

## Financial Management Systems Strategy

The Department's FMSS is designated a mission-critical system of the Department that provides department-wide core financial management services. These services include funds control, budget planning, general ledger, administrative payments, accounts receivable; financial management system and access controls; financial system reports, including financial statements, FACTS, SF224, etc. The Department expects to continue on its improvements in the following performance outcomes from this initiative: continued control over and accountability of Department financial management services including, financial management system controls and practices, including cross-validation rules that prevent erroneous accounting transactions from being processed; financial system reporting capabilities that continued the ability to respond quickly to internal and external financial information inquiries. Additional outcomes are continued tight integration and streamlining with the Office of Federal Student Aid and business processes; reduced manual reconciliation efforts for the Financial Management Operations Group within the Office of the Chief Financial Officer; reduction of errors and improved funds control; better data sharing and centralized data edits and controls that could otherwise get out of synchronization between the FMSS and its feeder systems; and budget planning that integrates with the general ledger.

Currently, the FMSS resides on an Oracle database and uses the Oracle 11.5.10 (11i) version of the software. The Oracle system has operated successfully for the Department since its implementation in January 2002. Since this time, the Department has met all of its financial management performance measures, which include receiving unqualified financial statement audit opinions for each year since implementation, system availability rates of better than 99% of the scheduled time and closing periods within three days of the end of the month.

Oracle has recently issued Release 12 of its software. This version has passed the necessary testing and is federally compliant for financial management. The Department has completed an analysis on the change between the 11i and Release 12 versions of the software to determine the benefits and level of effort to implement the new version. Based on the outcome of this analysis the Department has decided to delay migration to Release 12 until 2015. The Department will develop an implementation plan during 2013. Implementation activities will begin during 2014 and will be completed by October 2015. These timeframes are subject to change based on funding levels and other priorities. The FMSS is in compliance with FFMIA, Federal Accounting Standards Advisory Board, U. S. Government Standard General Ledger, and Financial Systems Integration Office guidelines for financial management systems. No remediation actions are necessary.