Information Technology Policy
Enterprise Resource Planning (ERP) Management

Number	**Effective Date**
ITP-SFT008	February 22, 2017
Category	**Supersedes**
Software	None
Contact	**Scheduled Review**
RA-ITCentral@pa.gov	January 2024

1. Purpose

This Information Technology Policy (ITP) establishes enterprise-wide standards and policy for the Enterprise Resource Planning (ERP) System and its modules.

2. Scope

This ITP applies to all offices, departments, boards, commissions, and councils under the Governor's jurisdiction (hereinafter referred to as "agencies"). Agencies not under the Governor's jurisdiction are strongly encouraged to follow this ITP.

3. Definitions

Business Process Owner: A member of the program area, usually at a managerial level, who is responsible for the content of an end-to-end Business Process as well as for the activities completed via the Business Process.

Enterprise Resource Planning (ERP) System: A system of integrated software applications that is used to integrate core Business Processes (i.e., finance, human resources, payroll, procurement, plant maintenance, real estate, sales, and distribution, etc.)

4. Policy

Agencies shall leverage the Commonwealth ERP System for the functionality outlined in the Integrated Enterprise System Office (IESO) catalog, which is summarized in the table below.

Agencies seeking to implement any of the functionality outlined in this policy or the IESO catalog shall adhere to the process outlined in *ITP-BUS001, IT Planning and*

Projects for the creation and submission of a Business Proposal and Request Intake Form. Requests to leverage the ERP solution are reviewed by the IESO who will engage the Agency requestor and the Business Process Owner (noted in the table below) as needed to ensure alignment with the overall Business Process.

Functionality offered by the existing implementation of the Commonwealth's ERP system includes:

Functionality	Description/ Use Case	Business Process Owner
Analytics, Data Intelligence, and Machine Learning	Analytics – A comprehensive, self-service analytical solution delivering insights on Commonwealth spending patterns built on real time ERP to ensure accuracy. Dynamic visualizations allow users to move beyond spreadsheet-based analysis and planning by promoting data driven decisions. Data intelligence – A comprehensive data management solution that connects, transforms, enriches, orchestrates, and translates large sets of unstructured (SAP & non-SAP) data into actionable information. Machine learning – An available feature allowing the enhancement of Business Processes by using machine learning operators to integrate machine learning into data processes. Machine learning operators can be trained to assist with fraud detection, highlight spending patterns, and provide predictive analytics to users.	Office of Administration
Budget Module • Funds Management • Budget Preparation • Business Planning	• Funds Management budget and actual balances are reconciled to Treasury. • The Budget Module allows for entering, controlling, reporting, and monitoring of budgets, expenditures, revenues, and commitments. It is integrated with most SAP modules.	Office of the Budget
Customer Relationship Management (CRM)	EEO inquiries and case management and ADA request for accommodations	Office of Administration

Functionality	Description/ Use Case	Business Process Owner
Financial Accounting • Controlling Module • Cash Management • Asset Management • Loans Management • Accounts Payable • Accounts Receivable • Revenue Processing	The Controlling module is based on accrual method of accounting and provides an in-depth view of transactional data by breaking information down to organizational units, grants, and projects. The module is integrated with other modules in SAP and processes files to Treasury for payment. Cash and investment balances are reconciled to Treasury through the Commonwealth Fund. Asset Management provides for the management and maintenance of physical assets through the lifecycle of an asset, from capital planning, procurement, installation, performance, maintenance, compliance, risk management, through to disposal. Loans Management records the Commonwealth's loan activities from the loan offer to disbursement of funds and collection of repayments. Accounts payable includes supplier/vendor invoice processing, Treasury payment processing, related supplier/vendor invoice interfaces, advancement account check processing & replenishment, loan disbursements, IRS 1099 reporting, and Supplier/Vendor account analysis. Accounts receivable consists of customer invoice processing, customer payment postings, related customer interfaces, loan repayments, dunning management, customer account analysis, and customer Master Data web-based process for creations/change Revenue from funds received from multiple sources and deposited in the State Treasury. PA recognizes revenue at the time cash is received (cash basis of accounting).	Office of the Budget

Functionality	Description/ Use Case	Business Process Owner
Flexible Real Estate Management	Manage Rented or Leased (In/Out) real estate objects with Finance Accounting and Asset integration: • Land • Building • Unit • Space • Rooms	Department of General Services
Grants Management	Utilizes Internal Orders and the Grant Management Module to manage budget, expenses, revenue and the monitoring and billing of Federal Grants. eGrants was implemented to standardize across all state agencies the process of creating funds commitments whenever grant dollars, either state or Federal, are involved. Integrated with other modules.	Office of the Budget
Human Capital Management • Employee Self-Service • Supervisor Self-Service • Personnel Management • Time Management • Compensation Management • Benefits Management • Organizational Management	Supports the employee life cycle from hiring to retiring. Including benefits enrollment, time and attendance and paying the employee.	Office of Administration
Inventory Management	Inventory management provides for goods receipts & issues, stock returns & transfers, stock transport orders, physical inventory counts and adjustments, material requirements planning, and integration with the accounting and budget modules, which provides real-time data.	Department of General Services
Learning Management System	Web-based tool for learning. Supports the employee learning journey through various delivery methods including in person and virtual instructor led, as well as web-based training.	Office of Administration
Master Data Management	Centrally controlled processes used to manage data for general ledger accounts, funds, cost centers, materials, projects, vendors, and other master data objects requiring central oversight.	Enterprise

Functionality	Description/ Use Case	Business Process Owner
Payroll, Travel Management & Expense Reporting	System to process employee payroll and includes a web-based tool for travel and expense reporting, integrated with the accounting module.	Office of the Budget
Plant Maintenance	Manages maintenance requests, inspections, preventive maintenance and repairs on systems and equipment while integrating with Materials Management, Assets, Financial Accounting and Procurement.	Department of Transportation Department of Military Veterans Affairs
Procurement, Reverse Auctions, Vendor Registration	Shopping carts (requisitions), purchase orders, contracts, goods/services receipts, invoices for materials, services, and design and construction covered under the Procurement Handbook M215.3. Processes are integrated with the accounting and budget modules. Includes vendor registration, materials management, catalog functionality, bid invitations, and auctions available for online bidding by suppliers.	Department of General Services and Office of the Budget
Production Planning	Tracking and recording of the manufacturing process while aligning with demand in the creation of finished products while integrating with Materials Management, Financial Accounting, Plant Maintenance, and Sales Distribution.	Pennsylvania Correctional Industries Department of Transportation
Project Systems	Project systems is utilized to collect costs of construction and maintenance projects ultimately being settled to assets as appropriate. Also utilized as statistical objects (Work Breakdown Structure Elements) for a further breakdown of costs. Integrated with other modules.	Office of the Budget
Sales and Distribution	Business Processes requiring the selling, shipping, billing of products and services to COPA and non-COPA customers while integrating with Materials Management, Production Planning, and Financial Accounting.	Pennsylvania Correctional Industries Department of Transportation

5.   Responsibilities

5.1 Agencies shall:

- Review the current offerings of the Commonwealth's ERP System outlined in the policy or the IESO catalog.
- Utilize the ERP System offerings in instances where the offering meets the Agency's business requirements.
- Agencies seeking to implement any of the functionality outlined in this policy or the IESO catalog shall:
  - o Coordinate with the appropriate governing entities for technical reviews of IT Project.
  - o Obtain approval from the Agency's Secretary or designee of the Business Proposal, prior to completing the Request Intake Form.
  - o Utilize industry standard protocols to interface with the ERP System (Agency interfaces with the ERP system are authorized based on industry standard protocols including SFTP, REST, SOAP and ODATA. SAP Process Orchestration (PO) is the software used to achieve the integrations. Generally, the approach would be for real-time exchange of data, consuming data at source and avoiding data de-duplication. XML based schemas are available for use for many of these data transfers. While real time data transfers use secure web services, near real-time transfer of data occurs through SFTP, leveraging the use of Office of Administration's Globalscape Software)
- Comply with all other requirements as outlined in this ITP.

5.2 Office of Administration, Office for Information Technology shall:

- Maintain the IESO Catalog.
- Review business proposals and project requests in accordance with *[ITP-BUS001, IT Planning and Projects](ITP-BUS001)*.
- Provide support for any questions or issues that arise relating to the Business Proposal
- Coordinate with the requesting agency and Business Owner to ensure alignment with overall Business Processes.
- Comply with all other requirements as outlined in this ITP.

6.   Related ITPs/Other References

- Definitions of associated terms of this policy are published on the Office of Administration's public portal: *http://www.oa.pa.gov/Policies/Pages/Glossary.aspx*

- Commonwealth policies, including Executive Orders, Management Directives, and IT Policies are published on the Office of Administration's public portal: *http://www.oa.pa.gov/Policies/Pages/default.aspx*

- *Management Directive 205.34 Amended, Commonwealth of Pennsylvania Information Technology Acceptable Use Policy*

- *Procurement Handbook*

- *ITP-ACC001, IT Accessibility Policy*

- *ITP-BUS001, IT Planning and Projects*

7.   Authority

Executive Order 2016-06, Enterprise Information Technology Governance

8.   Publication Version Control

It is the Authorized User's responsibility to ensure they have the latest version of this publication, which appears on https://itcentral.pa.gov for Commonwealth personnel and on the Office of Administration public portal: http://www.oa.pa.gov/Policies/Pages/default.aspx. Questions regarding this publication shall be directed to RA-ITCentral@pa.gov.

9. Exemption from this Policy

In the event an agency chooses to seek an exemption from the guidance within this ITP, a request for a policy waiver shall be submitted via the enterprise IT policy waiver process. Refer to *ITP-BUS004, IT Policy Waiver Review Process* for guidance.

This chart contains a history of this publication's revisions. Redline documents detail the revisions and are available to CWOPA users only.

Version	Date	Purpose of Revision	Redline Link
Original	02/22/2017	• Base Document • Moved to Software domain from Application, including ITP number change • Merged ITP-APP0022, APP023, APP024, APP025, APP026, APP027, APP028, APP038 into ITP • Added References section	N/A
Revision	01/20/2023	• ITP Refresh • Restructured policy for clarity • Removed summaries of individual modules and replaced with a table showing functionality, description, use case, and Business Process Owner. • Added guidance for agencies seeking to implement ERP functionality • Added guidance on the protocols used for interfacing with the ERP system • Updated responsibilities • Updated references	Revised IT Policy Redline <01/20/2023>