



U.S. Department of Housing and Urban Development

Shared Services Forum for Agency Leaders HUD Shared Services Successes

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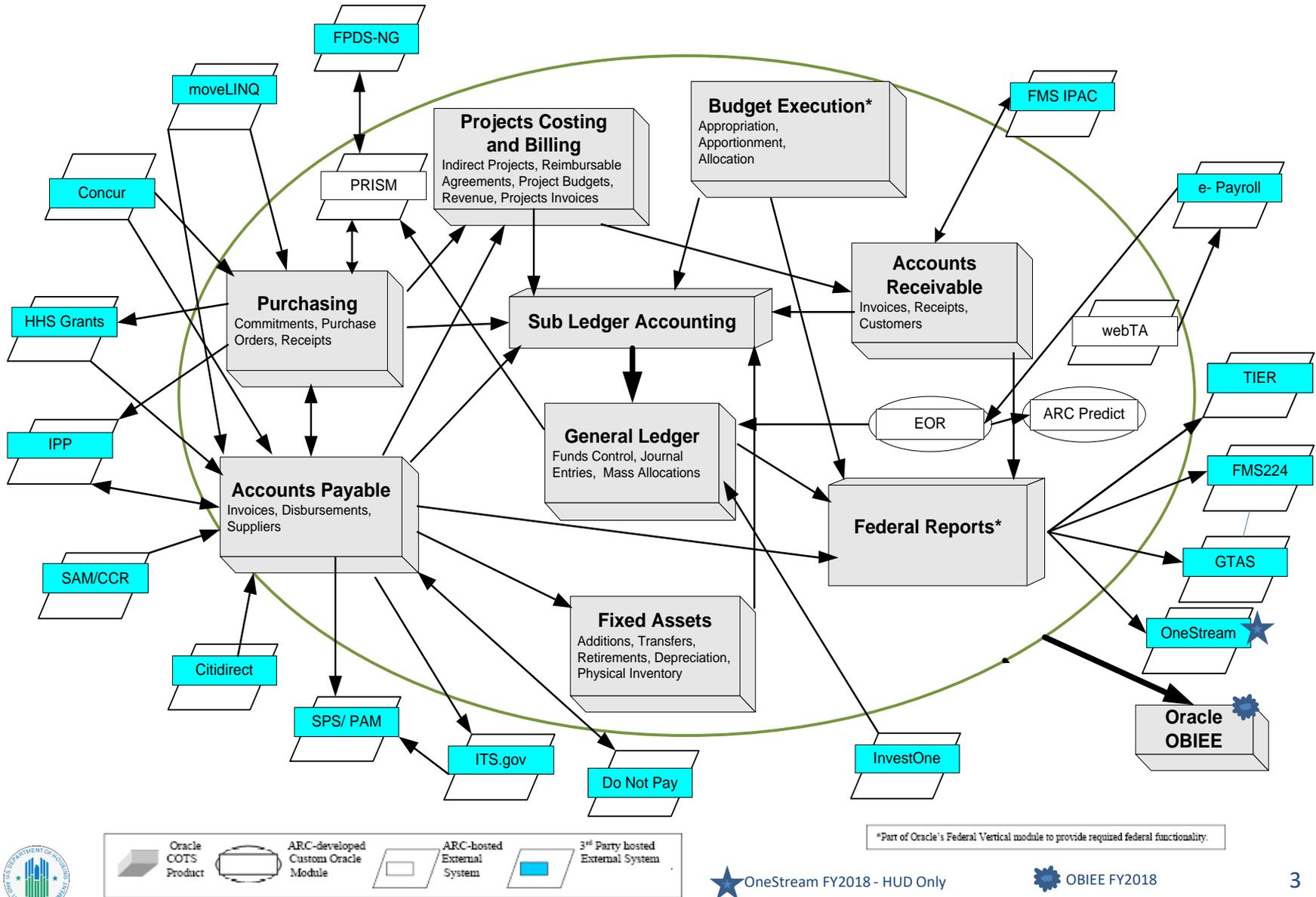
New Core Program (2013-2015) – 3-Years

- Goal to move the department forward with modernizing its financial management systems and processes
 - Deliver 14-financial management systems capabilities
 - Enable the replacement of 17-legacy systems
 - Replace legacy systems with modern & integrated financial management systems
- Evaluation of build, buy or shared services solutions resulted in the decision to use a Federal Shared Services Provider, the Department of the Treasury Administrative Resource Center (ARC)
- Approach was in line with OMB's *M-13-08 Improving Financial Systems Through Shared Services* - directs federal agencies to consider migrating to federal shared service providers for modernizing their financial systems, where ARC was one of four OMB designated Federal Shared Services Providers (FSSP).
- Treasury ARC was selected by HUD by following OMB's *M-13-08* guidance. HUD considered the following value and risk criteria while developing the vision of a shared services environment and selecting ARC based on: Compliance, Functional Requirements, Technical Requirements and Integration, Cost, Implementation Approach, Shared Service Compliance, Change Management/User Acceptance, and Functional Quality.

 **With the selection of ARC, HUD became the first cabinet-level agency to migrate the agency's core accounting system to a FSSP**



ARC's Shared Services Systems & Integration with other non-ARC systems

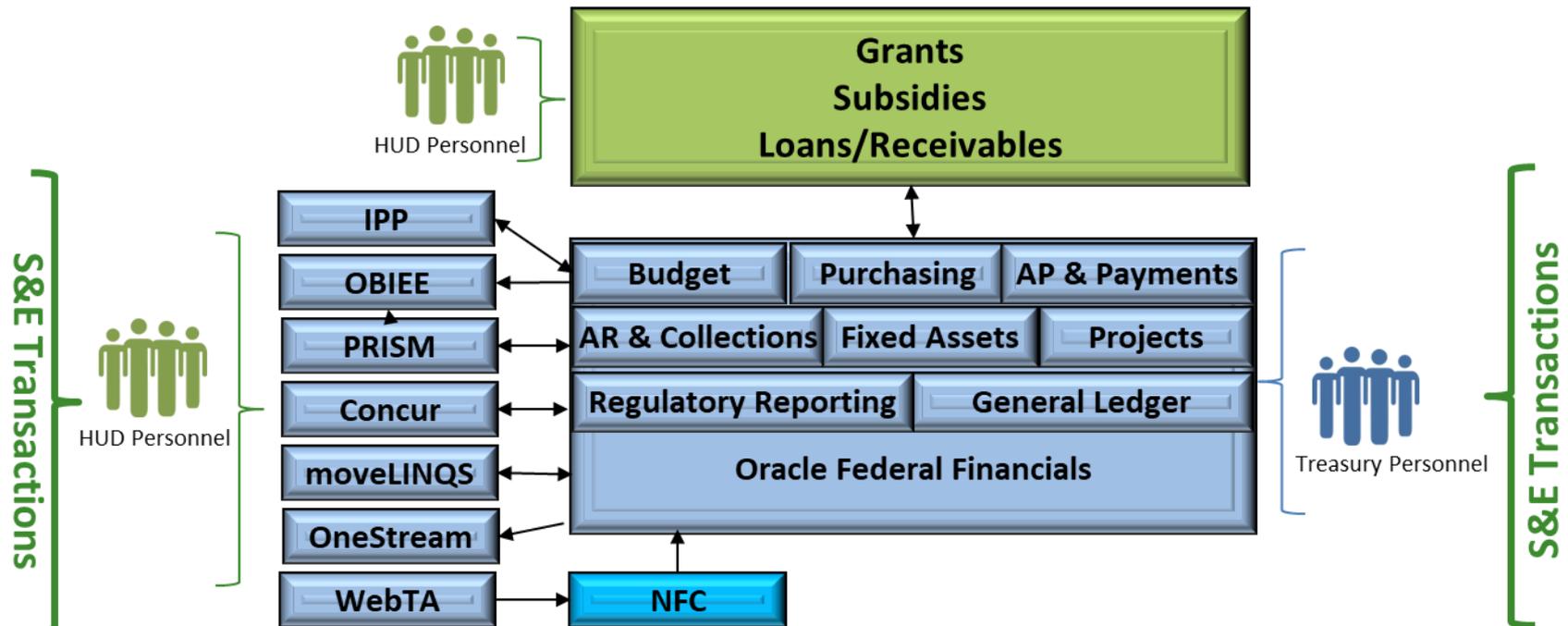
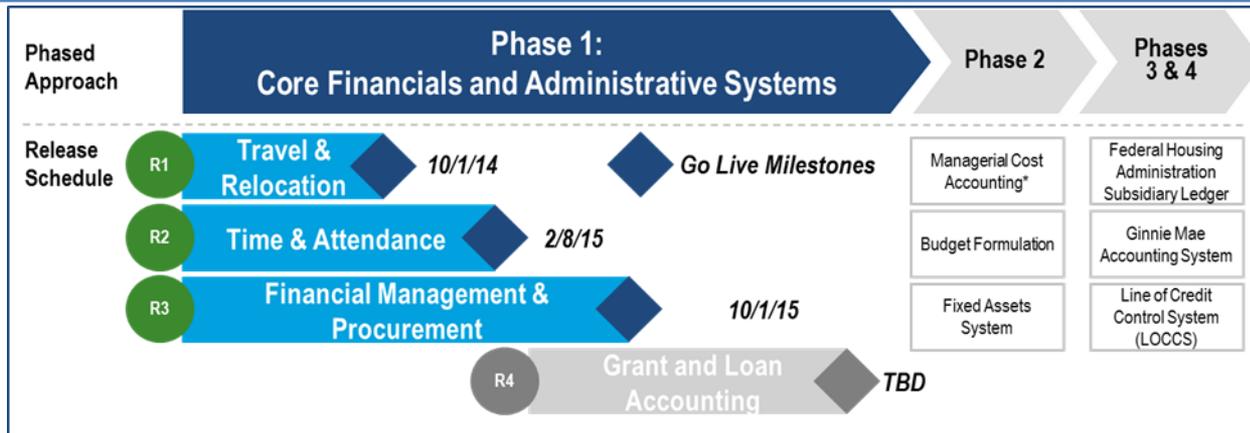


New Core Program's 14-Financial Management System Capabilities

| Capability |
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| 1. Travel and relocation. Provide the ability to make reservations, authorize travel requests, access relocation forms, request reimbursement, and open travel card accounts using a system that is compliant with the General Services Administration's Federal Travel Regulation |
| 2. Time and attendance. Record employee time and attendance data against specific work activities and projects, submit leave requests for supervisory review and approval, and allow the donation of leave to fellow employees |
| 3. Core accounting. Manage the budget and general ledger, produce financial reports, and execute transaction processing for all funds |
| 4. Procurement. Provide contract writing, procurement tracking, the reporting of procurement data to a federal procurement data system, purchase card administration, and invoice payment processing |
| 5. Budget formulation. Support the process of assembling budget estimates for the upcoming fiscal year for transmittal to the Office of Management and Budget and the congressional appropriations committees |
| 6. Data warehousing. Consolidate and standardize data assets to support decision making, analysis, and reporting |
| 7. Housing/Federal Housing Administration accounting. Produce audited financial statements, control funds for financial operations, and support cash management |
| 8. Ginnie Mae accounting. Meet accounting and reporting requirements for Ginnie Mae, including financial transactions processing |
| 9. Grant accounting. Control funds for grant expenditures and support accounting transactions for grant programs |
| 10. Grant and loan management. Coordinate and control grant, loan, and subsidy disbursements and ensure timely payments |
| 11. Loan accounting. Support all direct and guarantee loans, implement internal controls for loan programs, and track receivables |
| 12. Managerial cost accounting. Track project costs, plan resource allocations, and forecast payroll expenditures |
| 13. Property Management. Provide accounting for costs associated with equipment, property, and software, including asset depreciation |
| 14. Public and Indian Housing Section 8 accounting. Automate accounting, including budgeting and cash management, for the largest component of HUD's budget |



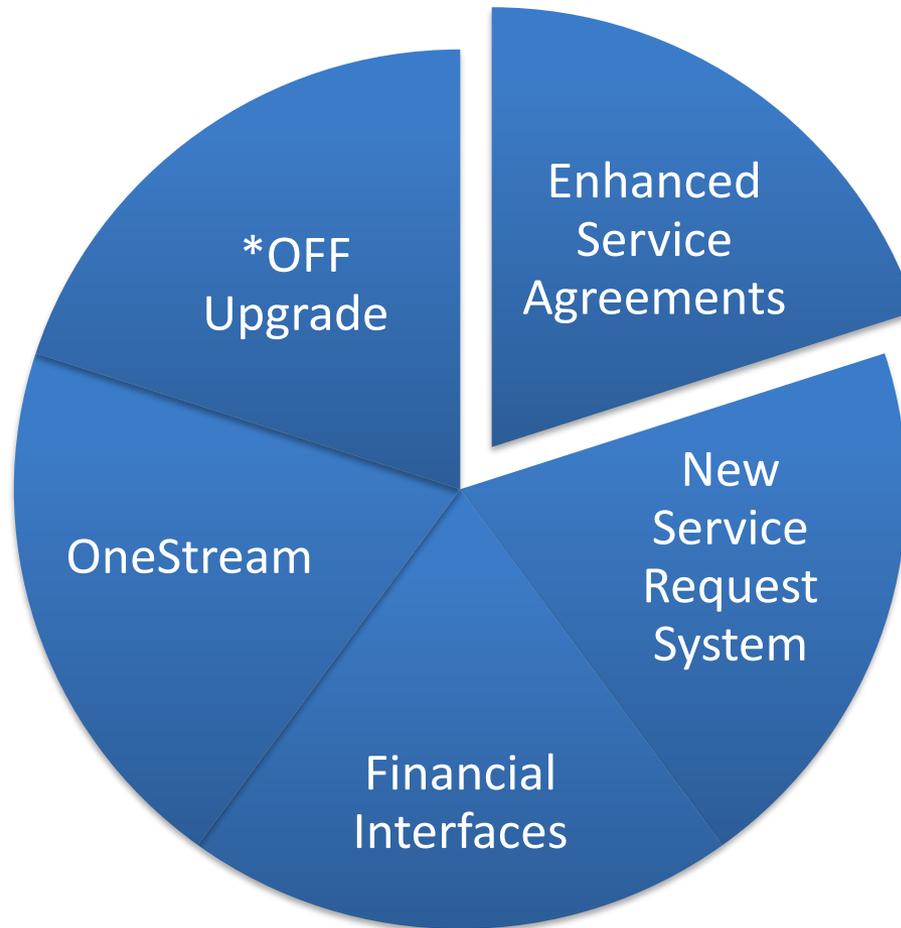
Initial Roadmap & Current State



New Core Program's Lessons Learned Summary

| Program & Migration Management  | Workforce, Organization & Stakeholders  | Technology & Application Management  | Process & Service Delivery  |
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| <p> Develop Program Plan w/ a Defined Scope Upfront <i>Conduct visioning sessions to align executive teams on a vision; develop an implementation roadmap inclusive of all releases</i></p> <p> Identify Roles & Responsibilities Early <i>Define and communicate customer and provider roles and responsibilities (through IAAs, org charts) prior to the start of the implementation</i></p> <p> Define Clear Governance Structures <i>Establish governance structure with clear decision rights and escalation paths within customer organization and between customer-provider</i></p> <p> Develop Integrated Meeting & Status Report Cadence <i>Develop a recurring meeting/status reporting cadence to align customer/provider on status of key activities</i></p> | <p> Provide a Case for Change to Stakeholders <i>Communicate the value/benefits of shared services and process changes to the workforce throughout the implementation</i></p> <p> Define the Retained Organization Early <i>Design retained organization, engage unions with impacts/changes to workforce, conduct role-to-position mapping, align future-state activities to resources to help them understand their new roles/responsibilities</i></p> <p> Align Business Process Efforts with Change Management <i>Align business process efforts with change management tasks to better communicate strategy</i></p> <p> Conduct System & Process Training <i>Include system and process training as part of the training strategy, utilizing specific business scenarios to educate end users</i></p> | <p> Define Must-Have & Nice-to-Have Requirements <i>Identify mandatory requirements within the customer agency before engaging a provider to communicate needs in a consistent manner</i></p> <p> Conduct End-User System Demonstrations <i>Coordinate with the provider to conduct system demonstrations to enable end users to understand the solution and validate the solution meets the intended requirements</i></p> <p> Plan for Multiple Mock Conversions <i>Conduct multiple mock conversions to help mitigate complex conversion risks</i></p> <p> Test with Quality Data <i>Sequence SIT and UAT testing with mock conversions to be able to test with quality data to validate both system functionality and report data/formats</i></p> | <p> Establish a Common Process Taxonomy <i>Establish a common taxonomy across the customer and provider to have a clear definition of processes and terminology</i></p> <p> Include O&M planning in Implementation Scope <i>Incorporate O&M planning into the implementation schedule to achieve day 1 and day 2 readiness</i></p> <p> Perform Business Process Alignment (BPA) <i>Perform BPA rather than traditional business process reengineering to align business processes to provider's solution</i></p> <p> Establish a Service Management Function <i>Implement a service management function as part of O&M services rather than traditional IT O&M services to manage the performance and relationship with the provider</i></p> |

Collaboration | Communication



*Oracle Federal Financials 12.2.5