

SAM – REVISION SUMMARY 438

Revisions to SAM sections are provided after the summary table below, and are indicated with the “track changes” display through the revised text on all revised SAM pages. Highlighted content indicates newly added information to the SAM chapter. “Track Changes” are not inserted for format changes.

**** Follow the link to the revised SAM Chapter ****

CHAPTER/ SECTION	SUMMARY
<u>QUICK LINKS</u>	
Searchable SAM	Added coversheet for clarity of purpose and use.
<u>CHAPTER 1</u>	
Section 10	Minor edits.
Section 20	Minor formatting changes.
Section 30	Contact information updates.
<u>CHAPTER 4800</u>	
Section 4819.2	Per TL 17-05, added definition of “Domain Name Service (DNS)”.
Section 4819.36	Per TL 17-04, language was added to align with current oversight practices, including clarification that Independent Project Oversight Reports (IPOR) will be developed monthly for projects classified by CDT as medium or high criticality. Project Status Reports must be developed monthly for projects classified by CDT as medium or high criticality and quarterly for low criticality.
<u>CHAPTER 4900</u>	
INDEX 4900	Renamed section 4940, added sections 4940.1, 4940.2 and 4940.3, and removed sections 4941 and 4944.
Section 4940	Per TL 17-04, language was added to clarify that IT Project Oversight is required to begin on the project start date and continue through the duration of the project.
Section 4940.1	Per TL 17-04, new section was added to identify Independent Project Oversight Report requirements.
Section 4940.2	Per TL 17-04, new section was added to identify Correction Action Plan requirements.
Section 4940.3	Per TL 17-04, new section was added to identify Independent Verification and Validation definition and requirements.
Section 4941	Per TL 17-04, section was retired as the information previously contained in this section has been consolidated into SAM Section 4940.
Section 4944	Per TL 17-04, section was retired as the information previously contained in this section has been consolidated into SAM Section 4940.
Section 4947	Per TL 17-04, language was added to consolidate all requirements for completing a Post-Implementation Evaluation Report into a single section.

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<u>CHAPTER 5100</u>	
INDEX 5100	Added new sections 5195, 5195.1 and 5195.2.
Section 5195	New: Per TL 17-05, new section was added to identify the policy and authority for the State of California to administer the “ca.gov” web domain.
Section 5195.1	New: Per TL 17-05, new subsection was added to outline the requirements for “ca.gov” web domain usage.
Section 5195.2	New: Per TL 17-05, new subsection was added to require annual certification of compliance with federal and state requirements from all entities that use the “ca.gov” web domain.
<u>CHAPTER 7900</u>	
Section 7977	Updated to include a new report, Report 18, Statement of Changes in Capital Assets Group of Accounts–Beginning Balance Differential Report. The new report is required to document and explain differences in Asset beginning balances with prior year ending balances. Updated footnotes on 7977 Illustration 1.
Illustration 2 Section 7977	Added 7977 Illustration 2, the Report 18 Beginning Balance Differential Report.
<u>CHAPTER 8100</u>	
Section 8110	Revised to clarify spending authority includes Budget Act, constitution, or other statute. Other minor edits for consistency.
<u>CHAPTER 8400</u>	
Section 8422.19	Revised to include the Financial Information System of California (FI\$Cal) for reportable payments and minor edits.
Section 8422.190	Added the Individual Taxpayer Identification Number (ITIN) as an acceptable taxpayer identification number (TIN) and further instructions on the TIN requirements. Deleted the information on determining the reportable payments through electronic data processing methods and the request to submit STD 204 changes to the Department of Finance. Other minor edits.
Illustration 1 Section 8422.190	Added 1) data collection boxes for sole proprietor information and email addresses, 2) information regarding ITIN and Revenue and Tax Code (R&TC), and 3) other minor edits and formatting.
Illustration 2 Section 8422.190	Added 1) clarification of the use of legal business and individual names, 2) clarification of mailing versus business addresses, 3) language to clarify the TIN requirement and references to R&TC sections 18661 and 18662, 4) email of person completing form, and 5) other minor edits.
<u>CHAPTER 8600</u>	
Section 8660	Updated to include a new report, Statement of Changes in Capital Assets Group of Accounts (Report 18)-Beginning Balance Differential Report. Updated footnotes on Report 18.

SAM—INTRODUCTION

ACCESS TO SAM

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(Revised ~~10/2014~~06/2017)

SAM on Internet....

The SAM is available free on the Internet at: <http://www.sam.dgs.ca.gov>. Its query feature can help locate SAM topics.

Paper SAM....

Contact the SAM Unit for information on how to purchase a paper SAM and subscription to SAM revisions.

SAM at Libraries....

The online version of the SAM can be accessed at the State Library Government Publications Desk (located within Sacramento) and Complete Depository Libraries (located within metropolitan areas of California).

~~SAM on Internet....~~

~~The SAM is available free on the Internet at: <http://www.sam.dgs.ca.gov>. Its query feature can help locate SAM topics.~~

SAM—INTRODUCTION

REVISING SAM

0020

(Revised ~~01/2016~~06/2017)

Responsibility for Revising SAM

Responsibility for updating SAM content is assigned to authoring state departments. The SAM Section 0030 lists authoring departments for each SAM chapter/section and provides contact information that can direct SAM Users to authors to assist with content clarification/guidance. The departmental director or his/her designee is responsible for certifying that any revisions to their SAM sections are legal and consistent with overall state policies.

The Department of General Services (DGS) expects SAM authors to review and/or revise their respective chapters/section(s) every three (3) years. The SAM should be immediately updated or revised when content is outdated, or procedures, guidelines, laws or code changes dictate change.

Making Revision Recommendations to the SAM

Anyone can recommend revisions to SAM. To recommend SAM revisions, contact the author's office listed in SAM Section 0030 or contact the SAM Unit. When the author determines that SAM revisions are necessary, the SAM Unit can provide process information and timetables. The author may designate an author contact to write and coordinate revisions through the SAM Unit.

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REVISING SAM

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(Revised ~~01/2016~~06/2017)

Completing Revisions/Reviews to SAM

When it has been determined that revisions or reviews to the SAM are necessary, the following steps should be taken by the SAM Author and Coordinator to complete revisions/reviews:

<u>Who</u>	<u>Step</u>	<u>Action(s) Taken</u>
SAM Author		
<u>SAM Author</u>	1	Receives working Word Version for SAM Chapter/Section(s) to be revised/reviewed from SAM Coordinator.
	2	Reviews SAM Chapter/Section(s) <ul style="list-style-type: none"> • <i>If it is determined that content is current and still in practice, go to 2a</i>
	2a	Gives authorization (via email) to SAM Coordinator to change reviewed date to current date. No further action required.
	3	Revises SAM Chapter/Section(s) and completes the Revision Package sent from the SAM Coordinator (via email). <ul style="list-style-type: none"> • Revision Package consists of the following: <ul style="list-style-type: none"> ○ <i>Author Revisions</i> (<u>Clean and track changes</u>) ○ <i>Revision Summary</i> (<u>Two column table</u>) ○ <i>Author Checklist</i> (<u>Form GS 237 authorization</u>)
<u>SAM Coordinator</u>	4	Submits the Completed Revision Package to SAM Coordinator via email.
SAM Coordinator	5	Receives Completed Revision Package and incorporates the Author Revisions into the Author Revision-Website Version.
	6	Cross-references revised SAM material with Management Memorandums (MMs), Budget Letters (BLs), Technology Letters (TLs), and other mentioned agencies, departments, and sections to ensure accuracy and validity.
	7	Sends Author-Draft Revision-Website Version back to SAM Author for Final Author Review

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REVISING SAM
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SAM Author	8	Reviews Author-Draft Revision-Website Version and verifies all cross-referenced content and other mentioned agencies/departments are accurate and valid. <ul style="list-style-type: none">• <i>If Final Author Revision-Website Version is not correct, go to step 3</i>
	9	Send email approval back to SAM Coordinator.
SAM Coordinator	10	Submits Final Revision Package to DGS Director or his/her designee for final approval.
	11	Receives final approval. Updates and posts all revised SAM Chapters/sections as well as their corresponding PRINT and NOTEBOOK versions.
	12	Posts all approved Final Author Revisions and Summary to the SAM Website within two (2) business days of receipt <u>when possible</u> . <ul style="list-style-type: none">• <i>SAM Coordinator will communicate with the SAM Author if unexpected delays occur.</i>
	13	Issues email notification to the SAM Subscribers of a new SAM Revision and Summary posted to the SAM Website at the beginning of each fiscal quarter. SAM Revision Summary History and Schedule for Quarterly Notification of Changes can be accessed via the SAM Website .

Notation for Changes in Revision Packages

Vertical bars on pages indicate additions or overall changes. Revised pages in chapter rewrites do not contain bars. Section and subsection titles in the text are followed by information indicating whether the section is new, revised, or renumbered.

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SAM PUBLICATIONS AND CONTACTS

0030 (Cont. 1)

(Revised 07/9/2017~~6~~)

CHAPTER/ SECTIONS	DEPT.	RESOURCES	CONTACT INFORMATION
0001-0030 Introduction	General Services, Office of Strategic Planning, Policy & Research (OSP/PR)	State Administrative Manual (SAM) & Management Memos (MM)	Jason Tyburczy Jason.tyburczy@dgs.ca.gov 916-376-5069
			EminMichaelSearsNabiyev Michael.sears@dgs.ca.gov emindie@dsap 916-376- 50681862
100-110 General	General Services, Administration Division (AD)		Deputy Director 916-376-5024
130-170 General	Finance, Budget Operations Support (DOF)	www.dof.ca.gov	916-322-5540 foinbox@dof.ca.gov
180 General	General Services, Administration Division (AD)		Deputy Director 916-376-5024
190-192 General	California Department of Human Resources (CalHR)	www.calhr.ca.gov	Steve Caldwell Steve.caldwell@calhr.ca.gov 916-323-4411
200-211 Governor's Office	Governor's Office Constituent Affairs	www.gov.ca.gov	Adrian Mata Adrian.mata@gov.ca.gov 916-322-7478
400-422.1 Exempt Personnel	California Department of Human Resources (CalHR)	www.calhr.ca.gov	Angelina Snarr Angelina.snarr@calhr.ca.gov
			Raquel Belmontes Raquel.belmontes@calhr.ca.gov

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

DEFINITIONS

4819.2

(Revised 09/2016)

The following definitions of administrative and technical terms are provided to assist Agencies/state entities in their application of information technology (IT) policy.

The primary source for technical definitions is the Information Processing Systems Technical Report, American National Dictionary for Information Processing Systems, developed by the American National Standards Committee, X3 Information Processing Systems. In some cases the definitions have been modified to meet state needs.

Accessibility/Accessible: Individuals with disabilities are able to acquire the same information, engage in the same activities, perform the same functions, and access the same content and services as individuals without disabilities, with similar ease.

Agency: This term refers to one of the state's umbrella Agencies. Umbrella Agencies include the Natural Resources Agency, California Environmental Protection Agency, Government Operations Agency, Business Consumer Services and Housing Agency, California Department of Corrections and Rehabilitation, California State Transportation Agency, Labor Agency and the California Health and Human Services Agency.

Agency-affiliated State Entities: This term refers to State Entities that are governed by one of the state's umbrella Agencies. See definition of Agency.

Agency Information Management Strategy: An Agency/state entity's information management strategy is the Agency/state entity's comprehensive plan for using IT to address its business needs, i.e., to successfully carry out its programmatic mission. Ideally, the Agency/state entity's information management strategy represents one aspect of a well-defined overall Agency/state entity business strategy and is therefore closely aligned to its business strategy. If the Agency/state entity has not established a business strategy, Agency/state entity staff that are responsible for the Agency/state entity information management strategy must make assumptions based on their knowledge of the Agency/state entity's overall mission, its program resources and priorities, and the changing nature of its environment.

Ancillary Solicitation: An acquisition that may be necessary to achieve and/or support the primary procurement activities and objectives of an IT project. An IT project may be supported by many Ancillary Solicitations.

Assistive Technology: Any item, piece of equipment, software, or system that is designed to increase, maintain, or improve the functional capabilities of individuals with disabilities.

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DEFINITIONS

4819.2 (Cont. 1)

(Revised 09/2016)

Business Strategy: An Agency/state entity's business strategy is its overall plan for accomplishing its mission in a changing environment with the resources it can reasonably expect to be available. Such a strategy typically addresses the Agency/state entity's statutory mission and historical role, the expectations of its keystakeholders (individuals and organizations that affect the Agency/state entity or that the Agency/state entity affects), the factors that are critical to its success as an organization, the Agency/state entity's internal strengths and weaknesses, and the political, social, economic, and technological forces in its environment that support or constrain its programs. Business strategies articulate the key issues that must be successfully addressed by the Agency/state entity and identify the priorities and required resources for proposed actions. A strategy may have a time frame that is as short as a few months. However, most Agency/state entity business strategies present a three- to five-year perspective, with some Agencies/state entities finding it useful to extend their strategic vision as much as ten to twenty years into the future. Strategic planning is not a one-time effort; it is a fundamental, continuing management process that allows the Agency/state entity to respond in an effective manner to a changing environment.

California Project Management Framework: The California Project Management Framework (CA-PMF) is a collection of project management best practices and scalable resources, tools, and templates to be used by project management practitioners to effectively plan and manage projects. The CA-PMF is based on the Project Management Body of Knowledge (PMBOK® Guide), as well as project management lessons learned in the State of California.

Cloud Computing: A model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.

Cloud Software as a Service (SaaS): The capability provided to the consumer is to use the provider's applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin client interface such as a web browser (e.g., web-based email). The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, storage, or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.

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**DEFINITIONS
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Cloud Platform as a Service (PaaS): The capability provided to the consumer is to deploy onto the cloud infrastructure consumer-created or acquired applications created using programming languages and tools supported by the provider. The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, or storage, but has control over the deployed applications and possibly application hosting environment configurations.

Cloud Infrastructure as a Service (IaaS): The capability provided to the consumer is to provision processing, storage, networks, and other fundamental computing resources where the consumer is able to deploy and run arbitrary software, which can include operating systems and applications. The consumer does not manage or control the underlying cloud infrastructure but has control over operating systems; storage, deployed applications, and possibly limited control of select networking components (e.g., host firewalls).

Commercial Off-the-Shelf (COTS): A computer hardware or software product that is ready-made for specific uses and available for sale to the general public. COTS products are designed to be installed without requiring custom development. For example, Microsoft Office is a COTS product that is a packaged software solution for businesses and individuals. The set of rules for COTS is defined by the Federal Acquisition Regulation (FAR).

Computer Accessibility: In human-computer interaction, computer accessibility (also known as accessible computing) refers to the accessibility of a computer system to all people, regardless of ability.

Confidential Information: Information maintained by Agencies/state entities that is exempt from disclosure under the provisions of the California Public Records Act (Government Code Sections [6250-6265](#)) or other applicable state or federal laws. See SAM Section [5320.4](#).

Continuing Costs: Costs associated with the operation and maintenance of an IT system or application after development and implementation of the system.

Critical Application: An application that is so important to the state that the loss or unavailability of the application is unacceptable. With a critical application, even short-term unavailability of the information provided by the application would have a significant negative impact on the health and safety of the public or state workers; on the fiscal or legal integrity of state operations; or on the continuation of essential Agency/state entity programs.

Data: A representation of facts, concepts, or instructions in a formalized manner suitable for communication, interpretation, or processing by humans or by automated means.

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DEFINITIONS

4819.2 (Cont. 3)

(Revised ~~09/2016~~) 05/2017)

Data Processing: The systematic performance of operations upon data, e.g., handling, merging, sorting, computing. Synonymous with information processing.

Data Processing System: A system, including computer systems and associated IT personnel, that performs input, processes storage, output, and control functions to accomplish a sequence of operations on data.

Data/Information Storage: The retaining of data/information on any of a variety of mediums (i.e., magnetic disk, optical disk, or magnetic tape) from which the data can be retrieved.

Data Transmission: The conveying of data from one functional unit to one or more additional functional units through the transmission of signals by wire, radio, light beam, or any other electromagnetic means. (Voice or video transmissions are not considered data transmission for the purposes of state policy.)

Delegated Cost Threshold: See SAM Section 4819.39

Development: Activities or costs associated with the analysis, design, programming, staff training, data conversion, acquisition, and implementation of new IT applications.

DGS Delegated Purchasing Authority: Through Statutory Authority, the Department of General Services (DGS) may grant delegated purchasing authority to Agencies/state entities to procure non-information technology goods and information technology goods and services with a total cost equal to or less than the delegated purchasing authority amount under each category, as defined within the State Contracting Manual (SCM), Volume 3, Chapter 1.

Domain Name Service: A series of computer databases that resolve or link Internet Protocol (IP) addresses with an alphanumeric domain name. Domain names are divided into hierarchical fields separated by a period. The field to the farthest right is the top-level (or first-level) domain, in "ca.gov" for example, "gov" is the top-level domain. In the same example, "ca" is the second-level within the domain, and the field to the left of the second-level domain is the third-level domain (e.g., cdt.ca.gov). Names that fall to the right of the domain following a "/" are subdirectories of the domain (e.g., ca.gov/services).

Electronic and Information Technology (EIT or E&IT): Includes IT and any equipment or interconnected system or subsystem of equipment that is used in the creation, conversion, or duplication of data or information. The term electronic and IT includes, but is not limited to, telecommunications products (such as telephones, cell phones, smart phones, and radio receivers), information kiosks and transaction machines, World Wide Web sites, multimedia, and office equipment such as copiers and fax machines.

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DEFINITIONS

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4819.2 (Cont. 4)

Emergency: A sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services". SAM Section [6560](#) specifies that when the Governor declares an emergency, expenditures cannot exceed \$25,000, unless approved by the Department of Finance.

Hardware: See Information Technology equipment.

Information Processing: The systematic performance of operations upon data, e.g., handling, merging, sorting, computing. Synonymous with data processing.

Information Technology: Information technology (IT) means all computerized and auxiliary automated information handling, including systems design and analysis, conversion of data, computer programming, information storage and retrieval, voice, video, data communications, microwave, light wave, routers, network equipment, requisite systems controls, and simulation.

Information Technology Activities: Any activity listed below, or any combination of these activities for a single IT project, is to be considered an "IT activity."

1. IT facility preparation, operation and maintenance.
2. Information management planning.
3. Feasibility determination, development and implementation of application systems or programs, or changes to application systems or programs to meet new or modified needs, or maintenance, including: Project Approval Lifecycle Stage/Gate deliverable preparation, systems analysis, systems design, purchase and installation of software, programming, conversion of data or programs, documentation of systems and procedures, and project appraisal or assessment.
4. Operation of application systems or programs including handling, assembling, or editing of input-output data or media where IT equipment or IT personnel are used.
5. Information Technology Procurement.
6. Installation, operation, and maintenance of data processing equipment, IT equipment, goods and services, and software.

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DEFINITIONS

4819.2 (Cont. 5)

(Revised 09/2016)

7. Other installation management activities including performance measurement, system tuning, and capacity management.
8. Preparation and administration of requests for proposals or bid solicitations for contracts for any of the above activities.
9. Preparation of contracts, interagency agreements, and purchase estimates for any of the above activities.
10. Employment of personnel in support of, or directly related to, any of the above activities, including: administration, technical services, clerical services, travel, training, and preparation of periodic and special reports.
11. Control functions directly related to any of the above activities.

IT Equipment: Information Technology devices used in the processing of data electronically. The following are examples of IT equipment:

1. Mainframes and all related features and peripheral units, including processor storage, console devices, channel devices, etc.;
2. Minicomputers, midrange computers, personal computers, laptop, tablets, smart phones and all peripheral units associated with such computers;
3. Special purpose systems including word processing, Optical Character Recognition (OCR), bar code readers/scanners, and photo composition;
4. Communication devices used for transmission of data such as: modems, data sets, multiplexors, concentrators, routers, switches, local area networks, private branch exchanges, network control equipment, or microwave or satellite communications systems; and
5. Input-output (peripheral) units (off-line or on-line) including: displayscreens, optical character readers, magnetic tape units, mass storage devices, printers, video display units, data entry devices, plotters, scanners, or any device used as a terminal to a computer and control units for these devices.

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DEFINITIONS

(Revised 09/2016)

4819.2 (Cont. 6)

Information Technology Expenditure: The expenditure of funds regardless of source by any Agency/state entity for IT activities, equipment, facilities, personnel, services, supplies and the automated processing of information.

Information Technology Infrastructure: An Agency/state entity's IT infrastructure is the base or foundation for the delivery of information to support the Agency/state entity's programs and management. The infrastructure contains elements upon which an Agency/state entity's IT activities are dependent. An Agency/state entity must therefore define, implement, and manage these infrastructure elements to successfully employ IT.

The desirable characteristics of this infrastructure are efficient support for the exchange of information within the Agency/state entity and between the Agency/state entity and other organizations; reliable availability of information processing capabilities whenever and wherever they are needed; preservation of the integrity and confidentiality of information maintained by the Agency/state entity; sufficient flexibility to allow the timely and efficient addition of new information management capabilities and modifications of established capabilities; and consistency with a coherent set of technical and managerial standards for the employment of IT.

Typical elements in an IT infrastructure include:

Application Systems. The applications that an Agency/state entity purchases and/or develops to achieve personal productivity and program support benefits.

Architecture. The guidelines or blueprints that an Agency/state entity follows in designing, acquiring, and implementing IT solutions. Organizationally approved definitions, specifications, and standards are the primary components in an Agency/state entity's IT architecture.

Communications. Local area and wide area network components, including linkages with other organizations.

Equipment. An Agency/state entity's hardware platforms and components ranging from individual personal computers to mainframes and associated peripherals.

Facilities. The electrical, ventilation, fire suppression, physical security, wiring, and other components required to support an Agency/state entity's IT capability, including the physical structure itself.

Funding. Current and projected funding for IT planning, acquisition, development, and operations activities.

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DEFINITIONS

(Revised 09/2016)

4819.2 (Cont. 7)

Partnerships. Relationships with other public and private sector organizations that support and enable the Agency/state entity's pursuit and use of IT.

People. An Agency/state entity's technical staff, user community groups, and executive steering and oversight committees that are charged with IT planning, approval, development, management, operations, and security responsibilities.

Plans. Detailed designs or methods for aligning IT activities with Agency/state entity business strategies and accomplishing business objectives. Typical Agency/state entity IT plans includes strategic, risk management, and operational recovery.

Policies. The rules, conventions, and protocols adopted by the Agency/state entity to govern the pursuit and use of IT.

Processes and Procedures. The defined steps for planning, approving, acquiring, developing, operating, maintaining, enhancing, and using IT within the Agency/state entity.

Service Definitions. The types of services provided, accepted service levels, and service delivery time frames established for an Agency/state entity's IT support organization.

Software. The set of operating system, utility, communications, user interface, and management programs that enable users to operate and control computers and develop application systems.

The infrastructure includes elements owned by the Agency/state entity and available under contract or through interagency agreement. For Agencies/state entities that employ the services of a consolidated data center, for example, the required data center resources are considered part of the Agency/state entity's infrastructure.

Reengineering the Business Process. The search for, and implementation of, radical changes in business processes that result in dramatic efficiencies, reductions in turnaround time, improvements in quality, or improvements in customer service.

Strategic Planning Process for Information Technology. The process of aligning Agency/state entity plans for, and uses of, IT with the Agency/state entity's business strategies.

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DEFINITIONS

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4819.2 (Cont. 8)

Information Technology Procurement: Any process to obtain IT goods/services through competitive, non-competitive, purchase or lease, for the benefit of the State. Sometimes referred to as contracting, purchase or acquisition.

Information Technology Project: A unique endeavor with a defined beginning and end, named deliverables and defined budget/resources that consumes at least 500 hours of effort. Information Technology (IT) projects are undertaken to provide an IT solution for a business problem/opportunity in order to meet unique goals and defined objectives that encompasses computerized and auxiliary automated information handling, that may include systems design and analysis, conversion of data, computer programming, information storage and retrieval, data transmission, requisite system controls, simulation, and related interactions between people and machines.

Information Technology Project Oversight Framework: Minimum requirements for IT project management, risk management and IT project oversight activities for Agencies/ state entities. Description of control agency project reporting requirements and processes for assessing Agency/state entity project management and oversight activities. See SIMM Section 45.

Information Technology Personnel: All state personnel employed in IT or telecommunications classifications as defined by the Department of Human Resources or by the Trustees of the California State University and Colleges, and all personnel of other classifications in Agencies/state entities who perform IT activities for at least 50 percent of their time. Users of personal computers and office automation are not included in this category unless they are in IT classifications or spend at least 50 percent of their time performing IT activities.

Information Technology Reportable Procurement: Any procurement that is related to a Reportable Project with a total cost less than or equal to the Agency/state entity's assigned DGS Delegated Purchasing Authority dollar threshold.

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DEFINITIONS

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4819.2 (Cont. 9)

Information Technology Reportable Procurement Over the DGS Delegated

Purchasing Authority: Any procurement that is related to a Reportable Project with a total cost that exceeds the Agency/state entity's assigned DGS Delegated Purchasing Authority dollar threshold.

Information Technology Supplies: All consumable items and necessities (excluding equipment defined as IT equipment) to support information technology activities and IT personnel, including:

1. Documents (such as standards and procedures manuals, vendor-supplied systems documentation, and educational or training manuals);
2. Equipment supplies (such as printer cartridges and magnetic tape); and
3. Furniture (such as terminal tables and printer stands).

Input-Output Unit/Device: A unit or device in an IT system by which data may be entered into the system, received from the system, or both.

Life Cycle: The anticipated length of time that the IT system or application can be expected to be efficient, cost-effective and continue to meet the Agency/state entity's programmatic requirements. Synonymous with operational life.

Maintenance: Activities or costs associated with the ongoing upkeep of operational applications of IT. Maintenance includes correcting flaws, optimizing existing systems or applications, responding to minor changes in specified user requirements, renewal of equipment maintenance agreements, software or hardware upgrade or refresh to maintain the health of the systems, and meeting normal workload increases using substantially the same applications, facilities, IT personnel, supplies and software.

Mobile Web: Mobile web refers to access to the Internet or Web applications using a mobile device, such as a smart phone, connected to a wireless network.

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DEFINITIONS

4819.2 (Cont. 10)

(Revised 09/2016)

Network Equipment: Equipment facilitating the use of a computer network. This includes routers, switches, hubs, gateways, access points, network bridges, modems, firewalls, and other related hardware and software.

Non-affiliated State Entities: This term refers to State Entities that are not governed by an Agency. See definition of Agency.

One-Time Costs: Costs associated with the analysis, design, programming, verification and validation services, staff training, data conversion, acquisition, and implementation of new IT applications. See SIMM Section 19F (Financial Analysis Worksheets).

Open Source Software: Software that includes distribution terms that comply with the following criteria provided by the Open Source Initiative: (The open sourcedefinition used here is from the Open Source Initiative and is licensed under a Creative Commons Attribution 2.5 License (<http://creativecommons.org/licenses/by/2.5/>))

1. Free Redistribution: The software can be given as part of a package with other applications;
2. Source Code: The code must either be distributed with the software or easily accessible;
3. Derived Works: The code can be altered and distributed by the new author under the same license conditions as the product on which it is based;
4. Integrity of the author's source code: Derived works must not interfere with the original author's intent or work;
5. No discrimination against persons or groups;
6. No discrimination against fields of endeavor: Distributed software cannot be restricted in who can use it based on their intent;
7. Distribution of license: The rights of the program must apply to all to whom the program is re-distributed without need for an additional license;
8. License must not be specific to a product; Meaning that an operating system product cannot be restricted to be free only if used with another specific product;
9. License must not contaminate other software; and
10. License must be technology-neutral.

(Continued)

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

DEFINITIONS

(Revised 09/2016)

4819.2 (Cont. 11)

Operational Life: See Life Cycle.

Operations: Activities or costs associated with the continued use of applications of IT. Operations includes IT personnel associated with computer operations, including network operations, job control, scheduling, key entry, and the costs of computer time or other resources for processing.

Peripheral Unit/Device: With respect to a particular processing unit or device, any equipment that can communicate directly with that unit or device.

Power Management: A feature of some electrical appliances, especially copiers, computers and computer peripherals such as monitors and printers, which turns off the power or switches the system to a low-power state when inactive.

Previously Approved Effort/Project: An IT activity or project previously approved by the California Department of Technology or the Agency/state entity's executive officer in accordance with SAM Section [4819.3](#). Qualification of an activity as a previously approved effort requires an approved Stage 4 Project Readiness and Approval AND an approved Post-Implementation Evaluation Report (PIER). Applicable activities include meeting modified needs, improving the effectiveness of the activity, program or system maintenance, or extension of existing services to new or additional users performing essentially the same functions as those that the project was designed to support. A previously approved effort/project must use substantially the same equipment, facilities, technical personnel, supplies and software to meet substantially the same requirements or to meet normal workload increases. : (Note: "Substantially the same equipment" does not include the addition, upgrade or replacement of a central processing unit.)

Primary Solicitation: The acquisition that will procure and obtain the main IT Goods and/or Services for an IT project solution. An IT Project may only have one Primary Solicitation, but may be supported by many Ancillary Solicitations.

Procurement Oversight: An independent review and analysis to determine if the procurement methodology is sound and feasible. Procurement Oversight includes coaching, guidance and direction in all aspects of IT procurement. Oversight activities may include procurement planning, assistance in developing deliverables, review and approval of procurement documents and the execution and award of contracts.

Program: A sequence of instructions suitable for processing. See Information Processing or Data Processing.

Programming: The designing, writing, testing, debugging, and documentation of programs.

(Continued)

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

DEFINITIONS

4819.2 (Cont. 12)

(Revised 09/2016)

Project: See Information Technology Project.

Project Approval Lifecycle (PAL): The policy, procedures and templates that make up the State of California’s process for gaining approval of IT projects. The Project Approval Lifecycle is divided into four stages, separated by gates. Each stage consists of a set of prescribed, cross-functional, and parallel activities to develop deliverables used as the inputs for the next gate. The gates provide a series of “go/no go” decision points that request only the necessary and known information needed to make sound decisions for that particular point in time. The four stages, which document the business analysis, alternatives analysis, solution development and project readiness analysis, must be approved by the Department of Technology prior to the encumbrance or expenditure of funds, including the use of staff resources, on any IT project beyond the Project Approval Lifecycle.

Project End Date: The proposed project end date should reflect the conclusion of project activities; the last date that proposed project activities are estimated to be completed. This should exclude any activities related to the Post Implementation Evaluation Report (PIER).

Project Oversight: An *independent* review and analysis to determine if the project is on track to be completed within the estimated schedule and cost, and will provide the functionality required by the sponsoring business entity. Project oversight identifies and quantifies any issues and risks affecting these project components.

Project Planning Start Date: The project planning start date is the date an Agency/state entity begins a Stage 2 Alternatives Analysis. The planning phase of an IT project proposal begins with the Stage 2 Alternatives Analysis and ends at the conclusion of Stage 4 Project Readiness and Approval (Gate 4).

Project Planning End Date: The project planning end date should reflect the conclusion of project planning activities; the last date that project planning activities are estimated to be completed at the conclusion of Stage 4 Project Readiness and Approval (Gate 4).

Project Start Date: The project start date is the date an IT project proposal is both approved and funded. For most projects dependent on a funding request, this date will be July 1st of the year the project funding is approved. For projects without this dependency, the project start date is the project approval date (Gate 4 approval).

Proprietary Software: Computer programs which are the legal property of one party, the use of which is made available to a second or more parties, usually under contract or licensing agreement.

(Continued)

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

DEFINITIONS
(Revised 09/2016)

4819.2 (Cont. 13)

Public Facing Applications: Applications available to the broadest base of potential users as well as designed and delivered with the intent of access by all individuals or organizations over the public internet.

Public Information: Any information prepared, owned, used or retained by an Agency/state entity and not specifically exempted from the disclosure requirements of the California Public Records Act (Government Code Sections [6250-6265](#)) or other applicable state or federal laws.

Sensitive Information: Information maintained by Agencies/state entities that requires special precautions to protect it from unauthorized modification or deletion. See SAM Section [5320.4](#). Sensitive information may be either public or confidential (as defined above).

Reportable Project: An IT Project that meets one or more of the criteria listed in SAM Section 4819.37. Reportable Projects must be formally approved by the Department of Technology through the Project Approval Lifecycle.

Server Room: Any space that houses computer operations. Such computer operations could utilize mainframes, servers, or any computer resource functioning as a server.

Shutdown: Turning the power off in a controlled manner.

Software: Programs, procedures, rules, and any associated documentation pertaining to the operation of a system. (Contrast with hardware.)

Staff Augmentation Procurement: The acquisition of contracted services to address state staff resource constraints or skill gaps for IT project activities.

Staff Redirection: The redirection of existing Agency/state entity staff resources to support IT project activities or backfill behind existing staff redirected to support IT project activities. Contracted services are not considered Staff Redirection.

Stage/Gate Deliverables: The formal deliverable documents that support the Project Approval Lifecycle. Stage/Gate deliverables are the Stage 1 Business Analysis, Stage 2 Alternatives Analysis, Stage 3 Solution Development and Stage 4 Project Readiness and Approval. Formal project approval occurs upon approval of the Stage 4 Project Readiness and Approval.

State Entity: Includes every state office, officer, department, division, bureau, board, and commission, including Constitutional Officers. "State entity" does not include the University of California, California State University, the State Compensation Insurance Fund, the Legislature, or the Legislative Data Center in the Legislative Counsel Bureau.

(Continued)

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

DEFINITIONS
(Revised 09/2016)

4819.2 (Cont. 14)

Statewide Information Management Manual ([SIMM](#)): The Statewide Information Management Manual ([SIMM](#)) as structured by the Department of Technology that contains standards, procedures, instructions and guidelines, as well as samples, models, forms and communication documents that Agencies/state entities either must use, or will find helpful to use, in complying with established state policy relating to IT. For clarity, references in SIMM to "Department of Finance" that are not related to budget documents such as Budget Change Proposals or Finance Letters, should be read as references to the "California Department of Technology".

State Telecommunications Management Manual ([STMM](#)): The State Telecommunications Management Manual (STMM) as structured by the Department of Technology contains state telecommunications policies and procedures based on SAM [4500-4555](#) and Government Code Section [11534-11543](#). The STMM is continually updated to reflect current telecommunications policies and practices, and links to helpful outside resources are included throughout the STMM.

System Standby: A low power mode for electronic devices such as computers, televisions, and remote controlled devices (aka "sleep mode"). These modes save significant electrical consumption compared to leaving a device fully on and idle but allow the user to avoid having to reset programming codes or wait for a machine to reboot.

Technology Letter: Letters issued by the Department of Technology conveying official communications regarding state IT, announcing new or changes to existing IT policies and procedures, or announcing new or changes to existing state IT services or standards.

Telecommunications: Includes voice and data communications, the transmission or reception of signals, writing, sounds, or intelligence of any nature by wire, radio, light beam, or any other electromagnetic means.

Tenant Managed Services: Centralized Tier III-equivalent data center space providing participating state Agencies/state entities the ability to operate their own environment with a degree of independence in the overall management of their server infrastructure. Additionally, Agencies/state entities can plan utilization of the Tenant Managed Services (TMS) as a disaster recovery site.

Tier III-Equivalent Data Center: Data Center facility consisting of multiple active power and cooling distribution paths; however, only one path is active. The facility has redundant components and is concurrently maintainable providing 99.982% availability.

Total Planning Cost: The total planning cost is the sum of all costs associated with the planning activities conducted in Stage 2 Alternatives Analysis through Stage 4 Project Readiness and Approval.

(Continued)

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

DEFINITIONS

4819.2 (Cont. 15)

(Revised 09/2016)

Total Project Cost: The total project cost is the sum of ALL costs associated with the project planning phases (Stage 2 through Stage 4) and the project execution phase (design, development and implementation), plus one full year of maintenance and operations costs.

Validation: The process of evaluating software during or at the end of the development process to determine whether it satisfies specified requirements. [IEEE-STD-610]

Verification: The process of evaluating software to determine whether the products of a given development phase satisfy the conditions imposed at the start of that phase. [IEEE-STD-610]

Virtualization: A framework or methodology of dividing the resources of a computer into multiple execution environments, by applying one or more concepts or technologies such as hardware and software partitioning, time-sharing, partial or complete machine simulation, emulation, quality of service, and many others.

Workload Increase: Employing substantially the same resources (equipment, facilities, IT personnel, supplies, software) to process a greater volume of the same or similar information. The results of the processing are the same or similar outputs distributed to comparable users.

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

PROJECT REPORTING/OVERSIGHT
(Revised ~~347~~/201~~74~~)

4819.36

1. **Projects Approved by the Department of Technology**—Project reporting documentation submitted to the Department of Technology usually will require:
 - a. Submission of a Special Project Report (SPR) (SAM Sections [4945-4945.2](#)) to the Department of Technology and the Office of the Legislative Analyst, if:
 - 1) The total IT project costs deviate or are anticipated to deviate by ten percent (higher or lower) or more, or by more than a specifically designated amount as determined by the Department of Technology, from the last approved estimated IT project budget (to be measured against the combined total of each fiscal year's One-time Project Costs plus Continuing Project Costs);
 - 2) The last approved overall project development schedule falls behind or is anticipated to fall behind by ten percent or more;
 - 3) The total program benefits deviate or are anticipated to deviate by ten percent (higher or lower) or more from the last approved estimated total program benefits (to be measured against the combined total of each fiscal year's Cost Savings and Cost Avoidances);
 - 4) A major change occurs in project requirements or methodology;
 - 5) Any conditions occur that require reporting to the Department of Technology as previously imposed by the Department of Technology; or
 - 6) A significant change in state policy draws into question the assumptions underlying the project.
 - b. ~~Submission of the~~Development of an Independent Project Oversight Report (IPOR), (see [SIMM Section 45](#)), on a monthly basis for projects classified by the Department of Technology as medium or high criticality ~~projects and on a quarterly basis for projects classified as medium criticality~~. The Department of Technology may modify the IPOR reporting frequency based on project performance. ~~The Department of Technology may also validate the content of the IPORs for reportable projects as needed.~~
 - c. Submission of a Project Status Report (PSR), (see [SIMM Section 45](#)) on a monthly basis for projects classified by the Department of Technology as medium or high criticality, ~~quarterly for medium criticality, and semi-annually and quarterly~~ for low criticality projects unless the Department of Technology has specified a more frequent reporting period. Please see SIMM Section 05A for the PSR submittal schedule.

(Continued)

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

PROJECT REPORTING/OVERSIGHT

4819.36 (Cont. 1)

(Revised [74/20142017](#))

- d. Submission of a baselined and current Microsoft Project schedule with the submission of each PSR.
- e. Submission of a Post-Implementation Evaluation Report (PIER) (SAM Sections [4947-4947.2](#)) to the Department of Technology and the Office of the Legislative Analyst at the conclusion of the project.
- f. The Department of Technology **MAY** require submission of periodic project reports (SAM Section [4944](#)) to the Department of Technology and the Office of the Legislative Analyst.

The Department of Technology may require Agencies/state entities to submit an SPR under other circumstances, such as the Agency/state entity's failure to meet a critical milestone or a significant increase in the project's cost in any fiscal year relative to the costs that were forecast when the project was approved by the Department of Technology. Additionally, the Department of Technology may require periodic reviews to be conducted at any point during the project.

2. Projects Approved by the Agency/state entity Director—Projects for which reporting was delegated to the Agency/state director require at a minimum:

- a. Appropriate project oversight and project reporting to the Agency/state entity director in lieu of the Department of Technology, and maintenance of documentation in support of Agency/state entity decisions on the project. Documentation should be sufficient to meet the needs of outside auditors and to prepare the PIER. Project oversight activities must comply with the IT Project Oversight Framework (see SIMM Section 45).
- b. Approval of a PIER (SAM Sections [4947-4947.2](#)) by the Agency/state entity director at the conclusion of the project.
- c. Submission of an SPR (SAM Sections [4945-4945.2](#)) to the Department of Technology and the Office of the Legislative Analyst if:

(Continued)

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

PROJECT REPORTING/OVERSIGHT

4819.36 (Cont. 2)

(Revised [64/20152017](#))

- 1) Any criteria listed in SAM Section 4819.37, other than the project's cost exceeding the level the Department of Technology may have delegated to the Agency/state entity, arise during the development or implementation of the project;
- 2) A significant change in state policy draws into question the assumptions underlying the project; or
- 3) The project costs exceed or are estimated to exceed the cost level the Department of Technology may have delegated to the Agency/state entity AND one or more of the following conditions are true:
 1. The total IT project costs deviate or are anticipated to deviate by ten percent (higher or lower) or more from the estimated IT project budget (to be measured against the combined total of each fiscal year's One-time Costs plus Continuing Costs);
 2. The overall project development schedule falls behind or is anticipated to fall behind by ten percent or more;
 3. The total program benefits deviate or are anticipated to deviate by ten percent (higher or lower) or more from the estimated total program benefits (*to be measured against the combined total of each fiscal year's Cost Savings and Cost Avoidances*); or
 4. A major change occurs in project requirements or methodology.

Based on the Department of Technology's review of the Agency Information Management Strategy (see SAM Sections [4900-4900.6](#)) and its assessment of the Agency/state entity's project management capabilities, the Department of Technology **MAY** require one or more of the following additional project reporting/oversight responsibilities for projects subject to oversight by the Agency/state entity director:

1. Submission of the PAL Stage/Gate deliverables and/or approval document(s), signed by the Agency/state entity director, to the Department of Technology and the Office of the Legislative Analyst.
2. Submission to the Department of Technology of a detailed project schedule showing key milestones during the life of the project;
3. Submission of periodic project reports (SAM Section [4944](#)) or SPRs (SAM Sections [4945-4945.2](#)) to the Department of Technology and the Office of the Legislative Analyst; or

(Continued)

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

PROJECT REPORTING/OVERSIGHT

4819.36 (Cont. 3)

(Revised ~~74/2014~~2017)

4. Submission of a PIER (SAM Sections [4947-4947.2](#)) to the Department of Technology and the Office of the Legislative Analyst at the conclusion of the project.

Responsibilities and Tasks

California Department of Technology

1. The Department of Technology is responsible for developing and maintaining the state-level IT Project Oversight Framework (see SIMM Section 45), which provides the minimum requirements for IT project management, risk management, project oversight, and project reporting activities at the Agency/state entity and control agency levels.
2. The Department of Technology is responsible for assessing Agency/state entity IT project management and oversight activities to ensure compliance with state-level IT policies and standards. The Department of Technology will assess IT projects to determine the degree to which projects are ~~on~~ progressing, in accordance with the planned costs, schedule, and scope as compared to the approved project plan.
3. The Department of Technology will recommend and pursue prescriptive measures and corrective actions to minimize risk to the state and help ensure that IT projects achieve expected outcomes in accordance with the approved project plan.

Agencies/state entities

1. Agencies/state entities are responsible for developing IT strategic plans that are aligned with their business plans and ensuring that IT plans are updated as their business needs and requirements change.
2. Agencies/state entities have ultimate responsibility and accountability for the successful implementation of their IT initiatives and must implement processes and procedures to facilitate success, including appropriate project management, project delivery, and quality assurance processes and methodologies.
3. Agencies/state entities are responsible for establishing the required project management and oversight activities and functions defined in the IT Project Oversight Framework (see [SIMM Section 45](#)). Each Agency/state entity must update its project management and oversight practices to reflect changes in state policy, processes, and the IT Project Oversight Framework.

(Continued)

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

PROJECT REPORTING/OVERSIGHT

4819.36 (Cont. 4)

(Revised ~~7/2014~~2017)

4. Agencies/state entities are responsible for ensuring that projects consistently follow state-level IT oversight policies and requirements, legislative mandates, and applicable laws.
5. Agencies/state entities are responsible for providing project status information sufficient to allow the Department of Technology to meet its oversight reporting and full disclosure responsibilities.

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

(Continued)

CHAPTER 4900 INDEX (Cont. 1)

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**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

IT PROJECT OVERSIGHT

4940

(Revised ~~34~~/2017)

Department of Technology project oversight is required for all Reportable Information Technology (IT) projects, unless otherwise exempted by the Department of Technology. IT Project Oversight is required to begin on the proposed project start date as identified in the ~~CDT-issued~~ Stage 4 approval letter and must continue through the duration of the project unless other direction is ~~issued~~ provided by the Department of Technology.

Agency/state entity management must comply with IT Project Oversight Framework (see SIMM Section 45) throughout all project phases to ensure the appropriate level of independent project oversight, project management practices and project risk assessments. Compliance with the IT Project Oversight Framework may be required to begin as early as the Stage 3 Solution Development, as a condition of Stage 2 Alternatives Analysis approval.

The Department of Technology will conduct Agency/state entity, IT project management and oversight assessments designed to provide Agency/state entity management and the Department of Technology information on the progress of a project, including compliance with the minimum requirements for IT project management, project risk management, project oversight and project reporting activities at the Agency/state entity and control agency levels as outlined in the IT Project Oversight Framework (see [SIMM Section 45](#)). The Department of Technology will schedule assessments based on an established criteria.

The fundamental requirements for project oversight and evaluation are specified in SAM Sections [4819.31-4819.42](#). All projects, including projects delegated by the California Department of Technology to the Agency/state entity director, are subject to ~~those~~ these review, reporting and evaluation requirements including the requirements of SAM Section 4940. Projects that have been delegated to the Agency/state entity director in accordance with SAM Section [4819.36](#) require appropriate project reporting by the project manager to the Agency/state entity director. Project oversight services contracted by Agency/state entities or the Department of Technology must comply with the IT Project Oversight Framework (see SIMM Section 45) and the requirements outlined in SAM Section 4910. The Department of Technology may conduct assessments to ensure compliance with minimum requirements.

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

INDEPENDENT PROJECT OVERSIGHT REPORTS
(~~Created 3~~New 4/2017)

4940.1

Independent Project Oversight Reports (IPORs) are used to detail a project's progress against the project objectives, scope, schedule, and cost defined in approved Project Approval Lifecycle documents. ~~IPORs~~This report must be completed by the Department of Technology CDT-IPO Manager, who shall identify and quantify any issues and risks affecting project objectives. IPORs are required to be developed regularly based on project criticality (see SIMM Section 45).

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

CORRECTIVE ACTION PLAN

4940.2

(~~New~~Created 43/2017)

Based on the Independent Project Oversight Report (IPOR) findings, the California Department of Technology (Department of Technology) may require Agency/state entities to develop a Corrective Action Plan (CAP) for the purpose of altering the course of a task or project that may ~~have lost focus or have~~ significantly deviated from the pre-specified direction ~~it was originally intended to take~~. The CAP must be well-documented and, upon approval by the Department of Technology, be executed ~~on, to~~ get the project back on track to better align with the goals, expectations, and ultimate results laid out in the Project Approval Lifecycle and/or project management plan.

The Department of Technology will actively monitor the progress of the planned remediation actions outlined ~~and~~ in the approved CAP and document the independent assessment in the IPOR. If the Department of Technology determines that the Agency/state entity is not effectively implementing the actions outlined in the CAP, the Department of Technology ~~may~~ can take action to further escalate ~~any~~ the lack of progress and adherence to the CAP. If ~~those~~ the prior escalation efforts, ~~including the CAP,~~ fail to correct significant problems related to specified issues or risks, the Department of Technology will ~~then~~ continue escalation activities up to and including IT project suspension or termination.

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

Independent Verification and Validation
(~~Created~~ New 43/2017)

4940.3

Independent Verification and Validation (IV&V) is the process for ~~ensuring~~checking that a product, service, or system meets requirements and specifications and that it fulfills its intended purpose. Within IV&V, the term verification refers to the process of evaluating software to determine whether the products of a given development phase satisfy the conditions imposed at the start of that phase. [IEEE-STD-610]. The term validation refers to the process of evaluating software during or at the end of the development process to determine whether it satisfies specified requirements. [IEEE-STD-610]. IEEE–STD-1012 industry standards will be used to guide the IV&V activities.

When contracting for IV&V services, Agencies/state entities must use the standard Statement of Work (SOW) template (see SIMM Section 45A). Any changes to the standard ~~SOW~~Statement of Work template requires approval by the California Department of Technology.

The following IV&V requirements apply to all reportable projects, based on the project criticality rating assigned by the Department of Technology:

- IV&V services are required for all reportable projects classified as medium or high criticality and must begin on or before the proposed project start date as identified in the ~~CDT-issued~~ Stage 4 approval letter issued by the CDTDepartment of Technology and must continue through the duration of the project unless other direction is provided by the Department of Technology.
- IV&V services may be required for projects classified as low criticality at the discretion of the Agency Chief Information Officer (AIO) or the Department of Technology.
- IV&V services may be required during the Project Approval Lifecycle, as directed by the Department of Technology.
- To ensure independence, IV&V services for Agency-affiliated State Entity projects must report to the respective ~~Agency Chief Information Officer~~AIO.
- A single vendor may not provide both IV&V and Independent Project Oversight services for the same project.

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

OVERVIEW

4941

(Revised ~~6/2015~~ Removed 04/2017)

~~Once the information technology (IT) project has been approved the project may proceed, contingent upon any conditions imposed by the California Department of Technology (Department of Technology). Throughout the project phases, Agency/state entity management must follow the IT Project Oversight Framework (see [SIMM Section 45](#)) to provide the appropriate level of independent project oversight, project management practices and project risk assessments to ensure the success of the project. Compliance with the IT Project Oversight Framework may be required to begin as early as the Stage 3 Solution Development, as a condition of Stage 2 Alternatives Analysis approval.~~

~~**Post-Implementation Evaluation Report.** Following completion of each IT project, a post-implementation evaluation must be carried out by the Agency/state entity. The evaluation should:~~

- ~~1. Measure the benefits and costs of a newly implemented IT application or system against the most recently approved project objectives; and~~
- ~~2. Document projected operations and maintenance costs over the life of the application or system.~~

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

IT PROJECT OVERSIGHT AND REPORTING **4944**
(Revised 6/2015)

The California Department of Technology (Department of Technology) will conduct Agency/state entity, IT project management and oversight assessments designed to provide Agency/state entity management and the Department of Technology information on the progress of a project, including compliance with the minimum requirements for IT project management, project risk management, project oversight and project reporting activities at the Agency/state entity and control agency levels as outlined in the IT Project Oversight Framework (see [SIMM Section 45](#)). The Department of Technology will schedule assessment based on an established criteria.

Independent Project Oversight Reports ([IPORS](#)) are required to be submitted on a regular basis based on project criticality to the Department of Technology (see [SIMM Section 45](#)).

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

POST-IMPLEMENTATION EVALUATION REPORT

4947

(Revised ~~6/2015~~2017)

A post-implementation evaluation report (PIER) must be prepared~~carried out~~ by the Agency/state entity following the completion of each IT project, unless the Agency/state entity has entered into an interagency agreement with the Department of Finance's Office of State Audits and Evaluations (OSAE) under SAM Section 4943.

The PIER shall~~evaluation should~~:

1. Measure the benefits and costs of a newly-implemented IT application or system against the most recently approved project objectives; and
2. Document projected operations and maintenance costs over the life of the application or system.

~~Unless the Agency/state entity has entered into an interagency agreement with the Department of Finance's Office of State Audits and Evaluations (OSAE) under SAM Section 4943, a post-implementation assessment must be carried out by the Agency/state entity following the completion of each IT project.~~ No project is considered complete until the **Post-Implementation Evaluation Report (PIER)**, has been approved by the ~~California~~ Department of Technology (~~Department of Technology~~) or by the Agency/state entity director, as appropriate. Approval of a PIER by the Department of Technology or the Agency/state entity director, as appropriate, terminates the project reporting requirements.

If OSAE selects the project for review under SAM Section 4943, OSAE will conduct the post-implementation assessment and submit the PIER to Agency/state entity management. The Agency/state entity is required to submit the PIER to the Department of Technology within five working days after it is received from OSAE.

The post-implementation assessment must be conducted after the new IT capability has been operational for a sufficient period of time for its benefits and costs to be accurately assessed. Initial operational problems must have been resolved and sufficient experience and data must have been accumulated to determine whether the project met the proposed objectives, was completed within the anticipated time and budgetary constraints, and achieved the proposed benefits. The optimum time after implementation to conduct the assessment depends upon the nature of the project. Six months to one year after implementation is typical. The assessment **MUST** be completed within 18 months of project completion. Agencies/state entities are required to follow the instructions for preparing and submitting the PIER and Transmittal Letters, see SIMM Section 50.

CHAPTER 5100 INDEX

Note: Effective January 1, 2008, the Office of Information Security (Office) restructured and renumbered the content and moved SAM Sections 4840 – 4845 to SAM Sections 5300 – 5399. See also the Office's Government Online Responsible Information Management (GO RIM) Web site at www.infosecurity.ca.gov for statewide authority, standards, guidance, forms, and tools for information security activities.

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**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

INTERNET DOMAIN NAME POLICY
(New 5/2017)

5195

The State of California has been authorized to administer the “ca.gov” Domain Name Service (DNS) Zone by the United States General Services Administration (GSA). Web domains occupying this zone can only be acquired by an official state entity, county, city or government group within the State of California. The Government Operations Agency (GovOps) has statewide responsibility to oversee the ca.gov domain name program and the California Department of Technology will manage the registration, change, and renewal process for ca.gov domains. This policy applies to all second-level and third-level domain names within the ca.gov domain.

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

INTERNET DOMAIN NAME REQUIREMENTS

5195.1

(New 5/2017)

California Department of Technology approval is required for any state entity, city, county, and government group that requests to use the ca.gov web domain. Web domains occupying the ca.gov domain zone must comply with all of the following requirements. See SIMM Section 40A for additional information on naming conventions and protocols.

- Domain names must be owned by a California state entity, county, city, or government group.
- Domain names must be organizationally or functionally identifiable and derived from the official name of the organization.
- Domain names must be consistent with federal policy and guidelines including, but not limited to, 41 Code of Federal Regulations, Part 102-173 and the Federal Interagency Committee on Government Information's Recommendations for Federal Public Websites.
- All websites in the "ca.gov" DNS Zone must contain a direct link to www.ca.gov and must provide both general information and details on digital services to be used on www.ca.gov.

**SAM – INFORMATION TECHNOLOGY
(California Department of Technology)**

INTERNET DOMAIN NAME ANNUAL CERTIFICATION

5195.2

(New 5/2017)

All entities that use the ca.gov web domain are required to annually certify compliance with federal policy and guidelines and confirm that domain contact information is current. Any entity that fails to complete this annual certification requirement risks having their ca.gov domain name removed. See SIMM [Section 40A](#) for additional information and instructions regarding the annual certification process.

SAM - RECONCILIATIONS AND REPORTS

**YEAR-END REPORT NO. 18,
STATEMENT OF CHANGES IN CAPITAL ASSETS GROUP OF ACCOUNTS**
(Revised 6/~~44~~2017)

7977

This report accounts for changes resulting from capital asset acquisitions and dispositions during the fiscal year. Submit this report for each fund within a department, except for Fiduciary Funds, with other year-end financial reports to the SCO.

See ~~SAM~~ sections 7463 ~~and 8660 for additional information~~ for Capital Asset Group of Accounts.

See section 8660 for the information required in Report 18.

A sample of Report No. 18, Statement of Changes in Capital Assets Group of Accounts, is shown in 7977 Illustration 1.

A sample of Report No. 18, Statement of Changes in Capital Assets Group of Accounts, Beginning Balance Differential Report is shown in ~~the~~ 7977 Illustration 2.

Agency Name and Number
Statement of Changes in Capital Assets Group of Accounts - Report No.18
Fund Name and Number
As of June 30, 20XX

	<u>Beginning Balance¹</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance² June 30, 20XX</u>
CAPITAL ASSETS				
Tangible Assets				
Land (2310)	\$ 1,000,000.00	\$ -	\$ -	\$ 1,000,000.00
Buildings (2321)	1,361,000.00	500,000.00	-	1,861,000.00
Improvements Other Than Buildings (2331)	535,000.00	-	-	535,000.00
Equipment (2341)	275,600.00	100,000.00	50,000.00	325,600.00
Construction Work in Progress (2350)	500,000.00	-	500,000.00	-
Infrastructure - Depreciable (2362)	-	-	-	-
Intangible Assets				
Computer Software - Amortizable (2411)	125,000.00	-	-	125,000.00
Land Use Rights - Amortizable (2412)	100,000.00	-	-	100,000.00
Patents, Copyrights, and Trademarks - Amortizable (2413)		50,000.00	-	50,000.00
Other Intangible Assets - Amortizable (2414)		-	-	-
Land Use Rights - Non-Amortizable (2422)		-	-	-
Patents, Copyrights, and Trademarks - Non-Amortizable (2423)		-	-	-
Other Intangible Assets - Non-Amortizable (2424)		-	-	-
Internally Generated Intangible Assets in Progress (2430)	867,602.00	-	-	867,602.00
TOTAL CAPITAL ASSETS	<u>\$ 4,764,202.00</u>	<u>\$ 650,000.00</u>	<u>\$ 550,000.00</u>	<u>\$ 4,864,202.00</u>

1. ~~The ending balances should equal the debit balances on Report No. 19 for each asset type.~~ Asset beginning balances must agree with prior year ending balances. Any differences must be documented and explained in Report 18-Statement of Changes in Capital Assets Group of Account Beginning Balance Differential Report. See 7977 Illustration 2.
2. The ending balances should equal the debit balances on Report No. 19 for each asset type.

Agency Name and Number
Statement of Changes in Capital Assets Group of Accounts (Report 18)
Beginning Balance Differential Report
Fund Name and Number
As of June 30, 20XX

	(1) Prior Year Ending Balance	(2) Current Year Beginning Balance	(3) Difference	Breakdown of Difference:					(9) Restatement Amount (should agree to the difference calculated)
				(4) Assets unreported in the prior year	(5) Non-capitalizable assets reported as capital assets in the prior year	(6) Transfers from other departments (at historical cost/book value)	(7) Other amounts that make up the difference (provide description): <u>prior year asset classification was incorrect</u>	(8) <u>Other amounts that make up the difference</u> (provide description): <u>Incorrect entry was made in current year balance</u>	
Tangible Assets			\$ -						\$ -
Land (2310)	1,200,000	1,000,000	(200,000.00)				(200,000)		(200,000)
Buildings (2321)	1,661,000	1,861,000	200,000.00				200,000		200,000
Improvements Other Than Buildings (2331)	505,000	535,000	30,000.00					30,000	30,000
Equipment (2341)	335,600	325,600	(10,000.00)		(1,000)	5,000		(14,000)	(10,000)
Construction Work in Progress (2350)			-						-
Infrastructure - Depreciable (2362)		-	-						-
Intangible Assets			-						-
Computer Software - Amortizable (2411)	129,000	125,000	(4,000.00)		(4,000)				(4,000)
Land Use Rights - Amortizable (2412)	100,000	100,000	-						-
Patents, Copyrights, and Trademarks - Amortizable (2413)	50,000	50,000	-						-
Other Intangible Assets - Amortizable (2414)			-						-
Land Use Rights - Non-Amortizable (2422)			-						-
Patents, Copyrights, and Trademarks - Non-Amortizable (2423)			-						-
Other Intangible Assets - Non-Amortizable (2424)			-						-
Internally Generated Intangible Assets in Progress (2430)	847,602	867,602	20,000.00	20,000					20,000
Total	4,828,202	4,864,202	36,000	20,000	(5,000)	5,000	0	16,000	36,000

Report Instructions:

- Col. 1 - Enter Ending Balance from Prior Year Report 18.
- Col. 2 - Enter Beginning Balance from Current Year Report 18.
- Col. 3 - Compute difference between current year beginning balance and prior year ending balance.
Research posting and source documents to identify and explain the difference.
- Col. 4 - 8 Breakdown and categorize the differences in columns 4 to 8.
- Col. 9 - Compute the sum of columns 4 to 8. The amount should agree with the computed difference in column 3.

SAM – OFFICE REVOLVING FUNDS

PERMISSIBLE USES

8110

(Revised ~~25/1998~~2017)

~~Revolving funds drawn under the provisions of~~ In accordance with Government Code ~~Section section 16400~~16401 (and unless otherwise allowed in statute), revolving funds drawn under the provisions of Government Code section 16400 may only be used ~~only, in accordance with law,~~ for payment of compensation earned, traveling expenses, traveling expense advances, or where immediate payment is otherwise necessary ~~(Government Code Section 16401)~~. In determining whether immediate payment is necessary, the determining factor is whether payment could be made through the normal ~~claim processing procedure~~process of presenting claims and a State Controller's warrant issued.

Sufficient spending authority contained in the ~~(Budget Act, appropriation~~constitution, statutes, or other spending authority) must exist for the related fiscal year of the revolving fund disbursement. For a budget act item or other spending authority not available during a budget impasse in a new fiscal year, Revolving fund disbursements made prior to the enactment of the related Budget Act are not in accordance with Government Code Section 16401. Therefore, in the time period after June 30 and prior to enactment of the current year Budget Act, proper revolving fund disbursements for the prior fiscal year may be allowable; however revolving fund disbursements for the current fiscal year are not.

SAM ~~Sections sections~~ 8111–8123 detail some of the most common uses of the revolving fund.

SAM - DISBURSEMENTS

REPORTABLE PAYMENTS

8422.19

(Revised ~~12/2008~~04/2017)

~~Pursuant to Sections 6041 of the federal~~ Internal Revenue Code (IRC) section 6041 and 18631 of the CA California Revenue and Taxation Code section 18631, ~~require~~ the state is required to report certain payments made to individuals, medical and legal corporations, and partnerships when such payments total at least \$600 of miscellaneous income and \$10 of interest income, ~~respectively~~. In addition, ~~the~~ IRC ~~S~~section 6045(f) requires the ~~S~~state to report any payment to an attorney (including legal corporations) made in connection with legal services whether or not such services were performed for the payer. These payments include "gross proceeds" (i.e., lump sum payments to attorneys that consist of legal fees and amounts awarded to the client).

State policy requires that reportable payments be identified and reported through a combination of ~~electronic data accounting~~ processes, the state Uniform Codes Manual (UCM), and information provided in the Payee Data Record (STD. 204). The Department of Finance (~~DOF~~), CALSTARS Unit and the Financial Information System for California (FI\$Cal) ~~has have~~ developed and implemented appropriate procedures to facilitate such reporting, for its ~~agencies departments~~, through the Franchise Tax Board (FTB). ~~Non-CALSTARS and non-FI\$Cal agencies departments that operate their own EDP systems~~ are required to develop and implement similar reportable payment identification systems. ~~Non-CALSTARS agencies that operate in a manual accounting environment are encouraged to call the DOF, Fiscal Systems and Consulting Unit, if they have any questions.~~

The chief financial officer of each state agency department is designated as the person responsible for ensuring compliance with federal and state tax laws. Each state agency department which that makes payments from the State Treasury trust and/or agency funds will comply with the Internal Revenue Service (IRS) and the FTB annual information reporting and income tax withholding (~~W/H~~) requirements. A state agency department may arrange to have 1099s, FTB, and IRS reports prepared by a reporting agent such as FTB. However, the final responsibility will rest with the state agency department.

For the purposes of complying with the reporting requirement, each state agency department is a separate reporting entity (except for departments that use FI\$Cal). ~~Accordingly, each agency~~ shall report under its own unique Federal Employer Identification Number (FEIN). Departments that use FI\$Cal shall report under a statewide FEIN.

~~For those Some~~ departments ~~may even consider it necessary that need~~ to file separate reports for certain programs. ~~Where such separate reporting is deemed necessary, the department they~~ should apply for separate FEIN(S) for the appropriate program(s). A FEIN application (Form SS-4) is available at the IRS website: <http://www.irs.gov>. Return the completed form to the IRS.

SAM - DISBURSEMENTS

REPORTABLE PAYMENT IDENTIFICATION AND CLASSIFICATION REQUIREMENTS

8422.190

(Revised ~~06/2016~~ 04/2017)

The four items below provide the guidelines for the reportable payment requirements.

1. Required Payee Data Record form, STD. 204. See section 8422.190 Illustrations 1 and 8422.190 Illustration 2.

The purpose of the STD. 204 form is to obtain payee ~~data for~~ information for income tax reporting and to ensure tax compliance with ~~the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&TC)~~ federal and state law. The STD. 204 is required for any non-governmental entity or individual entering into a transaction that may lead to a payment from the state. Therefore, a completed, signed, and dated STD. 204 must be on file with the state before payments are disbursed. ~~The information provided in this form must be used in conjunction with reportable payment indicators in the Uniform Codes Manual (Object section, column "FBR") to select the payments that are reportable from the payment history files through electronic data processing methods (SAM section 8422.19).~~

A completed STD. 204 is necessary to determine what payments are reportable by the payee and must be attached to each contract. For non-contract transactions, ~~this form must be completed by the payee and a completed STD. 204 must be~~ retained in the state department's business services or accounting office. A completed STD. 204 is also required for Non-state employees authorized to receive travel expense reimbursements directly from departments ~~must also complete a STD. 204~~ before the reimbursement is paid.

~~Information provided by the~~ The payee will provide the following information on this form: the STD. 204 form- in accordance with Internal Revenue Code (IRC) section 6109(a) and California Revenue and Taxation Code (R&TC) sections 18646 and 18661. will include: Instructions for the payee are provided on page 2 of the form.

- a. Complete legal business name and address of the payee doing business with the state. The including-business owner's full name is required if the business is a , if a sole proprietorship. The name of the business or owner should match the name on the payee's income tax return.
- b. The pPayee entity type and the Taxpayer Identification Number (TIN) as shown. Payees must provide one of the following applicable TINs:
 1. Social Security Number (SSN)
 2. Individual Taxpayer Identification Number (ITIN)
 3. Federal Employer Identification Number (FEIN)

The TIN for individuals and sole proprietors is the ~~Social Security Number (SSN)~~ for individual and sole proprietor payees (in accordance with IRC section 6109(a))

and R&TC section 18646). Individuals who do not have an SSN and who are not eligible for one can provide their ITIN. The ITIN is a tax processing number issued by the Internal Revenue Service (IRS) through the W-7 application process. It is a nine-digit number that always begin with the number 9 (i.e., 9XX-XX-XXXX). For all other payees, the TIN is ~~and the Federal Employee Identification Number (FEIN) for all other payees.~~ Refer to the IRS website for more information on TINs.

c. ~~The r~~Residency status of the payee by indicating resident or nonresident, ~~as shown.~~ The reverse side of the STD. 204 provides instructions on page 2 provide information for making this determination. Pursuant to R&TC section 18662, ~~N~~nonresidents may be subject to state withholding at the standard rate for payment(s) that exceed \$1,500 in a calendar year ~~(R&TC section 18662)~~ unless a verification authorizing a reduced withholding amount or a waiver approved by the Franchise Tax Board (FTB) is attached to the STD. 204. To determine if withholding is required and the standard withholding rate, refer to the decision charts on the FTB website at http://www.ftb.ca.gov/individuals/wsc/decision_chart.shtml. For further information on nonresident withholding, see SAM section 8422.195.

a.d. Complete The ~~n~~name, title, e-mail address, telephone number, and dated signature of the payee's authorized representative ~~will be provided.~~ This signature certifies the accuracy of the information provided.

~~State departments may submit a request for changes to the STD. 204 (including a draft STD. 204 with the proposed changes) to the Department of Finance, Fiscal Systems and Consulting Unit, for approval. Suggested changes must be in accordance with the purpose of the form.~~

If the STD. 204 is not completed by the payee, then payment to the payee shall be reduced by the following:

- Federal backup withholding at a rate determined by the Internal Revenue Service (IRS). For more information, refer to the IRS website <http://www.irs.gov/> for IRS Publication 1281, Backup Withholding for Missing and Incorrect Name/TIN(S). Additional resources include IRS Publication 15, Employer's Tax Guide, and IRS Publication 17, Your Federal Income Tax. For questions about federal backup withholding or information reporting, contact the IRS' Information Reporting Program Customer Service Section at (866) 455-7438.
- State backup withholding of 7 percent for payments made on or after January 1, 2010 to residents or nonresidents ~~per~~ pursuant to R&TC section 18664.
- Payment may be subject to state income tax withholding if the payee indicates "nonresident" on the STD. 204 per item #13c listed above. Under circumstances where both backup withholdings and nonresident withholding apply, only backup withholding shall be required. Refer to FTB Publication 1017, ~~available~~ at <http://www.ftb.ca.gov/>; for further information.

~~Pursuant to R&TC sections 18662(d) and 18668, s~~State departments are liable for amounts not withheld, under-withheld, or not remitted to the FTB pursuant to R&TC sections 18662(d) and 18668. Information on federal and state tax withholdings is provided in SAM section 8422.195. In addition, ~~the state departments~~ s ~~is~~ are responsible for sending additional requests to those payees that fail to provide their TIN, as described in SAM section 8422.193.

2. Payments that must be reported.

a. Payments for services to medical corporations, legal service corporations, and ~~to~~ non-corporate entities (except governmental units) will be reported. These may include: fees, commissions, other forms of compensation for services (to the extent not reported on Form W-2), interest, rent, royalties, prizes, awards, and "gross proceeds" connected with legal services.

a.b. Payments are reportable if all three of the following points can be answered yes:

- (1) Payment is within the conduct of trade or business.
- (2) Payee is not a corporation (note that all payments to a] medical corporations for services provided and b] attorneys or legal services corporations including gross proceeds are reportable).
- (3) Payment is for rents, prizes, awards, or services (including construction contract services) rendered and not solely for merchandise.

b.c. The following identifies (1) the various recurring payment types that are required to be reported and (2) the box on the Form 1099 MISC in which they are to be reported:

Box 1 Rent of real or personal property.

Box 2 Royalties.

Box 3 Other income (including prizes, awards, and punitive damages not involving physical injury or sickness).

Box 4 Federal income tax withheld (backup withholding).

Box 6 Medical and health care payments, including doctors, medical corporations, dentists, audiologists, optometrists, psychologists, psychiatrists, etc.

Box 7 Nonemployee compensation.

Prizes and awards for services rendered (e.g. bonuses not reported in W-2).

Commissions to non-employees.

Commissions to real estate brokers.

Consulting fees to non-employees.

Professional fees.

Payments to entertainers.

Construction service contracts (roads, streets, buildings, etc.).

Box 14 Attorney Fees - Gross Proceeds pursuant to IRC section 6045(f); that consist of (1) amounts intended to be paid to the client; and (2) amounts intended for the attorney.

Box 16 State income tax withheld

~~e.d.~~ Interest (other than tax exempt government obligations; interest by or to nonresident aliens and most foreign entities; corporations; tax-exempt retirement plans, custodians and nominees, brokers, registered dealers in securities and commodities, and U.S. state governments, including their subdivisions and wholly-owned departments and instrumentalities) must be reported on Form 1099-INT. Form 1099-INT payments are not subject to state backup withholding.

3. Payments that are not reported.

- a. Payments to governmental entities.
- b. Payments to most corporations for goods and services. However, payments to medical corporations and legal corporations are reported.
- c. Payments for merchandise (including freight, storage, and similar charges) and utilities (such as electricity, gas, oil, water, telephone, telegraph, and similar services).
- d. Payments of non-punitive damages (for physical injury or sickness) awarded by the courts. However, ~~any~~ interest payments are-is reportable.
- e. Salaries and wages paid from the State Payroll Revolving Fund or otherwise reported on Form W-2.
- f. Scholarships, fellowships, and stipends (except where such payments are subject to the performance of services).
- g. Per diem and travel expense reimbursements are generally not considered reportable income. Refer to IRS Instructions for Form 1099-MISC on nonemployee compensation.

4. Payments that include reportable and non-reportable items.

When a payment to an individual includes both reportable and non-reportable items, state departments usually have the option of reporting the total payment or only the reportable portion. If the agreement is only for a lump sum, then the full amount will be reported (including gross proceeds paid to an attorney in connection with legal services). However, when a payment includes both interest and non-reportable principal, only the interest will be reported. When a payment to an external consultant includes a stated amount for travel expenses, per diem, or other expenses, as well as an amount for services, the total amount will be reported.

Questions regarding the determination of reportable payments and/or the use of STD. 204 should be directed to the Franchise Tax Board, Information Reporting Unit, at (916) 845-6304.

1	INSTRUCTIONS: <u>Type or print the information.</u> Complete all information on this form. Sign, date, and return to the <u>S</u> state agency (department/office) address shown at the bottom of this page, <u>Box 6</u> . Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by <u>California S</u> state agencies to prepare Information Returns (Form 1099). See <u>reverse side next page</u> for more information and Privacy Statement. <small>NOTE: Governmental entities, i.e., federal, Sstate, and local (including school districts), are not required to submit this form.</small>																																																
2	PAYEE'S LEGAL BUSINESS NAME (Type or Print as shown on your income tax return) <hr/> SOLE PROPRIETOR OR INDIVIDUAL - ENTER NAME AS SHOWN ON SSN (Last, First, M.I.) E-MAIL ADDRESS <hr/> MAILING ADDRESS BUSINESS ADDRESS <hr/> CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE																																																
3	<table border="0"> <tr> <td> ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): []-[]-[][][][][][][][][] </td> <td rowspan="3" style="vertical-align: top; padding-left: 20px;"> NOTE: Payment will not be processed without an accompanying taxpayer I.D. identification number. </td> </tr> <tr> <td> <table border="0"> <tr> <td><input type="checkbox"/> PARTNERSHIP</td> <td>CORPORATION:</td> </tr> <tr> <td><input type="checkbox"/> ESTATE OR TRUST</td> <td><input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)</td> </tr> <tr> <td></td> <td><input type="checkbox"/> LEGAL (e.g., attorney services)</td> </tr> <tr> <td></td> <td><input type="checkbox"/> EXEMPT (nonprofit)</td> </tr> <tr> <td></td> <td><input type="checkbox"/> ALL OTHERS</td> </tr> </table> </td> </tr> <tr> <td> <table border="0"> <tr> <td> <table border="0"> <tr> <td><input type="checkbox"/></td> <td>INDIVIDUAL OR SOLE PROPRIETOR OR INDIVIDUAL</td> <td>[][][][][][][][][][][]</td> </tr> <tr> <td></td> <td>SOCIAL SECURITY NUMBER</td> <td></td> </tr> <tr> <td></td> <td>Enter social security number (SSN) or individual taxpayer identification number (ITIN).</td> <td></td> </tr> <tr> <td><input type="checkbox"/></td> <td>California Revenue and Tax Code sections 10940 and 10961 <small>(SSN required by authority of)</small></td> <td></td> </tr> </table> </td> <td></td> </tr> </table> </td> </tr> <tr> <td data-bbox="230 995 337 1184">4</td> <td data-bbox="337 995 1432 1184"> <table border="0"> <tr> <td><input type="checkbox"/></td> <td>California resident - Qualified to do business in California or maintains a permanent place of business in California.</td> </tr> <tr> <td></td> <td>California nonresident (see <u>next page for more information reverse side</u>) - Payments to nonresidents for services may be subject to <u>S</u>state income tax withholding.</td> </tr> <tr> <td></td> <td><input type="checkbox"/> No services performed in California.</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Copy of Franchise Tax Board waiver of <u>S</u>state withholding attached.</td> </tr> </table> </td> </tr> <tr> <td data-bbox="230 1184 337 1394">5</td> <td data-bbox="337 1184 1432 1394"> I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the <u>S</u>state agency below. <table border="1" data-bbox="337 1268 1432 1394"> <tr> <td>AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)</td> <td>TITLE _____</td> <td>E-MAIL ADDRESS _____</td> </tr> <tr> <td>SIGNATURE _____</td> <td>DATE _____</td> <td>TELEPHONE () _____</td> </tr> </table> </td> </tr> <tr> <td data-bbox="230 1394 337 1709">6</td> <td data-bbox="337 1394 1432 1709"> Please return completed form to: Department/Office: _____ Unit/Section: _____ Mailing Address: _____ City/State/Zip: _____ Telephone: () _____ Fax: () _____ E-mail Address: _____ </td> </tr> </table>	ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): []-[]-[][][][][][][][][]	NOTE: Payment will not be processed without an accompanying taxpayer I.D. identification number.	<table border="0"> <tr> <td><input type="checkbox"/> PARTNERSHIP</td> <td>CORPORATION:</td> </tr> <tr> <td><input type="checkbox"/> ESTATE OR TRUST</td> <td><input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)</td> </tr> <tr> <td></td> <td><input type="checkbox"/> LEGAL (e.g., attorney services)</td> </tr> <tr> <td></td> <td><input type="checkbox"/> EXEMPT (nonprofit)</td> </tr> <tr> <td></td> <td><input type="checkbox"/> ALL OTHERS</td> </tr> </table>	<input type="checkbox"/> PARTNERSHIP	CORPORATION:	<input type="checkbox"/> ESTATE OR TRUST	<input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)		<input type="checkbox"/> LEGAL (e.g., attorney services)		<input type="checkbox"/> EXEMPT (nonprofit)		<input type="checkbox"/> ALL OTHERS	<table border="0"> <tr> <td> <table border="0"> <tr> <td><input type="checkbox"/></td> <td>INDIVIDUAL OR SOLE PROPRIETOR OR INDIVIDUAL</td> <td>[][][][][][][][][][][]</td> </tr> <tr> <td></td> <td>SOCIAL SECURITY NUMBER</td> <td></td> </tr> <tr> <td></td> <td>Enter social security number (SSN) or individual taxpayer identification number (ITIN).</td> <td></td> </tr> <tr> <td><input type="checkbox"/></td> <td>California Revenue and Tax Code sections 10940 and 10961 <small>(SSN required by authority of)</small></td> <td></td> </tr> </table> </td> <td></td> </tr> </table>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td>INDIVIDUAL OR SOLE PROPRIETOR OR INDIVIDUAL</td> <td>[][][][][][][][][][][]</td> </tr> <tr> <td></td> <td>SOCIAL SECURITY NUMBER</td> <td></td> </tr> <tr> <td></td> <td>Enter social security number (SSN) or individual taxpayer identification number (ITIN).</td> <td></td> </tr> <tr> <td><input type="checkbox"/></td> <td>California Revenue and Tax Code sections 10940 and 10961 <small>(SSN required by authority of)</small></td> <td></td> </tr> </table>	<input type="checkbox"/>	INDIVIDUAL OR SOLE PROPRIETOR OR INDIVIDUAL	[][][][][][][][][][][]		SOCIAL SECURITY NUMBER			Enter social security number (SSN) or individual taxpayer identification number (ITIN).		<input type="checkbox"/>	California Revenue and Tax Code sections 10940 and 10961 <small>(SSN required by authority of)</small>			4	<table border="0"> <tr> <td><input type="checkbox"/></td> <td>California resident - Qualified to do business in California or maintains a permanent place of business in California.</td> </tr> <tr> <td></td> <td>California nonresident (see <u>next page for more information reverse side</u>) - Payments to nonresidents for services may be subject to <u>S</u>state income tax withholding.</td> </tr> <tr> <td></td> <td><input type="checkbox"/> No services performed in California.</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Copy of Franchise Tax Board waiver of <u>S</u>state withholding attached.</td> </tr> </table>	<input type="checkbox"/>	California resident - Qualified to do business in California or maintains a permanent place of business in California.		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8422.190 Illustration 1

1	<p>Requirement to Complete <u>the Payee Data Record, STD. 204</u></p> <p>A completed Payee Data Record, STD. 204 <u>form</u>, is required for payments to all <u>payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state, and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file.</u> Each state agency requires a completed, signed, and dated STD. 204 on file; therefore, it is possible for a payee you <u>you</u> to receive this form from various multiple <u>various multiple</u> State agencies with which you do business.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not to <u>to</u> do business with the State <u>State</u>. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal <u>and state</u> backup withholding, and nonresident State income tax withholding. Amounts reported on Information Returns (<u>Form 1099</u>) are in accordance with the Internal Revenue Code (<u>IRC</u>) and the California Revenue and Taxation Code (<u>R&TC</u>).</p>
2	<p>Enter the payee's legal business name. <u>The name must match the name on the payee's tax return as filed with the federal Internal Revenue Service.</u> Sole proprietorships must also include the owner's full name. An individual must list his/her full name <u>as shown on the SSN or as entered on the W-7 form for ITIN.</u></p> <p>The mailing address should be the address at which the payee chooses to receive correspondence (<u>i.e. 1099 form</u>) <u>and payments.</u> Do not enter payment address or lock box information here. <u>The business address is the address of the business' physical location; do not enter the payment address or lockbox information here.</u></p>
3	<p>Check <u>the only one</u> box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation.</p> <p>The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State <u>State</u> provide their Taxpayer Identification Number (TIN). The TIN is required by the <u>California Revenue and Taxation Code R&TC Sections 18646 and 18661</u> to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the <u>Internal Revenue Code IRC Section 6109(a), and R&TC section 18662 and its regulations.</u></p> <p><u>Payees must provide one of the following TINs on this form: social security number (SSN), individual taxpayer identification number (ITIN), or federal employer identification number (FEIN).</u> The TIN for individuals and sole proprietorships <u>and individuals</u> is the <u>Social Security Number (SSN) or ITIN.</u> Only partnerships, estates, trusts, and corporations will enter their <u>Federal Employer Identification Number (FEIN).</u></p>
4	<p>Are you a California resident or nonresident?</p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State <u>State</u> income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below: Withholding Services and Compliance Section: 1-888-792-4900 E-mail address: wscs.gen@ftb.ca.gov For hearing impaired with TDD, call: 1-800-822-6268 Website: www.ftb.ca.gov</p>
5	<p>Provide the name, title, <u>e-mail address</u>, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>
6	<p>This section must be completed by the State <u>State</u> agency requesting the STD. 204.</p>

SAM – PROPERTY ACCOUNTING

FINANCIAL STATEMENT REPORTING REQUIREMENTS

8660

(Revised 6/2014~~7~~)

Capital assets will be included in year-end financial reports. Proprietary funds will report capital assets and accumulated depreciation/amortization in the funds themselves. Fiduciary funds will record capital assets (fully reserved) in the funds themselves. Departments which acquire property with resources of governmental funds will prepare a Statement of Changes in Capital Assets Group of Accounts—Report No. 18 and a Statement of Capital Assets Group of Accounts—Report No. 19.

1. ~~4.~~ The Statement of Changes in the Capital Assets Group of Accounts—Report No. 18 must be prepared for each fund within a department. This report will detail the changes from the prior year ending period to the current period capital asset balances. ~~will~~ Report 18 contains the following information for each asset type:

—
—

a. ~~a.~~ Asset beginning balances listed in A listing of asset beginning balances in General Ledger Account Number order, (e.g. for example, land, building, computer software etc.). Asset beginning balances must agree with the prior year ending balances. Any differences must be documented and explained in Report 18, Statement of Changes in Capital Assets Group of Accounts, Beginning Balance Differential Report. See section 7977 Illustration 2.

b. ~~b.~~ A listing of aAsset additions.

—~~c.~~ A listing of aAsset deductions.

c.

d. ~~d.~~ A listing of aAsset ending balances.

e. A footnote that any differences between the beginning asset balances and prior year ending balances are documented and explained in the Statement of Changes in Capital Assets Group of Accounts—Report 18, Beginning Balance Differential Report.

Capital assets previously unreported should be reported as a restatement of the beginning balance, not as an addition. A description of the adjustment and the amount of the adjustment should be included in the footnote.

f. A footnote that the asset ending balances equal the debit balances on Report 19 for each asset type.

Refer to ~~See~~ SAM section 7977 Illustrations 1 and 2 for the required report format.

2. ~~2.~~ The Statement of Capital Assets Group of Accounts—Report No. 19 must be prepared for each department. This report consolidates the information in Report 18 and will contain the following:

~~a.~~ a. A listing of ~~a~~Assets ending balances for a department, in General Ledger Account Number order, ~~(e.g. for example, land, building, –computer software etc.), for each asset type.~~

a.

~~b.~~ b. A listing of ~~the investment in these capital assets by~~The sources of the governmental funds used to acquire each.

b.

~~c.~~ c. A footnote that inventories of property were conducted in accordance with SAM section 8652.

c.

~~d.~~ d. A footnote that subsidiary capital assets records are in agreement with the general ledger control accounts. See section 8650 for property subsidiary ledgers.

Refer to SAMSee section 7978 Illustration for required report format.