

# BUDGET LETTER

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|                    |   | <b>NUMBER:</b> 23-12              |
| <b>SUBJECT:</b>    | INFORMATION TECHNOLOGY PROJECT PLANNING<br>BUDGET CHANGE PROPOSAL REPORTING REQUIREMENT | <b>DATE ISSUED:</b> July 25, 2023 |
| <b>REFERENCES:</b> | 2023 BUDGET ACT (CHAPTERS 12 AND 38, STATUTES OF 2023)                                  | <b>SUPERSEDES:</b> 22-15          |

TO: Agency Secretaries  
Agency Information Officers  
Department Directors  
Department Chief Information Officers  
Department Budget and Accounting Officers  
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

Pursuant to Government Code section 11547, the Department of Finance is required to perform fiscal oversight of the state's information technology projects. To this end, departments that received an appropriation in the 2023 Budget Act for the initiation or continuation of an Information Technology (IT) project through the [Project Approval Lifecycle](#) (PAL) Stages 1-4 are required to provide Finance quarterly Planning Expenditure Reports (DF-576).

**It is each department's responsibility to determine whether a Planning Expenditure Report is required.** If the reporting requirements are not clear for any given project, the department should contact Finance's Information Technology Consulting Unit (ITCU) at [ITCUDOCS@dof.ca.gov](mailto:ITCUDOCS@dof.ca.gov). A lack of reporting may jeopardize future project funding and all IT projects are subject to audit by Finance's Office of State Audits and Evaluations per [State Administrative Manual Section 4943](#).

## Reporting Requirements

The purpose of the DF-576 is to account for all project planning expenditures throughout the PAL process and capture metrics on how planning relates to or increases project success. The DF-576 shall include **actual** planning activities expenditures for all fiscal year(s), including but not limited to new and redirected staff, consulting services, miscellaneous IT expenses, new and/or amended contracts, a summary of planning activities, milestones accomplished or in process, and deliverables received. The DF-576 should align directly with the accounting of prior and current fiscal year(s) costs as required in the PAL Financial Analysis Worksheets.

## Submittal to Finance

Departments are required to submit the completed [DF-576](#) by email to ITCU at [ITCUDOCS@dof.ca.gov](mailto:ITCUDOCS@dof.ca.gov) by the fifth business day of the month in November, February, May, and August of each fiscal year and reflect expenditure status as of the end of the prior quarter. For example, the first report is due November 7, 2023, and should include actual expenditures from July through September 2023.

If you have any questions, please contact Rosanna Nguyen, Chief, Information Technology Consulting Unit, at [Rosanna.Nguyen@dof.ca.gov](mailto:Rosanna.Nguyen@dof.ca.gov).

/s/ Jennifer Whitaker

Jennifer Whitaker  
Program Budget Manager

Attachment