

SAM - BUDGETING

DATA CENTER FINANCIAL MANAGEMENT

6780

(Revised 12/2013)

This financial management policy applies to the [Office of Technology Services \(OTech\)](#), an office within the [California Department of Technology](#).

The data center is to operate on a breakeven cost basis by fiscal year (within any Government Code (GC) provision for carryover of operating surpluses or deficits), charging customer departments for its services according to an approved published service rate schedule. OTech will maintain a formal rate methodology approved by the Department of Finance (Finance). The approved rate methodology will be used to develop and adjust rates as necessary. Rate changes are proposed as circumstances warrant, often annually, and sometimes more frequently.

OTech will submit proposed rates to Finance. Consistent with GC Section [11540](#), Finance will review and approve the proposed rates based on the reasonableness of the rates and any significant budget impacts to customer departments. Rate changes that result in cost decreases for customer departments will be effective as soon as is reasonably possible. Changes to the rate schedule that result in cost increases to customer departments will be announced at least 30 days in advance of the effective date. All details necessitating such change shall be available to customer departments for review. The approved rate schedule will be published on the OTech website.

To assist customer departments in their planning and budget preparation process, OTech will annually develop a statement for inclusion in a Budget Letter issued by Finance.