appropriate solution for the project.

1. Proposed Business Process Requirements

Florida PALM's first activity was to develop a single set of standardized statewide business processes. The business process standardization was performed in two analysis steps, Level 1, and Level 2 analysis. These standard processes were reviewed and approved by representatives from all agencies using FLAIR and CMS.

The Level 1 analysis was completed at the end of 2014 to produce business process models along with supporting information identifying key business events, Accounting Events, and internal Control Points across ten business process areas.

The Level 2 analysis used the Level 1 analysis as the foundation in designing the business processes to a greater level of detail including integration points with statewide administrative systems, agency specific business systems, and other third-party systems. The Level 2 Business Process Model also identifies examples of roles and responsibilities for process areas, sub processes, approvals, and internal activities.

These standardized business processes were included as part of the software and system integrator solicitation.

During the Project solution analysis and design activities, the Project further refined the Level 2 Business Process Models while considering the functionality of the selected Oracle PeopleSoft software. The result was the creation of the Standardized Business Process Models, which were reviewed by all agencies using FLAIR and CMS and were approved by the Executive Steering Committee. The Standardized Business Process Models will be updated for Financials Wave and will be created for the Payroll Wave and published after the system design for those waves has been completed.

2. Business Solution Alternatives

Florida PALM released a comprehensive ITN on November 1, 2016 to obtain the software and system integrator (SSI) to replace FLAIR and CMS. The ITN was structured to successfully replace the current systems and implement the standardized financial management business processes while obtaining additional benefits from the software and system integrators.

In addition to identifying the best software to perform future financial management transactions, the ITN requested the respondents provide options and recommendations for additional elements of the system including the timing of implementation activities, timing of agency conversions to the new processes and software, and options for the hardware platform and system support.

Accenture LLP presented an offer to provide an SSI consisting of Commercial Off the Shelf (COTS) software from Oracle PeopleSoft.

3. Rationale for Selection

Through the ITN, the Project established a set of comprehensive evaluation criteria which guided the evaluation, negotiation, and contracting for the software, supporting infrastructure solution, implementation approach, and system integrator which will provide the best value to the State.

A public meeting held on June 15, 2018 by the negotiation team recommended an award for SSI services. Accenture LLP was identified as the responsible and responsive Respondent whose Reply was assessed as providing the best value to the State. The CFO decision on the intent to award for SSI services was obtained. A contract was executed on July 20, 2018 and funding for fiscal years one and two of the contract have been provided. The awarded contract complies with the scope and cost outlined in Proviso.

The system includes COTS Oracle based software that is used by more than a dozen state governments. Limited customizations would allow for easier maintenance.

4. Recommended Business Solution

NOTE: For IT projects with total cost in excess of \$10 million, the project scope described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4) (a) 10, F.S.

The SSI contract between DFS and Accenture LLP outlines a commitment to provide and implement a COTS Oracle PeopleSoft financial management system to replace FLAIR and CMS.

D. Functional and Technical Requirements

Purpose: To identify the functional and technical system requirements that must be met by the project.

The Florida PALM Business Requirements have been developed in conjunction with the Level 2 Standardized Business Process Models. Business Requirements were developed in three cycles and were reviewed by the Executive Steering Committee (ESC) for update and approval.

During the Project solution analysis and design activities, the Project further refined the Business Requirements while considering the functionality of the selected Oracle PeopleSoft software.

In accordance with FY 2022-23 Proviso, the Project went through extensive reviews of the planned Business Requirements. The requirements were updated as part of Amendment 8 to the SSI Contract.

Updates to the requirements were reviewed and approved by the Executive Steering Committee. The current Business Requirements are available on the project website at [Requirements Traceability Matrix](#).

II. Success Criteria

Purpose: To identify the critical results, both outputs and outcomes, that must be realized for the project to be considered a success.

SUCCESS CRITERIA TABLE				
#	Description of Criteria	How will the Criteria be measured/assessed?	Who benefits?	Realization Date (MM/YY)
1	A financial management solution to replace CMS is implemented	Successful execution of a software and system integrator contract Successful completion of CMS Wave implementation Successful cutover of first agency onto the CMS replacement component of the new solution.	DFS and State Agencies	07/21
2	A financial management solution to replace Central and Departmental FLAIR is implemented	Successful implementation of the in scope Financials (Central and Departmental) functionality.	DFS and State Agencies	01/26
3	A financial management solution to replace Payroll component of FLAIR is implemented	Successful implementation of the in-scope Payroll functionality	DFS and State Agencies	01/26
4	A data warehouse and reporting solution to replace the FLAIR Information Warehouse is implemented.	Successful implementation of the in-scope data warehouse functionality	DFS and State Agencies	01/26

III. Schedule IV-B Benefits Realization and Cost Benefit Analysis

A. Benefits Realization Table

Purpose: To calculate and declare the tangible benefits compared to the total investment of resources needed to support the proposed IT project.

For each tangible benefit, identify the recipient of the benefit, how and when it is realized, how the realization will

SCHEDULE IV-B FOR FLORIDA PALM

be measured, and how the benefit will be measured to include estimates of tangible benefit amounts.

BENEFITS REALIZATION TABLE					
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date (MM/YY)
1	Reduction of the State’s financial risk exposure through technology built on the premises of scalability, flexibility, and maintainability	DFS	Increase in flexibility to scale the system allows for the implementation of new functions in the future. Decrease in risk of system incidents due to a widely used enterprise resource planning solution. Increase in System Availability.	With each wave, Florida PALM will work with the contractor to document the benefits achieved.	Within 12-18 months following implementation
2	Improvement in the State’s decision making by capturing a consistent and an expandable set of data	DFS, Policymakers, and State Agencies	Increase in cleanliness of master data due to standardized and centralized data repositories.	With each wave, Florida PALM will work with the contractor to document the benefits achieved.	Within 12-18 months following implementation
3	Improvement in the State’s financial management and accounting capabilities to enable more accurate oversight of budget and cash demands today and in the future	DFS, Policymakers, and State Agencies	Increase accessibility of the system due to cloud infrastructure and mobile device compatibility. Enhanced reporting for cash balances and bank accounts.	With each wave, Florida PALM will work with the contractor to document the benefits achieved.	Within 12-18 months following implementation
4	Increase of internal controls by enabling	DFS and State	Increase internal controls	With each wave, Florida PALM	Within 12-18 months

BENEFITS REALIZATION TABLE					
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date (MM/YY)
	standardization and automation of business processes within and between DFS and the State's other governmental agencies	Agencies	to ensure proper approvals for related financial transactions.	will work with the contractor to document the benefits achieved.	following implementation

B. Cost Benefit Analysis (CBA)

Purpose: To provide a comprehensive financial prospectus specifying the project's tangible benefits, funding requirements, and proposed source(s) of funding.

The chart below summarizes the required CBA Forms which are included as Appendix A on the Florida Fiscal Portal and must be completed and submitted with the Schedule IV-B.

Cost Benefit Analysis	
Form	Description of Data Captured
CBA Form 1 - Net Tangible Benefits	<p>Agency Program Cost Elements: Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) that will be impacted by the proposed project.</p> <p>Tangible Benefits: Estimates for tangible benefits resulting from implementation of the proposed IT project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.</p>
CBA Form 2 - Project Cost Analysis	<p>Baseline Project Budget: Estimated project costs.</p> <p>Project Funding Sources: Identifies the planned sources of project funds, e.g., General Revenue, Trust Fund, Grants.</p> <p>Characterization of Project Cost Estimate.</p>
CBA Form 3 - Project Investment Summary	<p>Investment Summary Calculations: Summarizes total project costs and net tangible benefits and automatically calculates:</p> <ul style="list-style-type: none"> • Return on Investment • Payback Period • Breakeven Fiscal Year • Net Present Value • Internal Rate of Return

IV. Schedule IV-B Major Project Risk Assessment

Purpose: To provide an initial high-level assessment of overall risk incurred by the project to enable appropriate

risk mitigation and oversight and to improve the likelihood of project success. The risk assessment summary identifies the overall level of risk associated with the project and provides an assessment of the project's alignment with business objectives.

NOTE: All multi-year projects must update the Risk Assessment Component of the Schedule IV-B along with any other components that have been changed from the original Feasibility Study.

The Risk Assessment Tool and Risk Assessment Summary are included in Appendix B on the Florida Fiscal Portal and must be completed and submitted with the agency's Schedule IV-B. After answering the questions on the Risk Assessment Tool, the Risk Assessment Summary is automatically populated.

V. Schedule IV-B Technology Planning

Purpose: To ensure there is close alignment with the business and functional requirements and the selected technology.

A. Current Information Technology Environment

1. Current System

a. Description of Current System

FLAIR is the State's accounting system. It supports the accounting and financial management functions for the State's CFO including budget posting, receipt and disbursement of funds, payroll processing and employee portal, and the accounting information for the State's Annual Comprehensive Financial Report (ACFR).

FLAIR consists of the following components:

- **Payroll Accounting:** Processes the State's payroll. Payroll capabilities are contained within FLAIR.
- **Central Accounting:** Maintains cash basis records and is used by the CFO to ensure expenditures are made in accordance with the legislative appropriations. It contains cash balances and budget records as well as supports tax reporting; it is not a comprehensive General Ledger.
- **Departmental Accounting:** Maintains agencies' accounting records and is utilized at the end of each fiscal year to prepare financial statements in accordance with generally accepted accounting principles.
- **Information Warehouse:** A data repository and reporting system allowing users to access Central Accounting information and most Departmental Accounting information in FLAIR. The IW receives data from Central FLAIR, Departmental FLAIR, and Payroll.

FLAIR was implemented in the early 1980s based on source code from the 1970s. It runs on a mainframe and is used by state agencies with approximately 14,000+ individual users at 400+ accounting office sites throughout the State. FLAIR supports the financial oversight management of the State's \$117 billion budget and processes more than 95 million accounting transactions annually. FLAIR also pays 180,000 State personnel annually.

FLAIR is primarily a batch system, accessed via terminal emulation with no graphical interface. The mainframe and related database and software technology are difficult to maintain and do not fit with the Department's desired hardware and software platform standards. The current FLAIR architecture is neither flexible nor adaptable. The "siloed" design between FLAIR components presents challenges in making modifications and is not conducive to supporting the industry standard required number of instances necessary to support enterprise applications.

Beginning in July 2021, Florida PALM replaced the legacy Cash Management System (CMS). Some legacy processes were retired, while others were changed or created to support the exchange of information between Florida PALM, banks, Central FLAIR, Departmental FLAIR, Department of Revenue and the Information Warehouse. DFS uses Florida PALM for enterprise activities, while agencies have a limited role for CMS Wave.

Treasury uses Florida PALM to manage bank account activities and investments. Florida PALM receives interfaces from Central FLAIR and the banks to record the cash inflow and outflow information from agency and bank activities. This information is used to maintain cash balances by agency and fund, that are reconciled to the bank account balances. Florida PALM provides transaction status information provided by the banks to Central FLAIR and other business systems to support legacy processes and reports. Treasury uses Florida PALM to record investment activities and to apportion interest to agencies and pool participants.

A&A maintains the Florida PALM Chart of Accounts (COA) and crosswalk tool. Agencies or DFS business owners may request updates or additions to values needed in operations, which must be updated in Florida PALM and on the crosswalk tool before these values can be used successfully. The COA and crosswalk require ongoing maintenance and monitoring.

Agencies continue to use Departmental FLAIR for daily activities. Agencies use Florida PALM to initiate trust fund disinvestments and for reports. Agencies also use Florida PALM reports to support activities required in Departmental FLAIR for bank deposits and adjustments, and allocated interest earnings. The Department of Revenue makes deposits at the bank on behalf of other agencies and transmits that information to Florida PALM.

b. Current System Resource Requirements

FLAIR is constantly subject to changes from federal and state mandates including IRS yearly mandates, new legislative programs, and impacts due to changes in enterprise (e.g., MFMP) and agency systems. As state resources have retired or left, it is increasingly difficult to attract the required skills to backfill these resources. There is a shortage of skilled resources in the marketplace in these legacy technologies and they come with significant salary expectations in this competitive labor market. The loss of the expertise makes the ongoing support of the FLAIR application increasingly more challenging. It is very difficult to replace the 30 years of knowledge the retiring employee had with a short transition period to a new hire. There will be continued loss of experienced staff over the next three years. The magnitude of the skills lost, and the pace of this loss increases the strain on the remaining FLAIR team.

c. Current System Performance

FLAIR currently meets the minimum requirements to manage the accounts of the State and is not meeting the needs of DFS or the state's agencies. Some of the major concerns that agencies have with FLAIR include:

- Agencies have financial management needs which are not being met by FLAIR and have therefore implemented their own systems to meet these needs
- The current design of FLAIR creates complex manual processing requirements and produces delays in processing times
- Integration with FLAIR is technically difficult, and the technology used causes limitations to agency functionality

Agencies have had to develop reporting capabilities and workaround solutions due to limitations in FLAIR.

For additional information on current system performance and limitations, refer to Appendix 1, the FLAIR Study:

- Chapter 1, Section 1.3 Current State Performance
- Chapter 2, Section 2.2.1.2 Summary of Agency Information

2. Information Technology Standards

FLAIR is the system of record for the State of Florida financial transactions. The current nightly batch process takes most of the night and can therefore only run one time in a 24-hour cycle, presenting a significant limitation to user productivity and causing some complex transactions to take up to five days to process.

FLAIR is over 40-years old running on an IBM z114 2818-W03 mainframe supported at the DFS data center. FLAIR was custom developed beginning in the 1970s, implemented in the 1980s, and continues to be supported by the Department's Office of Information Technology. The FLAIR components were developed separately and rely on batch interfaces to transfer data between them. The Departmental FLAIR, Central FLAIR, and Payroll components utilize Adaptable Database Management System (ADABAS) for the database and Natural and COBOL as the

programming languages. FLAIR nightly batch processes are run on the IBM mainframe using Job Control Language (JCL). The IW utilizes IBM DB2 software for the database and WebFOCUS reporting tools.

B. Current Hardware and/or Software Inventory

NOTE: Current customers of the state data center would obtain this information from the data center.

C. Proposed Technical Solution

1. Technical Solution Alternatives

Florida PALM released a comprehensive ITN on November 1, 2016 to obtain the software and system integrator (SSI) to replace FLAIR and CMS. The ITN was structured to successfully replace the current systems and implement the standardized financial management business processes while obtaining additional benefits from the software and system integrators.

In addition to identifying the best software to perform future financial management transactions, the ITN requested the respondents provide options and recommendations for additional elements of the system including the timing of implementation activities, timing of agency conversions to the new processes and software, and options for the hardware platform and system support.

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2. Rationale for Selection

Through the ITN, the Project established a set of comprehensive evaluation criteria which guided the evaluation, negotiation, and contracting for the software, supporting infrastructure solution, implementation approach, and system integrator which will provide the best value to the State.

A public meeting held on June 15, 2018 by the negotiation team recommended an award for SSI services. Accenture LLP was identified as the responsible and responsive Respondent whose Reply was assessed as providing the best value to the State. The CFO decision on the intent to award for SSI services was obtained. A contract was executed on July 20, 2018. The awarded contract is in compliance with the scope and cost outlined in Proviso.

The system includes COTS Oracle based software that is used by more than a dozen state governments. Limited customizations would allow for easier maintenance.

3. Recommended Technical Solution

The SSI contract between DFS and Accenture LLP outlines a commitment to provide and implement a COTS Oracle PeopleSoft SSI to replace FLAIR, CMS, and the Information Warehouse (IW).

To address recommendations from the Independent Verification and Validation (IV&V) vendor in their Comprehensive Assessment report released in March 2023 regarding ticket and customer tracking and management, the Department intends to procure and implement a State-run instance of an information technology service management (ITSM) tool for Florida PALM Operations.

D. Proposed Solution Description

1. Summary Description of Proposed System

Accenture LLC has been awarded a contract to replace FLAIR and CMS with COTS, Oracle PeopleSoft, which will meet the State's business needs and the identified functional and technical requirements as outlined above. The contract was amended to include scope to replace the IW.

2. Resource and Summary Level Funding Requirements for Proposed Solution (if known)

Payment for contracted services is based upon a fixed deliverable schedule. The total cost of the contract will be

\$235,317,056 over ten years. The total expense of implementing the SSI is expected to be less than the cost projection indicated in Option 3 of the FLAIR Study.

E. Capacity Planning *(historical and current trends versus projected requirements)*

VI. Schedule IV-B Project Management Planning

Purpose: To require the agency to provide evidence of its thorough project planning and provide the tools the agency will use to carry out and manage the proposed project. The level of detail must be appropriate for the project's scope and complexity.

NOTE: For IT projects with total cost in excess of \$10 million, the project scope, business objectives, and timelines described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

The Florida PALM Project is following a structured approach to manage the design, development, and implementation activities of the project. Appendix 2 contains the current Project Management Plan (PMP) outlining the control and project execution elements currently in place. The current Florida PALM PMP is compliant with FDS project management standards and includes the following sections:

- Performance Management
- Cost Management
- Schedule Management
- Quality Management
- Procurement Management
- Resource Management
- Change Management
- Risk Management
- Communication Management
- Issue Management
- Decision Management
- Deliverable Management
- Action Item Management
- Lessons Learned Management

Florida PALM has a formal governance process to guide its decision making. This process includes an Executive Steering Committee with representation from multiple stakeholder agencies. The Florida PALM governance processes are documented in the Project Charter. (Appendix 3 – Florida PALM Project Charter)

VII. Appendices

- Appendix 1 – FLAIR Study
- Appendix 2 – Florida PALM Project Management Plan
- Appendix 3 – Florida PALM Project Charter

CBAForm 1 - Net Tangible Benefits

Agency	DFS	Project	Florida PALM
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Net Tangible Benefits - Operational Cost Changes (Costs of Current Operations versus Proposed Operations as a Result of the Project) and Additional Tangible Benefits -- CBAForm 1A															
Agency <i>(Recurring Costs Only -- No Project Costs)</i>	FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29		
	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project
A. Personnel Costs -- Agency-Managed Staff	\$9,236,807	\$422,798	\$9,659,605	\$9,659,605	\$0	\$9,659,605	\$9,659,605	\$0	\$9,659,605	\$9,659,605	\$0	\$9,659,605	\$0	\$0	\$0
A.b Total Staff	72.00	0.00	72.00	72.00	0.00	72.00	72.00	0.00	72.00	72.00	0.00	72.00	0.00	0.00	0.00
A-1.a. State FTEs (Salaries & Benefits)	\$9,054,805	\$0	\$9,054,805	\$9,054,805	\$0	\$9,054,805	\$9,054,805	\$0	\$9,054,805	\$9,054,805	\$0	\$9,054,805	\$0	\$0	\$0
A-1.b. State FTEs (#)	70.00	0.00	70.00	70.00	0.00	70.00	70.00	0.00	70.00	70.00	0.00	70.00	0.00	0.00	0.00
A-2.a. OPS Staff (Salaries)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-2.b. OPS (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3.a. Staff Augmentation (Contract Cost)	\$182,002	\$422,798	\$604,800	\$604,800	\$0	\$604,800	\$604,800	\$0	\$604,800	\$604,800	\$0	\$604,800	\$0	\$0	\$0
A-3.b. Staff Augmentation (# of Contractors)	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00	0.00	0.00	0.00
B. Application Maintenance Costs	\$11,804,519	\$842,478	\$12,646,997	\$12,646,997	\$3,123,328	\$15,770,325	\$15,770,325	\$4,258,596	\$20,028,921	\$20,028,921	-\$12,868,647	\$7,160,274	\$0	\$0	\$0
B-1. Managed Services (Staffing)	\$8,806,126	\$437,751	\$9,243,877	\$9,243,877	\$2,657,189	\$11,901,066	\$11,901,066	\$3,756,596	\$15,657,662	\$15,657,662	-\$13,370,647	\$2,287,015	\$0	\$0	\$0
B-2. Hardware	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B-3. Software	\$2,944,554	\$404,727	\$3,349,281	\$3,349,281	\$464,139	\$3,813,420	\$3,813,420	\$500,000	\$4,313,420	\$4,313,420	\$500,000	\$4,813,420	\$0	\$0	\$0
B-4. Other Production support Admin	\$53,839	\$0	\$53,839	\$53,839	\$2,000	\$55,839	\$55,839	\$2,000	\$57,839	\$57,839	\$2,000	\$59,839	\$0	\$0	\$0
C. Data Center Provider Costs	\$150,000	\$60,000	\$210,000	\$210,000	\$0	\$210,000	\$210,000	\$0	\$210,000	\$210,000	\$0	\$210,000	\$0	\$0	\$0
C-1. Managed Services (Staffing)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C-2. Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C-3. Network / Hosting Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C-4. Disaster Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C-5. Other Project Administration	\$150,000	\$60,000	\$210,000	\$210,000	\$0	\$210,000	\$210,000	\$0	\$210,000	\$210,000	\$0	\$210,000	\$0	\$0	\$0
D. Plant & Facility Costs	\$415,692	\$415,692	\$831,384	\$831,384	\$0	\$831,384	\$831,384	\$0	\$831,384	\$831,384	-\$415,692	\$415,692	\$0	\$0	\$0
E. Other Costs	\$30,217	\$0	\$30,217	\$30,217	\$0	\$30,217	\$30,217	\$0	\$30,217	\$30,217	\$0	\$30,217	\$0	\$0	\$0
E-1. Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E-2. Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E-3. Other HR Transfers and Risk Management	\$30,217	\$0	\$30,217	\$30,217	\$0	\$30,217	\$30,217	\$0	\$30,217	\$30,217	\$0	\$30,217	\$0	\$0	\$0
Total of Recurring Operational Costs	\$21,637,235	\$1,740,968	\$23,378,203	\$23,378,203	\$3,123,328	\$26,501,531	\$26,501,531	\$4,258,596	\$30,760,127	\$30,760,127	-\$13,284,339	\$17,475,788	\$0	\$0	\$0
F. Additional Tangible Benefits:															
F-1. Specify		\$0			\$0			\$0			\$0			\$0	
F-2. Specify		\$0			\$0			\$0			\$0			\$0	
F-3. Specify		\$0			\$0			\$0			\$0			\$0	
Total Net Tangible Benefits:		(\$1,740,968)			(\$3,123,328)			(\$4,258,596)			\$13,284,339			\$0	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B			
Choose Type	Estimate Confidence	Enter % (+/-)	
Detailed/Rigorous	<input type="checkbox"/>	Confidence Level	
Order of Magnitude	<input type="checkbox"/>	Confidence Level	
Placeholder	<input checked="" type="checkbox"/>	Confidence Level	100%

A	B		C	D	E	F		G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	DFS		Florida PALM		CBA Form 2A Baseline Project Budget																
Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Reference vendor quotes in the Item Description where applicable. Include only one-time project costs in this table. Include any recurring costs in CBA Form 1A.					FY2024-25			FY2025-26			FY2026-27			FY2027-28			FY2028-29			TOTAL	
2					\$ 40,013,061			\$ 29,361,800			\$ 8,557,600			\$ 4,590,000			\$ -			\$ 208,873,782	
3					\$ 126,351,321																
4	Item Description <i>(remove guidelines and annotate entries here)</i>	Project Cost Element	Appropriation Category	Current & Previous Years Project-Related Cost	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	TOTAL	
5	Costs for all state employees working on the project.	FTE	S&B	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	\$ -
6	Costs for all OPS employees working on the project.	OPS	OPS	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	\$ -
7	Staffing costs for personnel using Time & Expense.	Staff Augmentation	FLAIR Replacement	\$ 7,124,969	0.00	\$ 4,560,000	\$ -	0.00	\$ 4,560,000	\$ -	0.00	\$ 4,560,000	\$ -	0.00	\$ 4,560,000	\$ -	0.00	\$ -	\$ -	\$ -	\$ 25,364,969
8	Project management personnel and related deliverables.	Project Management	Contracted Services	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	\$ -
9	Project oversight to include Independent Verification & Validation (IV&V) personnel and related deliverables.	Project Oversight	FLAIR Replacement	\$ 11,678,679	0.00	\$ 6,053,061	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	\$ 17,731,740
10	Staffing costs for all professional services not included in other categories.	Consultants/Contractors - ITSM, IW	Contracted Services	\$ 1,010,658	0.00	\$ 453,600	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	\$ 1,464,258
11	Separate requirements analysis and feasibility study procurements.	Project Planning/Analysis	Contracted Services	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
12	Hardware purchases not included in data center services.	Hardware	OCO	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
13	Commercial software purchases and licensing costs.	Commercial Software	Contracted Services	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
14	Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables	FLAIR Replacement	\$ 106,537,015		\$ 28,946,400	\$ -		\$ 24,801,800	\$ -		\$ 3,997,600	\$ -		\$ 30,000	\$ -		\$ -	\$ -	\$ -	\$ 164,312,815
15	All first-time training costs associated with the project. Include the quote received from the data center provider for project equipment and services. Only include one-time project costs in this row. Recurring, project-related data center costs are included in CBA Form 1A.	Training	Contracted Services	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
16	Other contracted services not included in other categories.	Data Center Services - One Time Costs	Data Center Category	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
17	Include costs for non-state data center equipment required by the project and the proposed solution (insert additional rows as needed for detail)	Other Services	FLAIR Replacement	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
18	Include costs associated with leasing space for project personnel.	Equipment	Expense	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
19	Other project expenses not included in other categories.	Leased Space	Expense	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
20		Other Expenses	Expense	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
21	Total				\$ 126,351,321	0.00	\$ 40,013,061	\$ -	0.00	\$ 29,361,800	\$ -	0.00	\$ 8,557,600	\$ -	0.00	\$ 4,590,000	\$ -	0.00	\$ -	\$ -	\$ 208,873,782

CBAForm 2 - Project Cost Analysis

Agency	<u>DFS</u>	Project	<u>Florida PALM</u>
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PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)					TOTAL
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
TOTAL PROJECT COSTS (*)	\$40,013,061	\$29,361,800	\$8,557,600	\$4,590,000	\$0	\$208,873,782
CUMULATIVE PROJECT COSTS <small>(includes Current & Previous Years' Project-Related Costs)</small>	\$166,364,382	\$195,726,182	\$204,283,782	\$208,873,782	\$208,873,782	
Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.						

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B					TOTAL
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
General Revenue	\$ 57,338,203	\$ 49,810,270	\$ 33,264,666	\$ 16,012,727	\$0	\$156,425,865
Trust Fund	\$6,053,061	\$6,053,061	\$6,053,061	\$6,053,061	\$0	\$24,212,244
Federal Match <input type="checkbox"/>	\$0	\$0	\$0	\$0	\$0	\$0
Grants <input type="checkbox"/>	\$0	\$0	\$0	\$0	\$0	\$0
Other <input type="checkbox"/> Specify	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INVESTMENT	\$63,391,264	\$55,863,331	\$39,317,727	\$22,065,788	\$0	\$180,638,109
CUMULATIVE INVESTMENT	\$63,391,264	\$119,254,595	\$158,572,322	\$180,638,109	\$180,638,109	

Characterization of Project Cost Estimate - CBAForm 2C		
Choose Type	Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	Confidence Level	
Order of Magnitude	Confidence Level	
Placeholder	Confidence Level	

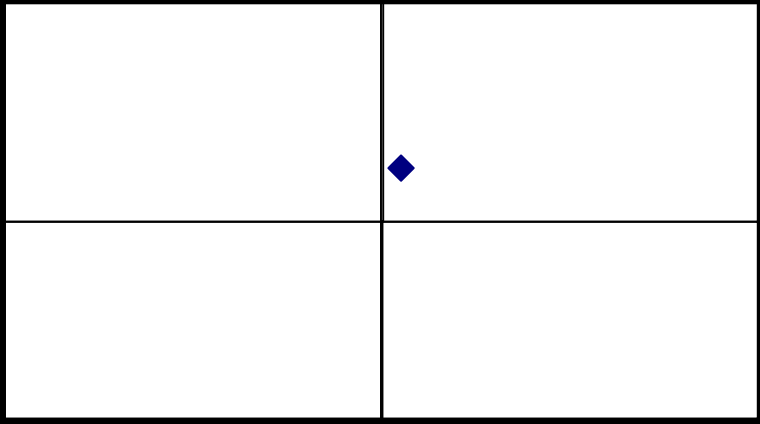
CBAForm 3 - Project Investment Summary

Agency	<u>DFS</u>	Project	<u>Florida PALM</u>
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COST BENEFIT ANALYSIS -- CBAForm 3A						
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOTAL FOR ALL YEARS
Project Cost	\$40,013,061	\$29,361,800	\$8,557,600	\$4,590,000	\$0	\$208,873,782
Net Tangible Benefits	(\$1,740,968)	(\$3,123,328)	(\$4,258,596)	\$13,284,339	\$0	\$4,161,447
Return on Investment	(\$168,105,350)	(\$32,485,128)	(\$12,816,196)	\$8,694,339	\$0	(\$204,712,335)
Year to Year Change in Program Staffing	0	0	0	0	0	

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	NO PAYBACK	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	(\$197,949,444)	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	-73.67%	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C					
Fiscal Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Cost of Capital	2.90%	3.10%	3.30%	3.40%	3.50%

	B	C	D	E	F	G	H	
3	Project		<i>Florida PALM</i>					
4								
5	Agency		<i>DFS</i>					
6	FY 2024-25 LBR Issue Code:			FY 2024-25 LBR Issue Title:				
7	<i>36105C0</i>			<i>FLAIR Replacement</i>				
8	Risk Assessment Contact Info (Name, Phone #, and E-mail Address):							
9	<i>Tommy Werner, (850) 410-9062, tommy.werner@myfloridacfo.com</i>							
10	Executive Sponsor		<i>Steven Fielder</i>					
11	Project Manager		<i>Jimmy Cox</i>					
12	Prepared By		<i>Tommy Werner</i>			<i>7/10/2023</i>		
14	Risk Assessment Summary							
15								
16	Business Strategy			Level of Project Risk				
17								Most Aligned
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								Least Aligned
28								
29								
30		Least Risk				Most Risk		
31								
32								
34	Project Risk Area Breakdown							
35	Risk Assessment Areas						<i>Risk Exposure</i>	
36	Strategic Assessment						MEDIUM	
37								
38	Technology Exposure Assessment						MEDIUM	
39								
40	Organizational Change Management Assessment						HIGH	
41								
42	Communication Assessment						LOW	
43								
44	Fiscal Assessment						MEDIUM	
45								
46	Project Organization Assessment						MEDIUM	
47								
48	Project Management Assessment						LOW	
49								
50	Project Complexity Assessment						HIGH	
51								
52								
53	Overall Project Risk						MEDIUM	

	B	C	D	E
1	Agency: DFS		Project: Florida PALM	
3	Section 1 -- Strategic Area			
4	#	Criteria	Values	Answer
5	1.01	Are project objectives clearly aligned with the agency's legal mission?	0% to 40% -- Few or no objectives aligned	81% to 100% -- All or nearly all objectives aligned
6			41% to 80% -- Some objectives aligned	
7			81% to 100% -- All or nearly all objectives aligned	
8	1.02	Are project objectives clearly documented and understood by all stakeholder groups?	Not documented or agreed to by stakeholders	Documented with sign-off by stakeholders
9			Informal agreement by stakeholders	
10			Documented with sign-off by stakeholders	
11	1.03	Are the project sponsor, senior management, and other executive stakeholders actively involved in meetings for the review and success of the project?	Not or rarely involved	Project charter signed by executive sponsor and executive team actively engaged in steering committee meetings
12			Most regularly attend executive steering committee meetings	
13			Project charter signed by executive sponsor and executive team actively engaged in steering committee meetings	
14	1.04	Has the agency documented its vision for how changes to the proposed technology will improve its business processes?	Vision is not documented	Vision is completely documented
15			Vision is partially documented	
16			Vision is completely documented	
17	1.05	Have all project business/program area requirements, assumptions, constraints, and priorities been defined and documented?	0% to 40% -- Few or none defined and documented	81% to 100% -- All or nearly all defined and documented
18			41% to 80% -- Some defined and documented	
19			81% to 100% -- All or nearly all defined and documented	
20	1.06	Are all needed changes in law, rule, or policy identified and documented?	No changes needed	Changes are identified in concept only
21			Changes unknown	
22			Changes are identified in concept only	
23			Changes are identified and documented	
24			Legislation or proposed rule change is drafted	
25	1.07	Are any project phase or milestone completion dates fixed by outside factors, e.g., state or federal law or funding restrictions?	Few or none	Few or none
26			Some	
27			All or nearly all	
28	1.08	What is the external (e.g. public) visibility of the proposed system or project?	Minimal or no external use or visibility	Moderate external use or visibility
29			Moderate external use or visibility	
30			Extensive external use or visibility	
31	1.09	What is the internal (e.g. state agency) visibility of the proposed system or project?	Multiple agency or state enterprise visibility	Multiple agency or state enterprise visibility
32			Single agency-wide use or visibility	
33			Use or visibility at division and/or bureau level only	
34	1.10	Is this a multi-year project?	Greater than 5 years	Greater than 5 years
35			Between 3 and 5 years	
36			Between 1 and 3 years	
37			1 year or less	

	B	C	D	E
1	Agency: DFS		Project: Florida PALM	
3	Section 2 -- Technology Area			
4	#	Criteria	Values	Answer
5	2.01	Does the agency have experience working with, operating, and supporting the proposed technical solution in a production environment?	Read about only or attended conference and/or vendor presentation	Supported production system 1 year to 3 years
6			Supported prototype or production system less than 6 months	
7			Supported production system 6 months to 12 months	
8			Supported production system 1 year to 3 years	
9			Installed and supported production system more than 3 years	
10	2.02	Does the agency's internal staff have sufficient knowledge of the proposed technical solution to implement and operate the new system?	External technical resources will be needed for implementation and operations	External technical resources will be needed for implementation and operations
11			External technical resources will be needed through implementation only	
12			Internal resources have sufficient knowledge for implementation and operations	
13	2.03	Have all relevant technical alternatives/ solution options been researched, documented and considered?	No technology alternatives researched	All or nearly all alternatives documented and considered
14			Some alternatives documented and considered	
15			All or nearly all alternatives documented and considered	
16	2.04	Does the proposed technical solution comply with all relevant agency, statewide, or industry technology standards?	No relevant standards have been identified or incorporated into proposed technology	Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards
17			Some relevant standards have been incorporated into the proposed technology	
18			Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards	
19	2.05	Does the proposed technical solution require significant change to the agency's existing technology infrastructure?	Minor or no infrastructure change required	Extensive infrastructure change required
20			Moderate infrastructure change required	
21			Extensive infrastructure change required	
22			Complete infrastructure replacement	
23	2.06	Are detailed hardware and software capacity requirements defined and documented?	Capacity requirements are not understood or defined	Capacity requirements are based on historical data and new system design specifications and performance requirements
24			Capacity requirements are defined only at a conceptual level	
25			Capacity requirements are based on historical data and new system design specifications and performance requirements	

	B	C	D	E
1	Agency: DFS		Project: Florida PALM	
3	Section 3 -- Organizational Change Management Area			
4	#	Criteria	Values	Answer
5	3.01	What is the expected level of organizational change that will be imposed within the agency if the project is successfully implemented?	Extensive changes to organization structure, staff or business processes	Extensive changes to organization structure, staff or business processes
6			Moderate changes to organization structure, staff or business processes	
7			Minimal changes to organization structure, staff or business processes structure	
8	3.02	Will this project impact essential business processes?	Yes	Yes
9			No	
10	3.03	Have all business process changes and process interactions been defined and documented?	0% to 40% -- Few or no process changes defined and documented	41% to 80% -- Some process changes defined and documented
11			41% to 80% -- Some process changes defined and documented	
12			81% to 100% -- All or nearly all processes defined and documented	
13	3.04	Has an Organizational Change Management Plan been approved for this project?	Yes	Yes
14			No	
15	3.05	Will the agency's anticipated FTE count change as a result of implementing the project?	Over 10% FTE count change	1% to 10% FTE count change
16			1% to 10% FTE count change	
17			Less than 1% FTE count change	
18	3.06	Will the number of contractors change as a result of implementing the project?	Over 10% contractor count change	Over 10% contractor count change
19			1 to 10% contractor count change	
20			Less than 1% contractor count change	
21	3.07	What is the expected level of change impact on the citizens of the State of Florida if the project is successfully implemented?	Extensive change or new way of providing/receiving services or information)	Minor or no changes
22			Moderate changes	
23			Minor or no changes	
24	3.08	What is the expected change impact on other state or local government agencies as a result of implementing the project?	Extensive change or new way of providing/receiving services or information	Extensive change or new way of providing/receiving services or information
25			Moderate changes	
26			Minor or no changes	
27	3.09	Has the agency successfully completed a project with similar organizational change requirements?	No experience/Not recently (>5 Years)	Recently completed project with fewer change requirements
28			Recently completed project with fewer change requirements	
29			Recently completed project with similar change requirements	
30			Recently completed project with greater change requirements	

	B	C	D	E
1	Agency: Agency Name		Project: Project Name	
3	Section 4 -- Communication Area			
4	#	Criteria	Value Options	Answer
5	4.01	Has a documented Communication Plan been approved for this project?	Yes	Yes
6			No	
7	4.02	Does the project Communication Plan promote the collection and use of feedback from management, project team, and business stakeholders (including end users)?	Negligible or no feedback in Plan	Routine feedback in Plan
8			Routine feedback in Plan	
9			Proactive use of feedback in Plan	
10	4.03	Have all required communication channels been identified and documented in the Communication Plan?	Yes	Yes
11			No	
12	4.04	Are all affected stakeholders included in the Communication Plan?	Yes	Yes
13			No	
14	4.05	Have all key messages been developed and documented in the Communication Plan?	Plan does not include key messages	Some key messages have been developed
15			Some key messages have been developed	
16			All or nearly all messages are documented	
17	4.06	Have desired message outcomes and success measures been identified in the Communication Plan?	Plan does not include desired messages outcomes and success measures	All or nearly all messages have success measures
18			Success measures have been developed for some messages	
19			All or nearly all messages have success measures	
20	4.07	Does the project Communication Plan identify and assign needed staff and resources?	Yes	Yes
21			No	

	B	C	D	E
1	Agency: DFS		Project: Florida PALM	
3	Section 5 -- Fiscal Area			
4	#	Criteria	Values	Answer
5	5.01	Has a documented Spending Plan been approved for the entire project lifecycle?	Yes	No
6			No	
7	5.02	Have all project expenditures been identified in the Spending Plan?	0% to 40% -- None or few defined and documented	81% to 100% -- All or nearly all defined and documented
8			41% to 80% -- Some defined and documented	
9			81% to 100% -- All or nearly all defined and documented	
10	5.03	What is the estimated total cost of this project over its entire lifecycle?	Unknown	Greater than \$10 M
11			Greater than \$10 M	
12			Between \$2 M and \$10 M	
13			Between \$500K and \$1,999,999	
14			Less than \$500 K	
15	5.04	Is the cost estimate for this project based on quantitative analysis using a standards-based estimation model?	Yes	No
16			No	
17	5.05	What is the character of the cost estimates for this project?	Detailed and rigorous (accurate within ±10%)	Order of magnitude – estimate could vary between 10-100%
18			Order of magnitude – estimate could vary between 10-100%	
19			Placeholder – actual cost may exceed estimate by more than 100%	
20	5.06	Are funds available within existing agency resources to complete this project?	Yes	No
21			No	
22	5.07	Will/should multiple state or local agencies help fund this project or system?	Funding from single agency	Funding from single agency
23			Funding from local government agencies	
24			Funding from other state agencies	
25	5.08	If federal financial participation is anticipated as a source of funding, has federal approval been requested and received?	Neither requested nor received	Not applicable
26			Requested but not received	
27			Requested and received	
28			Not applicable	
29	5.09	Have all tangible and intangible benefits been identified and validated as reliable and achievable?	Project benefits have not been identified or validated	Most project benefits have been identified but not validated
30			Some project benefits have been identified but not validated	
31			Most project benefits have been identified but not validated	
32			All or nearly all project benefits have been identified and validated	
33	5.10	What is the benefit payback period that is defined and documented?	Within 1 year	No payback
34			Within 3 years	
35			Within 5 years	
36			More than 5 years	
37			No payback	
38	5.11	Has the project procurement strategy been clearly determined and agreed to by affected stakeholders?	Procurement strategy has not been identified and documented	Stakeholders have reviewed and approved the proposed procurement strategy
39			Stakeholders have not been consulted re: procurement strategy	
40			Stakeholders have reviewed and approved the proposed procurement strategy	
41	5.12	What is the planned approach for acquiring necessary products and solution services to successfully complete the project?	Time and Expense (T&E)	Combination FFP and T&E
42			Firm Fixed Price (FFP)	
43			Combination FFP and T&E	
44	5.13	What is the planned approach for procuring hardware and software for the project?	Timing of major hardware and software purchases has not yet been determined	Just-in-time purchasing of hardware and software is documented in the project schedule
45			Purchase all hardware and software at start of project to take advantage of one-time discounts	
46			Just-in-time purchasing of hardware and software is documented in the project schedule	
47	5.14	Has a contract manager been assigned to this project?	No contract manager assigned	Contract manager assigned is not the procurement manager or the project manager
48			Contract manager is the procurement manager	
49			Contract manager is the project manager	
50			Contract manager assigned is not the procurement manager or the project manager	
51	5.15	Has equipment leasing been considered for the project's large-scale computing purchases?	Yes	No
52			No	
53	5.16	Have all procurement selection criteria and outcomes been clearly identified?	No selection criteria or outcomes have been identified	All or nearly all selection criteria and expected outcomes have been defined and documented
54			Some selection criteria and outcomes have been defined and documented	
55			All or nearly all selection criteria and expected outcomes have been defined and documented	
56	5.17	Does the procurement strategy use a multi-stage evaluation process to progressively narrow the field of prospective vendors to the single, best qualified candidate?	Procurement strategy has not been developed	Multi-stage evaluation and proof of concept or prototype planned/used to select best qualified vendor
57			Multi-stage evaluation not planned/used for procurement	
58			Multi-stage evaluation and proof of concept or prototype planned/used to select best qualified vendor	
59	5.18	For projects with total cost exceeding \$10 million, did/will the procurement strategy require a proof of concept or prototype as part of the bid response?	Procurement strategy has not been developed	Yes, bid response did/will include proof of concept or prototype
60			No, bid response did/will not require proof of concept or prototype	
61			Yes, bid response did/will include proof of concept or prototype	
62			Not applicable	

	B	C	D	E
1	Agency: DFS		Project: Florida PALM	
3	Section 6 -- Project Organization Area			
4	#	Criteria	Values	Answer
5	6.01	Is the project organization and governance structure clearly defined and documented within an approved project plan?	Yes	Yes
6			No	
7	6.02	Have all roles and responsibilities for the executive steering committee been clearly identified?	None or few have been defined and documented	All or nearly all have been defined and documented
8			Some have been defined and documented	
9			All or nearly all have been defined and documented	
10	6.03	Who is responsible for integrating project deliverables into the final solution?	Not yet determined	System Integrator (contractor)
11			Agency	
12			System Integrator (contractor)	
13	6.04	How many project managers and project directors will be responsible for managing the project?	3 or more	2
14			2	
15			1	
16	6.05	Has a project staffing plan specifying the number of required resources (including project team, program staff, and contractors) and their corresponding roles, responsibilities and needed skill levels been developed?	Needed staff and skills have not been identified	Staffing plan identifying all staff roles, responsibilities, and skill levels have been documented
17			Some or most staff roles and responsibilities and needed skills have been identified	
18			Staffing plan identifying all staff roles, responsibilities, and skill levels have been documented	
19	6.06	Is an experienced project manager dedicated fulltime to the project?	No experienced project manager assigned	Yes, experienced project manager dedicated full-time, 100% to project
20			No, project manager is assigned 50% or less to project	
21			No, project manager assigned more than half-time, but less than full-time to project	
22			Yes, experienced project manager dedicated full-time, 100% to project	
23	6.07	Are qualified project management team members dedicated full-time to the project	None	Yes, business, functional or technical experts dedicated full-time, 100% to project
24			No, business, functional or technical experts dedicated 50% or less to project	
25			No, business, functional or technical experts dedicated more than half-time but less than full-time to project	
26			Yes, business, functional or technical experts dedicated full-time, 100% to project	
27	6.08	Does the agency have the necessary knowledge, skills, and abilities to staff the project team with in-house resources?	Few or no staff from in-house resources	Half of staff from in-house resources
28			Half of staff from in-house resources	
29			Mostly staffed from in-house resources	
30			Completely staffed from in-house resources	
31	6.09	Is agency IT personnel turnover expected to significantly impact this project?	Minimal or no impact	Moderate impact
32			Moderate impact	
33			Extensive impact	
34	6.10	Does the project governance structure establish a formal change review and control board to address proposed changes in project scope, schedule, or cost?	Yes	Yes
35			No	
36	6.11	Are all affected stakeholders represented by functional manager on the change review and control board?	No board has been established	No, all stakeholders are not represented on the board
37			No, only IT staff are on change review and control board	
38			No, all stakeholders are not represented on the board	
39			Yes, all stakeholders are represented by functional manager	

	B	C	D	E
1	Agency: DFS		Project: Florida PALM	
3	Section 7 -- Project Management Area			
4	#	Criteria	Values	Answer
5	7.01	Does the project management team use a standard commercially available project management methodology to plan, implement, and control the project?	No	Yes
6			Project Management team will use the methodology selected by the systems integrator	
7			Yes	
8	7.02	For how many projects has the agency successfully used the selected project management methodology?	None	More than 3
9			1-3	
10			More than 3	
11	7.03	How many members of the project team are proficient in the use of the selected project management methodology?	None	All or nearly all
12			Some	
13			All or nearly all	
14	7.04	Have all requirements specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	81% to 100% -- All or nearly all have been defined and documented
15			41 to 80% -- Some have been defined and documented	
16			81% to 100% -- All or nearly all have been defined and documented	
17	7.05	Have all design specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	41 to 80% -- Some have been defined and documented
18			41 to 80% -- Some have been defined and documented	
19			81% to 100% -- All or nearly all have been defined and documented	
20	7.06	Are all requirements and design specifications traceable to specific business rules?	0% to 40% -- None or few are traceable	81% to 100% -- All or nearly all requirements and specifications are traceable
21			41 to 80% -- Some are traceable	
22			81% to 100% -- All or nearly all requirements and specifications are traceable	
23	7.07	Have all project deliverables/services and acceptance criteria been clearly defined and documented?	None or few have been defined and documented	All or nearly all deliverables and acceptance criteria have been defined and documented
24			Some deliverables and acceptance criteria have been defined and documented	
25			All or nearly all deliverables and acceptance criteria have been defined and documented	
26	7.08	Is written approval required from executive sponsor, business stakeholders, and project manager for review and sign-off of major project deliverables?	No sign-off required	Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables
27			Only project manager signs-off	
28			Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables	
29	7.09	Has the Work Breakdown Structure (WBS) been defined to the work package level for all project activities?	0% to 40% -- None or few have been defined to the work package level	81% to 100% -- All or nearly all have been defined to the work package level
30			41 to 80% -- Some have been defined to the work package level	
31			81% to 100% -- All or nearly all have been defined to the work package level	
32	7.10	Has a documented project schedule been approved for the entire project lifecycle?	Yes	Yes
33			No	
34	7.11	Does the project schedule specify all project tasks, go/no-go decision points (checkpoints), critical milestones, and resources?	Yes	Yes
35			No	
36	7.12	Are formal project status reporting processes documented and in place to manage and control this project?	No or informal processes are used for status reporting	Project team and executive steering committee use formal status reporting processes
37			Project team uses formal processes	
38			Project team and executive steering committee use formal status reporting processes	
39	7.13	Are all necessary planning and reporting templates, e.g., work plans, status reports, issues and risk management, available?	No templates are available	All planning and reporting templates are available
40			Some templates are available	
41			All planning and reporting templates are available	
42	7.14	Has a documented Risk Management Plan been approved for this project?	Yes	Yes
43			No	
44	7.15	Have all known project risks and corresponding mitigation strategies been identified?	None or few have been defined and documented	All known risks and mitigation strategies have been defined
45			Some have been defined and documented	
46			All known risks and mitigation strategies have been defined	
47	7.16	Are standard change request, review and approval processes documented and in place for this project?	Yes	Yes
48			No	
49	7.17	Are issue reporting and management processes documented and in place for this project?	Yes	Yes
50			No	

	B	C	D	E
1	Agency: DFS		Project: Florida PALM	
2				
3	Section 8 -- Project Complexity Area			
4	#	Criteria	Values	Answer
5	8.01	How complex is the proposed solution compared to the current agency systems?	Unknown at this time	Similar complexity
6			More complex	
7			Similar complexity	
8			Less complex	
9	8.02	Are the business users or end users dispersed across multiple cities, counties, districts, or regions?	Single location	More than 3 sites
10			3 sites or fewer	
11			More than 3 sites	
12	8.03	Are the project team members dispersed across multiple cities, counties, districts, or regions?	Single location	More than 3 sites
13			3 sites or fewer	
14			More than 3 sites	
15	8.04	How many external contracting or consulting organizations will this project require?	No external organizations	More than 3 external organizations
16			1 to 3 external organizations	
17			More than 3 external organizations	
18	8.05	What is the expected project team size?	Greater than 15	Greater than 15
19			9 to 15	
20			5 to 8	
21			Less than 5	
22	8.06	How many external entities (e.g., other agencies, community service providers, or local government entities) will be impacted by this project or system?	More than 4	More than 4
23			2 to 4	
24			1	
25			None	
26	8.07	What is the impact of the project on state operations?	Business process change in single division or bureau	Statewide or multiple agency business process change
27			Agency-wide business process change	
28			Statewide or multiple agency business process change	
29	8.08	Has the agency successfully completed a similarly-sized project when acting as Systems Integrator?	Yes	No
30			No	
31	8.09	What type of project is this?	Infrastructure upgrade	Combination of the above
32			Implementation requiring software development or purchasing commercial off the shelf (COTS) software	
33			Business Process Reengineering	
34			Combination of the above	
35	8.10	Has the project manager successfully managed similar projects to completion?	No recent experience	Similar size and complexity
36			Lesser size and complexity	
37			Similar size and complexity	
38			Greater size and complexity	
39	8.11	Does the agency management have experience governing projects of equal or similar size and complexity to successful completion?	No recent experience	Similar size and complexity
40			Lesser size and complexity	
41			Similar size and complexity	
42			Greater size and complexity	

SCHEDULE IV-B FOR REAL SYSTEM MODERNIZATION

For Fiscal Year 2024-25



September 13, 2023

OFFICE OF FINANCIAL REGULATION

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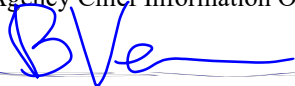
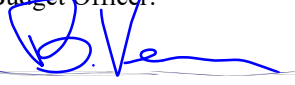
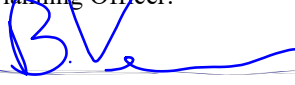
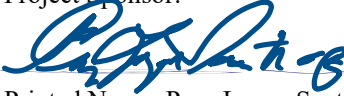
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Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Office of Financial Regulation	Schedule IV-B Submission Date: 9/15/2023
Project Name: REAL Modernization	Is this project included in the Agency's LRPP? <u> Y </u> Yes <u> </u> No
FY 2024-25 LBR Issue Code: 36339C0	FY 2024-25 LBR Issue Title: OFFICE OF FINANCIAL REGULATION (OFR) - REGULATORY ENFORCEMENT AND LICENSING (REAL) SYSTEM REPLACEMENT
Agency Contact for Schedule IV-B (Name, Phone #, and E-mail address): Buckley Vernon, 850.410.9673, buckley.vernon@flofr.gov	
AGENCY APPROVAL SIGNATURES	
I am submitting the attached Schedule IV-B in support of our legislative budget request. I have reviewed the estimated costs and benefits documented in the Schedule IV-B and believe the proposed solution can be delivered within the estimated time for the estimated costs to achieve the described benefits. I agree with the information in the attached Schedule IV-B.	
Agency Head: 	Date: 09/14/2023
Printed Name: Russell C. Weigel, III	
Agency Chief Information Officer (or equivalent): 	Date: 9/12/2023
Printed Name: Buckley Vernon	
Budget Officer: 	Date: 9/12/2023
Printed Name: Buckley Vernon	
Planning Officer: 	Date: 9/12/2023
Printed Name: Buckley Vernon	
Project Sponsor: 	Date: 9/14/2023
Printed Name: Pury Lopez Santiago	
Schedule IV-B Preparers (Name, Phone #, and E-mail address):	
Business Need:	Buckley Vernon, 850.410.9673, buckley.vernon@flofr.gov
Cost Benefit Analysis:	Buckley Vernon, 850.410.9673, buckley.vernon@flofr.gov
Risk Analysis:	Buckley Vernon, 850.410.9673, buckley.vernon@flofr.gov

Technology Planning:	Buckley Vernon, 850.410.9673, buckley.vernon@flofr.gov
Project Planning:	Buckley Vernon, 850.410.9673, buckley.vernon@flofr.gov

Executive Summary

Established in 2003 by section 20.121, Florida Statutes, the Office of Financial Regulation (OFR) provides regulatory oversight for Florida's financial services industry and operates under the direction of the Financial Services Commission. OFR is responsible for overseeing, regulating, and investigating a wide range of individuals and financial businesses, including banks, credit unions, other financial institutions, finance, and title loan companies, check cashing and deferred presentment ("payday loan") services, and the securities industry.

OFR's primary regulatory system is the Regulatory Enforcement and Licensing System (REAL), initially placed into production 14 years ago. The REAL system is used to license and regulate the financial services industries in Florida, as well as track legal and investigative cases associated with those entities regulated by OFR or performing unlicensed activities within its jurisdiction. The core of the system is comprised of Versa Regulation (VR) and Versa Online (VO), a highly customized version of the Commercial-Off-the-Shelf (COTS) package owned by Tyler Technologies licensed to OFR.

OFR seeks to replace the REAL system and modernize its technology to realize benefits of increased security, stability, efficiency, connectivity, improved customer service, and enhanced workflow automation. A new system should allow for the flexibility and agility to implement future changes resulting from new or amended laws and regulations without incurring significant additional costs or lengthy development cycles. This Schedule IV-B for Information Technology Projects (Schedule IV-B) provides recommendations and options for a system modernization roadmap.

The remainder of this Executive Summary will address the [Business Need](#) for OFR to replace REAL and modernize technology, [Options Considered](#), a [Recommended Approach Based on Business and Financial Criteria](#), [Benefits of Recommended Solution](#), [Risks and Issues of Maintaining the Status Quo](#) and a [Conclusion](#).

A. Business Need

For the purposes of this document, reference to "REAL" refers to OFR's implementation of VR/VO. The aging technology of the current REAL system is inefficient and produces less than optimal outcomes relating to operations, data security, data quality, compliance tracking, and customer experience. Consequently, the quality of statutorily mandated business services provided by OFR is diminished. The current contract expires, June 30, 2026. There are currently no major upgrades anticipated for the system and it is anticipated to remain serviceable and stable during the remainder of the contract.

In terms of business functionality, many of the core application processing, complaint intake and referral, case management, and examination processes performed today by OFR are constrained by REAL system capabilities and the inability to customize the system. Some of these constraints may be attributed to the lack of system and process documentation but many of the challenges are due to design limitations of the REAL system itself and have led some OFR business units to:

- Develop processes outside of the REAL system in excel spreadsheets or other systems to perform data collection and analysis, track milestones, perform assessment calculations, and develop reports.
- Store critical documentation on internal drives due to REAL's inability to efficiently edit, store, index, search within, and look-up documents.
- Rely on email to notify internal users of assigned tasks instead of receiving workflow notification in REAL.
- Store multiple records for the same institutions, cases, and examinations due to the inability to link records

for the same institution, case, or exam.

- Manually re-enter data that already exists elsewhere leading to inefficient and labor-intensive processes.
- Communicate with customers outside of the system, which then requires uploading the sent and received communications manually into the system.

Additionally, OFR collects data in various service areas to determine if the program is meeting predetermined performance measures, but staff lack the tools needed to assess current performance, understand customer expectations, and analyze trends over time. Informed strategic decisions could be significantly improved through the enhanced ability of executive leadership to examine trends and patterns and predict possible future outcomes or address changing needs. The inability to apply and fully leverage data analytics constrains OFR's ability to implement a higher state of performance excellence relating to customer satisfaction and program outcomes.

As noted above, manual processes are prevalent and a necessary consequence of doing business under the current REAL system, risking data integrity and data security. System improvements have not and cannot materially reduce the current scope and breadth of manual processing due to outdated technology. Automation of system components and processes are needed to improve data security, enhance data quality, increase efficiency and operational compliance, and deliver a better overall customer experience.

Business needs also indicate a need to update system architecture. The VR/VO implementation was expected to bring a highly configurable, multi-layered Service Oriented Architecture (SOA) based sub-system to OFR's IT assets. However, the current implementation of the licensing model provides a limited fit for the breadth of OFR requirements. The system is meeting OFR program demands adequately, with some noted activities being performed outside of the system, though maintenance costs are prohibitively high and require extensive development efforts.

In order to achieve compliance with section 282.206, Florida Statutes, and the other provisions of Chapter 282, F.S. related to agency technology, OFR must upgrade and enhancements the platform and underlying technology that makes up the REAL system. An overall system modernization effort will automate many of OFR's business functions and produce numerous benefits, including:

- Increased security.
- Increased cloud presence.
- Standardized Enterprise Application Architecture.
- Elimination of many manual business processes.
- Better customer service.
- Flexibility to accommodate legislative and policy changes.
- Real-time processing of many routine activities.
- System-driven workload balancing.
- Higher employee productivity through increased process automation and enterprise-wide access to information.
- Enhanced Customer Experience (CX) and accessibility.

B. Options Considered

System modernization projects generally involve a comparative evaluation of two broad approaches: “update versus replace” and “build versus buy.” The “update versus replace” approach considers whether the current system foundation should be updated in place to meet business needs or if the system needs to be fully replaced with a new solution. If replacement is determined to be preferable to updating the system, a “build versus buy” assessment then considers whether the solution should involve custom development, a packaged product available on the marketplace, or a combination thereof. Both scenarios were considered for this project.

- “Update versus Replace” - In consideration of OFR’s business needs relative to functionality that the current REAL system can deliver, it is recommended that the existing system be replaced. The opportunity exists to implement a system that more comprehensively encapsulates the activities of all business units in a more automated and efficient manner and provides OFR more control over configuration of the system. The current REAL system does not and cannot provide optimal support of OFR’s business needs for the following reasons:
 - The current installation is an on-premises, monolithic, system that has been used for the past 15 years with only modest changes. It does meet the needs of a general case management system, but the system will be 18 years old at the time the contract ends and is built on older technology.
 - The State of Florida has mandated that as IT system contracts approach renewal, state agencies review other systems and perform cost-benefit analysis, pursuant to Ch. 282, F.S.
 - As an on-premises solution that was initially deployed 15 years ago, the current implementation of the REAL system has not fully kept up with the latest in modern technology, and enhancements to the system require significant effort.
 - Some business units perform manual and duplicative activities outside of the system based on barriers to adoption of the existing system, or limitations of the current implementation of the system. For example, some units such as the Division of Financial Institutions capture large volumes of data using Excel spreadsheets as the current system does not perform assessment calculations. These calculations are performed outside the system and entered into an Excel spreadsheet leaving little evidence of the assessments in the REAL system.
 - OFR internal staff has limited control of the system. Many times, changes to REAL need to be implemented rapidly, but the monolithic architecture of the underlying Commercial Off The Shelf (COTS) platform prevents OFR from quickly re-configuring the system. A few examples of fast-paced changes would be the legislature mandating a new licensure type, change in a workflow or business rules, or changes in due dates for OFR. Based on the new system development and Operations and Maintenance (O&M) approach of the current REAL system implementation, OFR currently has very little insight into REAL code and has a third-party vendor who manages O&M of the system. As new requests for functionality arise from users, clients, or changing laws, OFR is reliant on lengthy and costly third-party contracts to make even small changes.
- “Build versus Buy” - With a system replacement in mind, determining whether to “build” a custom solution or “buy” a commercial-off-the-shelf solution is a choice that organizations must analyze thoroughly. Harnessing capabilities that have already been developed by utilizing a COTS package minimizes risk and reduces implementation time in many cases. However, these potential benefits must be weighed against the solution requirements and potential constraints imposed by a COTS package. On the other hand, a fully custom solution can provide a precise fit to the business, but also carries some associated risks and constraints. In addition, in some cases an outside organization (not a COTS product provider) has a solution that can accommodate the business need as a transfer solution. Many organizations conclude that what best fits their needs is some combination of choices, also known as a hybrid solution. This difficult decision is both multifaceted and complex mainly because all the consequences, advantages, and shortcomings can

rarely be fully realized in advance. The following are descriptions of the technical alternatives that were considered for the Office’s needs:

- **Full COTS:** Some COTS packages can be an overall platform solution. As such, all needed capabilities would be provided either by the COTS package directly or with add-on components intended to work seamlessly with the platform solution. These COTS packages can be tailored to meet specific business requirements through a combination of configuration and customization by software developers experienced with the platform. Solutions using these types of COTS packages do have constraints as a result of the overall platform architecture and capabilities.
- **Custom:** At the other end of the spectrum is a fully custom solution. In this case, flexibility is maximized, and the resulting solution can fit the business precisely. However, since the solution is specifically developed based on customer requirements rather than leveraging the base capabilities of a COTS package, more effort is required to actually build and maintain the solution over the expected life of the implementation, which involves additional risks.
- **Hybrid:** A hybrid solution utilizes a combination of COTS modules and custom developed modules. In this situation the “build versus buy” decision is made at the module level rather than the platform level. This allows utilizing COTS packages where requirements are closely aligned with package capabilities while avoiding the inflexibility of a COTS package that is ill-suited to be customized to meet requirements.
- **Transfer Solution:** A fourth option involves identifying if any other states have a similar structure and utilize a solution that could be adopted by OFR. This can be either a COTS platform, custom, or hybrid solution. Notably, these transfer solutions have been customized to meet the requirements of the originating state, which may differ substantially from those in Florida. One would expect that other states deliver benefits programs in a similar fashion. However, experience has shown that significant effort is required undoing customizations made for the originating state while implementing the receiving state’s statutory and business-related requirements.

C. Recommended Approach Based on Business and Financial Criteria

The current implementation of REAL was placed into production in 2008 and updates have been deployed over the years since that time, but the current implementation still does not support the best output for OFR. As such, it is recommended that OFR pursue a full replacement of the REAL system. The “build versus buy” analysis to determine the appropriate recommended solution for replacement of the existing REAL system is summarized below:

- **COTS Solution** – Depending on its alignment with OFR needs and configuration capabilities, a COTS solution could potentially provide reduced implementation time and complexity, and ability to scale as needed. As such, a fully-configurable COTS solution, out of the box, is the preferred option for OFR.
- **Custom Solution** - A full custom solution would require significantly more development effort, hardware costs, time, and application support burden in comparison to other options. While a custom solution does provide considerable flexibility and capability to meet the business need, it comes with a prohibitive cost and on-going maintenance burden. A full custom solution is not recommended for this modernization effort.
- **Transfer Solution** – A transfer solution, if available, could provide a beneficial starting point for OFR, as it would immediately provide functionality that would partially satisfy the business need. However, based

on Florida's regulatory landscape, substantial customization would be required to meet OFR's specific requirements bringing this option in line with a COTS solution. In addition, transfer solutions typically do not utilize the latest technology which results in the new system needing to be modernized sooner.

- **Hybrid Solution** – Based on the breadth of OFR requirements, the potential inability for a COTS package to fully satisfy the requirements, and the complexity and cost of a full custom solution, a hybrid solution would be the fallback option. A hybrid solution may allow OFR to take advantage of the benefits of existing COTS packages, by using a combination of COTS products and custom development to fully meet the business need. However, the customization of COTS products can be prohibitively expensive to implement and maintain over time.

To best satisfy OFR's business needs, a COTS technical solution was selected as the recommend approach to replace the current implementation of REAL (for both VERSA Online and VERSA Regulation) by utilizing a combination of COTS products and extensive configuration that will satisfy the requirements for each component of the system. This recommendation would be implemented via a phased approach and schedule that would create a solution of one or more COTS systems along with needed configuration. The recommended solution would also require support from a new or expanded in-house O&M team. The solution should take advantage of current technology in terms of software architecture, cloud infrastructure and flexible service delivery platforms.

The recommended technical solution replacing the REAL system is also believed to be the approach most likely to provide best value to OFR and the State of Florida. OFR's existing program costs approach \$4.2 million dollars annually. Anticipated project costs for the recommended solution are expected to increase the existing budget by \$4.5 million in Year 1, and by \$5.5 million in Year 2 due to implementation costs, additional licenses during development, additional software to synchronize data between systems (as functionality is rolled off of the existing system and onto the new system), and the onboarding and training of a new in-house O&M team. Once the new system is implemented, OFR should see program costs stabilize and remain at approximately \$4 million, or less, annually moving forward. Overall, the project cost is estimated at \$10 million over two years, with an ongoing budgetary increase of \$0.5 million thereafter.

Overall estimated project costs include the utilization of Independent Validation and Verification (IV&V) services as specified in [60.GG-1](#), F.A.C. While these services may not be statutorily required, due to the projected annual cost of the project, IV&V services still represent a best practice and are recommended to ensure project quality and will be included in the project plan.

New system license costs are projected as constant, but are expected to slowly increase as development, test, and ultimately production licenses are required throughout the development cycle. Likewise, a new O&M team will be scaled up over the course of development and trained by the new system vendor to operate and manage the system.

Costs described above will position OFR to provide improved service to the citizens of Florida through the use of a modern interface specifically designed to enhance the Customer Experience (CX) and have more internal control and flexibility when responding to future system changes made necessary by legislative action, industry changes or market-driven conditions. A more user friendly platform that is mobile, multi-lingual, and ADA compliant, that meets the industry standards and statutory requirements, will help OFR deliver a better overall CX while increasing the efficiency of the underlying processes.

D. Benefits of Recommended Solution

Key benefits of the recommended hybrid solution would include:

- Strategic alignment with a "cloud-first" policy (set forth in Rule Chapter 60GG-4, Cloud Computing, Florida Administrative Code).
- Enterprise-wide adoption.
- Enhanced functionality.
- Improved compliance, reporting, document management, and case management.
- Mitigation of long-term technical debt.
- Improved customer service and customer experience.
- Modern system architecture will provide maximum flexibility to effectively meet foreseeable future business needs in a responsive and cost-effective manner.

E. Risks and Issues of Maintaining the Status Quo

While the business-related benefits derived from functional and technical enhancements would alone provide sound justification for replacing REAL with a modernized system, consideration must also be given to the risks associated with maintaining the status quo. As is often the case with maintaining outdated technology, there are costs associated with remaining on the current path.

Risks associated with remaining on the current REAL system include the following:

- Increased likelihood of data security breach or compromised personal information – personally identifiable information is not secured at the row-level, often entered or re-entered manually, duplicated, and stored in multiple different files or applications.
- Increased risk of data quality errors – due to the scope and breadth of manual processing and duplicated data stored in multiple different files or applications.
- Degraded performance, productivity, and operational efficiency - the REAL system is based on an on-premises architectural design and outdated code base instead of more modern approaches to software development such as interoperability, modular design, web services interfaces, increased process and workflow automation, support for data analytics and data sharing, and enterprise-wide access to information.
- Higher long-term cost – long-term technical debt and opportunity costs associated with maintaining the REAL system are likely to be greater than the estimated project costs of implementing the recommended hybrid replacement solution.
- Inflexibility – inherent limitations of the REAL system architecture and code base prevent OFR from responding efficiently to an ever-changing security, legislative, regulatory, and industry landscape.
- Inability to meet customer needs and expectations – inherent limitations of the REAL system architecture and code base do not allow OFR to provide online and mobile-friendly services in a manner that meets customer expectations.

Though OFR has made great strides to make process improvements and achieve efficiencies with periodic updates and enhancements of the REAL system, it has reached capacity in terms of its ability to meeting customer needs and evolving technology. Taken together, the foregoing factors represent a significant foreseeable risk to continued

operation of the current REAL system that would be avoided by implementing the recommended hybrid solution.

F. Conclusion

The recommended COTS replacement solution will replace the current REAL system, including both VERSA Online and VERSA Regulation. This recommended solution would utilize current technology in terms of software architecture, cloud infrastructure and flexible service delivery platforms. A modern architecture would provide maximum flexibility to meet future business needs efficiently and cost-effectively. Additionally, configuration capabilities will allow adapting to future changes with minimized costs.

This Schedule IV-B will further explain the recommended COTS replacement solution in detail and provide a proposed implementation plan to satisfy the business need, mitigate risk, and address foreseeable constraints.

II. Schedule IV-B Business Case – Strategic Needs Assessment

A. Background and Strategic Needs Assessment

Purpose: To clearly articulate the business-related need(s) for the proposed project.

1. Business Need

Section 20.121, Florida Statutes, created the Florida Office of Financial Regulation (OFR). The responsibilities of OFR encompass providing regulatory oversight for Florida’s financial services industry, operating under the direction of the Financial Services Commission. Members of the Financial Services Commission include the Governor, Chief Financial Officer, Attorney General, and Commissioner of Agriculture. OFR’s leadership structure is depicted in Figure 1 below. The highlighted position is awaiting final approval by the cabinet.

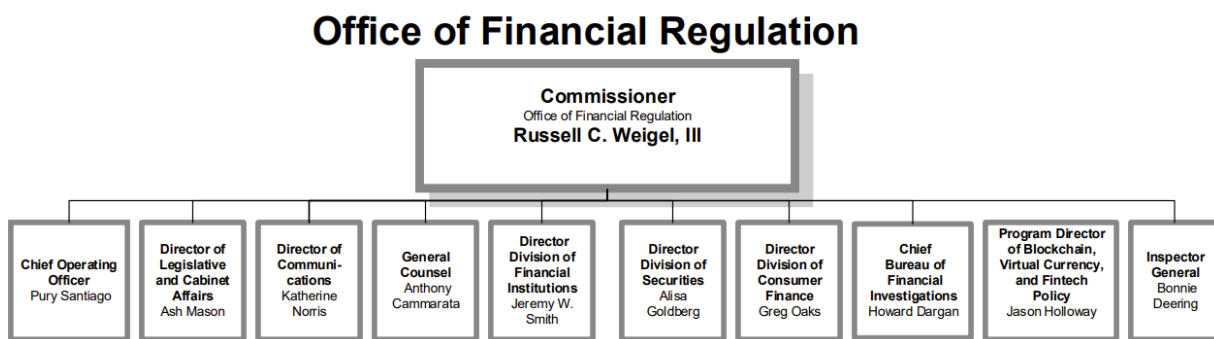


Figure 1: OFR Organizational Chart

Within OFR, several functional units provide direct or support services. Those areas of operation are presented in Table 1: OFR Business Units below.

Table 1: OFR Business Units

OFR Functional Units	
Program/Unit	Function
Division of Consumer Finance	Licenses and regulates non-depository financial service industries and individuals. The division also conducts examinations and complaint investigations for licensed entities to determine compliance with Florida law.
Division of Financial Institutions	Conducts periodic risk-based examinations and ensures that each state-chartered financial institution meets state and federal requirements for safety and soundness.
Division of Securities	Administers and enforces compliance with the Florida Securities and Investor Protection Act, designed to protect the investing public and promote economic growth. The division also regulates the sale of securities in, to, or from Florida by firms (securities dealers, issuer dealers and investment advisers), branch offices, and individuals affiliated with these firms to determine compliance with Florida law.
Bureau of Financial Investigations (BFI)	The enforcement arm of the agency that conducts investigations relating to the financial services industry, BFI makes appropriate referrals for criminal, civil or administrative actions, and participates in joint investigations with local, state, and federal law enforcement agencies.
Office of General Counsel	The Office of General Counsel (OGC) provides legal support services for the regulatory, investigative, and business functions of the agency. The OGC’s legal functions are divided into four operational areas consisting of Administrative and Civil Litigation Services, Consultative and Regulatory Services, Internal Agency Services, and Support Services.

a. Business Functionality

OFR has an immediate need to address issues related to business processes and tools that are used to meet the daily needs of staff and aid Floridians with program services.

Many of the core application processing, complaint intake and referral, case management, and examination processes performed today by OFR are constrained by the REAL system capabilities, volume handling, and inability to customize the system in specific ways. Some of these constraints may be attributed to the lack of system and process documentation and guidelines; however, many of the challenges are due to design limitations of the REAL system itself and have led some OFR business units to:

- Develop processes outside of the REAL system in excel spreadsheets or other systems to perform data collection and analysis, track milestones, perform assessment calculations, and develop reports.
- Store critical documentation on internal drives due to REAL’s inability to efficiently edit, store, index search within, and look-up documents.
- Rely on emails initiated outside of REAL to notify internal users of assigned tasks instead of receiving workflow notification in REAL.
- Store multiple records for the same institutions, cases, and examinations due to the inability to link records for the same institution, case, or exam

- Manually re-enter data that already exists elsewhere leading to inefficient and labor-intensive processes.
- Communicate with customers outside of the system, which then requires uploading the sent and received communications manually into the system.

Delaying system upgrades due to increased costs or implementation time constraints leaves OFR open to compliance risk. Complexities of the REAL system now make the implementation of modifications a lengthy and expensive process. Federal and state compliance mandates continue to evolve resulting in the need for system changes, along with a demand for tighter controls and increased security from a rise in fraud and identity theft.

OFR's ability to respond quickly to the needs of its customers, staff, state partner agencies, and federal oversight agencies is of critical importance to its mission. There are opportunities for innovation, customer self-service, increased worker efficiency, and systemic reliability by leveraging improvements to the system and adopting a cloud-hosted solution. Additional business functions which could benefit from improved technology include:

- Customer self-service functionality
- Security authentication for various roles in OFR
- Automatic validation of data input by customer
- A system meeting conditions and standards for:
 - Modularity – use of a modular, flexible approach including the use of open interfaces
 - Business results – supports accurate and timely processing of eligibility with the public
 - Reporting – has the capability to produce reports supporting program evaluation, continuous improvement in business operations, and transparency and accountability
 - Interoperability – supports integration with the appropriate entities providing eligibility, enrollment, and outreach functions

b. Data and Information

Manual processes are persistent throughout the REAL system, placing data integrity and data security at risk. While system improvements have alleviated some of the manual burden, many manual processes remain in place due to outdated technology, leaving workers engaged in inefficient tasks. Any data stored outside of the system of record has a higher inherent risk of compromise due to distributed security and access controls. Inside the system all accesses are both auditable and controlled by role, at the row-level. Automation of system components and processes should be prioritized to improve operational effectiveness and increase efficiency.

OFR collects data in various areas to determine if the program is meeting predetermined performance measures. However, staff lack the tools to easily assess current performance and process trends over time. Informed strategic decisions could be made more effectively via enhanced Business Intelligence (BI) tools and business analytics, giving executive leadership the ability to examine trends and patterns to predict possible future outcomes or address changing needs. The inability to easily assess and fully utilize data challenges program integrity and inhibits OFR's ability to implement a higher state of performance excellence regarding customer and program behavior, therefore negatively impacting management capabilities.

c. Architecture

A system that is technically stable and provides interoperability between partners and the architectural flexibility to adapt to the Office's evolving needs is of utmost importance.

Integrating technology enhancements into an overall system modernization effort will automate many of OFR's business functions and produce numerous benefits, including:

- Reduction in long term operating costs (reduced technical debt)
- Elimination of many manual business processes
- Better customer service
- Flexibility to accommodate legislative and policy changes
- Real-time processing of many routine activities
- System-driven workload balancing
- Improved data security and data integrity
- Mitigation of compliance risk
- Higher employee productivity through increased process automation and enterprise-wide access to information

The current REAL system technical architecture is outlined in [Section VI-A. Current Information Technology Environment](#).

d. Support and Maintenance

In order to effectively “keep the lights on,” OFR incurs annually increasing costs to support the aging REAL system and software components. Additionally, maintaining compliance with regulatory requirements has resulted in the need for enhancements that require significant vendor involvement.

2. Business Objectives

NOTE: For IT projects with total costs in excess of \$10 million, the business objectives described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

REAL system modernization is in line with OFR’s strategic direction, driven by the state’s policy and budget priorities based upon legislative mandate and the governor’s priorities. The following section outlines the main business objectives of the proposed project and provides an overview of how the objectives directly relate to OFR’s goals and the measures utilized to track the success of current and future performance. Project scope, governance structure, and estimated timeframes are discussed in future sections.

a. Departmental Goals and Objectives

The following section describes business objectives which are consistent with OFR’s existing policies and statutory requirements. The overarching business objective of REAL system modernization is to support OFR’s mission, vision, goals, and objectives. Pursuant to chapter 216, Florida Statutes, OFR has documented its goals and strategic objectives in a Long-Range Program Plan (LRPP). In the [FY 2023-24 to 2027-28 LRPP](#), priorities for OFR, and the goals and the associated objectives for each goal are shown in Figure 2 below:

Mission:

To protect Florida’s financial services consumers, promote a safe and sound financial marketplace, and contribute to the growth of Florida’s economy through fair, innovative, and excellent regulation of the financial services industry.

	Goal	Objective
1	Improving taxpayer value	OBJECTIVE 1A: Improve metrics to measure agency results to foster an atmosphere of continuous improvement
2	Delivering value to businesses	OBJECTIVE 2A: Improve service to Securities applicants and registrants by processing submissions in a timely manner.
		OBJECTIVE 2B: Improve service to Finance applicants and registrants by processing submissions in a timely manner.
3	Promoting a safe and sound financial marketplace	OBJECTIVE 2C: Provide fair, balanced and responsive service to Division of Financial Institutions’ customers, the state chartered or licensed financial institution.
		OBJECTIVE 3A: Examine all state financial institutions within statutory timeframes.
		OBJECTIVE 3B: Examine all money services businesses within statutory timeframes.
		OBJECTIVE 3C: Examine companies and individuals regulated under the Florida Securities & Investor Protection Act to more effectively protect Florida investors.
4	Improving Customer Service	OBJECTIVE 3D: Ensure effectiveness of financial investigations through consistent application of administrative, civil and/or criminal enforcement action against individuals or entities that conduct fraudulent or illegal financial services activities.
		OBJECTIVE 3E: Improve investigative efficiency by reducing the time required to prepare a legally sufficient case for potential enforcement action
		OBJECTIVE 4A: Improve customer service provided by the Division of Securities by reducing the overall call wait time.

Figure 2: OFR LRPP Goals

Beyond priorities established by requirements provided in federal regulations and state law, modernization of the REAL system will directly affect and advance OFR’s mission, vision, and goals. OFR goals are directly promoted by completion of a replacement system, with both tangible and intangible benefits expected. Those benefits are outlined in Section IV of this document. A brief listing of REAL system replacement objectives is given below:

- Provide mobile and self-service capabilities to applicants and recipients.
- Provide direct and easy access to comprehensive data for complete and accurate trend analysis and statistical reporting using a data warehouse.
- Consolidate systems to support easy access to information.
- Implement a system that speeds decision-making and maximizes automation.

The REAL system modernization will apply proven best practices and employ state-of-the-art technology to maximize efficiency and improve performance outcomes. In support of these objectives, and with recommended system changes, OFR will:

- Implement a system that continues to fully comply with state and federal laws, regulations, and be able to adapt to changing policy landscapes quickly with less expense.
- Improve internal and external security.
- Standardize and maximize business processes and tools to achieve efficiency and leverage capacity to keep pace with the persistent caseload.
- Empower front-line staff by providing immediate access to data to support decision-making processes.
- Provide report customization capabilities.
- Provide automated data population and cascading of data between input screens to improve productivity and data integrity.

- Implement a system that efficiently interfaces with external integration points to obtain and share data needed to determine compliance, verify information, and streamline the application process.
- Provide simultaneous access to data among various users.
- Implement a case management system to store data for applicants, licensees, and regulated entities, including data required for federal reports.
- Automate the resource assignments and re-assignments for required work based on the process flow.
- Prioritize alerts to bring important items to the worker's attention.
- Allow staff to monitor their assigned work to manage their time efficiently.
- Allow Management to monitor the assignments of workers more effectively under their supervision.
- Eliminate duplicative data entry between disparate systems or within the same system.
- Better support staff training is needed to meet desired skill levels.

b. Performance Measures

The proposed solution will use a robust set of measures to assess the level of performance of its business processes specific to public assistance. These measures are included in [Section III: Success Criteria](#).

B. Baseline Analysis

Purpose: To establish a basis for understanding the business processes, stakeholder groups, and current technologies that will be affected by the project and the level of business transformation that will be required for the project to be successful.

1. Current Business Process(es)

NOTE: If an agency has completed a workflow analysis, include through file insertion or attachment the analyses documentation developed and completed by the agency.

OFR provides regulatory oversight for Florida's financial services industry through five business units with separate responsibilities that each take on a multitude of processes. High-level OFR business processes include, but are not limited to, financial services license applications, financial institution examinations and regulation, state-regulated securities compliance, financial investigations, and legal actions. Those high-level processes break down further into over a hundred detailed operational processes. The business units and high-level process areas that encompass OFR are illustrated in Figure 3 below.

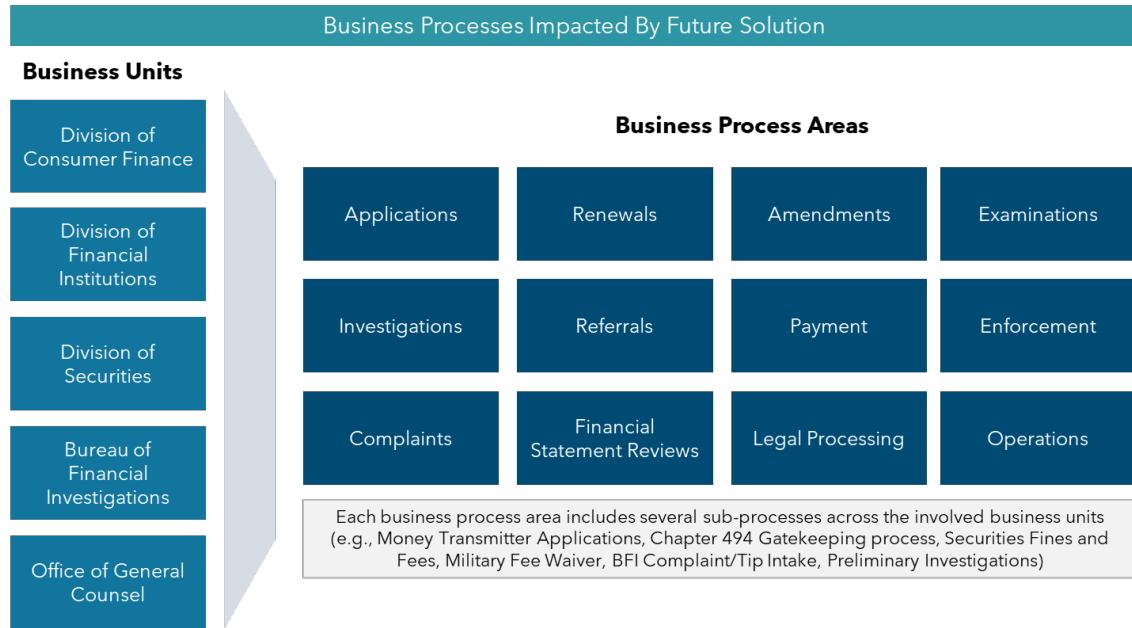


Figure 3: Business Processes Impacted by Future Solution

OFR performs its current public-facing business processes through three divisions, one bureau, and its Office of General Counsel, described previously in Table 1: OFR Business Units.

The workload volume across the 5 business units is immense. As of June 10, 2022, OFR regulated 519,774 entities through license, registration, or charter. During Fiscal Year 2021, OFR’s staff:

- performed almost 850 examinations of financial service industry entities (dedicating more than 95,000 person-hours),
- received more than 87,600 applications (approving more than 84,655 and denying 215)
- processed more than 41,125 renewals and amendments
- performed more than 17,230 background checks
- opened more than 2,260 complaints
- handled more than 33,300 phone calls
- conducted 187 active investigations
- examinations and investigations resulted in 45 enforcement actions
- processed more than 530 public records requests
- entered more than 412 Final Agency Orders
- closed 216 legal cases

Figure 4 and Table 2 below provide an example of a high-level business process map with a legend for reading the map. Documentation of OFR core processes have been collected in Appendix C: Process Maps for additional insight into OFR business functions.

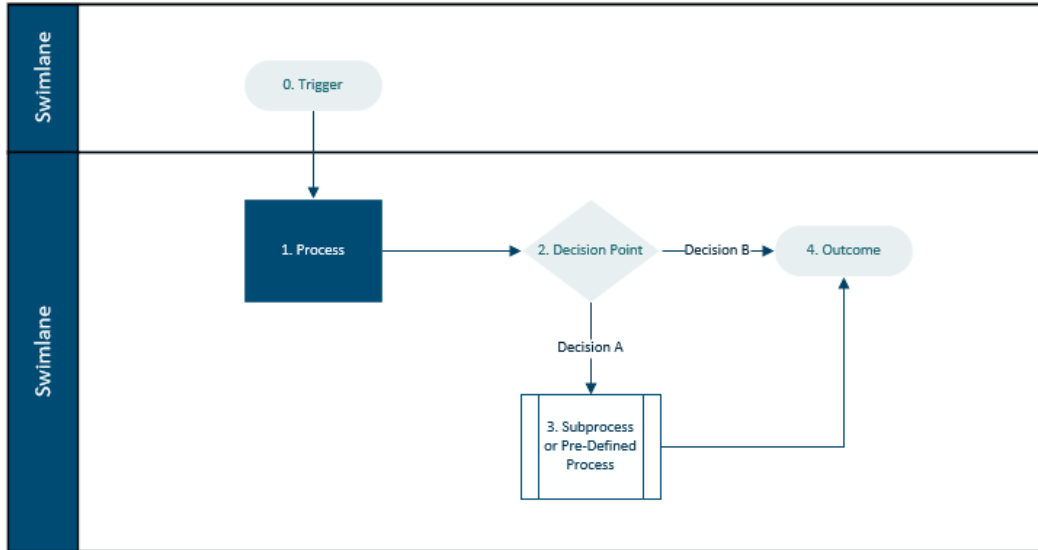



Figure 4: Process Map Description

Table 2: Process Map Legend

Symbol	Map Element	Description
	Swimlane	Represents a role or system that performs a task in the process.
1.	Numbering	Represents the unique identifier for each task.
	Connectors	Represents the process flow order.
	Trigger	The process initiator. Describes what event must occur for the process to begin.
	Process Step	The process or task that needs to be performed before moving to the next step.
	REAL Process Step	The process or task that needs to be performed before moving to the next step. Steps colored in this way are specifically performed in the REAL system.
	Decision Point	A decision that the processor must make. These will be in the form of a question. A Decision Point must have at least two options, each with an arrow leading to a different shape. The arrows must be labeled with the decision.
	Subprocess/Predefined Process	Process that contains multiple tasks that are defined in another process map or require its own process map.
	Outcome	The last task to be performed in the process.

Symbol	Map Element	Description
	One-page Reference	Connects one section on the map to a different section on the same page.

The illustration provided in Figure 5 and description in Table 3 below represent the highest-level view of REAL’s general interaction within the many business processes across all 5 business units (Consumer Finance, Securities, Financial Institutions, BFI and OGC).

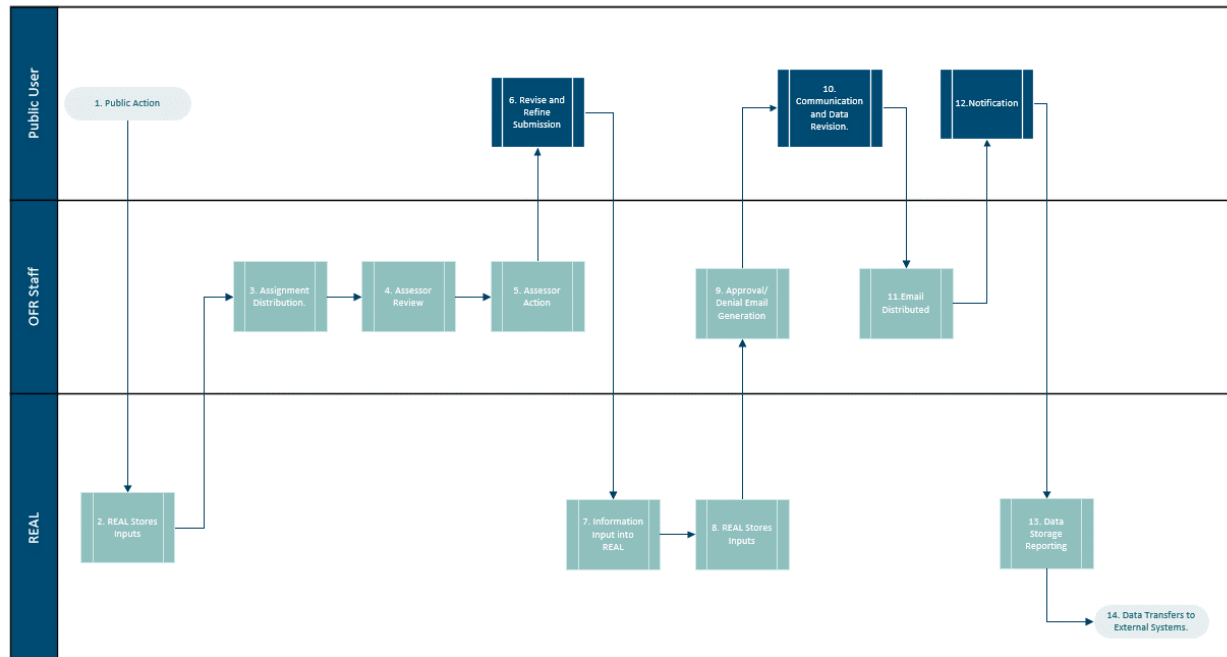


Figure 5: Highest Level 0 (Zero) Process Map

Table 3: Process Step Descriptions

#	Step Title	Step Description	Role
1	Public Action	A public user enters the online portal and submits an action including, but not limited to, registration, application, amendment, complaint, compliance, or payment.	Public User
2	REAL Stores Inputs	REAL accepts user submission.	REAL
3	Assignment Distribution	An OFR staff member performs a high-level review of the nature of the public user submission and assigns the work item to an appropriate OFR assessor.	OFR Staff
4	Assessor Review	An OFR staff member, assigned as the assessor, reviews the public user submission for completeness and accuracy, and determines a path forward for actions needed.	OFR Staff

#	Step Title	Step Description	Role
5	Assessor Action	OFR assessor acts towards the public user submission, which can include, but is not limited to, reaching out to the user for further information, validating the user’s information against authority of source databases, performing a preliminary or formal investigation. Actions taken at this stage are done outside of the REAL system and may be tracked and organized outside of the REAL system.	OFR Staff
6	Revise and Refine Submission	Public Users respond to OFR staff requests for additional information and corrections required to validate and complete their submission.	Public User
7	Information Input into REAL	OFR assessor inputs information from actions taken in Step 5 into the REAL system for documentation purposes. Where applicable, OFR assessor inputs a decision on the public user submission, such as an approval or denial of an application.	OFR Staff, REAL
8	REAL Stores Inputs	REAL stores inputs from OFR assessor in Step 5.	REAL
9	Approval/Denial Email Generation	Where applicable and when determined by OFR assessor, REAL generates an approval or denial letter while auto-populating certain information from the public user file. Additional detail is manually added by OFR assessor.	OFR Staff, REAL
10	Communication and Data Revision	Public Users receive notifications and respond to OFR staff requests for additional information and corrections required to validate and complete their submission.	Public User
11	Email Distributed	OFR assessor sends an email to the public user, outside of REAL, with the generated letter attached.	OFR Staff
12	Notification	Public Users receive notifications and respond to OFR with any final questions.	Public User
13	Data Storage and Reporting	REAL communicates with a relational database to store information. The database communicates with SSRS for reporting of data.	REAL
14	Data Transfer to External Systems	Data from REAL that is stored in the database is distributed to external systems, as necessary.	REAL

2. Assumptions and Constraints

This section identifies unique business factors, including any departmental, state, federal, or industry standards, which might limit the range of reasonable technical alternatives. It will identify any assumptions and constraints associated with the problem or opportunity being addressed that might impact the outcome of a proposed solution.

a. Assumptions

The following assumptions are statements about the project or its environment that are taken to be true and, accordingly, are factored into OFR’s plans and analysis for the proposed project.

- There is commitment to the project goals from all stakeholders.
- OFR desires to increase efficiency and effectiveness through process automation, reduce manual steps that rely on the use of ad-hoc tools and processes, enhance workflow management, improve data integrity and data security, and allow for more detailed and robust reporting to strengthen operational compliance.
- Any gains in operational efficiency that the OFR realizes through these efforts will be used to allocate additional resources to value-added activities such as improving internal system operations and

maintenance, enhancing workflow and caseload management, applying advanced analytics to enhance preventive enforcement efforts, and improving customer service.

- A suitable architecture model exists to facilitate rapid and scalable deployment of the technical and functional initiatives outlined in the proposed solution.
- OFR will deploy Organizational Change Management (OCM) activities required to successfully implement the recommended solution.
- OFR project team will be adequately staffed and augmented if needed to accomplish the project's deliverables, milestones, and infrastructure, manage user involvement, ensure proper testing, produce necessary project planning documents, project status reporting and complete other project management tasks.
- The system will rely on new and existing data interfaces that connect directly to source data held by other agencies/departments rather than re-create and store duplicate data.
- Data migration from multiple systems will be required and successful.
- Labor rates for contracted staff are assumed to be in accordance with the IT consulting State Term Contract for staff augmentation and comparable to similar projects recently undertaken by other Florida State Government agencies.
- The Schedule IV-B will result in necessary appropriations or spending authority for implementation of the proposed system.
- The current FLAIR system will remain in operation until the new PALM financial management solution has replaced all FLAIR components.
 - The system will not require a direct interface with the PALM system.
- The system will have a direct interface Cashier's Office Deposit Automation (CODA).
- The required State staff resources with the necessary skill sets will be available throughout the project.
- Collaborative partnerships established with OFR will enhance the success of the project.

b. Constraints

Constraints are identified factors that will limit the project management team's options and affect the progress or success of the proposed project.

- Project funding is subject to an annual budget process and may also be subject to periodic releases of funds throughout a given fiscal year (depending upon suitable schedule and cost performance).
- Approval by the Executive Office of the Governor (EOG) and the Legislative Budget Commission (LBC) will be required before any expenditure of project funds is permitted.
- All schedules are dependent on the continual availability of authorized funds.
- Information requests from external oversight agencies and partners can be time-consuming to produce and can materially affect the project's timeline.
- State and/or federal statutory changes, changes in administrative rules, and OFR policy changes could materially impact the project and project timeline.
- Software tools supporting desired capabilities will be determined based on the solution proposed by the selected contracted system integration vendor.
- The current security and privacy control framework must be maintained until migration to a new system and new security and privacy control framework are completed.

C. Proposed Business Process Requirements

Purpose: To establish a basis for understanding what business process requirements the proposed solution must meet in order to select an appropriate solution for the project.

This section is to identify proposed business process requirements for a new system. Though the existing REAL system adequately supports OFR business processes, it has limited capabilities in supporting the overall business requirements of OFR. As depicted in the current business processes outlined in Section II A (1), there are a multitude of activities that are not supported within the current REAL system. The future system would encompass a larger suite of functionality that would fully replace the existing REAL system and would provide scalable, flexible solutions for accommodating and managing the flow of incoming information, automating manual processes, enhancing efficiency, improving collaboration with external entities, increasing ability to meet statutory requirements, and improving the overall customer experience. The new system would also be designed in a fashion that would enable OFR greater control over managing, maintaining, and enhancing the system without requiring considerable vendor support.

Proposed business process requirements for the recommended solution are illustrated and described more fully in the subsections below.

1. Proposed Business Process Requirements

The following sections provide an overview of the business processes requirements the system initiatives would support. These high-level requirements are a starting point for a more detailed requirements gathering and elaboration which will be conducted during the Definition Phase of the proposed project.

The information below, depicted as proposed business requirements, describes the necessary activities and initiatives required for the future system to address OFR’s business needs and goals. Information on how these business process requirements will be satisfied is described in terms of functional requirements.

The proposed business process requirements fall into four high-level categories listed below and referenced in Figure 6: Business Process Requirement Categories:

- Business Functionality – Functional capabilities that support specific business needs.
- Information and Data – Capabilities related to the storage, use, exchange, and transformation of data.
- Architecture – Structural components that make up the system and support the business needs.
- Support and Maintenance – Services or capabilities that support system operations and maintenance.



Figure 6: Business Process Requirement Categories

a. Business Functionality

The proposed requirements included in this area involve the primary business functions of OFR. Business functionality requirements include:

- **Online Portal:** The proposed system shall provide the capability for customers to access the system via the web and register and maintain authenticated accounts. The public should be able to search OFR final orders and license status without creating an account. Orders will be maintained and indexed on an OFR cloud-based server and be fully searchable. The public must also be able to view and search all OFR enforced statutes and all OFR administrative rules in one location on the OFR website. Customers with accounts will be given the added ability to submit applications, complaints, view statuses, and communicate with OFR via an online Self-Service portal. If a user has submitted a prior application, data should prepopulate for changes or amendments to the application (to not only help the user submit their updated application more quickly but also speed up OFR review process). The system should enable OFR staff to view portal screens with the same data as the customer to provide efficient support.
- **Mobile Access:** The proposed system modernization will provide near real-time access to customer data via a “MyAccount” style mobile application and provide functionality to present customers with a mobile-optimized version of MyAccount self-service portal. Enhanced mobile access should deliver functionality that offers customers the ability to capture, upload, and index images and documents, and the ability to use location services to find the nearest referral services, all without any assistance from OFR. The system's public portal should be responsive such that it can be used on mobile devices and tablets without the need for horizontal scrolling. The system should be compatible with mobile iOS and Android devices.
- **User Registration:** The proposed system should allow external authenticated users, and authorized third parties, to submit applications, amendments, renewals, and terminations online for all license types. Internal and external users should have the ability to communicate with each other via this functionality.
- **Payment Acceptance:** The proposed system must include the ability to issue fees, fines, calculate assessments, calculate over/under payments, and send all monies to the OFRs designated external payment processor and internal accounting system.
- **Workflow Visibility:** The proposed system modernization must allow account holders and internal users to view the status of their assigned application, examination, complaint, etc., during each stage in the process through a “user dashboard”
- **Communication and Correspondence (notices, email):** The proposed modernized system should include the ability for internal users of the system to communicate with customers via Microsoft Outlook. Each correspondence should include the reference number (case, complaint, assessment, examination, compliance, etc...) in the email and/or subject line in a manner that allows automated indexing to workflows and cases. All email correspondence through the proposed system should be automatically stored in the system.
- **Referrals:** The proposed system should provide the ability for internal system users to refer and transfer either an entire work function or partial work within OFR through the system to other business units, or in some cases, other users within the same business unit.
- **Investigations and Enforcement (case management):** The proposed system modernization should provide robust case management capabilities including configurable workflow for cases and a real-time dashboard. In addition, the system should provide case update history tracking (with comments), cost tracking of staff (travel, incidentals, etc...), and time tracking (Example: investigator time worked on cases).
- **Business Rule Management:** The proposed system modernization should include robust business rule management functionality that will at a minimum provide alerts, notifications, and reminders on timelines

based on configurable business rules, including an automated notification when a workflow has reached a specified lifecycle phase.

- **Automated Processing (auto data population, reconciliation of conflicting customer data):** When selecting an institution, the proposed system should include controls that provide customers with a list of institutions to choose from to ensure the institution is regulated by OFR and the spelling is the same as that in the system. When selecting an institution, all public data shall auto-populate as well.
- **Auto denials/auto approvals:** The proposed system shall have workflow options that would allow the system to automatically change the status of an application, complaint, or other requests based on the number of days that have accumulated since the last communication, or a specific action being taken by the analyst or owner of the item, and advance the item in the workflow to the next step, which may include steps that result in a final action being taken by the system. The proposed system shall also automatically approve applications that are submitted via the self-service portal when all criteria have been met by the applicant and entered into the application.
- **Performance Monitoring:** The proposed system shall include performance dashboards for management to track the status and days worked on each process within the system. The proposed system shall also allow for ad-hoc reports that include status, days worked, milestones, assigned staff, and any other performance measures needed to determine actions to be taken.
- **Attachments** – The proposed system shall allow internal users the ability to upload attachments (in various media types) directly into the system. It should also permit external users the ability to upload attachments into the system via the service portal. Lastly, the system shall have the ability to provide OFR a notification each time an attachment is uploaded, or modified, by an external user, and to track the history/lineage of all uploaded materials.
- **Indexing/Tagging** – The proposed system shall provide the ability to index or tag documents (files, emails, and other work items) within cases to support association of information on a case. Files associated with a record should also be visible on all associated records across business units as defined by OFR business rules and user security roles.

b. Information and Data

The proposed requirements included in this area involve the information and data inputs and outputs that make up the system. Information and data requirements include:

- **Data Management:** The proposed system shall integrate data clean up, apply controls to the type and format of data to improve data management, and reduce Operations and Maintenance.
- **Data Migration:** The proposed system shall include all desired data from REAL and other applications supporting REAL.
- **Document Management:** The proposed system should provide for robust document management, including full text scanning, uploading attachments (in various media types) to any system record and being able to easily index, search, access, replace, and view those attachments. Full versioning must be maintained as documents are replaced. File size must be configurable. The system must offer the capability to handle high volume, high retrieval rates, full context search, omitting documents from public consumption, and redacting of confidential information. The system should also have a configurable records retention engine capable of meeting the different retention schedules for each class of stored document.
- **Reporting:** The proposed system modernization shall include canned (standard) reports as well as ad-hoc reporting available to internal system users. Canned reports will be pre-defined, and output provided in file

formats such as Microsoft Excel, PDF, and Microsoft Word at a minimum. Ad-hoc reports should include most fields in the system as inputs and output provided in Microsoft Excel and .CSV at a minimum.

- **Data Analytics:** The proposed system shall leverage modern BI tools, including Tableau and business data, offering Management the ability to recognize, decipher, and communicate patterns in data to optimize OFR business processes, improve operational compliance, and assist in predictive decision-making.

c. Architecture

The proposed requirements included in this area involve the structural components and technology foundation that make up the system, which enable the other three categories of business process requirements (business functionality, information and data, and support and maintenance). Architecture requirements include:

- **Modern Infrastructure:** The proposed system modernization solution will establish a consolidated, scalable on-demand, modern platform residing in the cloud providing the solid base and flexibility needed to mitigate maintenance and operation costs associated with the current REAL system. The proposed solution will also support increased workloads, facilitate the implementation of future operational efficiencies, allow a more rapid response to future state and federal program changes and constantly evolving challenges related to licensing and regulation. From a service perspective, the proposed system solution will help build stronger relationships with customers and enable quicker access to services with improved outcomes.
- **Enhanced Interfaces:** The proposed system initiative will enable direct integrations with inbound and outbound external systems providing for more real-time or near real-time data exchanges and reduce reliance on FTP processes and schedules.
- **Configuration Access:** The proposed system initiative will provide OFR with the ability to configure the system in-house, without the need for vendor support.
- **Batch Processes:** The proposed system initiative will migrate batch processes from the current REAL system to the new system platform. In situations where data availability constraints allow it, batch processes will be transformed into real-time processes.
- **Single Sign-On:** The proposed system initiative will include single sign-on user authentication to eliminate redundancies and administrative burden. Single sign-on should allow the user to log in once and access services without re-entering authentication factors.
- **Enhanced Security/Multi-factor Authentication:** The proposed system initiative will include advanced multi-factor authentication and enhanced intrusion detection for both internal and external facing applications. This will enhance the standard tenets of confidentiality, integrity, and availability for providing secure and reliable licensing services.

d. Support and Maintenance

The proposed requirements included in this area involve the activities that are required for the operation and maintenance of the future REAL System, including but not limited to operating the system, monitoring system performance, fixing defects, testing changes to the system, and performing software maintenance and upgrades.

- **Maintenance and Support:** The proposed system initiative will provide OFR with the ability to better manage ongoing software and hardware maintenance and support in-house.

- **User Support:** The proposed system initiative will provide OFR with the ability to directly view and manipulate user screens when providing customer support for public users.
- **Cost Tracking:** The proposed system initiative will provide OFR with enhanced visibility into on-going system and service costs.

2. Business Solution Alternatives

ISF analyzed alternatives for a solution to modernize or replace the REAL system and support the business need. Primarily, these were technical considerations, which are discussed in detail in section [VI.C - Proposed Technical Solution](#). The key business solution alternatives contemplated were implementation and rollout method alternatives, including:

- Phased delivery of new system capabilities or functionality
- Single switchover (“Big Bang” approach)

3. Rationale for Selection

The phased implementation approach is the recommended approach based on the selection criteria described below and described in Section VI.C. The phased implementation approach delivers business value in both the short-term and long-term and mitigates the highest risk the Department faces in terms of replacing current infrastructure.

Cost: Typically, a single switchover and rollout of a new system is a more costly implementation. With a single implementation, staff are developing the solution in a silo then releasing the system for testing at the end of development. This approach often delays implementation as defects that were detected in the core of the solution are more costly to fix than if they were discovered earlier on in the project. With a phased approach, the core of the solution is developed then released for testing as features are developed. Testing for defects in a phased approach leads to earlier bug detection and resolution before being deeply embedded, therefore saving time on re-work.

Risk: In a single development and implementation cycle, times are too long. When projects are implemented across one or more changes in leadership, these changes provide opportunities to reprioritize efforts and put the project at risk. Releasing features on a phased rollout allows use of the system, at least in part, on a quicker pace reducing the risk of losing support of the project.

Business Value: Developing the core of the solution upfront, then developing and releasing each business unit separately allows OFR and the public earlier access to the system. In a phased approach, business units within OFR would not be delayed due to defects or issues in other business unit modules. For example, the Division of Consumer Finance could test and implement their business requirements even if defects are discovered in the Division of Securities. In a single switchover, all business units would need to complete testing and all defects resolved before implementation. Phasing the implementation by business unit could reduce risk and support continuity through the implementation process. For instance, if OFR were to first develop functionality for a business unit that does not rely heavily on the current system, the ill effects of any defect would be limited to that business unit. Secondly, a less reliant business unit could roll back to the current system more efficiently in the face of an unexpected defect.

Timeline:

- **Short-Term** – Recognizing business value in the early stages of a multi-year project is often a consideration for priority. In the short term, this can help justify the purpose of the project and gives early benefits to justify the investment in the project. In some circumstances, this can reduce

overall costs by enabling process improvements and improving efficiency before the entire effort has been completed. In other circumstances, prioritizing short-term return can lead to band-aid solutions that do not fully resolve the root of the organization’s challenges.

- **Long-Term** - With large multi-year projects, delivering business value over the long term must be considered as well. These long-term benefits typically represent the major goal of the project, solving the root of the organization’s challenges. Often, long term benefits are not obtained due to competing desires for short-term benefits. As a result, long term benefits must be prioritized in many cases at the expense of potential short-term gains. Prioritizing long-term benefits in some circumstances can set the organization up for better long-term success.

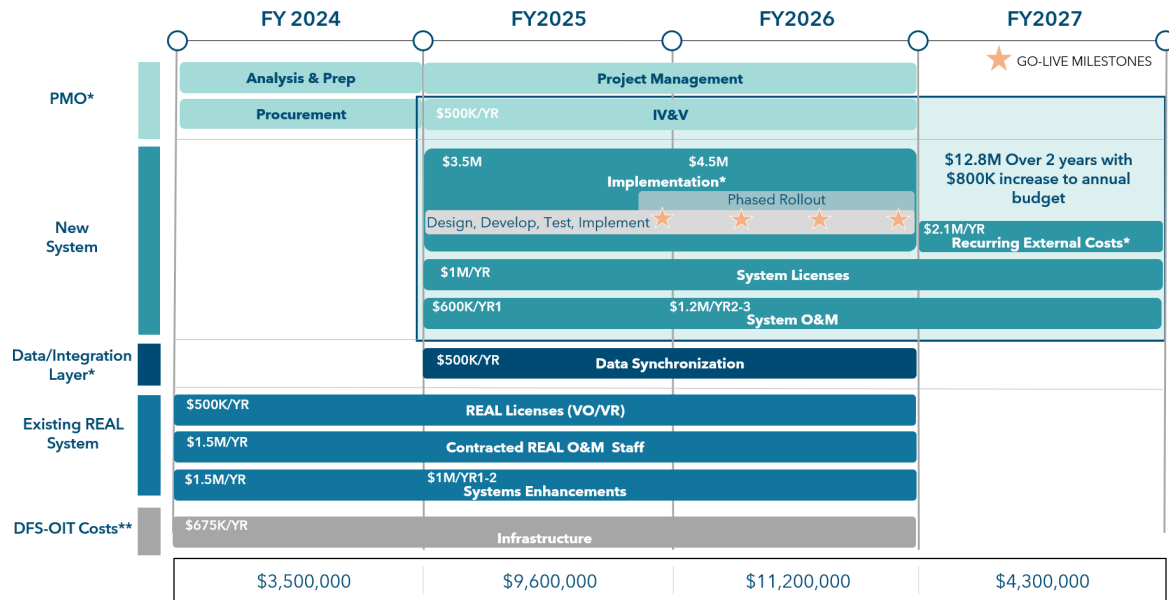
Table 4: Selection Criteria for Recommended Solution Selection Criteria for Recommended Solution

Solution Alternative Selection Considerations		
Item	Big Bang	Phased Implementation
Cost	High (more staff time)	Moderate (defects are less costly to resolve)
Risk	High (longer development and possible loss of support)	Moderate (results are realized earlier)
Business Value	Moderate (reliance on all business units)	High (earlier access to the system)
Short Term	No value until completed	Value delivered incrementally
Long Term	No value until completed	Value delivered incrementally

4. Recommended Business Solution

NOTE: For IT projects with total cost in excess of \$10 million, the project scope described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4) (a) 10, F.S.

The recommended implementation roadmap, Figure 7 below, outlines the activities involved in implementing the proposed system replacement. The Modernization Roadmap is a visual aid that provides the processes, activities, and configurations that are key components in delivering a successful solution.



* One-time project costs reflected in CBA Form 2A. All other costs are recurring and reflected in CBA Form 1.
 ** DFS-OIT funds are currently non-operational and not part of the REAL budget. The \$675K/yr will become operational as part of cloud infrastructure costs.

Figure 7: Modernization Roadmap

The Modernization Roadmap includes four key areas: Project Team/Project Management Office (PMO), New System, Data/Integration Layer, and Existing REAL System. Each of the four key areas are further defined in Figure 7 above.

a. PMO

The PMO swim-lane within the implementation roadmap depicts the following high-level recommended activities, teams, and stages with oversight by the Project Team:

- Analysis & Preparations:** In the first stages of the project, additional analysis and preparations will be required to assist with the IT procurement documents and development. The additional analysis includes ensuring all requirements listed in Florida Statutes, Florida Administrative Code, and any other governing agency are defined and ready for vendor consumption. In addition, the Level 0 Process Maps should be used to create lower-level maps (Level 1 and Level 2) to provide more detail. Lastly, the current data in REAL will need to be cleansed to prevent errors during data conversion.
- Procurement:** Concurrently with the analysis and preparations, a procurement project will be initiated to obtain the services of one or more system, software, and/or integration (SSI) service providers to further define and develop the solution associated with the system modernization.
- Project Management** – Project management is key to any successful project. Rule 60GG-1, Florida Administrative Code, establishes project management standards when implementing Information Technology (IT) projects. State of Florida Agencies must comply with these standards when implementing all IT projects. Project management activities are traditionally conducted by an internal or external (contracted) Project Management Office (PMO). The PMO provides a management structure that standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques. Project managers within the PMO complete all the required project documents and processes.

- **Independent Verification and Validation (IV&V)** — The OFR intends to contract for IV&V consulting services with a third-party. This is required for projects that exceed \$20 million and recommended for projects under that threshold. The primary objective of an IV&V is to provide an objective assessment of products and processes throughout the project management lifecycle. In addition, IV&V will facilitate early detection and correction of issues, enhance management insight into risks, and ensure compliance with project performance, schedule, and budget requirements. The IV&V entity must have no technical, managerial, or financial interest in the project and will not have any responsibility for, or participation in, any other aspect of the project.

b. New System

The new system swim-lane within the implementation roadmap depicts the following high-level activities:

- **New System Licensing** – Once procurement efforts have concluded and the future solution has been determined, the new licensing costs will be assumed at the time of the start of implementation.
- **New System Implementation** - The replacement system should follow a waterfall (end-to-end) development approach, and an iterative or phased deployment approach. Components of functionality within the replacement system should be developed end-to-end accommodating for all OFR requirements at once, to reduce multiple development or configuration efforts. That means during the implementation process for each component of functionality, the vendor and OFR will complete the full Software Design Lifecycle (SDLC) of analysis, design, testing, and implementation of that functionality. That functionality will include COTS product components and customizations developed by the vendor to support OFR’s specific business need. Though the development of functionality will be completed end-to-end in the above manner, rolling out the use of the new functionality should be phased or iterative. The sequencing of deployment phases should be determined based on business groupings and could include deploying the use of the new system to specific business units in phases or deploying specific license types or statutes in phases. The phased deployment approach mitigates risk.
- **New System O&M** – Operations and Maintenance for the new system would begin at the time of the first deployment of the new system into production use. To increase OFR control of their system, this team would be composed of 4-6 new OFR staff, totaling \$1,000,000 per year; hired and trained specifically to manage the new system. At a minimum, two members of this team will be onboarded in year one, and the remaining two onboarded in year two. The OFR REAL support team will remain in place throughout the installation of the new system and beyond.

c. Data Synchronization

The phased rollout strategy results in both the current REAL system and the new solution operating at the same time. Given the integrated nature of licensing systems, data synchronization is required. Specifically, integration points between the two systems as well as reporting which pulls data from both systems will be needed.

A subset of data in each system must be identified and synchronized with the system operating in parallel. Thus, a bidirectional integration must be built and maintained. The scope of this synchronization layer is expected to grow as more functionality is implemented in the new solution. When all functionality is moved over to the new solution, this bidirectional integration layer will no longer be needed.

Similarly, any reporting that includes data from multiple business areas must be updated to pull from both the current REAL system as well as the new solution. An intermediate storage solution may be required to support data transformations that result in equivalent views of data from the two systems. As with the bidirectional integration layer, reporting updates will be required as more functionality is moved to the new solution. However, the final set of reports will continue to be used after all functionality is moved.

d. Existing REAL System

The existing REAL system swim-lane within the implementation roadmap depicts the following high-level activities and funding:

- **REAL Licenses (VO/VR)** – OFR pays Tyler Technologies \$500,000 annually for Versa Online and Versa Regulation (the OFR regulatory platform known as REAL) licensing costs. This annual cost will be paid through the entire installation of the new system, totaling \$1.5 million over the next three fiscal years.
- **Contracted REAL O&M Staff** – Currently, OFR has contracted with an outside vendor to provide Operations and Maintenance services for REAL at a cost of \$1.5 million annually. The contracted team consists of five staff to support the system. This annual cost will be paid through the entire installation of the new system to ensure REAL is supported through turnover, totaling \$4.5 million over the next three fiscal years.
- **DFS OIT Costs** – The Department of Financial Services Office of Information Technology (DFS OIT) is responsible for OFR’s infrastructure support. Currently, OFR is responsible for paying DFS OIT \$675,000 annually for REAL hosting, server maintenance, FileNet licensure, and other technical costs. These are non-operational costs. Once the new system is implemented, these services are not expected to be provided by DFS OIT.

D. Functional and Technical Requirements

Purpose: To identify the functional and technical system requirements that must be met by the project.

The purpose of this section is to identify functional technical requirements. A functional technical requirement describes how the business process requirements shall be accomplished. Some business process requirements may be accomplished through several functional technical requirements, so there is not a one-to-one relationship between the two. The functional technical requirements are summarized in Table 5 below:

Table 5: Functional and Technical Requirements

Requirement Category	Initiative	Description
Architecture	Multi-factor Authentication	The system should support multi-factor authentication to ensure only authenticated users have access.
Architecture	Email Authentication	The system should support public authentication that requires an email confirmation to validate the user's email address.
Architecture	Forms-based Authentication	The system should provide a forms-based authentication mechanism, as opposed to utilizing a third party such as Google or Facebook.
Architecture	Automated Login Prevention	The system should include the ability to support various automated login prevention technologies such as ReCaptcha.
Architecture	Single Sign-On	The system should support single sign-on.

Requirement Category	Initiative	Description
Architecture	Active Directory Authentication	The system should support integration with MS Office 365 Active Directory and SSO to ensure only authenticated users have access.
Architecture	Email Integration	The system should provide the ability to integrate Office 365 cloud-hosted Exchange email into REAL and associate email to cases.
Architecture	Payment Customizations	The system should support requirements related to how different payments should take place.
Architecture	Integrated Document Management	The system should provide for a robust document management system, including uploading and removing attachments (in various media types) from the public-facing portal to various types of cases including applications and investigations as well as the ability to easily index, search, access, and view those attachments. The system should maintain the capability to handle high volume, high retrieval, full context search, and multiple multimedia types. The system should allow record retention standards (coded by date case closed).
Architecture	Flat File Import	The system should be able to receive flat and xml formatted files via SFTP to accommodate current inbound external systems and future integrations.
Architecture	API and Real-Time Data Calls	The system should support a modern API framework to integrate with external systems for real-time data transfer.
Architecture	Entity Data Import	The system should provide for real-time (or enhanced frequency) import of data from external sources including SEC Edgar, NMLS, Division of Corporations, and FDLE to identify entity registrations more easily.
Architecture	RSS Feeds	The system should support the use of RSS Feeds for integration.
Architecture	CCDB and DPTS Integration	The system should integrate with the Check Cashing Database (CCDB) and Deferred Presentment Transaction System (DPTS) to access historical information on check payments. This is used to ensure only one payday loan is outstanding at a time as well as enforce a 24 hour wait period between payday loan issuances.
Architecture	CODA Integration	The system should receive data from and send data to the Cash or Deferred Arrangement (CODA) receipt and reconciliation processing system.

Requirement Category	Initiative	Description
Architecture	NCUA FDIC Integration	The system should receive data from the NCUA and FDIC in an automated fashion.
Architecture	FinCEN MSB Registrant Database Integration	The system should integrate with the FinCEN data source to support automated availability of financial investigation data to investigators.
Architecture	SEC Edgar Integration	The system should provide for real-time (or enhanced frequency) import/ingestion of data from SEC Edgar.
Architecture	NMLS Integration	The system should provide for real-time (or enhanced frequency) import/ingestion of data from NMLS.
Architecture	FINRA Broker Check Integration	The system should provide for real-time (or enhanced frequency) import/ingestion of data from FINRA Broker Check CRD/IARD, and RSS feeds of data related to Securities licensees.
Architecture	Configurable Integrations	The system should allow adding integration points through configuration and without requiring a software development effort.
Architecture	Relational Database	The system should integrate with a relational database to store, extract, transform, and load data.
Architecture	Universal Database Structure	The system should work with a range of relational databases rather than being dependent on a single database vendor.
Architecture	Real-Time Reporting Database	The system should provide direct and real-time access to operational data with minimal to no lag or delay.
Architecture	Batch Processing	The system should support batch processing functionality.
Architecture	System Uptime	The system should remain available 99.99% of the time, excluding planned and mutually agreed upon maintenance.
Architecture	Redundancy	The system must provide redundancy such that the failure of a single system component will not result in overall lack of availability of the system (high availability, automatic failover).
Architecture	Configurable Objects	The system should provide the ability to configure components of the application in-house, without requiring a third-party vendor.
Architecture	Modern Platform	The system should be built upon a modern, flexible, and configurable platform with a UI.

Requirement Category	Initiative	Description
Architecture	SAAS	The system should be provided in a "Software as a Service" or "Platform as a Service" method such that the platform provider is responsible for all patching and platform maintenance.
Architecture	Browser Compatibility	The system should support the latest two versions of Edge, Chrome, Firefox, and Safari.
Architecture	Web-based Interface	The system should allow usage with only a web browser installation requirement on the client.
Architecture	Cloud Hosting	The system should be hosted in a well-known cloud infrastructure, included as part of the proposed solution.
Architecture	Cloud Services	The system should support the use of cloud services that maintain high availability, security, analytics, storage, and data integration.
Architecture	Job Scheduler	The system should provide a scheduling capability to support time-based internal updates as well as time-based or dependency-based external interactions.
Architecture	Mobile Compatibility	The system's public portal should be responsive such that it can be used on mobile devices and tablets without the need for horizontal scrolling.
Architecture	Mobile Application	The system should provide mobile iOS and Android apps for public users.
Architecture	Environments	The system should support the use of multiple "mirror" environments, including a development, testing, and production environment.
Architecture	Hardware Scaling	The system should provide automatic scaling of hardware resources to ensure capacity is increased and decreased to match load.
Architecture	APIs	The system should provide all capabilities that are available through the public portal also through APIs.
Business Functionality	Online Portal	The system should provide the ability for public users to access system via the web, register and maintain an authenticated account.
Business Functionality	Registration Submission	The system should allow external authenticated users to submit applications, amendments, renewals, and terminations online for all license types.

Requirement Category	Initiative	Description
Business Functionality	Registration Submission	The system should allow external authenticated users to designate authorized entities who have the ability to submit applications, amendments, renewals, and terminations online for all license types on behalf of the licensee.
Business Functionality	Registration Submission	The system should allow users to limit access to specific third-party authorized entities to only designated portions of any application, amendments, renewals, and terminations for all license types on behalf of the licensee.
Business Functionality	Complaint Submission	The system should allow external authenticated users to file complaints against any licensed or unlicensed entity.
Business Functionality	Complaint Submission	The system should allow any external users to file a complaint against any licensed or unlicensed entity without establishing an online account.
Business Functionality	Compliance Submission	The system should allow any licensed entity to submit compliance filings online including renewals, quarterly reports, and amendments.
Business Functionality	Compliance Submission	The system should allow any licensed entity to designate an authorized third-party entity to submit compliance filings online including renewals, quarterly reports, and amendments on behalf of the licensee.
Business Functionality	Attachment Submission	The system should allow external authenticated users to submit attachments online throughout all stages of the workflow.
Business Functionality	Attachment Submission	The system should allow external authenticated users to designate an authorized third-party entity to submit attachments online throughout all stages of the workflow on behalf of the user.
Business Functionality	Payment Submission	The system should allow authenticated users to designate authorized third-party entities who can submit payments, fees, and penalties online on behalf of the user.
Business Functionality	Payment Submission	The system should allow authenticated users to submit payments, fees, and penalties online.
Business Functionality	Application Dashboard	The system should provide a dashboard to allow authenticated users to access the status of their application and identify what stage the application is in the process .
Business Functionality	Complaints Dashboard	The system should provide a dashboard to allow authenticated users to access the status of their complaint and identify what stage the complaint is in the process.

Requirement Category	Initiative	Description
Business Functionality	Active/Non-active License Search	The system should allow unauthenticated public users to search for the active licenses, and non-active licenses (revoked/terminated) of entities which have applied for licenses.
Business Functionality	Administrative Action Search	The system should allow unauthenticated public users to search for any administrative actions issued against licensed and unlicensed entities.
Business Functionality	Registration Intake Business Rules	The system should maintain configurable business rules for registration intake, including but not limited to, data validation associated with registration (E.g., applications, amendments) such as validating required information is provided and generating a checklist based on license type.
Business Functionality	License Application Auto-approval	The system should have the ability to automatically approve “ministerial” application types (e.g., branch applications for existing home offices) based on pre-defined rules.
Business Functionality	Enforcement Intake Business Rules	The system should maintain configurable business rules and data validation associated with enforcement: examinations, complaints.
Business Functionality	Complaint Intake Business Rules	The system should maintain configurable business rules and data validation associated with intake of complaints including, but not limited to, complaint receipt and digestion from several sources (email, phone, mail), and automated validation of subject entity information.
Business Functionality	Investigations Intake Business Rules	The system should maintain configurable business rules and data validation associated with investigations.
Business Functionality	Financial Statements Intake Business Rules	The system should maintain configurable business rules and data validation associated with financial statements.
Business Functionality	Compliance Intake Business Rules	The system should maintain configurable business rules and data validation associated with compliance.
Business Functionality	Hierarchical Licensing	The system should support hierarchical licensing functionality.
Business Functionality	Public Records Identification	The system should enable identification of data that is subject to a public records request.

Requirement Category	Initiative	Description
Business Functionality	Workflow Configuration	The system should support configuration of the workflow associated with review and determination of license applications, renewals, expirations, and amendments based on license type as well as all case referral workflow including complaint to Legal, exam to Legal, and investigation to Legal. This capability should automate both internal flow of data through a lifecycle as well as interaction with external systems.
Business Functionality	Workload Management	The system should provide functionality that can automatically assign work items to OFR team members (E.g., applications, complaints) and integrate with Microsoft Outlook calendars where possible.
Business Functionality	User Management - Role-based security	The system should provide roles-based authorization so that users can be assigned to roles which then gives access according to the assigned role.
Business Functionality	Registration Action	The system should allow authorized users with the corresponding permissions to review and approve/deny license applications, renewals, and amendments.
Business Functionality	Investigation Action	The system should allow OFR to track investigative actions and input decisions related to investigations including escalation from preliminary to formal.
Business Functionality	Complaint Action	The system should provide the ability to inform and track actions and decisions on a complaint, such as determining if an investigation (preliminary vs formal) should be opened based on complaint, escalating a complaint, and logging or transferring information from a complaint (reducing need to manually populate).
Business Functionality	Enforcement Action	The system should allow OFR to track and monitor enforcement actions including legal action, financial penalties, and license restrictions.
Business Functionality	Performance Management Business Rules	The system should maintain configurable business rules and data validation associated with performance management, including tracking time and costs associated with operational activities
Business Functionality	Performance Metrics	The system should be able to capture performance metrics including timelines of activities such as investigations and compare to benchmarks/targets.
Business Functionality	Application Import	The system should provide the ability to scan or import a scanned document and use the scanned information to auto-populate forms within the system

Requirement Category	Initiative	Description
Business Functionality	Case Management	The system should provide robust case management capabilities including a configurable workflow for cases and a real-time dashboard; within case management, the system should provide for case update history tracking (with comments), cost tracking (travel, incidentals, etc.), time tracking (investigator time worked on cases), and attorney time tracking.
Business Functionality	Case Search	The system should provide the ability for internal system users (staff) to search prior cases including related entities and parties, etc.
Business Functionality	Indexing/Tagging	The system should provide the ability to tag and index pertinent information across all business units throughout the Enterprise.
Business Functionality	Indexing/Tagging	The system should provide the ability to tag and index pertinent information as confidential and provide access by user security role.
Business Functionality	Configurable Correspondence/Notifications	The system should provide the ability to correspond to applicants/complainants, etc. throughout workflow, and allow external parties to correspond back to OFR through the REAL portal using Microsoft Outlook as the primary email application, with all emails being automatically stored and linked to the specific case file and transaction.
Business Functionality	Location Tracking	The system should provide the ability to track all information associated with locations at various levels (branch and individual locations) and maintain relationships to a primary licensed entity.
Business Functionality	Fine Issuance	The system should allow issuing fines for violations of license requirements, admin fine, court cost, investigative fees, as well as write-off ability and the ability to receive payments through the portal.
Business Functionality	Payment Tracking	The system should allow tracking and accounting for fees related to licenses and fines.
Business Functionality	Document Content Extraction	The system should support extracting structured data from document content such as forms contained within PDF files.
Business Functionality	Customizable Forms	The system should provide the ability to create, modify, and manipulate forms for internal and external users.

Requirement Category	Initiative	Description
Business Functionality	Export	The system should provide the ability to export files in the native stored format including multiple files as a zip file and send as attachments.
Business Functionality	Internal Referrals	The system should provide the ability for internal system users to refer and/or transfer work within OFR through system.
Business Functionality	Internal Alerts	The system should provide alerts, notifications, and reminders based on configurable business rules, including automated notifications based on prescribed timeframes and/or “point in time” when a workflow has reached a specified lifecycle phase.
Business Functionality	External Alerts	The system should provide ability to send email alerts, notifications, reminders based on configurable business rules, including an automated notification based on timeframes and/or when a workflow has reached a specified lifecycle phase.
Business Functionality	In-App Guidance	The system should have the ability to provide instructions and guidance to public users within applications, in line with fields for submission and with standard help menus.
Data and Information	Reporting Functions	The system should provide a central repository to create, modify and view reports. Reporting functionality should include scheduled and automated reports, canned reports, customizable reports, and dashboards.
Data and Information	Customizable Reports	The system should provide automated reports, pre-canned and customizable - more reporting functionality.
Data and Information	Tableau	The system should allow usage of Tableau as a visualization platform.
Data and Information	Data Validation Rules	The system should provide data validation based on rules, including identifying missing or invalid data within applications, complaints, investigations, and examinations based on pre-defined parameters.
Data and Information	Data Conversion	When data is converted from the current to the proposed solution, the system should include converted user and license data for all current licenses as well as licenses that have expired within the last five years.
Data and Information	Data Conversion Downtime	When data is converted from the current to the proposed solution, the system downtime should be limited to 48 hours and should be completed over a weekend.

Requirement Category	Initiative	Description
Data and Information	System Data Control	The system should allow OFR full access to all data fields (user input or system generated) both during and after usage of implemented solution.
Data and Information	System Data Control	The system should allow OFR to fully control access to the data both during and after usage of implemented solution.
Data and Information	Data Replication	The system should provide real-time data replication to avoid any data loss in the event of a system failure.
Support and Maintenance	User Support Module	The system should provide functionality that allows OFR staff to support users' interaction with the system.
Support and Maintenance	User Support Screen Viewing	The system should enable OFR staff to view portal screens with the same data as a customer sees to better provide support.
Support and Maintenance	Capacity Monitoring	The system should provide the capability for capacity monitoring via server volume/capacity and network volume/capacity monitoring.
Support and Maintenance	Application Exit Strategy	The source code for all system configuration and customization should be fully owned by OFR or the code shall be held in escrow if not fully owned by OFR.
Support and Maintenance	Application Exit Strategy	The source code for the system should be maintained in escrow with a mutually agreed upon third party, or fully owned by OFR.
Support and Maintenance	Cost Visibility	The system should be provided in a method that allows full visibility of costs incurred in a real-time fashion.
Support and Maintenance	UI-based O&M	The system should allow completion of all routine operation and administration activities through the user interface as opposed to requiring direct database interaction or scripted activities.
Support and Maintenance	Issue Tracking	The system should provide a support intake capability so that any system issues can be logged and tracked until resolved.
Support and Maintenance	System Documentation	Documentation regarding entities and relationships between those entities should be provided as part of the system implementation.
Support and Maintenance	Release Scheduling	The system should accommodate controlled release scheduling.

III. Success Criteria

Purpose: To identify the critical results, both outputs and outcomes, that must be realized for the project to be considered a success.

The success of the REAL system modernization project will be based on a number of quantitative and qualitative factors. Each of these factors are in alignment with the business objectives and proposed business process requirements outlined in the Strategic Needs Assessment section of this document, as well as the overall vision and mission of OFR. Although the criteria and indicators proposed for the system completion will be reviewed, they are broadly strategic and align to federal and state performance and compliance requirements and may or may not change.

The major success criteria for the project, along with the Key Performance Indicators (KPIs), are listed in Table 6 below. The success criteria and the KPIs form the basis of any contracts pursued to implement the final solution. OFR anticipates the project management team responsible for the implementation of the solution will develop a benefit realization strategy and plan. The benefit realization plan will be designed to contemplate a baseline measurement and several interim measurements before the final benefit realization report is produced.

Table 6: Success Criteria

SUCCESS CRITERIA		
#	Description of Success Criteria	Key Performance Indicator
1	The solution fully supports the core processes of financial institutions, consumer finance, securities, investigations, OGC, and operations	<ul style="list-style-type: none"> • Reduction of “out-of-system” workarounds • Enterprise-wide engagement of all business units
2	The solution improves internal operating efficiency through optimized business processes that streamline processes and utilizes robotic process automation (RPA) to standardize processes where possible	<ul style="list-style-type: none"> • Percent of applications completed within time standards • Percent of case action completed within time standards (renewals, applications, changes) • Reduction of time spent on manual processes • Increase percentage of data exchanges being run and/or automated that improve case processing time and the quality of benefit determinations
3	The solution supports OFR in its on-going practice of sound fiscal stewardship of its assets, including optimized service delivery, verification of information/documentation, and program integrity	<ul style="list-style-type: none"> • Itemized system costs • Quality benchmarks • Overhead costs • Reduced cost in system changes (changes in policy, benefits, notices, etc.) • Case cost • Financial reporting • Reduction in processing time
4	The solution remains flexible to change and will provide OFR with the ability to configure the system internally without required use of a vendor	<ul style="list-style-type: none"> • Volume of vendor contracts for system • # of configurable system components • Cost of implementing future changes • Time to implement future changes • Passes federal monitoring and auditing reviews/evaluations

SUCCESS CRITERIA		
#	Description of Success Criteria	Key Performance Indicator
5	The solution maintains an enhanced user interface enabling ease of use and adoption for public users	<ul style="list-style-type: none"> • Number of user-based support tickets/calls • Number of channels available to the customer to access system functions • Percentage of applications without missing information/that do not require follow-up with the applicant • Number of self-service options available • Number of channels available to public users to interface with the system • Reduction of duplicate data entry
6	The solution presents increased integration with other systems	<ul style="list-style-type: none"> • Number of integrations moving from batch to API-based solutions • Number of integrations with more frequent data transfers
7	The solution enables the enhanced management of data and documents within the system including (but not limited to) upload, scanning, text recognition, storing, and indexing/tagging and searching	<ul style="list-style-type: none"> • Time to process application, complaint, investigation, legal, etc. • User testing acceptance for cross-unit indexing
8	The project will be completed on-schedule, in accordance with an approved project plan	<ul style="list-style-type: none"> • Interim project milestones
9	The project will be completed within the prescribed budget constraints defined in advanced of project initiation	<ul style="list-style-type: none"> • Project financial performance and data reporting to OFR leadership • Reporting provided by IV&V
10	Required data and documents from the legacy system is accurately transferred to the new system	<ul style="list-style-type: none"> • Reconcile data/reports/attachments from legacy and new systems

SUCCESS CRITERIA		
#	Description of Success Criteria	Key Performance Indicator
11	System is comprehensively documented, and documentation is available to all relevant staff	<ul style="list-style-type: none"> • Number of helpdesk queries (calls, tickets, emails) • OFR technical staff's ability to resolve helpdesk requests without vendor support
12	The solution meets the state regulatory requirements for system development and certification	<ul style="list-style-type: none"> • Compliance with all statutory mandates • Reduced audit findings
13	System stability - System is able to consistently provide support to users and various volumes of activity	<ul style="list-style-type: none"> • System uptime • Number of trouble-tickets • Adherence to benchmarks for system response times

IV. Schedule IV-B Benefits Realization and Cost Benefit Analysis

A. Benefits Realization Table

Purpose: To calculate and declare the tangible benefits compared to the total investment of resources needed to support the proposed IT project.

For each tangible benefit, identify the recipient of the benefit, how and when it is realized, how the realization will be measured, and how the benefit will be

measured to include estimates of tangible benefit amounts.

Table 7: Benefits Realization Table

BENEFITS REALIZATION TABLE					
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date (MM/YY)
1	Modernization of System Functionality	<ul style="list-style-type: none"> • OFR Staff • OFR Customers (Licensees, Registrants, Other Regulators, General Public) • OFR Partner Agencies 	<ul style="list-style-type: none"> • Increased integration with other systems • Low-code/no-code management of workflows and business rules. • Enhanced workforce management with skilled queues. • Integrated data enterprise-wide allows for enhanced analytics. • Improved document management with full-text searching and cross-unit indexing. • More robust disaster recovery. • Improved uptime and response time. • Enhanced facilitation of remote work. • Greater flexibility to make on-the-fly changes and accommodate marketplace demands. 	<ul style="list-style-type: none"> • Number of integrations • Number of staff equipped to maintain workflows and business rules • Uptime and system response metrics 	6/26

BENEFITS REALIZATION TABLE					
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date (MM/YY)
2	Movement to Cloud Hosting	<ul style="list-style-type: none"> • OFR Staff • OFR Customers (Florida Citizens) • OFR Partner Agencies 	<ul style="list-style-type: none"> • Hosting cost reduction • Scalable technology allows the Office to scale their system up and down to meet case demand • A more agile system allows system changes to occur more quickly. • Alignment with Florida’s “Cloud first” policy • Innovation of major cloud providers with every update • Improved ability to handle large file sizes and volumes. • Increased uptime and system response time. 	<ul style="list-style-type: none"> • Cost of hosting services • Cost to implement changes based on new legislature, new requirements, and changes in demand • Cost of future enhancements or additions to system components • Time required to implement system changes 	6/26
3	Implementation of an Internal Operations and Maintenance Team	<ul style="list-style-type: none"> • OFR Staff • OFR Customers (Florida Citizens) • OFR Partner Agencies 	<ul style="list-style-type: none"> • Removal of requirement of a contract with third parties allows system changes to occur more quickly. • Potential cost reduction. 	<ul style="list-style-type: none"> • Cost to implement changes based on new legislature, new requirements, and changes in demand • Cost of future enhancements or additions to system components • Time required to implement system changes 	6/26

B. Cost Benefit Analysis (CBA)

Purpose: To provide a comprehensive financial prospectus specifying the project’s tangible benefits, funding requirements, and proposed source(s) of funding.

The Schedule IV-B prescribes a standardized Cost-Benefit Analysis Workbook to explain the anticipated relative costs and benefits associated with the recommended solution to replace the REAL system. The workbook is embedded [here](#).

OFR’s existing program costs are a little under \$4.2 million dollars annually. Project costs are expected to exceed the existing budget by \$4.5 million in year 1, and by \$5.5 million in year 2 due to implementation costs, additional licenses during development, additional software to synchronize data between systems as functionality is rolled off of the existing system and onto the new system, and the onboarding and training of a new in-house Operations and Maintenance team (O&M Team). Once the new system is implemented in FY27, OFR should see consistent program costs around \$4 million annually moving forward. Overall, the project cost is \$10 million over two years, with an ongoing budgetary increase of \$0.5 million thereafter.

This recommendation includes the utilization of IV&V. While not required due to the cost of the project, it is still a best practice, and recommended to ensure project quality. New system license costs are shown as consistent; however, they are expected to slowly increase as development, test, and ultimately production licenses are required throughout the development cycle. Likewise, the new O&M Team will be scaled up over the course of development and trained by the new vendor in how to operate and manage the system.

The changes reflected in the roadmap and budget described above will position OFR to provide greater service to the citizens of Florida and have more internal control and flexibility when responding to changes to the system required by legislative action or the marketplace at large.

Table 8 below describes in more detail the data captured within each form of the CBA.

Table 8: Cost Benefit Analysis Form Descriptions

Cost Benefit Analysis	
Form	Description of Data Captured
CBA Form 1 - Net Tangible Benefits	<p>Agency Program Cost Elements: Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) that will be impacted by the proposed project.</p> <p>Tangible Benefits: Estimates for tangible benefits resulting from implementation of the proposed IT project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.</p>
CBA Form 2 - Project Cost Analysis	<p>Baseline Project Budget: Estimated project costs.</p> <p>Project Funding Sources: Identifies the planned sources of project funds; e.g., General Revenue, Trust Fund, Grants.</p> <p>Characterization of Project Cost Estimate.</p>

Cost Benefit Analysis	
Form	Description of Data Captured
CBA Form 3 - Project Investment Summary	<p>Investment Summary Calculations: Summarizes total project costs and net tangible benefits and automatically calculates:</p> <ul style="list-style-type: none"> • Return on Investment • Payback Period • Breakeven Fiscal Year • Net Present Value • Internal Rate of Return

V. Schedule IV-B Major Project Risk Assessment

Purpose: To provide an initial high-level assessment of overall risk incurred by the project to enable appropriate risk mitigation and oversight and to improve the likelihood of project success. The risk assessment summary identifies the overall level of risk associated with the project and provides an assessment of the project's alignment with business objectives.

NOTE: All multi-year projects must update the Risk Assessment Component of the Schedule IV-B along with any other components that have been changed from the original Feasibility Study.

A required risk assessment of the REAL System Modernization Project was performed using the risk assessment tool provided in the Information Technology Guidelines and Forms on the Florida Fiscal Portal. The tool evaluates risk characteristics of the project based on responses to 89 questions in a Microsoft EXCEL workbook organized into eight assessment categories (tabs). After completing questions in all eight tabs, the Risk Assessment Summary is automatically populated. A completed Risk Assessment Tool and Risk Assessment Summary for this project are included as Appendix B of this Schedule IV-B and Appendix B on the Florida Fiscal Portal.

The purpose of the Risk Assessment Tool and Risk Assessment Summary is to produce a standardized and formula-driven project risk rating based upon answers provided to the questions associated with eight assessment areas included as separate tabs within the risk assessment workbook. Answers must be provided only from the response options to each question included in the tool. If the response options given are not applicable or do not accurately answer a particular question, a response must nevertheless be selected from the options listed. After answering all the questions included in the Risk Assessment Tool, the Risk Assessment Summary is populated automatically.

A fundamental limitation of the Risk Assessment Tool and Risk Assessment Summary in its current design is that it presupposes the completion of certain activities that are not likely to be completed (as a practical matter) prior to approval and funding of major technology initiatives. Consequently, the overall risk assessment rating for this project appears in the assessment tool as “High,” which aligns with expectations for a project of this size and scope regardless of solution or approach. A risk rating of “high” for a system replacement of a complex and mission-critical system is not unreasonable. All categories in which risk is classified as “High” are manageable and unlikely to undermine expected success or benefits of the program. Categories with high classification risks are expected to see a material reduction in in the overall project risk profile within months of project start when a formal project management program, stakeholder sign-off and requirements finalization activities are completed. Until the project and funding are approved, it is unlikely that additional time and effort to reduce identified risks would be prudent or pragmatic.

A. Risk Assessment Summary

As noted above, the overall risk assessment for this project is rated as “High.” This rating reflects assessment ratings of “Medium” in **two** of the eight assessment areas and “High” in **six** of the eight assessment areas. Specific factors that contributed to the overall risk assessment rating of “High” include the following items that are anticipated to be addressed within the first year of the project. The overall project risk level will decrease when the following items from each of the eight assessment categories are addressed. Additionally, addressing these items will shift the current position of the project in the risk quadrants of the Risk Assessment Summary to reflect a more accurate alignment with business strategy not currently represented due to limitations associated with the design of the risk assessment tool.

B. Project Risk Area Breakdown

The primary drivers for a high-risk rating are the following categories determined to be high risk based on the Project Risk Area Breakdown within the risk assessment tool:

- Organizational Change Management
- Communication
- Fiscal Assessment
- Project Organization
- Project Management
- Project Complexity

Specific categories that contributed to the current risk assessment rating of “High” will be addressed within the first year of the project. These include:

- **Organizational Change Management Assessment**
 - a. Business process changes will be defined and documented
 - b. Organizational Change Management Plan will be approved
- **Communication Assessment**
 - a. Communication Plan (CP) will be approved
 - b. CP will promote the routine use of feedback (at a minimum)
 - c. Stakeholders will be included in the CP
 - d. Key messages will be documented in the CP
 - e. Desired message outcomes and success measures will be documented in the CP
 - f. CP will identify and assign needed staff
- **Fiscal Assessment**
 - a. Spending Plan will be documented and approved for the project lifecycle
 - b. Project expenditures will be identified and documented in the Spending Plan
 - c. Cost estimates for the project will be accurate within +/- 10%
- **Project Organization Assessment**
 - a. Project organization and governance structure will be defined and documented
 - b. Project staffing plan will identify and document all staff roles and responsibilities
 - c. Change review and control board will include representation from all stakeholders
- **Project Management Assessment**
 - a. Requirements and specifications will be defined and documented
 - b. Requirements and specifications will be traceable to specific business rules
 - c. Project deliverables and acceptance criteria will be identified
 - d. Work Breakdown Structure will be defined to the work package level
 - e. Project schedule will specify all project tasks, go/no-go decision points, milestones, and resources
- **Project Complexity Assessment**

- a. Project complexity will be mitigated by the following measures:
 - i. Project objectives will be clearly aligned with OFR’s mission and statutory charge
 - ii. Project objectives will be clearly documented and signed off by the stakeholders
 - iii. Project charter will be signed by the executive sponsor
 - iv. Project requirements, assumptions, constraints, and priorities will be clearly defined
- b. Acquiring third party consulting services for project support, including IV&V services

The overall project risk level will decrease from “High” when the above items are addressed and should diminish significantly by the conclusion of the first year when the project structure is in place, business processes and requirements are fully mapped and defined, and the foundational technology elements have been implemented. Additionally, addressing these items will shift the current placement of the project within the risk quadrant of the Risk Assessment Summary in Project Assessment tab of the workbook to reflect a more accurate alignment with the Business Strategy not currently represented due to inherent limitations associated with the design of the risk assessment tool. The OFR will perform ongoing and consistent monitoring of each potential risk to ensure they remain at acceptable levels.

VI. Schedule IV-B Technology Planning

Purpose: To ensure there is close alignment with the business and functional requirements and the selected technology.

A. Current Information Technology Environment

In the most recent Commissioner briefing, the follow aspects were noted:

The REAL System provides the OFR with an integrated regulatory management system designed to streamline and improve the efficiency of its licensing and regulatory processes. Designed specifically for OFR, the REAL System provides a comprehensive picture of regulated entities from the time they apply for a license or become registered, to the point of their termination. Additionally, the system incorporates an imaging, workflow, and a document management component to assist the agency in coming closer to a paperless regulatory processing and enforcement environment.

The REAL System provides the following functionality for OFR and its external customers:

- On-Line applications for most license types
- On-Line complaint filing feature
- On-Line compliance filings (renewals, quarterly reports, amendments)
- On-Line Public Searches for Administrative Actions and licensed entities
- Case Management for Examinations, Complaints, Investigations, Legal and Public Records Requests
- License processing for applications, renewals, amendments
- Tracking and accounting for fees received related to licenses and fines
- Workflow functionality –assignment of work based on pre-defined business rules and advancement of work based on case or license processing activities
- Imaging and electronic storage of related documents

- Risk Based Targeting for Examinations
- Ad-Hoc Reports
- Interfacing with Department of Financial Services systems, Bank of America (BOA), Florida Department of Law Enforcement (FDLE), Veritec (deferred presentment transactions and check cashing transactions), and the Nationwide Multistate Licensing System and Registry (NMLS)
- Central Registration Depository/Investment Adviser Registration Depository (CRD/IARD) information is exchanged via manual input/upload batch process
- Data should be downloadable from SEC's EDGAR system and exchangeable with NASAA's EFD system
- Employee Training Modules

1. Current System

REAL System Implementation

In 2004, OFR embarked on a major project to transform an existing set of outdated systems and inefficient processes into a more modern information system to support key business functions and interaction with external entities. In FY2005-2006, the Florida Legislature funded OFR's request to secure the services of a technology consulting firm to determine the feasibility of pursuing a new technological solution. In July of 2005, The North Highland Company was selected to prepare a Feasibility Study (Phase I) and develop requirements for the new system. The Feasibility Study served to substantiate the need for an updated, comprehensive technological solution and supported the agency's request for funding to develop the new system. In FY2006-2007, the Florida Legislature funded OFR's request to develop the system. OFR issued an Invitation to Negotiate, DFS OFR ITN 06/07-1 and subsequently contracted with Accenture, LLP on March 12, 2007, for implementation services (Phase II) of OFR's Regulatory Licensing and Enforcement (REAL) System. The 3-year project totaled \$16.5 million. Release 1 of the REAL System was deployed on March 24, 2008. This release included the integration of online Licensing, Fiscal, and Enforcement (Complaints, Examinations, Legal Services, and Investigations) activities for all licenses under chapter 494, Florida Statutes (Mortgage Brokerage and Mortgage Lending). Release 1 also included the custom web service portal. Release 2 of the REAL System was deployed on January 20, 2009 and included all remaining license types (consumer finance, securities broker dealers and issuer dealers, motor vehicle retail installment sellers, retail installment sellers, sales finance companies, home improvement retail installment sellers, money services businesses, title loan companies and consumer collection agencies) regulated by OFR. Release 2 also included the workflow and document imaging components.

As part of the 2016 REAL System Support and Improvement Project, OFR issued an Invitation to Negotiate, DFS OFR ITN 16/17-01 to procure a new Operations and Maintenance (O&M) support services contractual agreement, migrate the Division of Financial Institutions business processes into the REAL System, and replace the aging custom web services portal. Accenture, LLP, was the only responsive vendor and was subsequently awarded the contract on October 28, 2016. The REAL Support and Improvement Project began on November 1, 2016, and had two (2) go-live implementation dates: Release 3 of the REAL System was deployed on July 5, 2017, and included the migration of the Division of Financial Institutions (DFI) business processes into the REAL System. Previously DFI used REAL for consumer complaint intake and resolution, and Legal case tracking. Release 4 of the REAL System was deployed on May 21, 2018, and included the replacement of the aging custom web services portal developed in 2008 with Versa On-line.

a. Description of Current System

The following sections provide details regarding the functionality and operation of the REAL system.

1) General system overview

The current REAL System is comprised of a public portal using a commercial vendor application, Versa Online (VO), as well as a back-end portal application, Versa Regulation (VR), that communicate with each other through transaction servers with scheduled batch processes. VO enables the public to register accounts and submit applications and correspondence, while VR enables OFR to review information provided by the public, and log decisions related to licensing and regulation efforts. All data from the VO and VR applications flows through and is maintained in an Oracle database. There are two enterprise applications that communicate with the REAL system, a reporting tool (SSR) and a limited implementation of a document management application (FileNet).

The current implementation of REAL varies in its ability to satisfy the needs of each business unit, with all units performing some manual functions outside of the system. The VO and VR applications have been more heavily configured and customized to meet the needs of some business units more than others. There are also additional capabilities that are not incorporated into the current implementation, however there are business functions within OFR that VO and VR cannot fully perform or address in a cost-effective manner. Currently, the REAL system allows public user access with functionality that includes applying for licenses and submitting compliance information, however most correspondence between public users and OFR regarding licensing and regulatory actions occurs via email outside of the REAL system. These external communications include soliciting documents and information from public users, and sending approval and denial letters, which are functions that most systems should accommodate. Additionally, most of the analysis, investigation, and decision-making that OFR performs against licenses and regulatory activities happens outside of the current REAL system. The manual activities that some business units perform include validating license application entity information against external databases, re-entering data into REAL that already exists elsewhere in the system (e.g., when opening a formal investigation after a preliminary investigation), notifying peers of upcoming work, referring cases to other business units, developing ad-hoc spreadsheets to track payments and due dates, and maintaining documents on OFR's network drives. While REAL may have some existing capabilities to accommodate the above manual activities, they may either not fully satisfy the need of the business unit or present barriers to adoption. In the current state, for most business units, REAL serves largely as an intake mechanism for gathering public information, and a tracking mechanism for logging actions and decisions made by OFR.

The primary challenges with the current implementation of the REAL system are outlined below:

1. Automated processing, business rules, and functionality
 - a. Tasks within some OFR business units (e.g., informing users of missing information in applications, tracking investigations action, populating documentation with information from the case or application) are currently handled outside of the system because the current implementation of REAL does not offer functionality that adds value to the process. In some of these cases, data is managed through spreadsheets and manually entered into REAL when required.
2. Case management
 - a. OFR Business Units require assistance with tracking key deadlines and milestones. Currently many business units track key deadlines and milestones on spreadsheets to determine which licensee or registered entity is late meeting one of these important deadlines. In case of a late response, communications are manually drafted and generated by OFR. These manually created letters could be automated more effectively. In addition, because this correspondence is sent outside of the REAL system, they must be sent from staffs' work emails, which in some cases leads to users attempting to email OFR staff directly to work around OFR process and procedure.
3. Document management
 - a. The current implementation of the OFR document management system, FileNet, does not fully meet the needs for OFR's document management. Though REAL supports indexing, and searching of records/documents within modules, records cannot be searched across modules. For example, if the Office of General Counsel is searching for an institution in REAL, the staff will

need to search for the institution within each module i.e., Investigations, Consumer Finance, Securities, etc. separately to gather all the documents related to that institution. Not only does OFR need to search for records by individual module, but the records also cannot be moved between modules once located. OFR needs the ability to search related documents across all modules in a single search. For example, email correspondence, letters, applications and amendments, examination results, reports, and administrative orders, need to be able to be associated with multiple case records, based on multiple points of meta-data. In addition, files do not have searchable text, and are only searchable by file name. Therefore, finding related documents can be a time-consuming task.

4. Capacity
 - a. FileNet is limited by file size which in turn requires OFR staff to break out large documents into multiple smaller documents that are under the 50Mb cap. In addition to limitations in file size, the types of files that may be uploaded do not encompass every type that OFR receives, such as audio files. Also, files may only be uploaded directly in REAL, which in some cases is not feasible or efficient. OFR needs the ability to upload files outside of REAL such as through another application or via a mobile application.
5. OFR control over system
 - a. On occasion, the current OFR installation of REAL cannot be modified by internal staff to fully meet the needs of their business processes. In some instances, the changes to REAL must be implemented on a rapid basis and OFR has neither the time nor funds to rely on a third-party vendor to re-configure the system by the deadline. A few examples of fast-paced changes would be the legislature mandating a new licensure type, change in a workflow or business rules, or changes in due dates for OFR. Based on the implementation and O&M approach of the current implementation, OFR currently has little insight into REAL code and has a third-party vendor that manages operations and maintenance of the system. As new requests for functionality arise from users, clients, or changing laws, OFR is reliant on lengthy and costly third-party contracts to make even small changes.

2) Internal and external interfaces

Figure 8 below provides a visual representation of the current REAL system architecture, including internal interfaces between the system components.

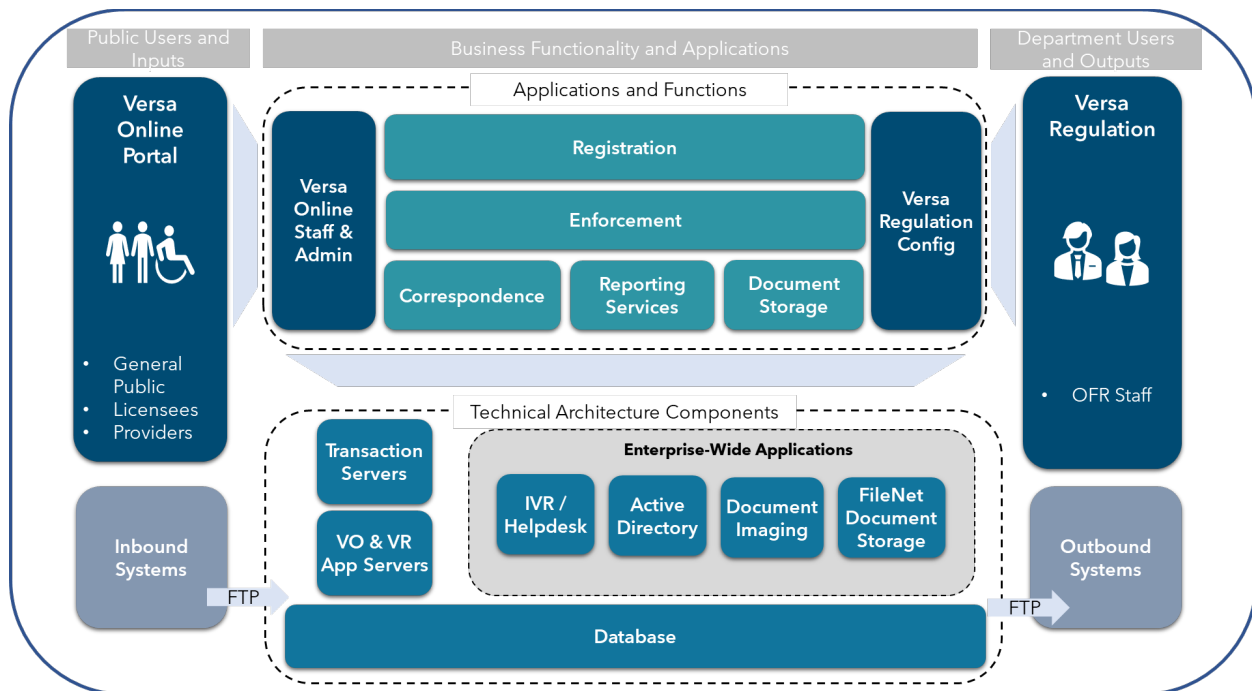


Figure 8: Current System Architectural Framework

The following outlines the high-level components of this conceptual architectural framework for the existing REAL system.

User-facing Applications:

- **Versa Online (VO)** – The external facing application used by the public, licensees, and providers to register for and maintain licenses, and correspond to compliance and enforcement efforts.
- **Versa Regulation (VR)** – The internal facing application used by OFR to interact with licensing applications and serves as the office’s primary case management system.

Business Functionality:

- **Versa Online Staff and Admin** – A tool that enables OFR to provide support to external users of the VO application.
- **Versa Regulation Configuration** – A tool that enables limited configuration of the VR application.
- **Registration** – Capability to establish an account with Versa Online.
- **Enforcement** – Apply and manage enforcement activities such as suspension of licenses and issuance of fines.
- **Correspondence** – Produce and track documentation related to licensing.
- **Document Storage** – Tool to store documents and make document content and metadata available for searching. Currently IBM FileNet is used for this purpose.
- **Reporting Services** – Tool to produce both fixed and ad hoc reports. Currently SQL Server Reporting Services are used for this purpose.

Technical Architecture Components:

- **Transaction Servers** – Middleware tool to allow offloading long-running processes from the web server.
- **VO & VR Application Servers** – Middleware tool used to host the web applications for Versa Online and Versa Regulation.

- **Database** – Data server used by the web applications and transaction servers to store structured data.
- **Enterprise-Wide Applications** – External applications used by other DFS business units as well as OFR.
 - IVR/Helpdesk
 - Active Directory
 - Document Imaging
- FileNet Document Storage

There are several major external interfaces within the REAL system, as outlined below:

- **Nationwide Multi-State Licensing System (NMLS)** - system of record for non-depository, financial services licensing, or registration in participating state agencies.
- **NIC** – banking and payment services provider.
- **Florida Department of Law Enforcement (FDLE)** – **conducts criminal background screenings on applicants and reports offenses that could prohibit licensure or registration.**
- **Central Registration Depository (CRD)** - supports the licensing and registration filing requirements of the U.S. securities industry and its regulators.
- **Deferred Presentment Transaction System (DPTS)** – used to track payday loans.
- **Check Cashing Database (CCDB)** –system used to track checks, in excess of \$1,000, cashed in Florida.
- **FLAIR/PALM**– Statewide financial accounting system.
- **Cash or Deferred Arrangement (CODA)** – used to process incoming reconciliation files from FLAIR/PALM, Treasury, and the OFRs REAL system.

3) Requirements for public access, security, privacy, and confidentiality

The REAL system provides a public-facing portal in order to both improve service as well as streamline operations. Given the trust required to maintain customer data, proper handling is paramount. Stringent controls are in place to ensure that the data is maintained securely, access to data is strictly controlled and maintained confidential.

4) REAL Systems and technology platforms

The current REAL system technical architecture is outlined by Figure 9 below. Additionally, Section VI.B provides specific details regarding the operating system, web server, database server, and application server technology platforms.

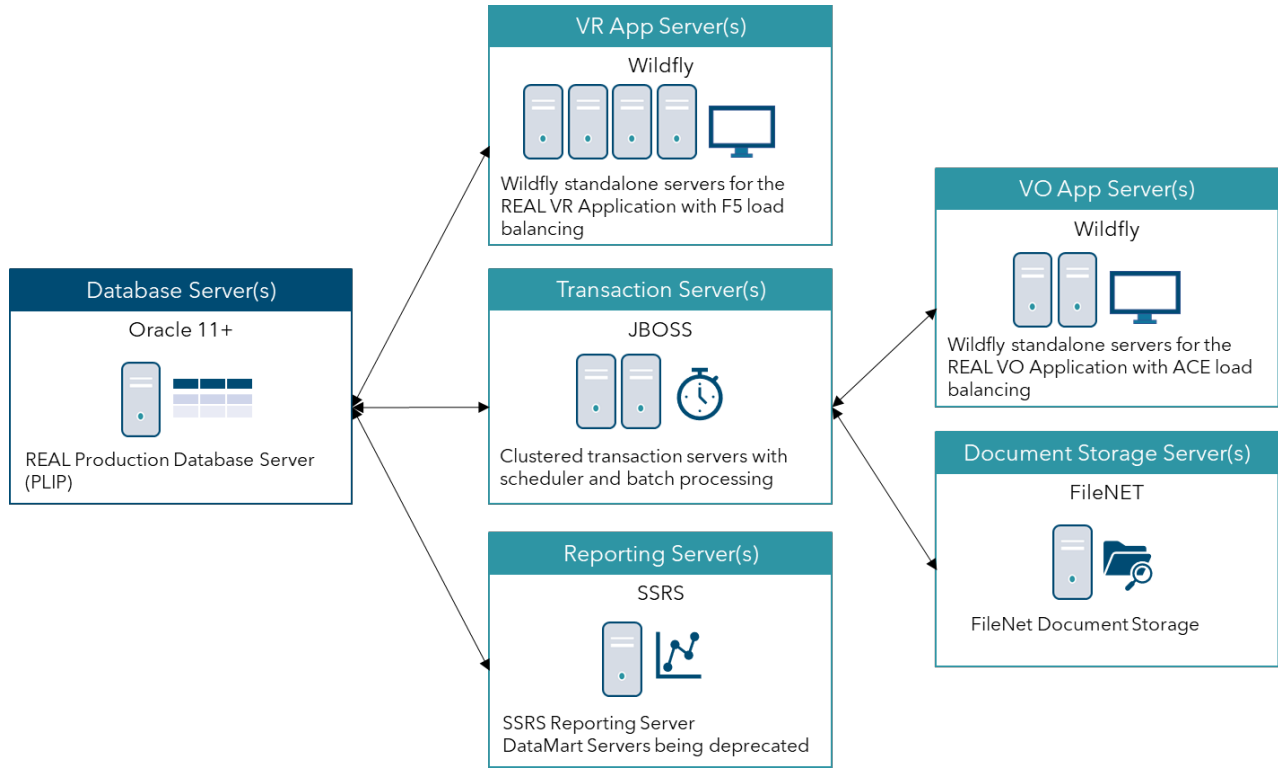


Figure 9: REAL Technical Architecture

5) Total number of users and user types

Currently, the REAL system allows public user access with functionality that includes applying for licenses and submitting compliance information. See Section VI.E Capacity Planning for metrics regarding user volume. Additionally, OFR staff are actively involved in reviewing and processing license applications, investigating complaints, and processing license renewals. Additionally, Help Desk staff provide direct support to public users.

6) Hardware Characteristics

This section outlines the current system resource requirements and performance.

b. Current System Resource Requirements

The REAL system architecture includes application servers that communicate with a database server through transaction servers that schedule and batch information, though in some cases the application servers communicate with the database server directly. An enterprise-wide application that supports document storage also interfaces with the transaction servers. In addition, a dedicated reporting server is used to extract information from the database server. A full list of the current hardware/software inventory is provided in below.

Table 9: Hardware/Software Inventory

Environment	Server	Operating System	Software/ Applications	CPU s	Memory (GB)	Hard Disks	Total Hard Disk Space	Network Adapter
MASTER	VO	Windows Server 2012 (64 bit)	Wildfly, Versa Online	2	8	2	60	VMXNET 3
	VO ADMIN	Windows Server 2012 (64 bit)	Wildfly, Versa Online Admin	2	8	2	60	VMXNET 3
	VO STAFF	Windows Server 2012 (64 bit)	Wildfly, Versa Online Staff	2	8	2	60	VMXNET 3
	VR	Windows Server 2016 or later (64-bit)	Wildfly, Versa Regulation	2	4	2	290	E1000E
	TRANSACTION	Windows Server 2016 or later (64-bit)		2	4	2	290	E1000E
DEV	VO	Windows Server 2012 (64 bit)	Wildfly, Versa Online	2	8	2	60	VMXNET 3
	VO ADMIN	Windows Server 2012 (64 bit)	Wildfly, Versa Online Admin	2	8	2	60	VMXNET 3
	VO STAFF	Windows Server 2012 (64 bit)	Wildfly, Versa Online Staff	2	8	2	60	VMXNET 3

SCHEDULE IV-B FOR REAL SYSTEM MODERNIZATION

Environment	Server	Operating System	Software/ Applications	CPU s	Memory (GB)	Hard Disks	Total Hard Disk Space	Network Adapter
	VR	Windows Server 2016 or later (64-bit)	Wildfly, Versa Regulation	2	4	2	100	E1000E
	TRANSCATION	Windows Server 2016 or later (64-bit)		2	4	2	290	E1000E
UAT	VO UAT 1	Windows Server 2012 (64 bit)	Wildfly, Versa Online	2	16	3	160	VMXNET 3
	VO UAT 2	Windows Server 2012 (64 bit)	Wildfly, Versa Online	2	16	2	80	VMXNET 3
	VO NIC	Windows Server 2008 R2 (64 bit)	Wildfly, Versa Online	2	16	3	160	VMXNET 3
	VO ADMIN		Wildfly, Versa Online Admin					
	VO STAFF		Wildfly, Versa Online Staff					
	VR TRANSCATION 1	Windows Server 2016 or later (64-bit)			2	16	2	115

SCHEDULE IV-B FOR REAL SYSTEM MODERNIZATION

Environment	Server	Operating System	Software/ Applications	CPU s	Memory (GB)	Hard Disks	Total Hard Disk Space	Network Adapter
	VR TRANSCATION 2	Windows Server 2016 or later (64-bit)		2	4	2	115	E1000E
PROD	VO PROD 1	Windows Server 2012 (64 bit)	Wildfly, Versa Online	2	16	4	160	VMXNET 3
	VO PROD 2	Windows Server 2012 (64 bit)	Wildfly, Versa Online	2	16	4	160	VMXNET 3
	VO ADMIN		Wildfly, Versa Online Admin					
	VO STAFF		Wildfly, Versa Online Staff					
	VR APP 1	Windows Server 2016 or later (64-bit)	Wildfly, Versa Regulation, F5	4	16	2	125	E1000E
	VR APP 2	Windows Server 2016 or later (64-bit)	Wildfly, Versa Regulation, F5	4	16	2	115	E1000E
	VR APP 3	Windows Server 2016 or later (64-bit)	Wildfly, Versa Regulation, F5	4	16	2	115	E1000E

Environment	Server	Operating System	Software/ Applications	CPUs	Memory (GB)	Hard Disks	Total Hard Disk Space	Network Adapter
	VR APP 4	Windows Server 2016 or later (64-bit)	Wildfly, Versa Regulation, F5	4	16	2	115	E1000E

c. Current System Performance

The VR/VO implementation was expected to bring a highly configurable, multi-layered Service Oriented Architecture (SOA) based sub-systems to OFR’s IT assets. However, the current implementation of the licensing model provides a limited fit for the breadth of OFR requirements. The system is meeting OFR Program demands adequately, with some noted activities being performed outside of the system, though maintenance costs are prohibitively high and require extensive development efforts.

Integrating technology enhancements into an overall system completion effort will automate many of OFR’s business functions and boast numerous advancements, including:

- Reduction in operating costs
- Elimination of many manual business processes
- Better customer service
- Flexible platform to accommodate legislative and policy changes
- Real-time processing of many routine activities
- System-driven workload balancing
- Higher employee productivity through increased process automation and enterprise-wide access to information

2. Information Technology Standards

REAL and its supporting systems are compliant with the applicable Information Technology Standards outlined within the DFA Information Technology Services Standard Operating Procedures (SOPs) in addition to the following standards and rules:

- Information Technology Infrastructure Library (ITIL)
- Rule 60GG-2, FAC, which establishes the state standards relating to Information Technology security
- Chapter No. 2019-116, Laws of Florida, directs state agencies to show a preference for cloud-computing solutions

B. Current Hardware and/or Software Inventory

NOTE: Current customers of the state data center would obtain this information from the data center.

See Section VI.A.1.b for a detailed inventory of both hardware and software used to provide REAL system capabilities.

C. Proposed Technical Solution

1. Technical Solution Alternatives

With technical modernization efforts, the technical solution alternatives to be considered are the concepts of “update versus replace” and “build versus buy.” “Update versus replace” contemplates whether the current system foundation should be updated in place to meet the business need or if the system needs to be fully replaced with a new solution. “Build versus buy” then presents the consideration of whether the solution should involve custom development, a packaged product available in the marketplace, or a combination thereof. These alternatives are outlined further below:

- “Update versus Replace” - Determining whether a system can be updated in place, versus needing a full replacement involves analyzing the boundaries of the current system in comparison to the business needs and requirements of the system, and then considering implementation considerations and constraints of the organization. In the case of OFR’s business need, it is recommended that the **existing system be replaced as the REAL system does not support the greatest output for OFR for the following reasons:**
 - The current installation is an on-premises, monolithic system that has been used for the past 14 years with only modest changes. It does meet the needs of a general case management system, but irrespective of anything else, the system is 14 years old and built on older technology that does not provide high availability.
 - The State of Florida has mandated that as IT system contracts approach renewal, state agencies review other systems and perform cost-benefit analysis.
 - As an on-premises solution that was initially deployed 14 years ago, the current implementation of the REAL system has not fully kept up with the latest in modern technology, and enhancements to the system require significant effort. The Software as a Service (SaaS) platform however offers modernizing updates in real-time and inherently provides consistent innovation.
 - Some business units perform manual and duplicative activities outside of the system based on barriers to adoption of the existing system, or limitations of the current implementation of the system. For example, some units capture their data using excel spreadsheets as the current system does not perform date or assessment calculations. These calculations are performed outside the system and entered back into the excel spreadsheet leaving little evidence of the assessments in the system.
 - OFR internal staff has limited control of the system. Many times, the changes to REAL must be implemented on a rapid basis and OFR does not have either the time or funds to rely on a third-party vendor to re-configure the system. A few examples of fast-paced changes would be the legislature mandating a new licensure type, change in a workflow or business rules, or changes in due dates for OFR. Based on the implementation and O&M approach of the current implementation, OFR currently has little insight into REAL code and has a third-party vendor that manages operations and maintenance of the system. As new requests for functionality arise from

users, clients, or changing laws, OFR is reliant on lengthy and costly third-party contracts to make even small changes.

The opportunity exists to implement a system that more comprehensively encapsulates the activities of each of the business units in a more automated and efficient manner and provides OFR more control over configuration of the system.

- “Build versus Buy” - With a system replacement in mind, determining whether to “build” a custom solution or “buy” a commercial-off-the-shelf solution is a choice that organizations must analyze thoroughly. Harnessing capabilities that have already been developed by utilizing a COTS package minimizes risk and reduces implementation time in many cases. However, these potential benefits must be weighed against the solution requirements and potential constraints imposed by a COTS package. On the other hand, a fully custom solution can provide a precise fit to the business, but also carries some associated risks. In addition, in some cases an outside organization (not a COTS product provider) has a solution that can accommodate the business need as a transfer solution. Many organizations conclude that what best fits their needs is some combination of choices, also known as a hybrid solution. This decision is both multifaceted and complex because all the consequences, advantages, and shortcomings can rarely be accurately anticipated. The following are descriptions of the technical alternatives that were considered for the Office’s needs:
 - **Full COTS:** Some COTS packages can be an overall platform solution. As such all needed capabilities would be provided either by the COTS package directly or with add-on components intended to work seamlessly with the platform solution. These COTS packages can be tailored to meet specific business requirements through configuration by business analysts and technical resources experienced with the platform. Solutions using these types of COTS packages do have constraints as a result of the overall platform architecture and capabilities.
 - **Custom:** At the other end of the spectrum is a fully custom solution. In this case, flexibility is maximized, and the resulting solution will fit the business precisely. However, since the solution is developed specifically based on customer requirements rather than leveraging the capabilities of a COTS package, more effort is required to actually build the solution which involves additional risks.
 - **Hybrid:** A hybrid solution utilizes a combination of COTS modules and custom developed modules. In this situation the “build versus buy” decision is made at the module level rather than the platform level. This allows utilizing COTS packages where requirements are closely aligned with package capabilities while avoiding the inflexibility of a COTS package that is ill-suited to be customized to meet requirements.
 - **Transfer Solution:** A fourth option involves identifying if any other states have a similar structure and utilize a solution that could be adopted by OFR. This can be either a COTS platform, custom, or hybrid solution. Notably, these transfer solutions have been customized to meet the requirements of the originating state. One would expect that other states deliver benefits programs in a similar fashion. However, experience has shown that significant effort is required undoing customizations made for the originating state while implementing the receiving state’s requirements. Although improbable, it is possible that a transfer solution from another state could be a viable option.

The current implementation of REAL was put in place in 2008 and updates have been deployed over the years since that time, but the current implementation still does not support the best output for OFR. As such, it is recommended that OFR pursue a full replacement of the REAL system, thus answering the question of “update versus replace.” The “build versus buy” rationale to determine the appropriate solution to replace the existing REAL system is further broken out in the succeeding section.

2. Rationale for Selection

With a full system replacement in mind, technical solution alternatives were analyzed for the “build versus buy” decision and the business requirements that drove the selection criteria. The opportunity exists to implement a system that more comprehensively encapsulates the activities of each of the business units in a more automated and efficient manner and provides OFR more control over configuration of the system.

The selection criteria for a replacement solution are provided below, along with an explanation of how they correlate to business drivers.

- **Business alignment:** Business alignment assesses the ability of the solution to meet current requirements. For example, a custom solution would be very capable of meeting current requirements whereas a COTS solution would include constraints imposed by the COTS package vendor.
- **Flexibility:** As business alignment assesses current requirements, flexibility assesses the ability to meet future requirements as well as future considerations that could hinder meeting new requirements. Custom solutions would be expected to continue to provide maximum flexibility whereas COTS packages would be less flexible.
- **Maintainability:** This criterion assesses the ability of a solution to be maintained and operated after the initial deployment. Factors that affect this include the division of responsibility between a COTS package provider and an application maintenance team in the case of custom development. Also, vendor upgrades can require effort just to remain compatible when new versions are released.
- **Complexity:** Custom solutions tend to be more complex since the Office would be responsible for developing significantly more of the solution as opposed to utilizing components that have been proven to be effective elsewhere.
- **Time to implement:** Time to implement is largely comparable to the amount of customization required. Thus, a COTS solution would be implemented faster than a custom solution. Transfer solutions require effort to undo customization for the source agency and then time to implement required departmental customizations.
- **Cost:** There are several drivers for cost including licensing fees, application development staff, and continued maintenance and operation costs. Custom development avoids licensing fees which can sometimes be quite expensive, while also incurring the costs of additional application development staff.
- **Scalability:** This criterion assesses the ability of the solution to support increased processing requirements as demand increases. Both custom and COTS solutions are expected to be scalable.

Each of the technical solution options (Full COTS, Custom, Transfer, and Hybrid Solution) were evaluated against the above criteria while considering OFR’s business need and technical landscape.

3. Recommended Technical Solution

The recommended technical solution is to pursue a full COTS system, utilizing a combination of COTS products and custom configuration that will satisfy the requirements for each component of the system. This conclusion was reached by evaluating the technical solution alternatives combined with the rationale for selection.

SCHEDULE IV-B FOR REAL SYSTEM MODERNIZATION

Table 10 below provides an assessment of each of the technology solution selection options using the comparison criteria to guide the selection process. Solutions were assessed and provided a score for how well they fulfilled each of the criteria. The Harvey Ball icons provided reflect their score from worst (○) to best (●). Solutions with the most heavily shaded circles represent the best scoring.

Table 10: Technical Solution Selection Considerations

Technical Solution Selection Considerations				
	COTS	Custom	Transfer	Hybrid
Business Alignment				
Flexibility				
Maintainability				
Complexity				
Time to Implement				
Cost				
Scalability				

Below is a high-level summary of the outcomes of the analysis for the technical solution alternatives:

- COTS Solution** – A full COTS solution would provide reduced implementation time and complexity, and ability to scale as needed, but would only fully satisfy OFR's requirements within the configuration of the selected platform. However, given advances in the development of COTS capabilities, a full COTS solution, out of the box, is recommended for OFR.
- Custom Solution** - A full custom solution would require significantly more development effort, hardware costs, time, and application support burden, as compared to other options. While a custom solution does provide considerable flexibility and capability to meet the business need, it comes with a prohibitive cost and on-going maintenance burden. A full custom solution is not recommended for this modernization effort.
- Transfer Solution** – A transfer solution, if available, could provide a beneficial starting point for OFR, as it would immediately provide functionality that would partially satisfy the business need. However, based on Florida's regulatory landscape, substantial customization would likely be required to meet OFR's specific requirements bringing this option in line with a COTS solution. In addition, transfer solutions often do not utilize the latest technology which results in the new system needing to be modernized sooner. Although improbable, if a transfer solution is identified that is closely aligned with OFR's need, it could be a viable

solution, or a viable component of a hybrid solution (see below).

- Hybrid Solution** – Based on the breadth of OFR requirements, the dependency on COTS package configuration capabilities to fully satisfy the requirements, and the complexity and cost of a full custom solution, it is recommended that OFR pursue a hybrid solution only as a fallback in situations where suitable COTS solutions are not found. A hybrid solution provides the most flexibility and will allow OFR to take advantage of the benefits of existing COTS packages, by using a combination of COTS products, custom development, and potentially a transfer solution, to fully meet the business need. However, this comes with the burden of increased customization, difficulty in upgrades, and increased development support staffing.

As a result of this analysis, the recommended approach is to develop a configurable COTS solution using a combination of COTS packages for module replacements combined with custom configuration where required.

D. Proposed Solution Description

Any implemented solution would have to resolve an identified problems resulting from the completion of the Enterprise Architecture form, “*FL[DS]-01 – Technology Initiative Management Form*” in the areas of Strategy, Business, Systems, Security, Data, Infrastructure, and Testing as completed in accordance with Rule 60GG-5.002, F.A.C.

1. Summary Description of Proposed System

The proposed solution will replace the current implementation of both VERSA Online and VERSA Regulation. This solution should take advantage of current technology in terms of software architecture, cloud infrastructure and flexible service delivery platforms. A modern architecture will provide maximum flexibility to effectively meet future business needs in a rapid and cost-effective manner. Figure 10 below depicts major components of the proposed future solution.

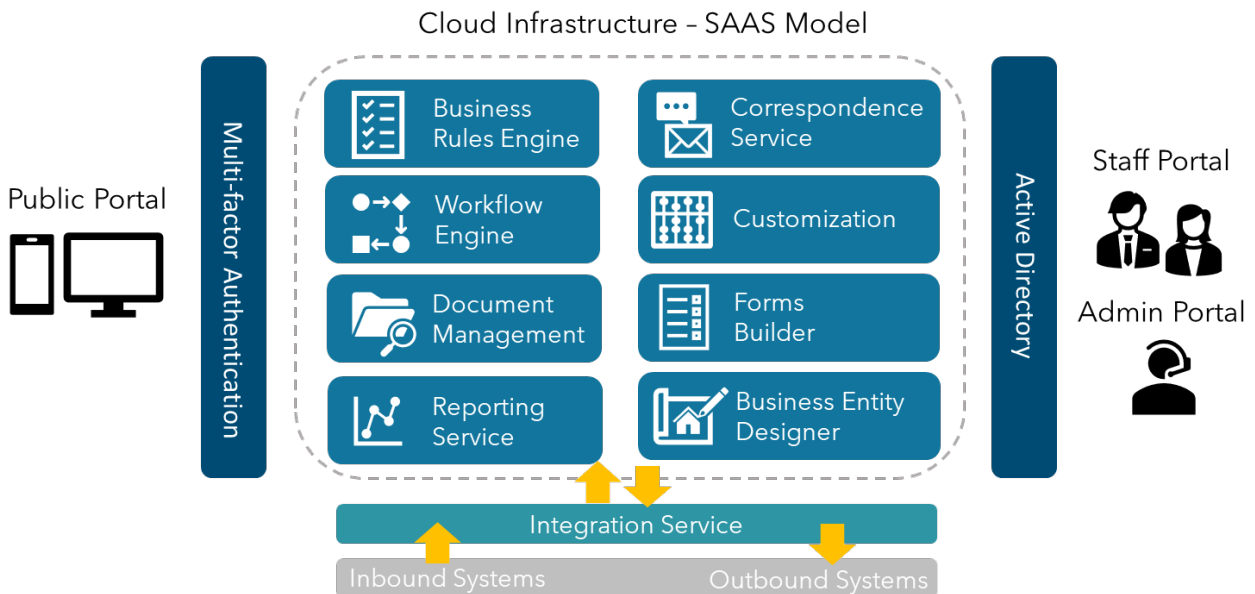


Figure 10: Proposed Future Solution

The proposed system consists of the following major components:

- **Cloud Infrastructure** - To provide scalability and flexibility, reduce complexity, and accommodate easier implementation of new capabilities in the future, the solution should be deployed to one of the major cloud hosting providers. The cloud solution should automatically scale up to accommodate increasing load while also scaling down when load decreases to minimize costs. High availability will be provided with a multi-region deployment coupled with automatic failover and real-time data replication. The solution should also take advantage of cloud services for traffic routing, software-defined networking, security monitoring, content delivery, caching, and data storage.
- **Public Portal** - The public portal provides the external access to all licensing features a licensee would need. This includes applying for licenses, renewals, managing complaints, searching OFR maintained public data, and making payments.
- **Staff Portal** - The staff portal allows staff to manage the review and approval of licenses, renewals, and complaints. It includes rules-based work distribution capabilities, efficient workflows to ensure review and approval activities are optimized based on the specifics of the license type and applicant.
- **Admin Portal** - The functionality of the solution will be determined largely by configuration. The admin portal provides access to these configuration options. Actions such as adding a license type, modifying workflows, changing the forms used to maintain licenses, and defining correspondence will be managed in the admin portal. Features such as previewing changes and maintaining versions will be provided to facilitate change management activities.
- **Business Rules Engine** - This component will centralize administration and implementation of business rules. These include actions such as validating required fields on a form, determining escalation needs as part of a workflow, and calculating required payments based on license type and timeliness of payment. Centralizing these business rules reduces maintenance requirements and improves business agility.
- **Business Entity Designer** – A key component of the solution is the capability and flexibility to easily define new business entities such as license types, support case types, and complaint types without requiring a development effort. This includes specifying the data elements associated with the business entity and linking the business entity with the other solution components such as the forms designer and the workflow engine.
- **Workflow Engine** - The workflow engine provides overall orchestration of both manual and automated activity with all aspects of licensing and associated support. The workflow component includes a visual workflow designer that provides drag-and-drop definition of workflows. Once workflows are defined, they can then be associated with license types to provide streamlined review and approval of licenses along with automated renewal processing.
- **Form Builder** - Accompanying the need for flexible definitions of license types is the need for a flexible presentation of the applications for licenses. This includes defining the field layouts in a manner that makes sense for the applicant as well as showing and hiding fields based on both the license type and the answers to previous questions. The form builder must provide a guided experience for the applicant that elicits application information in an intuitive and logical fashion.
- **Document Management** - Documents are required to support the entire OFR enterprise. These documents must often be accessed by users in multiple business units. Robust document management capability is required with the ability to store and retrieve documents in a performant fashion, provide extensive search capabilities based on both the document contents as well as metadata associated with the documents, and provide role-based access to users across business units.
- **Reporting Service** - OFR staff need easy access to reporting on license and compliance data throughout

the license lifecycle. Additionally, both legislative and public users want to have insight into the efficient operations of OFR licensing activities. The reporting service provides this access through both pre-prepared reports and ad hoc report definition capabilities.

- **Correspondence Service** - Often, documents must be created using data elements from the system. In order to support this requirement in combination with producing professional communications tailored to the recipient as well as the activity being communicated, the solution must provide a correspondence generation capability. This includes both defining the layout and content of the correspondence as well as generating the correspondence as part of a manual or workflow-driven activity. Correspondence can be either digital or paper depending on the business need.
- **Integration Service** - The licensing and compliance solution will need to interact with other systems both within DFS and external to DFS. This interaction is provided by the integration service. Data flows into the system and out of the system based on formats and timeframes defined via configuration. Additionally, data regarding integration activity is available for review and monitoring.
- **Configuration** - The COTS solution will consist of a combination of base COTS software along with configuration changes to fill in any gaps between COTS capabilities and OFR requirements. This configuration should be minimized but is expected, nonetheless.

In addition, the technical solution should be comprised of modern system characteristics including, but not limited to, those outlined in Table 11 below:

Table 11: Solution Alternative Technology Characteristics Considerations

Solution Alternative Technology Characteristics Considerations	
Item	Modern System Characteristics
Hours of Operation	<ul style="list-style-type: none"> • 24x7
Users	<ul style="list-style-type: none"> • Internal and public
User Authentication and Access	<ul style="list-style-type: none"> • Federated authentication extending to external organizations
User Interface	<ul style="list-style-type: none"> • Graphical, browser, mobile device
Integration	<ul style="list-style-type: none"> • Real-time data access • Web services • REST, XML data • SFTP and Internal Batch
Data Sharing	<ul style="list-style-type: none"> • Public sector, private sector, academic organizations, and citizens
Security	<ul style="list-style-type: none"> • Security hardening in every system component • Encryption of data at rest and in motion • Highly restricted data access
Reporting	<ul style="list-style-type: none"> • Real-time operational reporting • Dashboards • Predictive analytics
Business Rules	<ul style="list-style-type: none"> • Use of rules engine • Written in natural language • Configurable with minimal coding required

Solution Alternative Technology Characteristics Considerations	
Item	Modern System Characteristics
Processing Triggers	<ul style="list-style-type: none"> • Messages and event-based • Asynchronous and real time messages (often via an ESB)
Batch Processing	<ul style="list-style-type: none"> • Processing can be run any time • Asynchronous updates
Workflow	<ul style="list-style-type: none"> • Manages human and machine tasks performed internally and external to the traditional organization • Processing status transparency with internal and external stakeholders • Dynamic workflow definition and updating
Architecture Services	<ul style="list-style-type: none"> • Service-oriented architecture • Use of “Best-of-Breed” COTS components or software services
Application Ownership	<ul style="list-style-type: none"> • Reduced internal ownership of assets
Application Development Strategy	<ul style="list-style-type: none"> • Leverage COTS • Reduced Custom development
Application Customization	<ul style="list-style-type: none"> • Align business rules to match application capabilities
Application Maintenance	<ul style="list-style-type: none"> • SaaS or PaaS • Expanded Operations and Maintenance team of agency staff
Infrastructure	<ul style="list-style-type: none"> • Cloud-based • Software as a Services (SaaS) or Infrastructure as a Service (IaaS)

2. Resource and Summary Level Funding Requirements for Proposed Solution (if known)

Refer to Appendix A Cost Benefit Analysis Workbook for Staffing counts and costs for FY 22-23 through FY 2025-26.

E. Capacity Planning

(historical and current trends versus projected requirements)

Figure 11 below shows the recent volume of applications processed by REAL with the number of payments used as the tracking metric. Note that the volume varies with the timing of renewals and other licensing activities with seasonal variations. Additionally, there is a spike in volume every two years based on the renewal cycles.

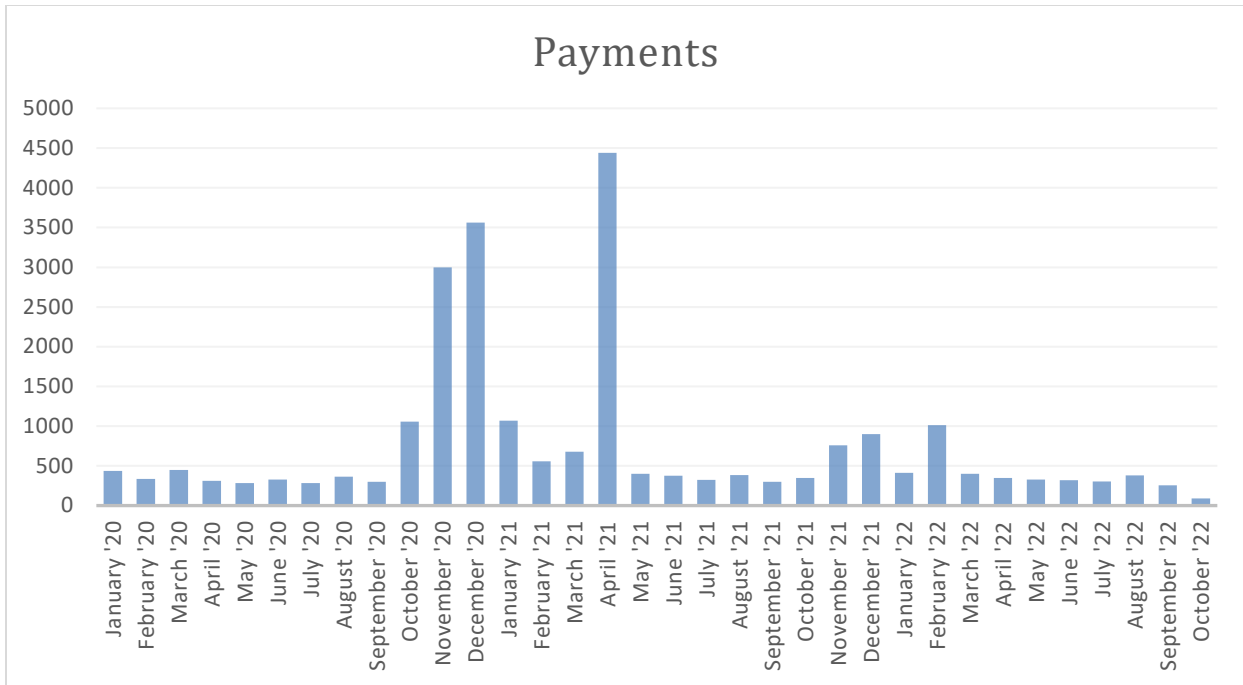


Figure 11: 2-year Payment Transaction Volume

In addition, there are several capacity metrics that must be met in order to provide reliable system operation. Due to the widely varying nature of the licensing activity, the system must support up to 4000 transactions per day.

Also, there is a need for large file handling. The system must manage large datasets provided by external licensees. To support this, the system must support a file upload size up to 5 gigabytes.

VII. Schedule IV-B Project Management Planning

Purpose: To require the agency to provide evidence of its thorough project planning and provide the tools the agency will use to carry out and manage the proposed project. The level of detail must be appropriate for the project’s scope and complexity.

Include through file insertion or attachment the agency’s project management plan and any associated planning tools/documents.

NOTE: For IT projects with total costs in excess of \$10 million, the project scope, business objectives, and timelines described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

OFR will use a project management methodology based on the project requirements and department experience with similar engagements. Predictability, accountability, and flexibility are key elements that must be embraced by the overall project management approach to ensure OFR’s satisfaction and project success. Successful project management must include active and visible leadership, multiple controls and checkpoints with measurable outcomes, and engagement with all stakeholders, the IV&V vendor, and Project Oversight partners. OFR believes strong project management is critical throughout the life of any successful project.

For this project, OFR’s project management will include the following specific elements, in addition to our standard methodology:

- The project management team will advise leadership on areas of concern and will propose solutions to mitigate risk based on the established governance structure.
- Vendors will respond to inquiries or requests from OFR within one business day of receipt.
- In the case where additional time is needed for a task, vendors will provide an estimate, which must be approved by the OFR Project Manager. Failure to meet agreed to timelines will result in consequences, financial or other, to be set in the Service Level Agreement (SLA).
- At the end of the contract, vendors will provide final copies of all contracted reports in electronic format for archive purposes.

OFR's project management approach will utilize the technical skills, tools, and techniques needed to succeed, as well as the dedication to accountability, resource commitment, and organizational focus. Project success will be the result of active communication among all individuals, understanding everyone's role in the project, and clear delineation of responsibilities.

OFR believes successful project management hinges on the following:

- Clearly established project goals, requirements, success criteria, and acceptable variances
- Ongoing assessment of quality against established standards
- Constant measurement of success against established deliverables and milestones
- Personal presence and commitment of key project leadership
- Proactive identification and communication of risks and issues and use of the risk management plan and governance structure
- Clearly defined, yet agile, change management structure capable of making data driven modifications in project tasking and timelines

The primary project management methodology used by OFR is based on the PMI's Project Management Framework. The OFR Project Manager and the implementation vendor will agree upon an appropriate project management methodology. The Project Director or Project Sponsor may consider changes to the methodology at any phase of the project, as deemed appropriate, including the use of Agile methodologies that focus on customer satisfaction through the early and continuous delivery of working software, close cooperation between business users and software developers, quality improvement, and continuous attention to technical excellence and good design.

Regardless of the specific project management methodology employed, certain management and control mechanisms will be relevant to all phases of this project, including:

- Project Charter that clearly conveys what will be accomplished by the project, signed, and authorized by the Project Executive Sponsor
- Project contract(s)
 - Including SLA and financial consequences
- Project Management Plan
- Baseline project schedule
- Independent Verification and Validation (IV&V)
- Change Management Procedures
- Project Issues Register
- Project Risk Register
- Financial Management
- Reporting

The use of the project control framework indicated above, together with application of the Project Management Plan, will assist both the Project Manager and Project Sponsor in planning, executing, managing, administering, and

controlling all phases of the project. Control activities should be detailed in a Quality Assurance Plan and will include, but may not be limited to:

- Monitoring project progress, identifying, documenting, evaluating, and resolving project related problems that may arise
- Reviewing, evaluating, and making decisions regarding proposed changes; changes to project scope will be tightly controlled according to a documented change request, review and approval process agreed to by all stakeholders
- Monitoring and taking appropriate actions regarding risks as required by the risk management plan
- Monitoring and tracking issues during development, testing and implementation as required by a documented issue reporting and management process
- Monitoring the quality of project deliverables and taking appropriate actions regarding any project deliverables that are deficient in quality

The sections below expand upon elements of the REAL system Modernization Project Management Plan (PMP) that will be in place at project initiation. The PMP is compliant with Rules 60GG-1.001 through 60GG-1.009, F.A.C., known as the Florida Information Technology Project Management and Oversight Standards.

A. Project Charter

The program charter establishes a foundation for the program by ensuring that all participants share a clear understanding of OFR's purpose, objectives, scope, approach, deliverables, and timeline. It serves as a reference of authority for the future of the program. The project charter for modernization of the REAL system is described below and is expected to be adopted substantively for the system replacement effort, although work by year may vary and charts and tables relating to that information will be updated accordingly.

1. Project Name

This project is referred to as Regulatory Enforcement and Licensing (REAL) system modernization.

2. Purpose

Launched in 2008, the REAL system has become antiquated and offers limited capabilities to support vital OFR business processes. In its current state, the REAL system lacks the capacity and agility to meet all of OFR's mission-critical needs. For some business units, the REAL system currently serves primarily as an intake mechanism for client information and tracking. Many OFR business processes are performed outside of the REAL system, often causing duplicative efforts as manual functions are then performed or recreated in the system for tracking purposes. In addition, based on the O&M approach of the current implementation, OFR is currently reliant on contract vendors to operate and maintain the REAL system causing costly and lengthy contract change orders for even minor changes. To address functionality gaps, foster enterprise-wide adoption, and gain flexibility to react to an ever-changing environment, OFR recognizes that the REAL system needs to be modernized and seeks a replacement solution that will deliver the following benefits:

- accommodate the flow of incoming information
- improve the ingestion, storage, accessibility, availability, reportability, and security of digital information (structured and unstructured data)
- provide enhanced functionality for licensing, case management, investigations, and enforcement
- enhance functionality such as predictive analytics to improve capabilities for fraud detection and prevention
- be forward-looking and adaptable to foreseeable and, to the extent possible unforeseeable changes
- enhance user experience and customer experience

- allow configuration of all core functionality, business processes, and workflow processes to be easily maintained by OFR employees

3. Objectives

The Regulatory Enforcement and Licensing (REAL) system modernization project will satisfy the following objectives:

- Leverage increased efficiencies and serve Florida citizens in the most effective manner possible
- Position OFR to further maximize the benefit of the state investment in technologies implemented to support the REAL system
- Stabilize ongoing support costs and reduce long-term technical debt
- Focus on the benefits of increasing low-code/no-code rules engine-based automated processing
- Create a modern, integrated, rules-based system that supports the business units by leveraging modern technology preferably using COTS, Cloud-based, or Software-as-a-service (SaaS) solutions
- Facilitate improved communication within the OFR as well as between OFR and external stakeholders
- Provide OFR staff with timely access to information necessary for performance measurement and quality management
- Provide better access to data through searching and reporting capabilities
- Employ project management best practices throughout the life of the project
- Prevent fraud, protect privacy and confidentiality
- Complete the project within agreed budget and timeframes

4. Project Phases

This project will be developed in three phases:

1. Procurement (8-12 months)
2. Solution Architecture (5-8 months)

This phase will put into place the core solution functionality. The order of implementation will depend on the selected vendor's solution, but modernization efforts will cover the following initiatives:

- a) Data Management
- b) Integration Layers
- c) Case Management
- d) Requirements Gathering, Definition and Validation
- e) Business Rules Engine
- f) Document Management

3. Business Unit Implementation (18 to 30 months)

This phase will include rollout of solutions developed for each of the business units. Again, the rollout strategy will depend on the solution provided by the selected vendor, but will encompass all OFR business units including:

- a) Financial Institutions
- b) Securities
- c) Investigations
- d) Consumer Finance
- e) Office of General Counsel
- f) Operations

B. Project Scope

The vision for the REAL system modernization project is to implement immediate system performance and functional improvement needs while positioning OFR with a secure, scalable, and sustainable system architecture and agile support processes.

To realize this vision for immediate improvement and long-term sustainability, there are technology and resource investments necessary in fiscal years 2023-24 and 2024-25. These investments will result in long-term benefits to Floridians in immediate process improvement and long-term benefit to OFR in reduced system maintenance time and cost.

To ensure the most efficient and effective implementation of projects included in the modernization program, it is OFR's intention to acquire the services of a contracted systems integrator ("successful vendor") experienced in the planning and implementation of multi-year system modernization initiatives, as well as Independent Validation & Verification (IV&V) services to ensure that projects are executed with minimal cost and schedule variance. Modernization project teams will be comprised of a combination of OFR and third-party resources.

OFR will oversee a governance process ensuring that there is an integrated process, vertically and horizontally, for requesting new projects and funding.

An OFR Project Team will serve as the single point of contact for budget, schedule, scope, and status reporting. It is anticipated that the OFR Project Team will consist of a Lead Project Manager, IT Lead, Legal Lead, Operations Lead, Business Process Lead/SME, and Budget/Finance Lead. Project Team roles may be modified or combined for efficiency if feasible. A critical role and function of the Project Team is to effectively engage stakeholders and maintain a high level of efficient, coordinated, and productive collaboration.

To ensure fiscal responsibility, the Project Team and established governance structure will adjust operational cost needs for fiscal year 2023-2024 based on additional information that may later become available. As the project progresses, operational costs will shift away from managed third-party service providers, back to OFR FTEs and Staff Augmentation support needs.

The scope of this project will include a significant business process analysis and requirements development effort as well as the design, development, testing, user training, and statewide implementation of a new business system to support the following functional and technical needs:

- Project Management Team
- Organizational change management
- Independent Verification and Validation (IV&V)
- Solution Architecture
- Integration of all business units
- Data conversion and integration
- External interfaces (full SDLC)
- Self-service portal (full SDLC)
- Case and workload management (full SDLC)
- Reporting functions (full SDLC)
- Statewide system implementation
- Content development for training materials
- End-user training
- Operations and maintenance planning

C. Implementation Plan

The Implementation Plan will describe steps needed to implement a replacement solution for the REAL system beginning with the initial procurement of external resources needed to achieve project outcomes.

1. Procurement Management Approach

The Procurement Management Plan seeks to outline how the project will procure resources necessary to complete the project objectives. It defines the procurement methodology for this project, lays out the process for managing procurement throughout the life of the project, and will be updated if and when the project needs change. This plan identifies and defines the goods and services to be procured, the types of contracts to be used in support of this project, the contract approval process, and the decision criteria. The importance of coordinating the procurement activities, establishing firm contract deliverables, and metrics in measuring procurement activities is included in the following subsections.

The OFR Purchasing Office and any external resources contracted for procurement support will provide oversight and management for all procurement activities under this project. The Project Manager will work with the Project Team to identify the scope of services to be procured for the successful completion of the project. The OFR Project Team will review and refine all procurement needs prior to approving the development of final procurement documentation.

The following table will be completed to record any procurement goods and/or services determined to be essential for the REAL system Modernization project’s completion and success. The Project Manager must approve any procurement item or service before inclusion in below.

Table 12: Procurements Essential for REAL Project’s Success

Procurement	Description	Justification	Needed By

2. Project Deliverables

Table 13 below contains a preliminary list of project deliverables. The final deliverables list, which will include acceptance criteria, will be developed in conjunction with the selected implementation vendor and will be appropriate to the technology solution chosen.

Table 13: Project Deliverables

Name	Deliverable Description
Project Management Status Reports	Weekly status reports to project management team.
Risk and Issue Registers	Prioritized lists of risks and issues identified and reviewed during the course of the project.
Meeting Summaries	Record of decisions, action items, issues, and risks identified during formal stakeholder meetings.
Schedule IV-B Feasibility Study (Updates)	Incorporates information to be submitted with the Office’s Legislative Budget Request for follow-on phases.
Project Charter	Issued by the Project Sponsor and formally authorizes the existence of the project and provides the Project Manager with the authority to apply organizational resources to project activities.
Project Management Plan	<p>Includes the following documents as required by the OFR Project Director:</p> <ul style="list-style-type: none"> • Work Breakdown Structure • Resource Loaded Project Schedule • Change Management Plan • Communication Plan • Document Management Plan • Scope Management Plan • Quality Management Plan • Risk Management Plan • Risk Response Plan • Issue Management Plan • Resource Management Plan • Conflict Resolution Plan • Baseline Project Budget
As-Is Business Process Flows	Represents, graphically, the current state of public assistance business processes using standard business process notation. This document should include narrative descriptions of key activities, including owners, inputs, and outputs.
To-Be Business Process Flows	Represents the future state of public assistance business processes, as reengineered by the vendor in conjunction with OFR subject matter experts. The process flows are developed using standard business process notation. This document should include narrative descriptions of key activities, including owners, inputs, and outputs.

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Name	Deliverable Description
Technical Design Specification	Detailed technical design for data and information processing in the new business system to include: <ul style="list-style-type: none"> • Data Model/ERD • Data Dictionary • Technical Architecture (to include a hardware usage plan)
Design Demonstration	Review and acceptance of the system design required before proceeding to development. Key stakeholders will experience the prototype and then a go/no-go decision will be submitted to the Project Sponsors for action.
Data Conversion Plan	Plan for converting data from existing systems to meet the specifications of the new database design; to include detailed data conversion mapping.
Organizational Change Management (OCM) Plan	Describes the overall objectives and approach for managing organizational change during the project, including the methodologies and deliverables that will be used to implement OCM for the project.
OCM Status Reports	Weekly status reports to project management team.
Stakeholder Analysis	Identifies the groups impacted by the change, the type and degree of impact, group attitude toward the change and related change management needs.
Training Plan	Defines the objectives, scope, and approach for training all stakeholders who require education about the new organizational structures, processes, policies, and system functionality.
Change Readiness Assessment	Surveys the readiness of the impacted stakeholders to “go live” with the project and identifies action plans to remedy any lack of readiness.
IV&V Project Charter	A document issued by the Project Sponsor that formalizes the scope, objectives, and deliverables of the IV&V effort.
IV&V Status Reports	Quarterly reports to the Executive Management Team.
IV&V Periodic Assessments	Documents the results of IV&V activity to determine the status of project management processes and outcomes including but not limited to: <ul style="list-style-type: none"> • Schedule Review Summary • Budget Review Summary • Business Alignment Summary • Risk Review Summary • Issue Review Summary • Organizational Readiness Summary • Recommended Next Steps/Actions for each of the above areas • Milestone and Deliverable reviews (to determine if the project is prepared to proceed to the next phase in the project work plan) • Current scorecard of the project management disciplines • Strengths and areas for improvement in the project management disciplines • IV&V Next Steps/Actions
IV&V Contract Compliance Checklist	Documents that vendors involved with the project have met all contractual requirements.

SCHEDULE IV-B FOR REAL SYSTEM MODERNIZATION

Name	Deliverable Description
Data Migration Plan	Plan for migration of data from existing systems to new databases (as required).
Test Plans	Detailed test plans for unit testing, system testing, load testing, and user acceptance testing.
Test Cases	Documented set of actions to be performed within the system to determine whether all functional requirements have been met.
Implementation Plan	Detailed process steps for implementing the new business system statewide.
Knowledge Transfer Plan	Based on a gap analysis, this plan will detail the steps taken to transfer knowledge about the system to the resources that ultimately will be responsible for implementation and post-implementation support.
Functional Business System	Final production version of the new business system.
System Operation and Maintenance Plan	Detailed plan for how the finished system will be operated and maintained.

a. Project Milestones

It is anticipated the project will be managed according to Table 14 below. Go/no-go checkpoints may be added to the project schedule where appropriate based on the chosen solution. Checkpoints will require Project Sponsor sign-off prior to commencing the next activity.

Table 14: Project Milestones

Milestone	Deliverable(s) to Complete
Legislative Approval	<ul style="list-style-type: none"> Updated Schedule IV-B
Funding Approval	<ul style="list-style-type: none"> Advance Planning Document
Project Kick-Off	<ul style="list-style-type: none"> Project Charter
Project Management Documents Completed	<ul style="list-style-type: none"> Various (See deliverable list)
Business Process Analysis Completed for Each Phase	<ul style="list-style-type: none"> As-Is Business Process Flows To-Be Business Process Flows
Acceptance of Functional and Technical Requirements for Each Phase	<ul style="list-style-type: none"> System Requirements Document Validated Functional Requirements Document Requirements Traceability Matrix
Acceptance of User Interface Prototypes for Each Phase	<ul style="list-style-type: none"> User Interface Prototypes
Acceptance of Each Phase’s Functional and Technical Design Specifications	<ul style="list-style-type: none"> Functional and Technical Design Specification documents
User Acceptance Testing for Each Phase Completed	<ul style="list-style-type: none"> User Acceptance Testing Scripts
End User Training for Each Phase Completed	<ul style="list-style-type: none"> On-site training sessions for internal users Training materials
System Deployment Phases	<ul style="list-style-type: none"> Functional system released into production
Project Close-out	<ul style="list-style-type: none"> Lessons Learned Knowledge Transfer Contract Compliance Checklist Project Close-out Checklist

b. General Project Approach

The following activities are required to finish the REAL Transformation project:

1. Submit a Legislative Budget Request
2. Perform Schedule IV-B Feasibility Study update
3. Execute procurement(s)
4. Execute contract(s)
5. Execute the project
6. Monitor and control the project
7. Develop and test the proposed solution as described in the Technology Planning section per the plan outlined in Figure 12: Proposed REAL System Modernization Schedule
8. Implement the proposed solution
9. Conduct Organizational Change Management and Communications activities
10. Develop and Conduct Training

11. Deploy the system to trained users who are fully prepared to use the new system and are supported by on-screen help
12. Conduct knowledge transfer
13. Continued operations, administration, and support of the system through the warranty period
14. Close Out the project
15. Operate and enhance the system throughout its service life

c. Change Request Process

Projects of this magnitude should expect change as the project progresses through the design, development, and implementation phases. All change requests will be formally documented and validated by the Project Team in accordance with a documented change management plan or documented change management procedures. Once validation has occurred, the appropriate stakeholders will assess the change, determine the associated time, and cost implications.

Upon acceptance of the change request and its validation by the Project Team, the tasks to implement the change will be incorporated into the project plan and a project change order will be initiated. A priority will be assigned, and the request will be scheduled accordingly, as prescribed by the project governance structure and change management process.

3. Project Communication

Communication management seeks to provide a comprehensive framework for all communication necessary to keep stakeholders informed about the project's direction and status. The purpose of the project communication plan is to put into place infrastructure to facilitate clear and timely communication of project objectives and promote successful project outcomes.

a. Communication Plan

The communication plan is designed to provide the right information, at the right level, to the right audience, at the right time. The plan addresses key audiences, messages, frequency, and methods of communication.

This plan, depicted in below, describes the various forms of communication, appropriate channels of communication, and target audiences for this project. The communication matrix identifies the different tools that will be used to guide the planning for communication about the project to various audiences and purposes. It should be considered a general guide for the effective dissemination of information that is received, understood, and utilized by the target audiences for successful completion of the project. This communication matrix will be customized for each project to reflect the various communication forms, frequencies, and audiences that will actually be used during the course of the project and to ensure communication channels are properly maintained throughout the project and updated if communication needs to change.

Table 15: Project Communication Matrix

Work Item	Purpose	Format	Frequency	Type	Initiator	Recipient	Feedback
Status Reports	Provide detailed information on the progress of the project against the plan	Email	Weekly	Mandatory	OFR Project Manager	Vendor Project Manager IV&V vendor	Verbal and follow-up email
Status Meetings	Review the status report, resolve issues, and make decisions	Meeting	Bi-Weekly	Mandatory	Vendor Project Manager	OFR Project Manager	Verbal and follow-up email
Sponsor Meetings	Review project progress, resolve issues, and make decisions at an executive level	Meeting	Monthly	Mandatory	Vendor Project Manager	OFR Project Sponsor Vendor Project Sponsor	Verbal and follow-up email
Project Deliverables	Provide deliverables to client for review	Email	Per project schedule	Mandatory	OFR Project Manager	Vendor Project Manager for distribution IV&V vendor	Written vetted, consolidated, and actionable comments
Deliverable Review Feedback	Provide vetted, consolidated, and actionable written comments	Email	Per project schedule	Mandatory	Vendor Project Manager	OFR Project Manager IV&V vendor	Written/email follow-up using Deliverable Review Comment Form
Deliverable Review Meetings	Confirm mutual understanding of desired deliverable changes	Meeting	As needed	Informational	OFR Project Manager	Vendor Project Manager Vendor Subject Matter Experts (as needed)	Verbal or written
Work Sessions	Gather information from subject matter experts (current providers)	Meeting	Per project schedule	Mandatory	OFR Project Manager	Provide subject matter experts (only if the Vendor Project Manager has approved the communication)	Verbal and follow-up email

SCHEDULE IV-B FOR REAL SYSTEM MODERNIZATION

Work Item	Purpose	Format	Frequency	Type	Initiator	Recipient	Feedback
Work Session Follow-Up	To answer questions or clarify information gathered	Email	As needed	Informational	OFR Project Manager	Provider subject matter experts (only have Vendor Project Manager) has approved the communication)	Verbal or email follow-up
Online Survey	Gather information from subject matter experts (former providers)	Email	Per project schedule	Mandatory	OFR Project Manager	Provider subject matter experts (only have Vendor Project Manager) has approved the communication)	Verbal or email follow-up
Project issues	Documentation of project issues	Email	As needed	Mandatory	Any Stakeholder	OFR Project Manager Vendor Project Manager IV&V vendor	Written/email follow-up
Project issues escalation	To resolve project issues	Email	As needed	Mandatory	OFR or Vendor Project Manager	OFR or Vendor Project Sponsor IV&V vendor	Written/email follow-up
Change requests	Document project changes to scope of work	Email	As needed	Mandatory	OFR or Vendor Project Manager	OFR or Vendor Project Sponsor IV&V vendor	Written/email follow-up
Project closeout and lessons learned	Formal project closeout meeting	Email	Per project schedule	Mandatory	OFR Project Manager	Vendor Project Manager IV&V vendor	Written/email follow-up

b. Bi-Weekly Status Reporting

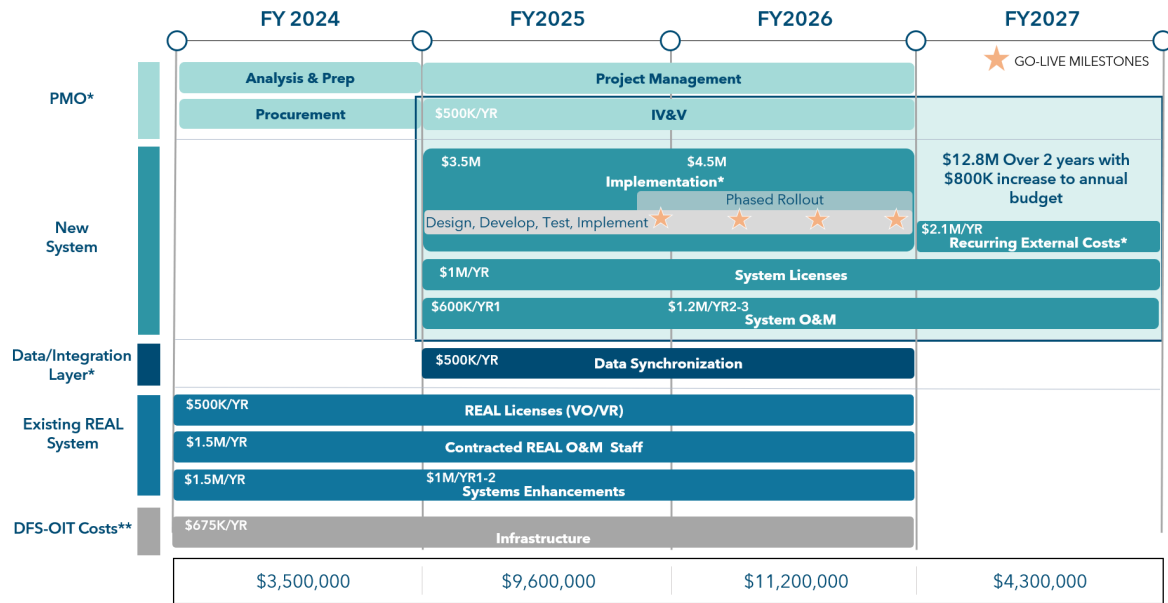
Vendors will be required to submit status reports throughout the project at several levels. The primary source of status information is the bi-weekly written status report, which will communicate at minimum the following information.

- **Project Status.** This section depicts the project status at a summary level using a red/yellow/green method supported by two to three essential questions that are answered to determine summary status. The red/yellow/green method is not meant to be a grading system but instead it is a way to easily identify the areas of the project that need the most attention to make the project successful.
- **Overview of Project Progress.** This section describes significant accomplishments achieved in the reporting period.
- **Project Milestones, Deliverables, and Latest Tasks.** This section contains the major deliverables of the project, their planned and actual completion dates, and their status.
- **Risks, Action Items, Issues, and Decisions.** This section will link to the project risk, action item, issue, and decision tracking tool. The project tracking tool contains all items tracked during the project.

D. Project Schedule

Schedule management consists of the following three areas: schedule development, schedule administration, and schedule change control. The actual project schedule will be highly dependent upon the business need priority, technical complexities, and solutions available. The development of the actual project schedule will be the responsibility of the OFR project manager and implementation vendor(s).

Figure 12 below provides an example of the high-level project schedule for the initial four years of the proposed REAL system modernization.



* One-time project costs reflected in CBA Form 2A. All other costs are recurring and reflected in CBA Form 1.
 ** DFS-OIT funds are currently non-operational and not part of the REAL budget. The \$675K/yr will become operational as part of cloud infrastructure costs.

Figure 12: Proposed REAL System Modernization Schedule

1. Schedule Development

Schedule development is the process of taking the work breakdown structure and breaking it down into activities and tasks that can be assigned and managed. Tasks that are dependent on others are linked. Work efforts and resources are assigned to each task. Once the draft is complete and correct, the schedule will be baselined so that any future changes can be tracked.

The project schedule is the definitive source of project activity, dates, and assignment information. A high-level schedule is provided above. Prior to project initiation, a resource-loaded Microsoft Project Schedule will be generated with milestones and task durations. Either Agile or Waterfall, or a hybrid approach consisting of phases with agile iterations within each phase, is an acceptable development approach. Under all circumstances, the Project Schedule will be generated to match the chosen development methodology.

2. Schedule Administration

The schedule will be kept up to date weekly. Task progress and percent completion will be input into the schedule.

Variances between planned and actual progress will be managed with particular attention to the critical path. Each week the Project Manager will evaluate the baselined schedule against current progress, identifying the following at a minimum:

- Overdue tasks and computation of the percentage of late tasks related to total tasks to date (number of overdue tasks divided by number of total tasks).
- Overall task completion trending towards an overall project variance equal to or greater than 10%.

The Project Manager will communicate the variance explanation to the project's key stakeholders. This information will be used as input into the weekly status reporting. Any variance where the critical path is significantly behind will automatically result in a red status on the weekly status report.

Corrective actions will be developed as needed to resolve schedule variances. Schedule management techniques of crashing, fast-tracking, and compression will be considered as will other solutions like resource shifting or work rescheduling. Schedule forecasting will be used to look beyond the current status so that, to every extent possible, corrective actions can be applied before there are schedule variances.

3. Schedule Changes

Once the schedule has been developed, approved, and baselined any significant changes will have to be approved through the change control process. All other schedule changes can be made at the discretion of project leadership and will be reported and discussed with the weekly status report.

E. Project Organization

The purpose of this section is to outline how the project is to manage staffing requirements and resource tasks appropriately. This project plan calls for additional staffing for most project initiatives through “Staff Augmentation” contracts. The needs for each individual project have been estimated before the project and will be refined during requirements gathering and procurement of services.

Successful implementation of the proposed solution requires establishing a model of governance by applying a structured decision-making process. Functions critical to project success within this governance process will include measures to document and maintain requirements and compare solutions in advance of implementing architectural change. Such a process will also facilitate decision-making and manage all aspects of the modernization efforts.

OFR’s enterprise approach and governance structure ensures that there is an integrated process, vertically and horizontally, for requesting new projects and funding.

- Vertical integration will require receiving bottom-up input on the costs and status of each project and top-down prioritization and approval of prospective projects.
- Horizontal integration will require the internal transfer of knowledge and information between functional and operational support units to maximize effectiveness of prospective projects and mitigate against risks of unintended future consequences.

For approved projects, the Project Team will serve as the single point of contact for budget, schedule, scope, and status reporting. A critical role and function of the Project Team will be to also ensure that approved projects effectively engage stakeholders and maintain a high level of efficient, coordinated, and productive collaboration.

Effective collaboration is essential to the successful implementation of the proposed solution. Collaboration provides visibility to stakeholders, produces the necessary exchange of information, coordinates work efforts, and produces useful information about stakeholder needs. The Project Team will establish guidelines for effectively

managing collaboration with project stakeholders before, during and between projects or project phases.

OFR’s enterprise approach and governance structure will be developed in order to make coordinated IT decisions at an enterprise level and align business decisions with strategic objectives. Below is the proposed organizational structure:

Table 16: Governance Structure

Stakeholder	Role	Responsibilities
Pury Santiago	OFR Project Sponsor	<ul style="list-style-type: none"> • Approve scope and objectives, schedule and resources, roles, and responsibilities • Review progress and provide strategic direction along with executive team • Make and enforce decisions as appropriate • Obtain resources as needed • Authorize change request analysis • Approve project change requests • Set priorities and resolve conflicts • Provide input on the requirements of the project • Review project plan and relevant documents • Ensure staff participates in work sessions • Promote project buy-in
Buckley Vernon	OFR Project Manager	<ul style="list-style-type: none"> • Provide full support for project logistics, staff participation/reviews and communications • Verify work products meet contractual requirements • Participate in bi-weekly status meetings • Obtain project sponsor’s approval of project deliverables
OFR Project Team	OFR Subject Matter Experts	<ul style="list-style-type: none"> • Provide detailed input throughout the life of the project • Participate in work sessions

Roles and functions within the proposed organizational governance structure will evolve over time to ensure organizational agility and continuous modernization. For the initial structure, roles, responsibilities and/or processes should include the following:

- Leadership Team and Governance Chair
 - Communicate policy objectives that will drive or materially impact IT strategy
 - Receive and review communications or reports from the IV&V and meet regularly with IV&V
 - Make “go/no-go” decisions, provide written approvals for proposed projects, and to the extent

- required in a given Project Management Plan, provide approvals for individual project phases
- Provide final approval for acceptance of all active project deliverables
- Make recommendations to close or terminate an active project
- Project Team
 - Analysis and preparation required for procurement documents
 - Procurement oversight and management
 - Project management
 - Quality management
 - IV&V oversight

- External Stakeholders

Collaboration and coordinated interaction with external stakeholders would include the following:

- Maintain and strengthen established relationships with divisions throughout Agency and other state and federal agencies.
- Conduct regular meetings to facilitate collaboration, exchange information vital to project success and gather essential input. Such regular meetings might include:
 - Touchpoints – Strategic one-on-one meetings with OFR Leadership Team and Governance Chair to discuss needs and concerns
 - Project and key stakeholder meetings – Planned meetings to provide scheduled updates or obtain feedback
 - Quarterly project update meetings – Division/Unit staff meetings to provide updates on project progress and upcoming activities
- Independent Validation & Verification (IV&V)

IV&V is required for all projects with a total budget over all years of greater than \$20 million per 216.023(4)(a)10, F.S. The selected IV&V Contractor shall perform ongoing project monitoring activities and will review and validate issues/deficiencies/risks identified with the project. Minimally required project monitoring activities and deliverables include, but are not limited to:

- Providing an independent, objective, third-party view of project efforts with the intent of protecting the State's interests
- Providing personnel, processes, approaches, and tools to perform IV&V services for Florida information technology projects
- Performing assessments on both project and program management processes and work products
- Providing objective observations and recommendations
- Assessing and reporting overall project performance, extrapolating future project progress and success, and identifying any possible impediments to successful project completion
- Examining all project artifacts and documents to evaluate the effectiveness of the project management controls, procedures and methodology
- Assessing the effectiveness of project communication, assessing Customer involvement
- Developing performance metrics that facilitate the tracking of progress/completion of project tasks and milestones
- Reviewing all project cost and expenditure documentation and making recommendations for efficient use of funds

- Validating identified risks and issues and proposed response(s) and assessing impact to the project progress or success
- Verifying and validating the quality of project work products (deliverables)
- Reviewing statements-of-work, solicitations, and contracts to verify alignment between requirements and solicited or contracted terms
- Providing guidance and training on standards and best practices for project management
- Ensuring project teams follow required standards, including, but not limited to, Administrative Rules, Florida Statutes, and federal requirements

- OFR Workforce Services Advisory Group
 - Coordinate and align REAL system modernization projects and project activities with broader goals and objectives of OFR Workforce Services
 - Conduct regular meetings to facilitate collaboration, exchange information vital to project success and gather essential input. Such regular meetings might include:
 - Touchpoints – Strategic one-on-one meetings with OFR Leadership Team and Governance Chair to discuss needs and concerns
 - Quarterly project update meetings –Meetings to provide updates on project progress and upcoming activities

- REAL Business Process Chair/Lead SME
 - Serve as member of Project Team
 - Provide oversight and input to align REAL system projects and project activities with broader goals and performance objectives of REAL Business Services
 - Conduct regular meetings to facilitate collaboration, exchange information vital to project success and gather essential input. Such regular meetings might include:
 - Touchpoints – Strategic one-on-one meetings with REAL Program Areas and Project Team to identify needs and resolve concerns
 - Quarterly project update meetings – Periodic meetings to provide updates on proposed project planning, active project progress, and upcoming activities

- Information Technology Chair
 - Serve as member of Project Team
 - Provide oversight and input to align REAL system projects and project activities with broader goals and support objectives of REAL system Services
 - Provide management and oversight for the following work activities:
 - Information architecture
 - Technical architecture
 - Software Development Life Cycle (SDLC) management
 - Software documentation management
 - SSAE 18, SOC 1 – Type 2 and SOC 2 – Type 2 reports (as may be required)
 - Systems testing/UAT
 - Data Security
 - System Security
 - Conduct regular meetings to facilitate collaboration, exchange information vital to project success and gather essential input. Such regular meetings might include:

- Touchpoints – Strategic one-on-one meetings with REAL system and project management teams to identify needs and resolve concerns
- Quarterly project update meetings – Periodic meetings to provide updates on proposed project planning, active project progress, and upcoming activities
- REAL Program Areas
 - Provide necessary input and documentation regarding functional requirements and functional specifications for REAL system projects and project activities
 - Conduct regular meetings to facilitate collaboration, exchange information vital to project success and gather essential input. Such regular meetings might include:
 - Touchpoints – Strategic one-on-one meetings with REAL Business Chair and the Project Team to identify needs and resolve concerns
 - Quarterly project update meetings – Periodic meetings to provide updates on proposed project planning, active project progress, and upcoming activities
- Information Technology Teams
 - Provide necessary input and documentation regarding technical specifications for REAL system projects and project activities
 - Perform IT project tasks in accordance with the Project Management Plan and Project Schedules
 - Maintaining RAID (Risk Management, Action Items, Issue Management, Decisions) logs for active projects and reporting problems to the Information Technology Chair; monitoring reported problems until resolved
 - Conduct regular meetings to facilitate collaboration, exchange information vital to project success and gather essential input. Such regular meetings might include:
 - Touchpoints – Strategic one-on-one meetings with Information Technology Chair and Project Team to identify needs and resolve concerns
 - Quarterly project update meetings – Periodic meetings to provide updates on proposed project planning, active project progress, and upcoming activities
- Citizens/Users

Through the REAL Program Areas group or subgroups, planned and coordinated interaction with citizens and other system end-users would include the following actions:

- Provide essential feedback and input regarding needs desired functionality of citizens and other system users
- Conduct Customer experience (CX)/User Experience (UX) qualitative research (e.g., focus groups or structured interviews) and quantitative research (e.g., survey tools) to gather essential design input
- To the extent feasible, conduct meetings and leverage digital platforms to facilitate collaboration, exchange information vital to project success and gather essential user input
- Provide project updates at regular intervals leveraging digital platforms
- Contracted Vendors

Oversight and management of Contracted Vendors will be performed by the OFR Project Manager.

Responsibilities and functions might include the following activities:

- Contract management and monitoring of contract deliverables
- Project management and monitoring of project deliverables to be provided by Contracted Vendors
- Maintaining RAID logs for Contracted Vendor performance and reporting problems to OFR
- Monitoring reported problems until resolved

F. Project Quality Control

Whether OFR executes project tasks with internal resources, or oversees deliverables provided by contracted providers, quality management will be a key factor for project success. Quality Management details the processes to ensure quality services and deliverables. OFR will use disciplined processes and inspections to confirm quality throughout the life of the project. These inspections are performed at key points in the creation and review of documents and confirmation of the value of services the project team provides. Quality Management includes two components, Deliverable Quality Control and Services Quality. The purpose of this section is to provide instructions on these processes. OFR commits to the highest quality in project execution and project team members' performance. To achieve a positive outcome, these processes will be carried out, so expectations are understood, aligned, and met.

OFR will follow a rigid quality assurance process. The project will follow these processes and procedures to ensure the highest level of execution.

Quality Management. The primary responsibility of the Project Team is to provide oversight and ensure OFR objectives are met by meeting regularly with project managers and department leadership.

The Project Manager is responsible for understanding project requirements and OFR expectations. A preliminary internal project meeting is held near the start of each project with all stakeholders. This meeting will include a discussion(s) of task assignments to clarify the scope of work and how it will be accomplished. The following quality management activities will be completed for each project:

- **Internal Kickoff Meeting** – Prior to project commencement, the Project Manager will ensure all team members understand the project's requirements, scope, and quality control processes. This meeting includes a discussion of task assignments to clarify the scope of work and how it will be accomplished. This awareness is maintained throughout the duration of the project within ongoing and as necessary project team meetings.
- **Sponsor Checkpoints** – Each Project Manager will schedule regular contact with the Project Sponsor. This allows the Project Manager to voice their perspective on assignment progress and communicate any relevant risks, action items, issues or decisions made or encountered during the project.
- **Deliverable Reviews** – Prior to submission to OFR, all vendors' deliverables are required to first undergo a thorough review. This review includes technical editing, validation, clarity, and ensuring conformance to OFR standards and expectations, the Project Management Plan, and all other project documentation.

G. Project Tracking

This section describes the "RAID" methodology for tracking risks, action items, issues, and decisions. OFR will follow a centralized approach that minimizes miscommunication or misinformation among project stakeholders. The OFR will diligently maintain a "master" project tracking log for each project, and a master log for the REAL Modernization project overall, a Microsoft Excel workbook with multiple tabs intended to capture the details and the latest attributes of items tracked by Project Managers.

See the link below for the project tracking log. Each tab is fully explained in the following sections.



OFR Project RAID
Log Template

1. Risk Management

Risks are characteristics, circumstances, or features of the environment that may have an adverse effect on the project or the quality of the work products. The risk management plan outlines the process to identify and analyze the effects of uncertainties on the project. This plan establishes a framework of working practices, which enables project team members to identify, analyze, respond to, monitor, and communicate risks before they become issues and jeopardize the success of the project. If a risk becomes an issue, OFR will work with the involved stakeholders to assess its impact on the project and assign responsibility for issue resolution, including a target date for closure.

Risks will be managed in the following manner:

- During status meetings, any stakeholder can raise a risk for discussion.
- The Project team will discuss the risk and determine if it warrants being monitored in the risk log.
- The project manager will enter the item in the risk log.
- The team will discuss mitigation strategies and assign who will own the risk item.
- At each subsequent status meeting, the risk(s) will be reviewed until the risk(s) can be closed, in accordance with the Risk Management Plan.

2. Action Items

Action items are unplanned tasks that occur during a project that are too small to be added to the schedule. These items must be within the scope of the project and are often tasks that support scheduled tasks, issue resolution, risk management, or some other aspect of the project. The action item log is created and maintained as part of the project tracking log.

Action items will be managed in the following manner:

- During status meetings, any stakeholder can raise an action item for discussion.
- The project team will discuss the action item and determine if it warrants being monitored in the action item log.
- The Project Manager will enter the item in the log.
- The team will set the priority for the action item (high/medium/low), assign an action item owner, and set a planned completion date.
- At each subsequent status meeting, the action item(s) will be reviewed until they can be closed.

3. Issue Management

An issue is defined as a current situation or event that must be resolved to avoid adverse impact to the project. Issues can originate from a risk that has materialized. OFR will document all issues that are brought up in meetings.

When issues arise, they need to be resolved in a disciplined manner in order to maintain the quality of the work products and control the schedule and costs. The issue resolution process verifies differences, questions, and unplanned requests are defined properly, escalated for management attention, and resolved quickly and efficiently.

The issue resolution process is intended to handle technical problems, requirements, or issues/conflicts, as well as to address process, organizational, and operational issues of the engagement.

Issues will be managed in the following manner:

- During status meetings, any stakeholder can raise a potential issue for discussion.
- The project team will discuss the potential issue and determine if the item is indeed an issue.
- If the team determines the item is an issue, the project manager will enter it in the issue log.
- The team will discuss resolution steps, assign who will own the issue item, and set a target date for resolution.
- At each subsequent status meeting, the issue(s) will be reviewed until they can be closed.

4. Decisions

Decisions are leadership answers to questions that arise during the project. The decision log is created and maintained as part of the project tracking log.

Decisions will be managed in the following manner:

- During status meetings, any stakeholder can raise a question that requires a decision.
- If the team determines a decision needs to be made, the project manager will enter it in the decision log.
- The team will discuss the impact to the project, assign a decision maker, and set a date for when the decision is needed.
- At each subsequent status meeting, the decision item(s) will be reviewed until they can be closed.

VIII. Appendices

A. Cost Benefit Analysis Workbook



Appendix A - Cost
Benefit Analysis - 8.2

B. Risk Assessment



REAL Modernization
Risk Assessment.xlsx

C. Process Maps

1. The Division of Consumer Finance



High-Level Consumer
Finance Map_Final.pdf

2. The Division of Financial Institutions



High-Level Financial
Institutions Map Final.

3. The Division of Securities



High-Level Securities
Map Final.pdf

4. The Bureau of Financial Investigations



High-Level
Investigation Map Fin:

5. The Office of General Counsel



High-Level OGC Map
Final.pdf

Schedule VI – Detail of Debt Service

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2024-25 Legislative Budget Request)

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Department: Department of Financial Services

Budget Period: 2023 - 2024

Chief Internal Auditor: Debbie K. Clark, Director of Audit

Budget Entity: Multiple

Phone Number: (850) 413-3112

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
Inspector General Report IA 23-502	June-23	Division of Accounting and Auditing	<p>Finding 1: The audit revealed an opportunity for the Division of Accounting and Auditing (Division) (A&A) to strengthen its process for accepting manual warrant requests to help ensure manual warrant requests are only processed on an as-needed, exceptional basis.</p> <p>Finding 1 Recommendation: The OIG recommends that the Division limit use of manual warrant processing by developing a process or methodology in which the requesting agency is required to provide detailed justification for the request that must be signed by someone of sufficient authority within the requesting agency. In addition, the DFS OIG recommends that A&A release a Chief Financial Officer (CFO) Memo reminding the state agencies of their responsibilities regarding the processing of their own</p>	<p>Finding 1 Corrective Action: Partially complete. While the Division updated their Fiscal Year 2023-2024 procedures for manual vouchers and warrants to require detailed justification statements and agency head/designee approval, the Division has not yet produced or issued the CFO Memo reminding agencies of their responsibilities regarding the processing of their own transactions.</p> <p>Finding 1 Expected Completion Date: September 1, 2023</p>	
Inspector General Report IA 23-504	June-23	Office of Information Technology	<p>Finding 1: Certain security controls related to identity management, authentication, and access control need improvement to protect the Department data and related IT resources from unauthorized access, modification, destruction, or disclosure. (The confidential findings are not included in this report per section 282.318 (5), Florida Statutes.)</p> <p>Recommendations: The OIG recommends that the OIT enhance its identity management, authentication, and access control to help safeguard the Department data and related IT resources from unauthorized access, modification, destruction, or disclosure. The audit's recommendations are confidential per section 282.318 (5), Florida Statutes.</p>	<p>Finding 1 Corrective Action: The Office of Information Technology is in the process of making the necessary corrective actions. The audit's six-month follow-up report will be issued by December 31, 2023.</p> <p>Finding 1 Expected Completion Date: March 31, 2024</p>	
Auditor General Report AG 2023-196	June-23	Division of Accounting and Auditing	<p>Finding 1: Statutory requirements for annual statements of county compliance for court-related functions could be clarified to ensure that the statements are properly and consistently prepared in accordance with Legislative intent.</p> <p>Finding 1 Recommendation: The Legislature should consider revising State law, or alternately, the DFS should consider adopting administrative rules governing CPA statements of compliance to:</p> <ul style="list-style-type: none"> •Require CPAs to follow specified professional standards, such as AICPA examination attestation standards or AICPA auditing standards, when providing assurance on the statements of compliance. •Require DFS personnel to document verification that the CPA statements of compliance were prepared in compliance with State law, DFS rules and instructions, and applicable professional standards. •Clarify what provisions of law should be addressed in the CPAs' determinations of compliance so that the determinations are not duplicative of DFS procedures. <p>In addition, we recommend that the DFS apply remedies specified in State law to compel counties to timely file functions reports</p>	<p>Finding 1 Corrective Action: The Division of Accounting and Auditing is in the process of making the necessary corrective actions. The audit's six-month follow-up report will be issued by December 13, 2023.</p> <p>Finding 1 Expected Completion Date: September 1, 2023</p>	
Auditor General Report AG 2023-187	June-23	Division of State Fire Marshal, Office of Information Technology, and Division of Administration	<p>Finding 1: State Fire Marshal's (SFM) procedures for ensuring of record the accuracy and completeness of building inspection data included in CitizenServe continue to need improvement.</p> <p>Finding 1 Recommendation: We recommend that Bureau management perform and document of record procedures to verify the accuracy and completeness of CitizenServe data.</p> <p>Finding 2: As similarly noted in our report No. 2018-211, SFM inspection activities were not always adequately documented.</p> <p>Finding 2 Recommendation: We recommend that SFM management enhance controls to ensure that inspections and follow-up inspection activities are appropriately conducted and documented in CitizenServe and that inspection results are properly communicated to building managers and State agency heads.</p> <p>Finding 3: The Department did not timely take steps to reasonably ensure that service organization controls for CitizenServe were suitably designed and operating effectively. A similar finding was noted in our report No. 2018-211.</p> <p>Finding 3 Recommendation: Because of the critical nature of CitizenServe data, we again recommend that Department management timely make or obtain independent and periodic assessments of the effectiveness of the service organization's relevant internal controls.</p>	<p>Finding 1 Corrective Action: The Division of State Fire Marshall (SFM) is in the process of making the necessary corrective action. SFM staff will coordinate with CitizenServe the review and update of data quality assurance reports to ensure audit identified fields are captured in these reports for all active buildings. SFM staff will modify and update procedures to include the development of a uniform process for documenting the quality assurance reports being performed on active buildings.</p> <p>Finding 1 Expected Completion Date: December 31, 2023</p> <p>Finding 2 Corrective Action: SFM is in the process of making the necessary corrective action. SFM staff will modify and update procedures to include development of a uniform process for documenting the quality assurance reports being performed on active buildings.</p> <p>Finding 2 Expected Completion Date: September 30, 2023</p> <p>Finding 3 Corrective Action: SFM is in the process of making the necessary corrective action. SFM staff will modify and update procedures to include the development of a procedure for requesting a SOCII report from CitizenServe and the procedure and documentation of review and approval of the SOCII report by the Office of Information Technology staff. SFM will request the SOC II Report from CitizenServe by April 1st of each calendar year, and provide the report to the OIT for their review of service organization controls.</p> <p>Finding 3 Expected Completion Date: June 30, 2023</p>	

			<p>Finding 4: Division controls for conducting periodic reviews of CitizenServe and Fire College Department of Insurance Continuing Education (FCDICE) System user access privileges continue to need enhancement.</p> <p>Finding 4 Recommendation: We recommend that Division management ensure that CitizenServe and FCDICE System user access privilege reviews are periodically conducted and documented establishing the continued appropriateness of assigned user access privileges.</p> <p>Finding 5: Department controls over CitizenServe and FCDICE System user access privileges continue to need improvement.</p> <p>Finding 5 Recommendation: We again recommend that Department management retain CitizenServe access control records sufficient to demonstrate that user access privileges are timely deactivated upon a user's separation from Department employment or when the access privileges are no longer required. We also recommend that Department management ensure that FCDICE System access privileges are promptly reassigned or deactivated after a user separates from Department employment.</p> <p>Finding 6 The Department did not always verify that employees authorized to operate motor vehicles for State business purposes possessed a valid and current driver's license.</p> <p>Finding 6 Recommendation: We recommend that Department management conduct regular monitoring to ensure that employees who are authorized to operate motor vehicles for State business purposes possess a current and valid driver's license, and that such monitoring activities are documented in Department records.</p>	<p>Finding 4 Corrective Action: SFM is in the process of making the necessary corrective action. CitizenServe - SFM staff will modify and update procedures to include development of a procedure that provides for the uniform collection, retention, and quarterly review of CitizenServe user access privileges. FCDICE System - The process for quarterly access review is already in place. However, due to management oversight, this process was not fully followed. We have reviewed the process with each supervisor to ensure the review is conducted accordingly.</p> <p>Finding 4 Expected Completion Date: CitizenServe - June 30, 2023; FCDICE System - March 31, 2023</p> <p>Finding 5 Corrective Action: SFM is in the process of making the necessary corrective action. CitizenServe - SFM staff will modify and update procedures to include development of a procedure that provides for uniform collection and retention of CitizenServe user access privileges. FCDICE System - The process is already in place. However, due to management oversight, this process was not fully followed. We have reviewed the process with each supervisor to ensure the review is conducted accordingly.</p> <p>Finding 5 Expected Completion Date: CitizenServe - June 30, 2023; FCDICE System - March 31, 2023</p> <p>Finding 6 Corrective Action: The Department revised and published Administrative Policy and Procedure (AP&P) 2-07, Fleet Management – Use of State Vehicles. The amended AP&P adds additional language related to the semi-annual review of driver's license history, for employees who are authorized to drive a state vehicle. Furthermore, the Division of Administration has enhanced its internal procedures related to the scheduling, administering, documenting, and communicating the results of the semi-annual review of employees driving license records.</p> <p>Finding 6 Expected Completion Date: Completed January 2023.</p>
Auditor General Report AG 2023-174	June-23	Division of Accounting and Auditing	<p>Finding 1: The DFS did not prepare and furnish complete financial statements to the Auditor General or prepare and publish the Annual Comprehensive Financial Report (ACFR) within statutorily prescribed time periods.</p> <p>Finding 1 Recommendation: We recommend that DFS management enhance ACFR preparation processes to account for the implementation of new accounting standards and to ensure that the financial statements are provided to the Auditor General and the ACFR is prepared and published by the dates prescribed in statute.</p> <p>Finding 2: DFS, Statewide Financial Reporting Section (SFRS), incorrectly accounted for amounts associated with the operations of Florida Department of Transportation (FDOT) toll facilities and the Florida Turnpike Enterprise.</p> <p>Finding 2 Recommendation: We recommend that SFRS management enhance year-end fund determination review procedures to ensure that amounts are recorded to the appropriate fund based on the sources of fund financial resources and the nature of activities financed.</p>	<p>Finding 1 Corrective Action: The Division of Accounting and Auditing is in the process of making corrective action. DFS is working in conjunction with JF Black and Workiva for the systematic development of the ACFR compilation process. This development will greatly reduce or eliminate many of the manual steps it takes to produce an ACFR and provide for better checkoffs and control points all the way to the published document. In addition, this new process will provide for a more even flow of work which will greatly reduce the piling up effect of many task assignments at the December 31st date. This same process is used successfully in many other states and local governments throughout the country.</p> <p>Finding 1 Expected Completion Date: July 1, 2023</p> <p>Finding 2 Corrective Action: The Division of Accounting and Auditing is in the process of making corrective action. Management will provide additional review and monitoring steps. In addition, procedures will be enhanced to require an analytical review of all columns including nonmajor columns of the financial statements to identify funds</p> <p>Finding 2 Expected Completion Date: July 1, 2023</p>
Auditor General Report AG 2023-097	June-23	Division of Accounting and Auditing and Office of Information Technology	<p>Finding 1: FLAIR program change controls continue to need improvement to ensure that all program changes are appropriately authorized, tested, reviewed, and approved prior to implementation into the FLAIR production environment, and are managed by, and do not bypass, the Department's change management process.</p> <p>Finding 1 Recommendation: Part 1: We again recommend the Department management improve change management controls to ensure that Department records evidence the FLAIR program and related changes are appropriately authorized, tested, approved for production, and implemented into the production environment. Part 2: We also recommend that Department management ensure that Department records evidence through reconciliations and program code reviews that all FLAIR program changes are managed by, and do not bypass, the Department's change management process.</p> <p>Finding 2: Department records did not evidence periodic reviews of the Department network domain privileged accounts' access privileges.</p> <p>Finding 2 Recommendation: We recommend that Department management ensure that employees responsible for conducting periodic reviews of privileged network domain access privileges for user and service accounts understand and adhere to Department policies and procedures and maintain documentation of such reviews.</p> <p>Finding 3: Certain security controls related to physical access, logical access, user authentication, configuration management, and logging and monitoring need improvement to ensure the confidentiality, integrity, and availability of FLAIR data and Department IT resources (Confidential Finding).</p>	<p>Finding 1 Corrective Action: Part 1: Standardized change management desk procedures were implemented September 30, 2022. The procedures were developed with input from all FLAIR sections and cover the change process from the original request through implementation of changes and reconciliation of the audit reports. Part 2: Code review checklists have been implemented for program code reviews. These checklists will be stored in a central location for each FLAIR section. Audit reports will now be run 7 days a week and the report results will be documented each day.</p> <p>Finding 1 Expected Completion Date: Completed</p> <p>Finding 2 Corrective Action: The Department has implemented a process to document access reviews for privileged accounts to its resources.</p> <p>Finding 2 Expected Completion Date: Completed</p> <p>Finding 3 Corrective Action: Partially completed as of July 21, 2023. The Office of Information Technology has partially completed the improvement of security controls related to physical access, logical access, user authentication, configuration management, and logging and monitoring to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources.</p>

			Finding 3 Recommendation: We recommend that Department management improve certain security controls related to physical access, logical access, user authentication, configuration management, and logging and monitoring to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources (Confidential Finding).	Finding 3 Expected Completion Date: October 31, 2023	
Auditor General Report AG 2022-189	June-22	Division of Accounting and Auditing, Division of Administration, Office of Information Technology, and	Finding 1: The FDFS did not prepare and furnish financial statements to the Auditor General or prepare and publish the ACFR within statutorily prescribed time periods. Finding 1 Recommendation: We recommend that DFS management enhance ACFR preparation processes to ensure that the financial statements are provided to the Auditor General and the ACFR is prepared and published by the dates prescribed in statute.	Finding 1 Corrective Action: Partially corrected as of September 16, 2022. The Division of Accounting and Auditing made corrective actions in anticipation of the December 31, 2022, financial statements submittal deadline. Finding 1 Expected Completion Date: December 31, 2022	
Auditor General Report AG 2022-128	June-22	Division of Accounting and Auditing and Office of Information Technology	Finding 1: FLAIR program change controls need improvement to ensure that all program changes are appropriately authorized, tested, and implemented into the production environment. Finding 1 Recommendation: We recommend that Department management improve change management controls to ensure that Department records evidence that all program changes are appropriately authorized, tested, and implemented into the production environment. Finding 2: Certain security controls related to logical access, configuration management, user authentication, and logging and monitoring continue to need improvement to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources. Finding 2 Recommendation: We recommend that Department management improve certain security controls related to logical access, configuration management, user authentication, and logging and monitoring to ensure the confidentiality, integrity, and	Finding 1 Corrective Action: Partially completed as of August 18, 2022. The Office of Information Technology is in the process of standardizing the FLAIR change management procedures across the CAC, DAC, and PYRL areas to assist with training the managed services vendor and state staff. Finding 1 Expected Completion Date: September 30, 2022 Finding 2 Corrective Action: Partially completed as of August 18, 2022. The Office of Information Technology has initiated corrective action to improve security controls related to logical access, configuration management, user authentication, and logging and monitoring to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources. Finding 2 Expected Completion Date: June 30, 2024, contingent on funding for the fiscal year 2023-24	
Inspector General Report IA 22-503	June-22	Division of Unclaimed Property	Finding 1: The Division did not consistently approve and document penalty and interest waivers in conformance with its administrative rules and procedures. Finding 1 Recommendation: The OIG recommends that the Division update its policies and procedures, as necessary, and provide additional training to staff to ensure administrative rules and policies and procedures are followed related to penalty and interest waiver requests. Finding 2: Certain security controls related to logging and monitoring need improvement. Finding 2 Recommendation: We recommend that Division leadership improve certain security controls related to logging and monitoring to ensure the integrity of UPMIS data.	Finding 1 Corrective Action: The Division enhanced its policies and procedures relating to penalty and interest waiver requests to ensure compliance with administrative rules. The applicable staff was provided with these enhanced policies and procedures along with additional training to ensure compliance with the administrative rules and policies and procedures. Finding 1 Expected Completion Date: Completed Finding 2 Corrective Action: The Division developed and implemented a monitoring report that would be provided to Division management daily. Policies and procedures were developed for this monitoring process. Finding 2 Expected Completion Date: Completed	
Inspector General Report IA 22-502	June-22	Division of Risk Management	Finding 1: The Division did not always obtain or maintain documentation of access control request and authorization to the Origami system in accordance with GS1-SL records retention requirements.. Finding 1 Recommendation: The OIG recommends that the Bureau update their policies and procedures to include saving the Origami access request forms of all employees for the time established in the GS1-SL which requires that access control forms be maintained for one anniversary year after an employee's access rights are terminated. Finding 2: The Division did not always remove employee access to the Origami system in accordance with the timeframe established by DFS AP&P 4-03. Finding 2 Recommendation: The OIG recommends that the Bureau terminate access to Origami on the day of employee separation and maintain documentation for the time established in the General records Schedule GS1-SL. Finding 3: Some security controls related to logging, monitoring and downloads needed improvement. Finding 3 Recommendation: The OIG recommends that Division leadership improve certain security controls related to logging, monitoring and downloads to ensure the integrity of Origami data.	Finding 1 Corrective Action: The Division has implemented process updates that ensure system access is not granted with an email request only but with a completed access request form. In addition, access request forms will be filed and maintained in accordance with GS1-SL. The Division is revising the Division's IP&P #3.81 to clarify the use and maintenance of access request forms and document retention in accordance with the State of Florida Records Schedule for State and Local Government Agencies. Finding 2 Corrective Action: The Division has implemented process updates that ensure termination of system access at the time of separation and terminating access request forms are filed and maintained for one year after access termination. The Division has updated and revised as appropriate the Division's policies and procedures to clarify the timeframe for access termination and the retention of access termination documentation in accordance with the State of Florida Records Schedule for State and Local Government Agencies. In addition, the Division has initiated a review of the access termination process to identify areas where process improvements can be made, and additional internal controls established. Finding 3 Corrective Action: The Division has updated and revised as appropriate the Division's policies and procedures to clarify and strengthen security controls related to Origami data. The Division has initiated a review of security controls and reporting to identify areas where process improvements can be made, and additional internal controls established. The review includes discussions with Origami and the Department's Office of Information Technology regarding the appropriate steps to achieve this goal. Finding 3 Expected Completion Date: Completed	
Inspector General Report IA 22-503	June-22	Division of Administration	Finding 1: Some contracts were recorded in FACTS after the required 30-day deadline. Finding 1 Recommendation: The OIG recommends that Division leadership enhance internal controls to ensure contract data and documents are recorded in FACTS within the 30-day deadline. Finding 2: The Division did not consistently document that employees participating in the procurement or the contract review and approval process attested in writing that they were independent of, and had no conflict of interest in, the entities selected. Finding 2 Recommendation: The OIG recommends that Division leadership strengthen the internal controls to ensure all individuals participating in the procurement or contract review and approval process complete the Attestation of No Conflict of Interest forms.	Finding 1 Corrective Action: The Division has enhanced internal controls and strengthened existing processes in this area by increasing the frequency of email alerts and reminders to Department staff and/or vendors, as appropriate. Finding 1 Expected Completion Date: Completed Finding 2 Corrective Action: The Division's Office of Purchasing and Contractual Services (OPCS) has already strengthened its internal controls in this area by implementing an electronic routing system (DocuSign), for the routing of contract/procurement documents. DocuSign is beneficial as a routing mechanism, as the OPCS has control over the required elements that each authorizing party must sign, which removes the possibility of error at the customer level.	

Inspector General Report IA 21-501	June-22	Division of Rehabilitation and Liquidation	<p>Finding 1: The Division did not always complete quarterly access control reviews as required by Department policy.</p> <p>Finding 1 Recommendation: The OIG recommends the Division follow internal policies and procedures which require quarterly access reviews to identify and remove all unauthorized user permissions and obsolete accounts.</p> <p>Finding 2: The Division could not ensure that employee access to applications was removed or deactivated in a timely manner and in accordance with policies and procedures.</p> <p>Finding 2 Recommendation: The OIG recommends the Division continue updating their process to include proof that access was terminated in accordance with policies and procedures.</p>	<p>Finding 1 Corrective Action: The Division has appointed an ASO for the Claims Section and implemented a tracking process that is initiated from the Director's office on a quarterly basis to confirm that quarterly access control audits for all systems are completed. The sections receive a reminder that quarterly audits are due and follow up continues until receipt of all section audits.</p> <p>Finding 1 Expected Date of Completion: Completed</p> <p>Finding 2 Corrective Action: A new separation procedure has been implemented that requires IT to perform a screenshot of the field that is set to expire in Active Directory and will be embedded in the Employee Separation Checklist. Once IT completes the final exit spreadsheet which includes terminating both Active Directory and OLCP access, it will send confirmation to HR verifying that all systems have been deactivated. HR will not close out the employee separation process until it receives this confirmation from IT which will be included in each employee's separation checklist and file. We believe this process meets the recommendation of updating DRL's process to include proof that access was terminated.</p>
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SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2024-2025

Department: Office of Insurance Regulation

Chief Internal Auditor: Deanna Sablan

Budget Entity: 43900120

Phone Number: (850) 413-3113

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
Auditor General Report No. 2023-189	05/23/23	OIR Operational Audit - Certificates of Authority, Selected Administrative Activities, and Prior Audit Follow-Up	<p>Finding 1: Office telework controls established in response to the COVID-19 pandemic did not always capture the information necessary to maintain accountability for telework arrangements and equipment assigned to teleworking employees.</p> <p><i>The Auditor General recommended Office management ensure that all telework arrangements are supported and documented by complete and approved telework agreements and equipment inventory forms and that the Office maintain a comprehensive list of all equipment in use by teleworking employees.</i></p>	<p>Corrective Action 1: OIR's primary goal when facilitating temporary telework was to ensure the safety of employees and to transition swiftly from in-office to telework operations. OIR management stressed the importance of filling out paperwork properly to each employee and supervisor and provided detailed instructions on how to access technology and files remotely. OIR acknowledges, however, that a limited number of forms did not include all required signatures. Accordingly, OIR, in future, will ensure that any and all telework arrangements are supported and documented by complete and approved telework agreements and equipment inventory forms. Further, OIR has updated its policies and procedures to ensure maintenance of a comprehensive list of all equipment in use by teleworking employees.</p> <p>OIG Note: The initial audit follow-up review to determine the status of management's corrective action(s) is scheduled for November 2023.</p>	
Auditor General Report No. 2023-189	05/23/23	OIR Operational Audit - Certificates of Authority, Selected Administrative Activities, and Prior Audit Follow-Up	<p>Finding 2: The Office did not maintain a complete contract listing or ensure that all contract managers and administrators adhered to the training, certification, and assignment requirements specified in State law.</p> <p><i>The Auditor General recommended Office management enhance contract management controls to ensure that a complete listing of all Office contracts is maintained, all contract managers complete the training and certification requirements specified in State law, and contract administrators do not serve as the contract manager for any contract in excess of \$500,000.</i></p>	<p>Corrective Action 2: OIR Acknowledges the finding related to contract management and continues to work to ensure contract management personnel are fully aware of applicable contract requirements and receive proper training. Additionally, during the 2021 legislative session, OIR received authority and funding for a Contracts Administrator position, which is now filled and incorporated into OIR contract management processes. OIR continues to review its processes to ensure compliance with all contract management requirements and responsibilities.</p> <p>OIG Note: The initial audit follow-up review to determine the status of management's corrective action(s) is scheduled for November 2023.</p>	

Auditor General Report No. 2023-189	05/23/23	OIR Operational Audit - Certificates of Authority, Selected Administrative Activities, and Prior Audit Follow-Up	<p><u>Finding 3:</u> As similarly noted in our report No. 2020-065, the Office did not always timely post contract information and documents to the Florida Accountability Contract Tracking System as required by State law.</p> <p><i>The Auditor General recommended Office management ensure that all contract information and documents are timely posted to FACTS in accordance with State law.</i></p>	<p><u>Corrective Action 3:</u> OIR acknowledges the finding related to contract information reporting and has since updated its policies and procedures to ensure timely reporting.</p> <p>OIG Note: The initial audit follow-up review to determine the status of management's corrective action(s) is scheduled for November 2023.</p>	
AUD-2122-009 OIR-OIG	02/08/23	Cybersecurity Audit of the OIR System Development Life Cycle and Change Management Processes	<p><u>Findings 1 thru 4:</u> The audit resulted in four findings over separation of duties; policies, procedures, and guides; and certain security controls.</p> <p><i>The OIG recommended management take appropriate corrective actions to address Findings 1 thru 4.</i></p> <p>OIG Note: Specific details have been omitted to avoid the possibility of compromising OIR resources.</p>	<p><u>Corrective Actions 1 thru 4:</u> Management generally concurred with the findings and acknowledged the recommendations to enhance the existing processes. The office has already begun its review of the relevant administrative policies and procedures to provide updates. In addition, the office will continue to look for ways to enhance and improve its processes, in collaboration with the Department of Financial Services, including updates to guides.</p> <p>OIG Note: Management's corrective actions were determined to be in progress during the initial audit follow-up review.</p>	

<p>AUD-2122-077 OIR-OIG</p>	<p>06/13/22</p>	<p>Compliance Audit of the OIR Contract Procurement Process</p>	<p>Finding 1: Contract data recorded in FACTS was not accurate or did not consistently apply stated methodology for the following:</p> <ul style="list-style-type: none"> - Method of Procurement - Execution Dates - Beginning Dates - Ending Dates - Total Compensation (Total Contract Amount) <p><i>The OIG recommended management review and revise existing procedures to ensure applicable contract dates are formally defined, methodology is consistently applied, and data is accurately recorded into FACTS. The OIG also recommended management correct inconsistencies and inaccuracies in FACTS by June 30, 2022.</i></p>	<p>Corrective Action 1: Management concurred with this finding and acknowledged the recommendation. Management reported it has updated the OIR's FACTS procedures manual to clarify contract date definitions and reflect the methodology for submitting dates. Additionally, staff reported to have corrected contract dates in FACTS before June 30, 2022.</p> <p>OIG Note: Management's corrective actions were determined to be in progress during the initial audit follow-up review.</p>	
<p>AUD-2122-077 OIR-OIG</p>	<p>06/13/22</p>	<p>Compliance Audit of the OIR Contract Procurement Process</p>	<p>Finding 2: Contract documents were not entered into FACTS within the required timeframe.</p> <p>Similar to the Auditor General's Operational Audit of OIR, issued in November 2019 (Report No. 2020-065), the results of this audit identified contracts not entered into FACTS within 30 calendar days.</p> <p><i>The OIG recommended management review and revise existing procedures to ensure contracts are entered timely into FACTS. The OIG also recommended management correct contract execution dates in FACTS by June 30, 2022.</i></p>	<p>Corrective Action 2: Management concurred with this finding and acknowledged the recommendation. As noted, the audit scope period overlapped with a similar Auditor General Operational Audit, after which OIR updated its internal guidelines and checklists. Management reported it has clarified the reporting dates and updated the office's FACTS procedures manual to ensure consistency in reporting.</p> <p>OIG Note: Management's corrective actions were determined to be in progress during the initial audit follow-up review.</p>	

<p>AUD-2122-077 OIR-OIG</p>	<p>06/13/22</p>	<p>Compliance Audit of the OIR Contract Procurement Process</p>	<p>Finding 3: In addition to the requirements of Chapter 287, F.S., statutes and rules governing the conduct of financial examinations were also considered. The OIR Legal Services Office reviewed insurance-related statutes and rule alongside the competitive solicitation requirements in Chapter 287, F.S., to determine whether financial examination contracts were exempt and concluded there were no explicit exemptions for financial examination contracts.</p> <p>However, it is a well settled rule of statutory construction that a specific statute covering a particular subject matter is controlling over a general statutory provision covering the same and other subjects in general terms. Section 624.316(2)(e), F.S., and Rule 69O-138.005(4), F.A.C., specifically address how and what the Commission and OIR must do and consider when designating and hiring persons to conduct financial examinations. Section 287.057, F.S., generally covers procurement activities for Category Two or higher purchases for all agencies.</p>	<p>Corrective Action 3: Management acknowledged the audit recommendation. As noted in Finding No. 3, it is well settled rule of statutory construction that a specific statute covering a particular subject matter is controlling over a general statutory provision covering the same and other subjects in general terms.</p> <p>Under the guidance of previous legal counsel, the OIR developed processes and procedures that would allow the OIR to comply with the requirements of sections 624.316 and 624.319(3), F.S., as well as Rule 690-138.005(4), F.A.C. The legal analysis also concluded that these procedures also allow the OIR to comply with the intent of Chapter 287, as these processes included safeguards to ensure that the procurement process was fair and equitable and that a diverse group of qualified vendors were awarded examination contracts while maintaining appropriate confidentiality.</p>	
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Based on the financial examination contract procurement process and absent an explicit exemption from Chapter 287, F.S., audit results determined financial examination contracts did not comply with certain requirements of Chapter 287, F.S., or other applicable procurement statutes as follows:

Solicitations

Solicitations for financial examinations of authorized insurers regulated by OIR were not entered into the Vendor Bid System (VBS) for electronic posting. Additionally, OIR did not give public notice elsewhere using another method.

OIR management asserted they do not give public notice of these solicitations as financial examination reports are confidential and exempt until the reports are filed. This extends to any acknowledgement of the existence of an examination as it could impair the financial solvency, condition, or soundness of such insurers.

Received Proposals

Proposals for financial examinations were received via email and not in sealed form.

Evaluations

Evaluations were not performed independently but as a group.

OIR management asserted that due to the timing requirements of financial examinations and allocation of contractor resources, LHFO and PCFO must review submitted proposals together for scheduling purposes.

Evaluation Meetings

Evaluation team meetings to review and discuss proposals, evaluations, and award recommendations were conducted internally and not during public meetings.

OIR management asserted they do not discuss proposals publicly as financial examination reports are confidential and exempt until the reports are filed. This extends to any acknowledgement of the existence of an examination as it could impair the financial solvency, condition, or soundness of such insurers. It was noted that evaluation team discussions may include an insurer's financial condition or other issues needing to be examined.

In response to recommendations proffered by this audit, management is working on updating internal procurement procedures. In addition, the OIR is hiring a dedicated Contract Administrator to report to the Chief of Staff using the position that was appropriated by the Legislature in the fiscal year 2022/2023 budget.

This position will be used to manage and maintain the OIR's contract and procurement processes to ensure compliance with all applicable statutory and administrative requirements.

OIG Note: Management's corrective actions were determined to be in progress during the initial audit follow-up review.

Program, Financial, Legal Reviews

Program, financial, and legal reviews were not performed on financial examination contracts meeting or exceeding the Category 3 threshold.

OIR management asserted a legal review was previously performed on the PSA and SOS templates, but documentation was not maintained. OIR management added that given the standardization of the PSA and SOS templates, a periodic review would be more appropriate in lieu of a review for each executed PSA and SOS.

Written Justification

Solicitations did not include written justifications as to why an Invitation to Bid was not feasible.

OIR management asserted that given the standardization of the financial examination contract procurement process, a single written justification for all financial examination solicitations would be more appropriate in lieu of a written justification for each solicitation.

Decision to Award

The decision or intended decision to award a financial examination contract was not electronically posted, given public notice, or communicated via email prior to awarding the financial examination contract. As a result, contractors were not provided the opportunity to file a notice of protest within 72 hours after the decision or intended decision was made.

OIR management asserted they do not give public notice of award decisions as financial examination reports are confidential and exempt until the reports are filed. This extends to any acknowledgement of the existence of an examination as it could impair the financial solvency, condition, or soundness of such insurers.

The OIG recommended management review the competitive solicitation requirements in Chapter 287, F.S., and establish procedures to ensure compliance as applicable. Procedures should also identify specific OIR statutory authority and requirements that differ from general requirements in Chapter 287, F.S., and how they should be addressed.

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2022-23

Department: Office of Financial Regulation

Chief Internal Auditor: Cynthia Hefren

Budget Entity: 43900500

Phone Number: (850) 410-9712

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
No major audit findings and recommendations.					

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Financial Services
Agency Budget Officer/OPB Analyst Name: Teri Madsen

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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

1. GENERAL

1.1 Are Columns A01, A04, A05, A91, A92, A93, A36, A10, IA1, IA4, IA5, IP1, IV1, IV3 and NV1 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for both the Budget and Trust Fund columns (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? (CSDI or Web LBR Column Security)	Y	Y	Y	Y	Y
1.2 Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? (CSDI)	Y	Y	Y	Y	Y

AUDITS:

1.3 Have Column A03 budget files been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. (EXBR, EXBA)	Y	Y	Y	Y	Y
1.4 Have Column A03 trust fund files been copied to Column A12? Run Schedule I (SC1R, SC1 or SC1R, SC1D adding column A12) to verify.	Y	Y	Y	Y	Y
1.5 Has Column A12 security been set correctly to ALL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for Budget and Trust Fund files? (CSDR, CSA)	Y	Y	Y	Y	Y

TIP The agency should prepare the budget request for submission in this order: 1) Copy Column A03 to Column A12, and 2) Lock columns as described above. A security control feature included in the LAS/PBS Web upload process requires columns to be in the proper status before uploading to the portal.

2. EXHIBIT A (EADR, EXA)

2.1 Is the budget entity authority and description consistent with the agency's LRPP and does it conform to the directives provided on page 57 of the LBR Instructions?	Y	Y	Y	Y	Y
2.2 Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?	Y	Y	Y	Y	Y
2.3 Are the issue codes and titles consistent with <i>Section 3</i> of the LBR Instructions (pages 15 through 28)? Do they clearly describe the issue?	Y	Y	Y	Y	Y

3. EXHIBIT B (EXBR, EXB)

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Action	Program or Service (Budget Entity Codes)				
	43010	43100	43200	43300	43400

3.1 Is it apparent that there is a fund shift where an appropriation category's funding source is different between A02 and A03? Were the issues entered into LAS/PBS correctly? Check D-3A funding shift issue 340XXX0 - a unique deduct and unique add back issue should be used to ensure fund shifts display correctly on the LBR exhibits.	N	N	N	N	N
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AUDITS:

3.2 Negative Appropriation Category Audit for Agency Request (Columns A03 and A04): Are all appropriation categories positive by budget entity and program component at the FSI level? Are all nonrecurring amounts less than requested amounts? (NACR, NAC - Report should print "No Negative Appropriation Categories Found")	Y	Y	Y	Y	Y
--	---	---	---	---	---

3.3 Current Year Estimated Verification Comparison Report: Is Column A02 equal to Column B07? (EXBR, EXBC - Report should print "Records Selected Net To Zero")	Y	Y	Y	Y	Y
--	---	---	---	---	---

TIP Generally look for and be able to fully explain significant differences between A02 and A03.					
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TIP Exhibit B - A02 equal to B07: Compares Current Year Estimated column to a backup of A02. This audit is necessary to ensure that the historical detail records have not been adjusted. Records selected should net to zero.					
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TIP Requests for appropriations which require advance payment authority must use the sub-title "Grants and Aids". For advance payment authority to local units of government, the Aid to Local Government appropriation category (05XXXX) should be used. For advance payment authority to non-profit organizations or other units of state government, a Special Categories appropriation category (10XXXX) should be used.					
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4. EXHIBIT D (EADR, EXD)

4.1 Is the program component objective statement consistent with the agency LRPP, and does it conform to the directives provided on page 60 of the LBR Instructions?	Y	Y	Y	Y	Y
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4.2 Is the program component code and title used correct?	Y	Y	Y	Y	Y
---	---	---	---	---	---

TIP Fund shifts or transfers of services or activities between program components will be displayed on an Exhibit D whereas it may not be visible on an Exhibit A.					
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5. EXHIBIT D-1 (ED1R, EXD1)

5.1 Are all object of expenditures positive amounts? (This is a manual check.)	Y	Y	Y	Y	Y
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AUDITS:

5.2 Do the fund totals agree with the object category totals within each appropriation category? (ED1R, XD1A - Report should print "No Differences Found For This Report")	Y	Y	Y	Y	Y
---	---	---	---	---	---

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Financial Services

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Action	Program or Service (Budget Entity Codes)				
	43010	43100	43200	43300	43400

5.3 FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? (EXBR, EXBB - Negative differences [with a \$5,000 allowance] need to be corrected in Column A01.)	Y	Y	Y	Y	Y
5.4 A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? (EXBR, EXBD - Differences [with a \$5,000 allowance at the department level] need to be corrected in Column A01.)	Y	Y	Y	Y	Y
TIP If objects are negative amounts, the agency must make adjustments to Column A01 to correct the object amounts. In addition, the fund totals must be adjusted to reflect the adjustment made to the object data.					
TIP If fund totals and object totals do not agree or negative object amounts exist, the agency must adjust Column A01.					
TIP Exhibit B - A01 less than B04: This audit is to ensure that the disbursements and carry/certifications forward in A01 are less than FY 2022-23 approved budget. Amounts should be positive. The \$5,000 allowance is necessary for rounding.					
TIP If B08 is not equal to A01, check the following: 1) the initial FLAIR disbursements or carry forward data load was corrected appropriately in A01; 2) the disbursement data from departmental FLAIR was reconciled to State Accounts; and 3) the FLAIR disbursements did not change after Column B08 was created. Note that there is a \$5,000 allowance at the department level.					

6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)

6.1 Are issues appropriately aligned with appropriation categories?	Y	Y	Y	Y	Y
TIP Exhibit D-3 is not required in the budget submission but may be needed for this particular appropriation category/issue sort. Exhibit D-3 is also a useful report when identifying negative appropriation category problems.					

7. EXHIBIT D-3A (EADR, ED3A) (Required to be posted to the Florida Fiscal Portal)

7.1 Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 28 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.2 Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 63 through 70 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.3 Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 67 through 70 of the LBR Instructions?	Y	Y	Y	Y	Y

Fiscal Year 2024-25 LBR Technical Review Checklist

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Action	Program or Service (Budget Entity Codes)				
	43010	43100	43200	43300	43400

7.4 Are all issues with an IT component identified with a "Y" in the "IT COMPONENT?" field? If the issue contains an IT component, has that component been identified and documented?	Y	Y	Y	Y	Y
7.5 Does the issue narrative explain any variances from the Standard Expense and Human Resource Services Assessments package? Is the nonrecurring portion in the nonrecurring column? (See pages E.4 through E.5 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.6 Does the salary rate request amount accurately reflect any new requests and are the amounts proportionate to the Salaries and Benefits request? Note: Salary rate should always be annualized.	Y	Y	Y	Y	Y
7.7 Does the issue narrative thoroughly explain/justify all Salaries and Benefits amounts entered into the Other Salary Amounts transactions (OAD/C)? Amounts entered into OAD are reflected in the Position Detail of Salaries and Benefits section of the Exhibit D-3A. (See pages 93 through 95 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.8 Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	Y	Y	Y	Y	Y
7.9 Does the issue narrative reference the specific county(ies) where applicable?	Y	Y	Y	Y	Y
7.10 Do the 160XXX0 issues reflect budget amendments that have been approved (or in the process of being approved) and that have a recurring impact (including Lump Sums)? Have the approved budget amendments been entered in Column A18 as instructed in Memo #24-003?	Y	Y	Y	Y	Y
7.11 When appropriate are there any 160XXX0 issues included to delete positions placed in reserve in the LAS/PBS Position and Rate Ledger (e.g. unfunded grants)? Note: Lump sum appropriations not yet allocated should <u>not</u> be deleted. (PLRR, PLMO)	Y	Y	Y	Y	Y
7.12 Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	Y	Y	Y	Y	Y
7.13 Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	Y	Y	Y	Y	Y
7.14 Do the amounts reflect appropriate FSI assignments?	Y	Y	Y	Y	Y
7.15 Are the 33XXXX0 issues negative amounts only and do not restore nonrecurring cuts from a prior year or fund any issues that net to a positive or zero amount? Check D-3A issues 33XXXX0 - a unique issue should be used for issues that net to zero or a positive amount.	Y	Y	Y	Y	Y

Fiscal Year 2024-25 LBR Technical Review Checklist

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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

7.16 Do the issue codes relating to special <i>salary and benefits</i> issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 27 and 89 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.17 Do the issues relating to <i>Information Technology (IT)</i> have a "C" in the sixth position of the issue code (36XXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 24010C0, 30010C0, 33011C0, 160E470, or 160E480)?	Y	Y	Y	Y	Y
7.18 Are the issues relating to <i>major audit findings and recommendations</i> properly coded (4A0XXX0, 4B0XXX0)?	Y	Y	Y	Y	Y
7.19 Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	Y	Y	Y	Y	Y
AUDIT:					
7.20 Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? (GENR, LBR1)	Y	Y	Y	Y	Y
7.21 Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? (GENR, LBR2)	Y	Y	Y	Y	Y
7.22 Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? (GENR, LBR3)	Y	Y	Y	Y	Y
7.23 Have FCO appropriations been entered into the nonrecurring column (A04)? (GENR, LBR4 - Report should print "No Records Selected For Reporting" or a listing of D-3A issue(s) assigned to Debt Service (IOE N) or in some cases State Capital Outlay - Public Education Capital Outlay (IOE L))	Y	Y	Y	Y	Y
7.24 Has narrative been entered for all issues requested by the agency? Agencies do not need to include narrative for startup issues (1001000, 2103XXX, etc.) that were not input by the agency. (NAAR, BSNR)	Y	Y	Y	Y	Y
7.25 Has the agency entered annualization issues (260XXX0) for any issue that was partially funded in Fiscal Year 2023-24? Review Column G66 to determine whether any incremental amounts are needed to fully fund an issue that was initially appropriated in Fiscal Year 2023-24. Do not add annualization issues for pay and benefit distribution issues, as those annualization issues (26AXXXX) have already been added to A03.	Y	Y	Y	Y	Y

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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

TIP	Salaries and Benefits amounts entered using the OADA/C transactions must be thoroughly justified in the D-3A issue narrative. Agencies can run OADA/OADR from STAM to identify the amounts entered into OAD and ensure these entries have been thoroughly explained in the D-3A issue narrative.					
TIP	The issue narrative must completely and thoroughly explain and justify each D-3A issue. Agencies must ensure it provides the information necessary for the OPB and legislative analysts to have a complete understanding of the issue submitted. Thoroughly review pages 63 through 70 of the LBR Instructions.					
TIP	Check BAPS to verify status of budget amendments. Check for reapprovals not picked up in the General Appropriations Act. Verify that Lump Sum appropriations in Column A02 do not appear in Column A03. Review budget amendments to verify that 160XXX0 issue amounts correspond accurately and net to zero for General Revenue funds.					
TIP	If an agency is receiving federal funds from another agency the FSI should = 9 (Transfer - Recipient of Federal Funds). The agency that originally receives the funds directly from the federal agency should use FSI = 3 (Federal Funds).					
TIP	If an appropriation made in the FY 2023-24 General Appropriations Act duplicates an appropriation made in substantive legislation, the agency must create a unique deduct nonrecurring issue to eliminate the duplicated appropriation. Normally this is taken care of through line item veto.					

8. SCHEDULE I & RELATED DOCUMENTS (SC1R, SC1 - Budget Entity Level or SC1R, SC1D - Department Level) (Required to be posted to the Florida Fiscal Portal)

8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	Y	Y	Y	Y	Y
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	Y	Y	Y	Y	Y
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	Y	Y	Y	Y	Y
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	Y	Y	Y	Y	Y
8.5	Have the required detailed narratives been provided (5% trust fund reserve narrative; method for computing the distribution of cost for general management and administrative services narrative; adjustments narrative; revenue estimating methodology narrative; fixed capital outlay adjustment narrative)?	Y	Y	Y	Y	Y
8.6	Has the Inter-Agency Transfers Reported on Schedule I form been included as applicable for transfers totaling \$100,000 or more for the fiscal year?	Y	Y	Y	Y	Y

Fiscal Year 2024-25 LBR Technical Review Checklist

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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

8.7 If the agency is scheduled for the annual trust fund review this year, have the Schedule ID and applicable draft legislation been included for recreation, modification or termination of existing trust funds?	Y	Y	Y	Y	Y
8.8 If the agency is scheduled for the annual trust fund review this year, have the necessary trust funds been requested for creation pursuant to section 215.32(2)(b), Florida Statutes - including the Schedule ID and applicable legislation?	Y	Y	Y	Y	Y
8.9 Are the revenue codes correct? In the case of federal revenues, has the agency appropriately identified direct versus indirect receipts (object codes 000700, 000750, 000799, 001510 and 001599)? For non-grant federal revenues, is the correct revenue code identified (codes 000504, 000119, 001270, 001870, 001970)?	Y	Y	Y	Y	Y
8.10 Are the statutory authority references correct?	Y	Y	Y	Y	Y
8.11 Are the General Revenue Service Charge percentage rates used for each revenue source correct? (Refer to section 215.20, Florida Statutes, for appropriate General Revenue Service Charge percentage rates.)	Y	Y	Y	Y	Y
8.12 Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	Y	Y	Y	Y	Y
8.13 If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	Y	Y	Y	Y	Y
8.14 Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	Y	Y	Y	Y	Y
8.15 Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	Y	Y	Y	Y	Y
8.16 Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-3A?	Y	Y	Y	Y	Y
8.17 If applicable, are nonrecurring revenues entered into Column A04?	Y	Y	Y	Y	Y
8.18 Has the agency certified the revenue estimates in columns A02 and A03 to be the latest and most accurate available? Does the certification include a statement that the agency will notify OPB of any significant changes in revenue estimates that occur prior to the Governor's Budget Recommendations being issued?	Y	Y	Y	Y	Y
8.19 Is a 5% trust fund reserve reflected in Section II? If not, is sufficient justification provided for exemption? Are the additional narrative requirements provided?	Y	Y	Y	Y	Y

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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

8.20	Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	Y	Y	Y	Y	Y
8.21	Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	Y	Y	Y	Y	Y
8.22	Do transfers balance between funds (within the agency as well as between agencies)? (See also 8.6 for required transfer confirmation of amounts totaling \$100,000 or more.)	Y	Y	Y	Y	Y
8.23	Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	Y	Y	Y	Y	Y
8.24	Are prior year September operating reversions appropriately shown in column A01, Section III?	Y	Y	Y	Y	Y
8.25	Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	Y	Y	Y	Y	Y
8.26	Does the Schedule IC properly reflect the unreserved fund balance for each trust fund as defined by the LBR Instructions, and is it reconciled to the agency accounting records?	Y	Y	Y	Y	Y
8.27	Has the agency analyzed for continuing appropriations (category 13XXXX) and properly accounted for in the appropriate column(s) in Section III?	Y	Y	Y	Y	Y
8.28	Does Column A01 of the Schedule I accurately represent the actual prior year accounting data as reflected in the agency accounting records, and is it provided in sufficient detail for analysis?	Y	Y	Y	Y	Y
8.29	Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	Y	Y	Y	Y	Y

AUDITS:

8.30	Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	Y	Y	Y	Y	Y
8.31	Is the June 30 Adjusted Unreserved Fund Balance (Line I) equal to the July 1 Unreserved Fund Balance (Line A) of the following year? If a Schedule IB was prepared, do the totals agree with the Schedule I, Line I? (SC1R, SC1A - Report should print "No Discrepancies Exist For This Report")	Y	Y	Y	Y	Y
8.32	Has a Department Level Reconciliation been provided for each trust fund and does Line A of the Schedule I equal the CFO amount? If not, the agency must correct Line A. (SC1R, DEPT)	Y	Y	Y	Y	Y
8.33	Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	Y	Y	Y	Y	Y

Fiscal Year 2024-25 LBR Technical Review Checklist

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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

8.34 Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	Y	Y	Y	Y	Y
TIP The Schedule I is the most reliable source of data concerning the trust funds. It is very important that this schedule is as accurate as possible!					
TIP Determine if the agency is scheduled for trust fund review. (See pages 121 through 126 of the LBR Instructions.) Transaction DFTR in LAS/PBS is also available and provides an LBR review date for each trust fund.					
TIP Review the unreserved fund balances and compare revenue totals to expenditure totals to determine and understand the trust fund status.					
TIP Typically nonoperating expenditures and revenues should not be a negative number. Any negative numbers must be fully justified.					

9. SCHEDULE II (PSCR, SC2)

AUDIT:					
9.1 Is the pay grade minimum for salary rate utilized for positions in segments 2 and 3? (BRAR, BRAA - Report should print "No Records Selected For This Request") Note: Amounts other than the pay grade minimum should be fully justified in the D-3A issue narrative. (See <i>Base Rate Audit</i> on page 156 of the LBR Instructions.)	Y	Y	Y	Y	Y

10. SCHEDULE III (PSCR, SC3)

10.1 Is the appropriate lapse amount applied? (See page 91 of the LBR Instructions.)	Y	Y	Y	Y	Y
10.2 Are amounts in <i>Other Salary Amount</i> appropriate and fully justified? (See pages 94 and 95 of the LBR Instructions for appropriate use of the OAD transaction.) Use OADI or OADR to identify agency other salary amounts requested.	Y	Y	Y	Y	Y

11. SCHEDULE IV (EADR, SC4)

11.1 Are the correct Information Technology (IT) issue codes used?	Y	Y	Y	Y	Y
TIP If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), they will not appear in the Schedule IV.					

12. SCHEDULE VIIIA (EADR, SC8A)

12.1 Is there only one #1 priority, one #2 priority, one #3 priority, etc. reported on the Schedule VIII-A? Are the priority narrative explanations adequate? Note: FCO issues can be included in the priority listing.	Y	Y	Y	Y	Y
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13. SCHEDULE VIIIB-1 (EADR, S8B1)

13.1 NOT REQUIRED FOR THIS YEAR					
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Fiscal Year 2024-25 LBR Technical Review Checklist

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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

TIP If all or a portion of an issue is intended to be reduced on a nonrecurring basis, include the total reduction amount in Column A91 and the nonrecurring portion in Column A92.	
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14. SCHEDULE VIII B-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)

14.1 Do the reductions comply with the instructions provided on pages 100 through 103 of the LBR Instructions regarding a 10% reduction in General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)					
	Y	Y	Y	Y	Y

TIP Compare the debt service amount requested (IOE N or other IOE used for debt service) with the debt service need included in the Schedule VI: Detail of Debt Service, to determine whether any debt has been retired and may be reduced.	
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TIP If all or a portion of an issue is intended to be reduced on a nonrecurring basis, in the absence of a nonrecurring column, include that intent in narrative.	
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15. SCHEDULE VIII C (EADR, S8C) (NO LONGER REQUIRED)

16. SCHEDULE XI (UCSR, SCXI) (LAS/PBS Web - see pages 105-109 of the LBR Instructions for detailed instructions) (Required to be posted to the Florida Fiscal Portal in Manual Documents)

16.1 Agencies are required to generate this spreadsheet via the LAS/PBS Web. The Final Excel version no longer has to be submitted to OPB for inclusion on the Governor's Florida Performs Website. (Note: Pursuant to section 216.023(4) (b), Florida Statutes, the Legislature can reduce the funding level for any agency that does not provide this information.)					
	Y	Y	Y	Y	Y

16.2 Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP and LBR match?					
	Y	Y	Y	Y	Y

AUDITS INCLUDED IN THE SCHEDULE XI REPORT:

16.3 Does the FY 2022-23 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? (GENR, ACT1)					
	Y	Y	Y	Y	Y

16.4 None of the executive direction, administrative support and information technology statewide activities (ACT0010 thru ACT0490) have output standards (Record Type 5)? (Audit #1 should print "No Activities Found")					
	Y	Y	Y	Y	Y

16.5 Does the Fixed Capital Outlay (FCO) statewide activity (ACT0210) only contain 08XXXX or 14XXXX appropriation categories? (Audit #2 should print "No Operating Categories Found")					
	Y	Y	Y	Y	Y

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Financial Services
Agency Budget Officer/OPB Analyst Name: Teri Madsen

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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

16.6 Has the agency provided the necessary standard (Record Type 5) for all activities which <u>should</u> appear in Section II? (Note: The activities listed in Audit #3 do not have an associated output standard. In addition, the activities were not identified as a Transfer to a State Agency, as Aid to Local Government, or a Payment of Pensions, Benefits and Claims. Activities listed here should represent transfers/pass-throughs that are not represented by those above or administrative costs that are unique to the agency and are not appropriate to be allocated to all other activities.)	Y	Y	Y	Y	Y
16.7 Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? (Audit #4 should print "No Discrepancies Found")	Y	Y	Y	Y	Y
TIP If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					

17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)

17.1 Do exhibits and schedules comply with LBR Instructions (pages 53 through 109 of the LBR Instructions), and are they accurate and complete?	Y	Y	Y	Y	Y
17.2 Does manual exhibits tie to LAS/PBS where applicable?	Y	Y	Y	Y	Y
17.3 Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	Y	Y	Y	Y	Y
17.4 Does the LBR include a separate Schedule IV-B for each IT project over \$1 million (see page 129 and 130 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: IT@LASPBS.STATE.FL.US?	Y	Y	Y	Y	Y
17.5 Are all forms relating to Fixed Capital Outlay (FCO) funding requests submitted in the proper form, including a Truth in Bonding statement (if applicable) ?	Y	Y	Y	Y	Y

AUDITS - GENERAL INFORMATION

TIP Review <i>Section 6: Audits</i> of the LBR Instructions (pages 155 through 157) for a list of audits and their descriptions.					
TIP Reorganizations may cause audit errors. Agencies must indicate that these errors are due to an agency reorganization to justify the audit error.					

18. CAPITAL IMPROVEMENTS PROGRAM (CIP) (Required to be posted to the Florida Fiscal Portal)

18.1 Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	Y	N/A	N/A	Y	N/A
18.2 Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP	Y	N/A	N/A	Y	N/A
18.3 Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	Y	N/A	N/A	Y	N/A
18.4 Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	Y	N/A	N/A	Y	N/A
18.5 Are the appropriate counties identified in the narrative?	Y	N/A	N/A	Y	N/A

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Financial Services
Agency Budget Officer/OPB Analyst Name: Teri Madsen

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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

18.6	Has the CIP-2 form (Exhibit B) been modified to include the agency priority for each project and the modified form saved as a PDF document?	Y	N/A	N/A	Y	N/A
TIP	Requests for Fixed Capital Outlay appropriations which are Grants and Aids to Local Governments and Non-Profit Organizations must use the Grants and Aids to Local Governments and Non-Profit Organizations - Fixed Capital Outlay major appropriation category (140XXX) and include the sub-title "Grants and Aids". These appropriations utilize a CIP-B form as justification.					

19. FLORIDA FISCAL PORTAL						
19.1	Have all files been assembled correctly and posted to the Florida Fiscal Portal as outlined in the Florida Fiscal Portal Submittal Process?	Y	Y	Y	Y	Y

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Office of Insurance Regulation
Agency Budget Officer/OPB Analyst Name: Jillian Wheeler / Darius Pelham

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	Program or Service (Budget Entity Codes)				
Action	43900110	43900120			

1. GENERAL

1.1 Are Columns A01, A04, A05, A91, A92, A93, A36, A10, IA1, IA4, IA5, IP1, IV1, IV3 and NV1 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for both the Budget and Trust Fund columns (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? (CSDI or Web LBR Column Security)	N/A	N/A			
1.2 Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? (CSDI)	N/A	N/A			

AUDITS:

1.3 Have Column A03 budget files been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. (EXBR, EXBA)	N/A	N/A			
1.4 Have Column A03 trust fund files been copied to Column A12? Run Schedule I (SC1R, SC1 or SC1R, SC1D adding column A12) to verify.	N/A	N/A			
1.5 Has Column A12 security been set correctly to ALL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for Budget and Trust Fund files? (CSDR, CSA)	N/A	N/A			

TIP The agency should prepare the budget request for submission in this order: 1) Copy Column A03 to Column A12, and 2) Lock columns as described above. A security control feature included in the LAS/PBS Web upload process requires columns to be in the proper status before uploading to the portal.

2. EXHIBIT A (EADR, EXA)

2.1 Is the budget entity authority and description consistent with the agency's LRPP and does it conform to the directives provided on page 57 of the LBR Instructions?	Y	Y			
2.2 Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?	Y	Y			
2.3 Are the issue codes and titles consistent with <i>Section 3</i> of the LBR Instructions (pages 15 through 28)? Do they clearly describe the issue?	Y	Y			

3. EXHIBIT B (EXBR, EXB)

3.1 Is it apparent that there is a fund shift where an appropriation category's funding source is different between A02 and A03? Were the issues entered into LAS/PBS correctly? Check D-3A funding shift issue 340XXX0 - a unique deduct and unique add back issue should be used to ensure fund shifts display correctly on the LBR exhibits.	N/A	N/A			
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AUDITS:

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): **Office of Insurance Regulation**

Agency Budget Officer/OPB Analyst Name: **Jillian Wheeler / Darius Pelham**

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	Program or Service (Budget Entity Codes)				
Action	43900110	43900120			

3.2 Negative Appropriation Category Audit for Agency Request (Columns A03 and A04): Are all appropriation categories positive by budget entity and program component at the FSI level? Are all nonrecurring amounts less than requested amounts? (NACR, NAC - Report should print "No Negative Appropriation Categories Found")	Y	Y			
3.3 Current Year Estimated Verification Comparison Report: Is Column A02 equal to Column B07? (EXBR, EXBC - Report should print "Records Selected Net To Zero")	Y	Y			
TIP Generally look for and be able to fully explain significant differences between A02 and A03.					
TIP Exhibit B - A02 equal to B07: Compares Current Year Estimated column to a backup of A02. This audit is necessary to ensure that the historical detail records have not been adjusted. Records selected should net to zero.					
TIP Requests for appropriations which require advance payment authority must use the sub-title "Grants and Aids". For advance payment authority to local units of government, the Aid to Local Government appropriation category (05XXXX) should be used. For advance payment authority to non-profit organizations or other units of state government, a Special Categories appropriation category (10XXXX) should be used.					

4. EXHIBIT D (EADR, EXD)

4.1 Is the program component objective statement consistent with the agency LRPP, and does it conform to the directives provided on page 60 of the LBR Instructions?	Y	Y			
4.2 Is the program component code and title used correct?	Y	Y			
TIP Fund shifts or transfers of services or activities between program components will be displayed on an Exhibit D whereas it may not be visible on an Exhibit A.					

5. EXHIBIT D-1 (ED1R, EXD1)

5.1 Are all object of expenditures positive amounts? (This is a manual check.)	Y	Y			
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AUDITS:

5.2 Do the fund totals agree with the object category totals within each appropriation category? (ED1R, XD1A - Report should print "No Differences Found For This Report")	Y	Y			
5.3 FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? (EXBR, EXBB - Negative differences [with a \$5,000 allowance] need to be corrected in Column A01.)	Y	Y			
5.4 A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? (EXBR, EXBD - Differences [with a \$5,000 allowance at the department level] need to be corrected in Column A01.)	Y	Y			

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): **Office of Insurance Regulation**

Agency Budget Officer/OPB Analyst Name: **Jillian Wheeler / Darius Pelham**

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	Program or Service (Budget Entity Codes)				
Action	43900110	43900120			

TIP	If objects are negative amounts, the agency must make adjustments to Column A01 to correct the object amounts. In addition, the fund totals must be adjusted to reflect the adjustment made to the object data.				
TIP	If fund totals and object totals do not agree or negative object amounts exist, the agency must adjust Column A01.				
TIP	Exhibit B - A01 less than B04: This audit is to ensure that the disbursements and carry/certifications forward in A01 are less than FY 2022-23 approved budget. Amounts should be positive. The \$5,000 allowance is necessary for rounding.				
TIP	If B08 is not equal to A01, check the following: 1) the initial FLAIR disbursements or carry forward data load was corrected appropriately in A01; 2) the disbursement data from departmental FLAIR was reconciled to State Accounts; and 3) the FLAIR disbursements did not change after Column B08 was created. Note that there is a \$5,000 allowance at the department level.				

6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)

6.1	Are issues appropriately aligned with appropriation categories?	N/A	N/A		
TIP	Exhibit D-3 is not required in the budget submission but may be needed for this particular appropriation category/issue sort. Exhibit D-3 is also a useful report when identifying negative appropriation category problems.				

7. EXHIBIT D-3A (EADR, ED3A) (Required to be posted to the Florida Fiscal Portal)

7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 28 of the LBR Instructions.)	Y	Y		
7.2	Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 63 through 70 of the LBR Instructions.)	Y	Y		
7.3	Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 67 through 70 of the LBR Instructions?	Y	Y		
7.4	Are all issues with an IT component identified with a "Y" in the "IT COMPONENT?" field? If the issue contains an IT component, has that component been identified and documented?	Y	Y		
7.5	Does the issue narrative explain any variances from the Standard Expense and Human Resource Services Assessments package? Is the nonrecurring portion in the nonrecurring column? (See pages E.4 through E.5 of the LBR Instructions.)	Y	Y		
7.6	Does the salary rate request amount accurately reflect any new requests and are the amounts proportionate to the Salaries and Benefits request? Note: Salary rate should always be annualized.	Y	Y		

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): **Office of Insurance Regulation**

Agency Budget Officer/OPB Analyst Name: **Jillian Wheeler / Darius Pelham**

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	Program or Service (Budget Entity Codes)				
Action	43900110	43900120			

7.7	Does the issue narrative thoroughly explain/justify all Salaries and Benefits amounts entered into the Other Salary Amounts transactions (OADA/C)? Amounts entered into OAD are reflected in the Position Detail of Salaries and Benefits section of the Exhibit D-3A. (See pages 93 through 95 of the LBR Instructions.)	Y	Y			
7.8	Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	N/A	N/A			
7.9	Does the issue narrative reference the specific county(ies) where applicable?	N/A	N/A			
7.10	Do the 160XXX0 issues reflect budget amendments that have been approved (or in the process of being approved) and that have a recurring impact (including Lump Sums)? Have the approved budget amendments been entered in Column A18 as instructed in Memo #24-003?	N/A	N/A			
7.11	When appropriate are there any 160XXX0 issues included to delete positions placed in reserve in the LAS/PBS Position and Rate Ledger (e.g. unfunded grants)? Note: Lump sum appropriations not yet allocated should <u>not</u> be deleted. (PLRR, PLMO)	N/A	N/A			
7.12	Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	Y	Y			
7.13	Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	N/A	N/A			
7.14	Do the amounts reflect appropriate FSI assignments?					
7.15	Are the 33XXXX0 issues negative amounts only and do not restore nonrecurring cuts from a prior year or fund any issues that net to a positive or zero amount? Check D-3A issues 33XXXX0 - a unique issue should be used for issues that net to zero or a positive amount.	N/A	N/A			
7.16	Do the issue codes relating to special <i>salary and benefits</i> issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 27 and 89 of the LBR Instructions.)	N/A	N/A			
7.17	Do the issues relating to <i>Information Technology (IT)</i> have a "C" in the sixth position of the issue code (36XXXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 24010C0, 30010C0, 33011C0, 160E470, or 160E480)?	Y	Y			
7.18	Are the issues relating to <i>major audit findings and recommendations</i> properly coded (4A0XXX0, 4B0XXX0)?	N/A	N/A			
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	Y	Y			
AUDIT:						
7.20	Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? (GENR, LBR1)	N/A	N/A			

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Office of Insurance Regulation
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Action	Program or Service (Budget Entity Codes)				
	43900110	43900120			

7.21 Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? (GENR, LBR2)	N/A	N/A			
7.22 Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? (GENR, LBR3)	N/A	N/A			
7.23 Have FCO appropriations been entered into the nonrecurring column (A04)? (GENR, LBR4 - Report should print "No Records Selected For Reporting" or a listing of D-3A issue(s) assigned to Debt Service (IOE N) or in some cases State Capital Outlay - Public Education Capital Outlay (IOE L))	N/A	N/A			
7.24 Has narrative been entered for all issues requested by the agency? Agencies do not need to include narrative for startup issues (1001000, 2103XXX, etc.) that were not input by the agency. (NAAR, BSNR)	Y	Y			
7.25 Has the agency entered annualization issues (260XXX0) for any issue that was partially funded in Fiscal Year 2023-24? Review Column G66 to determine whether any incremental amounts are needed to fully fund an issue that was initially appropriated in Fiscal Year 2023-24. Do not add annualization issues for pay and benefit distribution issues, as those annualization issues (26AXXXX) have already been added to A03.	N/A	N/A			

TIP Salaries and Benefits amounts entered using the OADA/C transactions must be thoroughly justified in the D-3A issue narrative. Agencies can run OADA/OADR from STAM to identify the amounts entered into OAD and ensure these entries have been thoroughly explained in the D-3A issue narrative.					
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TIP The issue narrative must completely and thoroughly explain and justify each D-3A issue. Agencies must ensure it provides the information necessary for the OPB and legislative analysts to have a complete understanding of the issue submitted. Thoroughly review pages 63 through 70 of the LBR Instructions.					
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TIP Check BAPS to verify status of budget amendments. Check for reapprovals not picked up in the General Appropriations Act. Verify that Lump Sum appropriations in Column A02 do not appear in Column A03. Review budget amendments to verify that 160XXX0 issue amounts correspond accurately and net to zero for General Revenue funds.					
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TIP If an agency is receiving federal funds from another agency the FSI should = 9 (Transfer - Recipient of Federal Funds). The agency that originally receives the funds directly from the federal agency should use FSI = 3 (Federal Funds).					
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TIP If an appropriation made in the FY 2023-24 General Appropriations Act duplicates an appropriation made in substantive legislation, the agency must create a unique deduct nonrecurring issue to eliminate the duplicated appropriation. Normally this is taken care of through line item veto.					
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8. SCHEDULE I & RELATED DOCUMENTS (SC1R, SC1 - Budget Entity Level or SC1R, SC1D - Department Level) (Required to be posted to the Florida Fiscal Portal)

8.1 Has a separate department level Schedule I and supporting documents package been submitted by the agency?	N/A	N/A			
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Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): **Office of Insurance Regulation**

Agency Budget Officer/OPB Analyst Name: **Jillian Wheeler / Darius Pelham**

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Action		Program or Service (Budget Entity Codes)				
		43900110	43900120			
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	N/A	N/A			
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	N/A	N/A			
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	N/A	N/A			
8.5	Have the required detailed narratives been provided (5% trust fund reserve narrative; method for computing the distribution of cost for general management and administrative services narrative; adjustments narrative; revenue estimating methodology narrative; fixed capital outlay adjustment narrative)?	N/A	N/A			
8.6	Has the Inter-Agency Transfers Reported on Schedule I form been included as applicable for transfers totaling \$100,000 or more for the fiscal year?	N/A	N/A			
8.7	If the agency is scheduled for the annual trust fund review this year, have the Schedule ID and applicable draft legislation been included for recreation, modification or termination of existing trust funds?	N/A	N/A			
8.8	If the agency is scheduled for the annual trust fund review this year, have the necessary trust funds been requested for creation pursuant to section 215.32(2)(b), Florida Statutes - including the Schedule ID and applicable legislation?	N/A	N/A			
8.9	Are the revenue codes correct? In the case of federal revenues, has the agency appropriately identified direct versus indirect receipts (object codes 000700, 000750, 000799, 001510 and 001599)? For non-grant federal revenues, is the correct revenue code identified (codes 000504, 000119, 001270, 001870, 001970)?	N/A	N/A			
8.10	Are the statutory authority references correct?	N/A	N/A			
8.11	Are the General Revenue Service Charge percentage rates used for each revenue source correct? (Refer to section 215.20, Florida Statutes, for appropriate General Revenue Service Charge percentage rates.)	N/A	N/A			
8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	N/A	N/A			
8.13	If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	N/A	N/A			
8.14	Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	N/A	N/A			
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	N/A	N/A			
8.16	Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-3A?	N/A	N/A			
8.17	If applicable, are nonrecurring revenues entered into Column A04?	N/A	N/A			

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Office of Insurance Regulation
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Action	Program or Service (Budget Entity Codes)				
	43900110	43900120			
8.18 Has the agency certified the revenue estimates in columns A02 and A03 to be the latest and most accurate available? Does the certification include a statement that the agency will notify OPB of any significant changes in revenue estimates that occur prior to the Governor's Budget Recommendations being issued?	N/A	N/A			
8.19 Is a 5% trust fund reserve reflected in Section II? If not, is sufficient justification provided for exemption? Are the additional narrative requirements provided?	N/A	N/A			
8.20 Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	N/A	N/A			
8.21 Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	N/A	N/A			
8.22 Do transfers balance between funds (within the agency as well as between agencies)? (See also 8.6 for required transfer confirmation of amounts totaling \$100,000 or more.)	N/A	N/A			
8.23 Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	N/A	N/A			
8.24 Are prior year September operating reversions appropriately shown in column A01, Section III?	N/A	N/A			
8.25 Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	N/A	N/A			
8.26 Does the Schedule IC properly reflect the unreserved fund balance for each trust fund as defined by the LBR Instructions, and is it reconciled to the agency accounting records?	N/A	N/A			
8.27 Has the agency analyzed for continuing appropriations (category 13XXXX) and properly accounted for in the appropriate column(s) in Section III?	N/A	N/A			
8.28 Does Column A01 of the Schedule I accurately represent the actual prior year accounting data as reflected in the agency accounting records, and is it provided in sufficient detail for analysis?	N/A	N/A			
8.29 Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	N/A	N/A			
AUDITS:					
8.30 Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	N/A	N/A			
8.31 Is the June 30 Adjusted Unreserved Fund Balance (Line I) equal to the July 1 Unreserved Fund Balance (Line A) of the following year? If a Schedule IB was prepared, do the totals agree with the Schedule I, Line I? (SC1R, SC1A - Report should print "No Discrepancies Exist For This Report")	N/A	N/A			
8.32 Has a Department Level Reconciliation been provided for each trust fund and does Line A of the Schedule I equal the CFO amount? If not, the agency must correct Line A. (SC1R, DEPT)	N/A	N/A			

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): **Office of Insurance Regulation**

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	Program or Service (Budget Entity Codes)				
Action	43900110	43900120			

8.33	Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	N/A	N/A		
8.34	Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	N/A	N/A		
TIP	The Schedule I is the most reliable source of data concerning the trust funds. It is very important that this schedule is as accurate as possible!				
TIP	Determine if the agency is scheduled for trust fund review. (See pages 121 through 126 of the LBR Instructions.) Transaction DFTR in LAS/PBS is also available and provides an LBR review date for each trust fund.				
TIP	Review the unreserved fund balances and compare revenue totals to expenditure totals to determine and understand the trust fund status.				
TIP	Typically nonoperating expenditures and revenues should not be a negative number. Any negative numbers must be fully justified.				

9. SCHEDULE II (PSCR, SC2)

AUDIT:

9.1	Is the pay grade minimum for salary rate utilized for positions in segments 2 and 3? (BRAR, BRAA - Report should print "No Records Selected For This Request") Note: Amounts other than the pay grade minimum should be fully justified in the D-3A issue narrative. (See <i>Base Rate Audit</i> on page 156 of the LBR Instructions.)	N/A	N/A		
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10. SCHEDULE III (PSCR, SC3)

10.1	Is the appropriate lapse amount applied? (See page 91 of the LBR Instructions.)	N/A	N/A		
10.2	Are amounts in <i>Other Salary Amount</i> appropriate and fully justified? (See pages 94 and 95 of the LBR Instructions for appropriate use of the OAD transaction.) Use OADI or OADR to identify agency other salary amounts requested.	N/A	N/A		

11. SCHEDULE IV (EADR, SC4)

11.1	Are the correct Information Technology (IT) issue codes used?	N/A	N/A		
TIP	If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), they will not appear in the Schedule IV.				

12. SCHEDULE VIIIA (EADR, SC8A)

12.1	Is there only one #1 priority, one #2 priority, one #3 priority, etc. reported on the Schedule VIII-A? Are the priority narrative explanations adequate? Note: FCO issues can be included in the priority listing.	Y	Y		
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13. SCHEDULE VIIIB-1 (EADR, S8B1)

13.1	NOT REQUIRED FOR THIS YEAR	N/A	N/A		
TIP	If all or a portion of an issue is intended to be reduced on a nonrecurring basis, include the total reduction amount in Column A91 and the nonrecurring portion in Column A92.				

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Office of Insurance Regulation
Agency Budget Officer/OPB Analyst Name: Jillian Wheeler / Darius Pelham

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	Program or Service (Budget Entity Codes)				
Action	43900110	43900120			

14. SCHEDULE VIII B-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)

14.1 Do the reductions comply with the instructions provided on pages 100 through 103 of the LBR Instructions regarding a 10% reduction in General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)		Y	Y		
TIP Compare the debt service amount requested (IOE N or other IOE used for debt service) with the debt service need included in the Schedule VI: Detail of Debt Service, to determine whether any debt has been retired and may be reduced.					
TIP If all or a portion of an issue is intended to be reduced on a nonrecurring basis, in the absence of a nonrecurring column, include that intent in narrative.					

15. SCHEDULE VIII C (EADR, S8C) (NO LONGER REQUIRED)

16. SCHEDULE XI (UCSR, SCXI) (LAS/PBS Web - see pages 105-109 of the LBR Instructions for detailed instructions) (Required to be posted to the Florida Fiscal Portal in Manual Documents)

16.1 Agencies are required to generate this spreadsheet via the LAS/PBS Web. The Final Excel version no longer has to be submitted to OPB for inclusion on the Governor's Florida Performs Website. (Note: Pursuant to section 216.023(4) (b), Florida Statutes, the Legislature can reduce the funding level for any agency that does not provide this information.)		N/A	N/A		
16.2 Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP and LBR match?		N/A	N/A		

AUDITS INCLUDED IN THE SCHEDULE XI REPORT:

16.3 Does the FY 2022-23 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? (GENR, ACT1)		N/A	N/A		
16.4 None of the executive direction, administrative support and information technology statewide activities (ACT0010 thru ACT0490) have output standards (Record Type 5)? (Audit #1 should print "No Activities Found")		N/A	N/A		
16.5 Does the Fixed Capital Outlay (FCO) statewide activity (ACT0210) only contain 08XXXX or 14XXXX appropriation categories? (Audit #2 should print "No Operating Categories Found")		N/A	N/A		
16.6 Has the agency provided the necessary standard (Record Type 5) for all activities which <u>should</u> appear in Section II? (Note: The activities listed in Audit #3 do not have an associated output standard. In addition, the activities were not identified as a Transfer to a State Agency, as Aid to Local Government, or a Payment of Pensions, Benefits and Claims. Activities listed here should represent transfers/pass-throughs that are not represented by those above or administrative costs that are unique to the agency and are not appropriate to be allocated to all other activities.)		N/A	N/A		
16.7 Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? (Audit #4 should print "No Discrepancies Found")		N/A	N/A		

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Office of Insurance Regulation
Agency Budget Officer/OPB Analyst Name: Jillian Wheeler / Darius Pelham

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	Program or Service (Budget Entity Codes)				
Action	43900110	43900120			

TIP If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					
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17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)

17.1 Do exhibits and schedules comply with LBR Instructions (pages 53 through 109 of the LBR Instructions), and are they accurate and complete?	N/A	N/A			
17.2 Does manual exhibits tie to LAS/PBS where applicable?	N/A	N/A			
17.3 Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	N/A	N/A			
17.4 Does the LBR include a separate Schedule IV-B for each IT project over \$1 million (see page 129 and 130 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: IT@LASPBS.STATE.FL.US ?	N/A	N/A			
17.5 Are all forms relating to Fixed Capital Outlay (FCO) funding requests submitted in the proper form, including a Truth in Bonding statement (if applicable) ?	N/A	N/A			

AUDITS - GENERAL INFORMATION

TIP Review <i>Section 6: Audits</i> of the LBR Instructions (pages 155 through 157) for a list of audits and their descriptions.					
TIP Reorganizations may cause audit errors. Agencies must indicate that these errors are due to an agency reorganization to justify the audit error.					

18. CAPITAL IMPROVEMENTS PROGRAM (CIP) (Required to be posted to the Florida Fiscal Portal)

18.1 Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	N/A	N/A			
18.2 Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP Instructions)?	N/A	N/A			
18.3 Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	N/A	N/A			
18.4 Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	N/A	N/A			
18.5 Are the appropriate counties identified in the narrative?	N/A	N/A			
18.6 Has the CIP-2 form (Exhibit B) been modified to include the agency priority for each project and the modified form saved as a PDF document?	N/A	N/A			

TIP Requests for Fixed Capital Outlay appropriations which are Grants and Aids to Local Governments and Non-Profit Organizations must use the Grants and Aids to Local Governments and Non-Profit Organizations - Fixed Capital Outlay major appropriation category (140XXX) and include the sub-title "Grants and Aids". These appropriations utilize a CIP-B form as justification.					
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19. FLORIDA FISCAL PORTAL

19.1 Have all files been assembled correctly and posted to the Florida Fiscal Portal as outlined in the Florida Fiscal Portal Submittal Process?	Y	Y			
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Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Florida Office of Financial Regulation
Agency Budget Officer/OPB Analyst Name: Buckley Vernon/Darius Pelham

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	Program or Service (Budget Entity Codes)				
Action	43900530	43900540	43900550	43900560	43900570

1. GENERAL

1.1 Are Columns A01, A04, A05, A91, A92, A93, A36, A10, IA1, IA4, IA5, IP1, IV1, IV3 and NV1 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for both the Budget and Trust Fund columns (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? (CSDI or Web LBR Column Security)					
	N/A	N/A	N/A	N/A	N/A
1.2 Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? (CSDI)					
	N/A	N/A	N/A	N/A	N/A

AUDITS:

1.3 Have Column A03 budget files been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. (EXBR, EXBA)					
	N/A	N/A	N/A	N/A	N/A
1.4 Have Column A03 trust fund files been copied to Column A12? Run Schedule I (SC1R, SC1 or SC1R, SC1D adding column A12) to verify.					
	N/A	N/A	N/A	N/A	N/A
1.5 Has Column A12 security been set correctly to ALL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for Budget and Trust Fund files? (CSDR, CSA)					
	N/A	N/A	N/A	N/A	N/A

TIP The agency should prepare the budget request for submission in this order: 1) Copy Column A03 to Column A12, and 2) Lock columns as described above. A security control feature included in the LAS/PBS Web upload process requires columns to be in the proper status before uploading to the portal.

2. EXHIBIT A (EADR, EXA)

2.1 Is the budget entity authority and description consistent with the agency's LRPP and does it conform to the directives provided on page 57 of the LBR Instructions?					
	Y	Y	Y	Y	Y
2.2 Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?					
	Y	Y	Y	Y	Y
2.3 Are the issue codes and titles consistent with <i>Section 3</i> of the LBR Instructions (pages 15 through 28)? Do they clearly describe the issue?					
	Y	Y	Y	Y	Y

3. EXHIBIT B (EXBR, EXB)

3.1 Is it apparent that there is a fund shift where an appropriation category's funding source is different between A02 and A03? Were the issues entered into LAS/PBS correctly? Check D-3A funding shift issue 340XXX0 - a unique deduct and unique add back issue should be used to ensure fund shifts display correctly on the LBR exhibits.					
	N/A	N/A	N/A	N/A	N/A

AUDITS:

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): **Florida Office of Financial Regulation**

Agency Budget Officer/OPB Analyst Name: **Buckley Vernon/Darius Pelham**

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Action	Program or Service (Budget Entity Codes)				
	43900530	43900540	43900550	43900560	43900570

3.2 Negative Appropriation Category Audit for Agency Request (Columns A03 and A04): Are all appropriation categories positive by budget entity and program component at the FSI level? Are all nonrecurring amounts less than requested amounts? (NACR, NAC - Report should print "No Negative Appropriation Categories Found")	Y	Y	Y	Y	Y
3.3 Current Year Estimated Verification Comparison Report: Is Column A02 equal to Column B07? (EXBR, EXBC - Report should print "Records Selected Net To Zero")	Y	Y	Y	Y	Y
TIP Generally look for and be able to fully explain significant differences between A02 and A03.					
TIP Exhibit B - A02 equal to B07: Compares Current Year Estimated column to a backup of A02. This audit is necessary to ensure that the historical detail records have not been adjusted. Records selected should net to zero.					
TIP Requests for appropriations which require advance payment authority must use the sub-title "Grants and Aids". For advance payment authority to local units of government, the Aid to Local Government appropriation category (05XXXX) should be used. For advance payment authority to non-profit organizations or other units of state government, a Special Categories appropriation category (10XXXX) should be used.					

4. EXHIBIT D (EADR, EXD)

4.1 Is the program component objective statement consistent with the agency LRPP, and does it conform to the directives provided on page 60 of the LBR Instructions?	Y	Y	Y	Y	Y
4.2 Is the program component code and title used correct?	Y	Y	Y	Y	Y
TIP Fund shifts or transfers of services or activities between program components will be displayed on an Exhibit D whereas it may not be visible on an Exhibit A.					

5. EXHIBIT D-1 (ED1R, EXD1)

5.1 Are all object of expenditures positive amounts? (This is a manual check.)	Y	Y	Y	Y	Y
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AUDITS:

5.2 Do the fund totals agree with the object category totals within each appropriation category? (ED1R, XD1A - Report should print "No Differences Found For This Report")	Y	Y	Y	Y	Y
5.3 FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? (EXBR, EXBB - Negative differences [with a \$5,000 allowance] need to be corrected in Column A01.)	Y	Y	Y	Y	Y
5.4 A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? (EXBR, EXBD - Differences [with a \$5,000 allowance at the department level] need to be corrected in Column A01.)	Y	Y	Y	Y	Y

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Florida Office of Financial Regulation
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	Program or Service (Budget Entity Codes)				
Action	43900530	43900540	43900550	43900560	43900570

TIP If objects are negative amounts, the agency must make adjustments to Column A01 to correct the object amounts. In addition, the fund totals must be adjusted to reflect the adjustment made to the object data.					
TIP If fund totals and object totals do not agree or negative object amounts exist, the agency must adjust Column A01.					
TIP Exhibit B - A01 less than B04: This audit is to ensure that the disbursements and carry/certifications forward in A01 are less than FY 2022-23 approved budget. Amounts should be positive. The \$5,000 allowance is necessary for rounding.					
TIP If B08 is not equal to A01, check the following: 1) the initial FLAIR disbursements or carry forward data load was corrected appropriately in A01; 2) the disbursement data from departmental FLAIR was reconciled to State Accounts; and 3) the FLAIR disbursements did not change after Column B08 was created. Note that there is a \$5,000 allowance at the department level.					

6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)

6.1 Are issues appropriately aligned with appropriation categories?	N/A	N/A	N/A	N/A	N/A
TIP Exhibit D-3 is not required in the budget submission but may be needed for this particular appropriation category/issue sort. Exhibit D-3 is also a useful report when identifying negative appropriation category problems.					

7. EXHIBIT D-3A (EADR, ED3A) (Required to be posted to the Florida Fiscal Portal)

7.1 Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 28 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.2 Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 63 through 70 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.3 Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 67 through 70 of the LBR Instructions?	Y	Y	Y	Y	Y
7.4 Are all issues with an IT component identified with a "Y" in the "IT COMPONENT?" field? If the issue contains an IT component, has that component been identified and documented?	Y	Y	Y	Y	Y
7.5 Does the issue narrative explain any variances from the Standard Expense and Human Resource Services Assessments package? Is the nonrecurring portion in the nonrecurring column? (See pages E.4 through E.5 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.6 Does the salary rate request amount accurately reflect any new requests and are the amounts proportionate to the Salaries and Benefits request? Note: Salary rate should always be annualized.	Y	Y	Y	Y	Y

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Florida Office of Financial Regulation
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Action	Program or Service (Budget Entity Codes)				
	43900530	43900540	43900550	43900560	43900570
7.7 Does the issue narrative thoroughly explain/justify all Salaries and Benefits amounts entered into the Other Salary Amounts transactions (OADA/C)? Amounts entered into OAD are reflected in the Position Detail of Salaries and Benefits section of the Exhibit D-3A. (See pages 93 through 95 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.8 Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	N/A	N/A	N/A	N/A	N/A
7.9 Does the issue narrative reference the specific county(ies) where applicable?	N/A	N/A	N/A	N/A	N/A
7.10 Do the 160XXX0 issues reflect budget amendments that have been approved (or in the process of being approved) and that have a recurring impact (including Lump Sums)? Have the approved budget amendments been entered in Column A18 as instructed in Memo #24-003?	N/A	N/A	N/A	N/A	N/A
7.11 When appropriate are there any 160XXX0 issues included to delete positions placed in reserve in the LAS/PBS Position and Rate Ledger (e.g. unfunded grants)? Note: Lump sum appropriations not yet allocated should <u>not</u> be deleted. (PLRR, PLMO)	N/A	N/A	N/A	N/A	N/A
7.12 Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	Y	Y	Y	Y	Y
7.13 Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	N/A	N/A	N/A	N/A	N/A
7.14 Do the amounts reflect appropriate FSI assignments?					
7.15 Are the 33XXXX0 issues negative amounts only and do not restore nonrecurring cuts from a prior year or fund any issues that net to a positive or zero amount? Check D-3A issues 33XXXX0 - a unique issue should be used for issues that net to zero or a positive amount.	N/A	N/A	N/A	N/A	N/A
7.16 Do the issue codes relating to special <i>salary and benefits</i> issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 27 and 89 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
7.17 Do the issues relating to <i>Information Technology (IT)</i> have a "C" in the sixth position of the issue code (36XXXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 24010C0, 30010C0, 33011C0, 160E470, or 160E480)?	Y	Y	Y	Y	Y
7.18 Are the issues relating to <i>major audit findings and recommendations</i> properly coded (4A0XXX0, 4B0XXX0)?	N/A	N/A	N/A	N/A	N/A
7.19 Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	Y	Y	Y	Y	Y
AUDIT:					
7.20 Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? (GENR, LBR1)	N/A	N/A	N/A	N/A	N/A

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Florida Office of Financial Regulation
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	Program or Service (Budget Entity Codes)				
Action	43900530	43900540	43900550	43900560	43900570

7.21	Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? (GENR, LBR2)	N/A	N/A	N/A	N/A	N/A
7.22	Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? (GENR, LBR3)	N/A	N/A	N/A	N/A	N/A
7.23	Have FCO appropriations been entered into the nonrecurring column (A04)? (GENR, LBR4 - Report should print "No Records Selected For Reporting" or a listing of D-3A issue(s) assigned to Debt Service (IOE N) or in some cases State Capital Outlay - Public Education Capital Outlay (IOE L))	N/A	N/A	N/A	N/A	N/A
7.24	Has narrative been entered for all issues requested by the agency? Agencies do not need to include narrative for startup issues (1001000, 2103XXX, etc.) that were not input by the agency. (NAAR, BSNR)	Y	Y	Y	Y	Y
7.25	Has the agency entered annualization issues (260XXX0) for any issue that was partially funded in Fiscal Year 2023-24? Review Column G66 to determine whether any incremental amounts are needed to fully fund an issue that was initially appropriated in Fiscal Year 2023-24. Do not add annualization issues for pay and benefit distribution issues, as those annualization issues (26AXXXX) have already been added to A03.	N/A	N/A	N/A	N/A	N/A

TIP	Salaries and Benefits amounts entered using the OADA/C transactions must be thoroughly justified in the D-3A issue narrative. Agencies can run OADA/OADR from STAM to identify the amounts entered into OAD and ensure these entries have been thoroughly explained in the D-3A issue narrative.					
TIP	The issue narrative must completely and thoroughly explain and justify each D-3A issue. Agencies must ensure it provides the information necessary for the OPB and legislative analysts to have a complete understanding of the issue submitted. Thoroughly review pages 63 through 70 of the LBR Instructions.					
TIP	Check BAPS to verify status of budget amendments. Check for reapprovals not picked up in the General Appropriations Act. Verify that Lump Sum appropriations in Column A02 do not appear in Column A03. Review budget amendments to verify that 160XXX0 issue amounts correspond accurately and net to zero for General Revenue funds.					
TIP	If an agency is receiving federal funds from another agency the FSI should = 9 (Transfer - Recipient of Federal Funds). The agency that originally receives the funds directly from the federal agency should use FSI = 3 (Federal Funds).					
TIP	If an appropriation made in the FY 2023-24 General Appropriations Act duplicates an appropriation made in substantive legislation, the agency must create a unique deduct nonrecurring issue to eliminate the duplicated appropriation. Normally this is taken care of through line item veto.					

8. SCHEDULE I & RELATED DOCUMENTS (SC1R, SC1 - Budget Entity Level or SC1R, SC1D - Department Level) (Required to be posted to the Florida Fiscal Portal)

8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	N/A	N/A	N/A	N/A	N/A
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Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Florida Office of Financial Regulation
Agency Budget Officer/OPB Analyst Name: Buckley Vernon/Darius Pelham

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Action	Program or Service (Budget Entity Codes)				
	43900530	43900540	43900550	43900560	43900570
8.2 Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	N/A	N/A	N/A	N/A	N/A
8.3 Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	N/A	N/A	N/A	N/A	N/A
8.4 Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	N/A	N/A	N/A	N/A	N/A
8.5 Have the required detailed narratives been provided (5% trust fund reserve narrative; method for computing the distribution of cost for general management and administrative services narrative; adjustments narrative; revenue estimating methodology narrative; fixed capital outlay adjustment narrative)?	N/A	N/A	N/A	N/A	N/A
8.6 Has the Inter-Agency Transfers Reported on Schedule I form been included as applicable for transfers totaling \$100,000 or more for the fiscal year?	N/A	N/A	N/A	N/A	N/A
8.7 If the agency is scheduled for the annual trust fund review this year, have the Schedule ID and applicable draft legislation been included for recreation, modification or termination of existing trust funds?	N/A	N/A	N/A	N/A	N/A
8.8 If the agency is scheduled for the annual trust fund review this year, have the necessary trust funds been requested for creation pursuant to section 215.32(2)(b), Florida Statutes - including the Schedule ID and applicable legislation?	N/A	N/A	N/A	N/A	N/A
8.9 Are the revenue codes correct? In the case of federal revenues, has the agency appropriately identified direct versus indirect receipts (object codes 000700, 000750, 000799, 001510 and 001599)? For non-grant federal revenues, is the correct revenue code identified (codes 000504, 000119, 001270, 001870, 001970)?	N/A	N/A	N/A	N/A	N/A
8.10 Are the statutory authority references correct?	N/A	N/A	N/A	N/A	N/A
8.11 Are the General Revenue Service Charge percentage rates used for each revenue source correct? (Refer to section 215.20, Florida Statutes, for appropriate General Revenue Service Charge percentage rates.)	N/A	N/A	N/A	N/A	N/A
8.12 Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	N/A	N/A	N/A	N/A	N/A
8.13 If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	N/A	N/A	N/A	N/A	N/A
8.14 Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	N/A	N/A	N/A	N/A	N/A
8.15 Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	N/A	N/A	N/A	N/A	N/A
8.16 Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-3A?	N/A	N/A	N/A	N/A	N/A
8.17 If applicable, are nonrecurring revenues entered into Column A04?	N/A	N/A	N/A	N/A	N/A

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Florida Office of Financial Regulation
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Action	Program or Service (Budget Entity Codes)				
	43900530	43900540	43900550	43900560	43900570
8.18 Has the agency certified the revenue estimates in columns A02 and A03 to be the latest and most accurate available? Does the certification include a statement that the agency will notify OPB of any significant changes in revenue estimates that occur prior to the Governor's Budget Recommendations being issued?	N/A	N/A	N/A	N/A	N/A
8.19 Is a 5% trust fund reserve reflected in Section II? If not, is sufficient justification provided for exemption? Are the additional narrative requirements provided?	N/A	N/A	N/A	N/A	N/A
8.20 Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	N/A	N/A	N/A	N/A	N/A
8.21 Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	N/A	N/A	N/A	N/A	N/A
8.22 Do transfers balance between funds (within the agency as well as between agencies)? (See also 8.6 for required transfer confirmation of amounts totaling \$100,000 or more.)	N/A	N/A	N/A	N/A	N/A
8.23 Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	N/A	N/A	N/A	N/A	N/A
8.24 Are prior year September operating reversions appropriately shown in column A01, Section III?	N/A	N/A	N/A	N/A	N/A
8.25 Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	N/A	N/A	N/A	N/A	N/A
8.26 Does the Schedule IC properly reflect the unreserved fund balance for each trust fund as defined by the LBR Instructions, and is it reconciled to the agency accounting records?	N/A	N/A	N/A	N/A	N/A
8.27 Has the agency analyzed for continuing appropriations (category 13XXXX) and properly accounted for in the appropriate column(s) in Section III?	N/A	N/A	N/A	N/A	N/A
8.28 Does Column A01 of the Schedule I accurately represent the actual prior year accounting data as reflected in the agency accounting records, and is it provided in sufficient detail for analysis?	N/A	N/A	N/A	N/A	N/A
8.29 Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	N/A	N/A	N/A	N/A	N/A
AUDITS:					
8.30 Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	N/A	N/A	N/A	N/A	N/A
8.31 Is the June 30 Adjusted Unreserved Fund Balance (Line I) equal to the July 1 Unreserved Fund Balance (Line A) of the following year? If a Schedule IB was prepared, do the totals agree with the Schedule I, Line I? (SC1R, SC1A - Report should print "No Discrepancies Exist For This Report")	N/A	N/A	N/A	N/A	N/A
8.32 Has a Department Level Reconciliation been provided for each trust fund and does Line A of the Schedule I equal the CFO amount? If not, the agency must correct Line A. (SC1R, DEPT)	N/A	N/A	N/A	N/A	N/A

Fiscal Year 2024-25 LBR Technical Review Checklist

Department/Budget Entity (Service): Florida Office of Financial Regulation
Agency Budget Officer/OPB Analyst Name: Buckley Vernon/Darius Pelham

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	Program or Service (Budget Entity Codes)				
Action	43900530	43900540	43900550	43900560	43900570

8.33 Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	N/A	N/A	N/A	N/A	N/A
8.34 Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	N/A	N/A	N/A	N/A	N/A
TIP The Schedule I is the most reliable source of data concerning the trust funds. It is very important that this schedule is as accurate as possible!					
TIP Determine if the agency is scheduled for trust fund review. (See pages 121 through 126 of the LBR Instructions.) Transaction DFTR in LAS/PBS is also available and provides an LBR review date for each trust fund.					
TIP Review the unreserved fund balances and compare revenue totals to expenditure totals to determine and understand the trust fund status.					
TIP Typically nonoperating expenditures and revenues should not be a negative number. Any negative numbers must be fully justified.					

9. SCHEDULE II (PSCR, SC2)

AUDIT:					
9.1 Is the pay grade minimum for salary rate utilized for positions in segments 2 and 3? (BRAR, BRAA - Report should print "No Records Selected For This Request") Note: Amounts other than the pay grade minimum should be fully justified in the D-3A issue narrative. (See <i>Base Rate Audit</i> on page 156 of the LBR Instructions.)	N/A	N	N	N/A	N

10. SCHEDULE III (PSCR, SC3)

10.1 Is the appropriate lapse amount applied? (See page 91 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
10.2 Are amounts in <i>Other Salary Amount</i> appropriate and fully justified? (See pages 94 and 95 of the LBR Instructions for appropriate use of the OAD transaction.) Use OADI or OADR to identify agency other salary amounts requested.	N/A	N/A	N/A	N/A	N/A

11. SCHEDULE IV (EADR, SC4)

11.1 Are the correct Information Technology (IT) issue codes used?	N/A	N/A	N/A	N/A	N/A
TIP If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), they will not appear in the Schedule IV.					

12. SCHEDULE VIIIA (EADR, SC8A)

12.1 Is there only one #1 priority, one #2 priority, one #3 priority, etc. reported on the Schedule VIII-A? Are the priority narrative explanations adequate? Note: FCO issues can be included in the priority listing.	N/A	N/A	N/A	N/A	N/A
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13. SCHEDULE VIIIB-1 (EADR, S8B1)

13.1 NOT REQUIRED FOR THIS YEAR	N/A	N/A	N/A	N/A	N/A
TIP If all or a portion of an issue is intended to be reduced on a nonrecurring basis, include the total reduction amount in Column A91 and the nonrecurring portion in Column A92.					

Fiscal Year 2024-25 LBR Technical Review Checklist

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	Program or Service (Budget Entity Codes)				
Action	43900530	43900540	43900550	43900560	43900570

14. SCHEDULE VIII B-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)

14.1 Do the reductions comply with the instructions provided on pages 100 through 103 of the LBR Instructions regarding a 10% reduction in General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)	Y	Y	Y	Y	Y
TIP Compare the debt service amount requested (IOE N or other IOE used for debt service) with the debt service need included in the Schedule VI: Detail of Debt Service, to determine whether any debt has been retired and may be reduced.					
TIP If all or a portion of an issue is intended to be reduced on a nonrecurring basis, in the absence of a nonrecurring column, include that intent in narrative.					

15. SCHEDULE VIII C (EADR, S8C) (NO LONGER REQUIRED)

16. SCHEDULE XI (UCSR, SCXI) (LAS/PBS Web - see pages 105-109 of the LBR Instructions for detailed instructions) (Required to be posted to the Florida Fiscal Portal in Manual Documents)

16.1 Agencies are required to generate this spreadsheet via the LAS/PBS Web. The Final Excel version no longer has to be submitted to OPB for inclusion on the Governor's Florida Performs Website. (Note: Pursuant to section 216.023(4) (b), Florida Statutes, the Legislature can reduce the funding level for any agency that does not provide this information.)	N/A	N/A	N/A	N/A	N/A
16.2 Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP and LBR match?	N/A	N/A	N/A	N/A	N/A

AUDITS INCLUDED IN THE SCHEDULE XI REPORT:

16.3 Does the FY 2022-23 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? (GENR, ACT1)	N/A	N/A	N/A	N/A	N/A
16.4 None of the executive direction, administrative support and information technology statewide activities (ACT0010 thru ACT0490) have output standards (Record Type 5)? (Audit #1 should print "No Activities Found")	N/A	N/A	N/A	N/A	N/A
16.5 Does the Fixed Capital Outlay (FCO) statewide activity (ACT0210) only contain 08XXXX or 14XXXX appropriation categories? (Audit #2 should print "No Operating Categories Found")	N/A	N/A	N/A	N/A	N/A
16.6 Has the agency provided the necessary standard (Record Type 5) for all activities which <u>should</u> appear in Section II? (Note: The activities listed in Audit #3 do not have an associated output standard. In addition, the activities were not identified as a Transfer to a State Agency, as Aid to Local Government, or a Payment of Pensions, Benefits and Claims. Activities listed here should represent transfers/pass-throughs that are not represented by those above or administrative costs that are unique to the agency and are not appropriate to be allocated to all other activities.)	N/A	N/A	N/A	N/A	N/A
16.7 Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? (Audit #4 should print "No Discrepancies Found")	N/A	N/A	N/A	N/A	N/A

Fiscal Year 2024-25 LBR Technical Review Checklist

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	Program or Service (Budget Entity Codes)				
Action	43900530	43900540	43900550	43900560	43900570

TIP If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					
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17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)

17.1 Do exhibits and schedules comply with LBR Instructions (pages 53 through 109 of the LBR Instructions), and are they accurate and complete?	N/A	N/A	N/A	N/A	N/A
17.2 Does manual exhibits tie to LAS/PBS where applicable?	N/A	N/A	N/A	N/A	N/A
17.3 Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	N/A	N/A	N/A	N/A	N/A
17.4 Does the LBR include a separate Schedule IV-B for each IT project over \$1 million (see page 129 and 130 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: IT@LASPBS.STATE.FL.US?	N/A	N/A	Y	N/A	N/A
17.5 Are all forms relating to Fixed Capital Outlay (FCO) funding requests submitted in the proper form, including a Truth in Bonding statement (if applicable) ?	N/A	N/A	N/A	N/A	N/A

AUDITS - GENERAL INFORMATION

TIP Review <i>Section 6: Audits</i> of the LBR Instructions (pages 155 through 157) for a list of audits and their descriptions.					
TIP Reorganizations may cause audit errors. Agencies must indicate that these errors are due to an agency reorganization to justify the audit error.					

18. CAPITAL IMPROVEMENTS PROGRAM (CIP) (Required to be posted to the Florida Fiscal Portal)

18.1 Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	N/A	N/A	N/A	N/A	N/A
18.2 Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP Instructions)?	N/A	N/A	N/A	N/A	N/A
18.3 Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	N/A	N/A	N/A	N/A	N/A
18.4 Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	N/A	N/A	N/A	N/A	N/A
18.5 Are the appropriate counties identified in the narrative?	N/A	N/A	N/A	N/A	N/A
18.6 Has the CIP-2 form (Exhibit B) been modified to include the agency priority for each project and the modified form saved as a PDF document?	N/A	N/A	N/A	N/A	N/A

TIP Requests for Fixed Capital Outlay appropriations which are Grants and Aids to Local Governments and Non-Profit Organizations must use the Grants and Aids to Local Governments and Non-Profit Organizations - Fixed Capital Outlay major appropriation category (140XXX) and include the sub-title "Grants and Aids". These appropriations utilize a CIP-B form as justification.					
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19. FLORIDA FISCAL PORTAL

19.1 Have all files been assembled correctly and posted to the Florida Fiscal Portal as outlined in the Florida Fiscal Portal Submittal Process?	Y	Y	Y	Y	Y
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