

NORTH CAROLINA DEPARTMENT OF COMMERCE	Policy # MIS-8 TITLE: Application Service Provider Policy
Effective Date: March 1, 2007 Revisions:	Administering Authority: Management Information Systems
Statutory Authority: N/A	

1.0 Purpose

This document describes data security requirements of Application Service Providers (ASPs) that engage with the NC Department of Commerce.

2.0 Scope

This policy applies to any use of Application Service Providers by the NC Department of Commerce, independent of where hosted.

3.0 Policy

3.1 Requirements of Project Sponsoring Organization

The ASP Sponsoring Organization must first establish that its project is an appropriate one for the ASP model, prior to engaging any additional infrastructure teams within NC Commerce or ASPs external to the company. The person/team wanting to use the ASP service must confirm that the ASP chosen to host the application or project complies with this policy. The Business Function to be outsourced must be evaluated against the following:

- The requester must go through Commerce purchasing and ITS e-procurement to ensure that the ASP engagement complies with department and state procurement protocols.
- In the event that NC Commerce data or applications are to be manipulated or hosted by an ASP service provider, the sponsoring organization must have explicit written authorization from the data/application owners to engage the services of the ASP provider, if the data/application owner is an entity other than the sponsoring organization. A copy of this written authorization, if required, must be provided to Commerce's Information Security Officer.
- If the ASP provides confidential information to NC Commerce, the sponsoring organization is responsible for ensuring that any obligations of confidentiality are satisfied. This includes information contained in the ASP's application. NC Commerce's legal staff should be contacted for further guidance if questions about third-party data arise. Projects that do not meet these criteria may not be deployed to an ASP.
- If the ASP will be receiving confidential information from the NC Department of Commerce, non-disclosure and vendor confidentiality agreements satisfactory to Commerce legal counsel must be obtained prior to contract acceptance.

3.2 Requirements of the Application Service Provider

The ASP engagement process includes Commerce's Information Security Officer evaluation of security requirements. Commerce's Information Security Officer may request that additional security measures be implemented in addition to the measures presented by the ASP, depending on the nature of the project. Commerce's Information Systems Security Officer may

amend these requirements over time as dictated by statute changes or department/ITS policy modification.

4.0 Enforcement

Any employee found to have violated this policy may be subject to disciplinary action consistent with Office of State Personnel and Department of Commerce policy, up to and including termination of employment. Application Service Providers found to have violated this policy may be subject to financial penalties, up to and including termination of contract.

5.0 Definitions

Terms

Definitions

Application Service Provider (ASP): ASPs combine hosted software, hardware and networking technologies to offer a service-based application, as opposed to a NC Commerce-owned and operated application. Common ASP offerings include enterprise resource planning (ERP), collaboration and sales force automation tools, but are not limited to these things.

ASP Sponsoring Organization: The group within NC Commerce that wishes to utilize the services of an ASP.

Business Function: The business need that a software application satisfies. managed by an ASP that hosts an application on behalf of the NC Department of Commerce.

6.0 Revision History