

ABOR Oversight of Information Technology Expenditures:
Review/Approval Process for Expenditures Over \$100K

In September 2002, the Arizona Board of Regents adopted a new policy requiring various levels of review and/or approval for Information Technology projects exceeding \$100,000 in total cost. (For background, visit http://www.abor.asu.edu/1_the_regents/meetings/minutes/sep2002.html to read the meeting minutes.) Upon adoption of this policy, each of the Arizona universities was required to implement a process for approving such projects at the campus level, with projects exceeding \$250,000 advancing to a second level of review at the system level by the Council of Presidents, and projects exceeding \$500,000 advancing to the ABOR agenda for approval by the Regents.

Basically, any large expenditure on computing, communications, or networking could require some level of approval under this policy. Even if you have all of your funding in hand (e.g., from your unit budget or your federal grant or your carryforward balance) the Board of Regents requires us to be accountable for our IT expenditures by reporting them and possibly securing approval. Our institutional goal in this process is to satisfy the Regents that we are using our resources wisely.

We have chosen the Information Technology Policy Group (ITPG) for the campus level review, so our implementation is as follows:

Projects costing less than \$100K:
no review necessary.

Projects costing between \$100K and \$250K:
review by ITPG.

Information Technology Policy Group is a Cabinet-level committee, chaired by the CIO, and advisory to President. It meets monthly.

Projects costing between \$250K and \$500K:
review by ITPG and the Council of Presidents.

The Council of Presidents consists of the three University Presidents (UA, ASU, NAU) plus the Executive Director of the ABOR central office. It meets frequently by conference call.

Projects costing more than \$500K:
review by ITPG, COP, and Board of Regents.

The Arizona Board of Regents, overseers of the Arizona University System appointed by Governor, meet 7 or 8 times a year.

Meeting the requirements of this still-evolving policy is quite complicated. The policy applies to all IT projects, not just those managed centrally within units like CCIT. Since the vast majority of IT spending at UA actually occurs in the academic colleges, there are a very large number of IT projects every year that need to be reported to (or even approved by) ABOR. I need your help to manage our compliance with this policy. The process is not very cumbersome, and it does have one benefit: you have the chance to make others on and off campus aware of the cool things you are doing.

Please keep this policy in mind. If you are responsible for an IT project, you are also responsible for initiating the approval process whenever it applies. My office will work with you to prepare paperwork and expedite approval when necessary.

1. For purposes of this policy, IT expenditures include hardware, software, directly related personnel, and directly related operational costs such as maintenance agreements or expendable supplies. Projects whose costs are spread over multiple years but cumulate within 5 years to \$100K or more

are subject to review. We have moderate latitude in the interpretation of a “project,” but it is very easy for even routine IT expenditures to rise above \$100K.

2. Certain projects costing more than \$100K are exempt from approval, but not from review. These include any expenditure approved by some other systematic agency process, such as grant awarding, capital improvements in a previously-approved plan, or TRIF allocations. What we do in these cases is to make periodic reports to the Regents using a simplified format.
3. Recurring expenditures such as equipment refresh and renewals of contracts and licenses must be reported quarterly by the CIO if they exceed \$100K. They do not normally require approval. I gather all of these for the campus and submit them in aggregate four times a year.

Of the 20-plus projects we have reviewed so far, about one-third have come from units outside CCIT. The kinds of things you might look out for are acquisition of technology for scientific computing, implementation of new business software, instructional laboratory refresh, desktop equipment refresh (if done in aggregate), acquisition of software licenses in bulk, and so on. While it will be difficult to get used to reporting these kinds of expenditures, it is very important that we do the best we can. I thank everyone for the effort this will require.

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