

NASD Year 2000 Glossary

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Application:

A computer program or set of programs designed to help people perform certain types of work.

Assessment:

The process of identifying core business areas and processes, completing an inventory and analyzing systems supporting the core business areas, prioritizing their conversion or replacement, identifying risks and the necessary resources.

Business Area:

A grouping of business functions and processes that result in the production of specific outputs or services.

Business Function:

A group of logically related tasks, which when they are performed, accomplish an objective.

Compliant:

See "Year 2000 Compliant."

Contingency Plan:

In the context of the Year 2000 program, a plan for responding to an interruption in Business Areas due to a Year 2000 problem. A contingency plan describes the steps the enterprise would take—including the activation of manual or contract processes—to ensure the continuity of its core business processes in the event of a Year 2000-induced system or process failure.

Defect:

A problem or "bug" that, if not removed, could cause a program to either produce erroneous results or otherwise fail.

Industry-Wide Testing:

Testing designed to show interoperability between the participants. This testing is generally a simulation of an actual business day and its events. (See "Point-to-Point and Bilateral Testing.")

Infrastructure:

The computer and communication hardware, software, databases, people, and policies supporting the enterprise's businesses and operations.

Integration Testing:

Testing two or more systems or partitions that have been previously tested independently to verify that they work not only individually but also when joined as one.

Interface:

A connection between two business systems or processes. The hardware or software needed to enable one device to communicate with another.

Inventory:

The process of determining the components that comprise an organization's systems portfolio of all applications, databases, files, and related system components that will require inspection to locate data and related data computations. In the context of a Year 2000 program, there are many types of inventories: Internal, External, Third Party, Infrastructure, and End-User. Examples of these inventories are provided.

Internal:

- ⇒ Hardware (e.g., workstations, servers, other computer systems)
- ⇒ Software – (e.g., general ledgers, accounts payable, spreadsheets, word processing, macros)
- ⇒ Automated/Embedded Systems (e.g., modems, fax machines, copiers)
- ⇒ Interfaces between items

External:

- ⇒ Customers/Clients
- ⇒ Suppliers: delivery methods, supplies, utilities, computer/Internet services providers

Third Party

- ⇒ Information providers and processing facilities (e.g., data vendors, banks, accountants, clearing firms, payroll vendors, insurance vendors)

Infrastructure

- ⇒ Physical access: elevators, sprinkler systems, security systems, card readers, telephone systems
- ⇒ Environmental: air conditioning controls, power generators, heating systems, back-up power supplies
- ⇒ General Equipment: clocks, calendars, payroll time clocks, time/date stamps, copiers, bar code equipment

End-User

- ⇒ Desktop applications, macros, etc., developed by end-users

Material Exception:

An error that changes the normal flow of control or normal behavior to the business generally could be considered material.

Mission-Critical System:

The loss of these critical functions would cause an immediate stoppage or significant impairment to core business areas. The identification of these systems is a result of a complete inventory and proper assessment.

Outsourcing:

Paying another company or individual, to provide services that an organization might otherwise have performed itself, (i.e., software development, payroll).

Parallel Testing:

Testing newly integrated systems or processes and simultaneously executing the older systems and processes for the purpose of verifying results.

Platform:

The foundation technology of a computer system. Typically, a specific combination of hardware and operating system.

Point-to-Point and Bilateral Testing:

Testing conducted between two or more businesses or systems for the purpose of testing connectivity, data flow, and functionality.

Portfolio:

In the context of the Year 2000 program, an inventory (preferably automated) of an organization's information systems and their components grouped by business areas.

Production:

The system and operational environment where the organization performs its routine information processing and business activities.

Quality Assurance:

The critical review process to guarantee that all procedures, tasks, analysis, and reporting were correctly performed.

Regression Testing:

Selective retesting to detect faults introduced during system modification.

Remediation:

To correct, convert, replace, or eliminate selected platforms, applications, databases, and utilities. Modify interfaces.

Risk Assessment:

A continuous process performed during all phases of business to provide an estimate of the damage, loss, or harm that could result from a failure to successfully obtain, develop, or continue to offer a business product, service, or system.

System Testing:

Testing to determine that the results generated by a business' systems and their components are accurate and the systems perform to specification.

Test:

The process of exercising a product to identify differences between expected and actual behavior.

Testing:

The process of executing programs to verify their functional capability and identify whether they meet user requirements during development and modification. See "Industry-Wide Testing," "Integration Testing," "Point-to-Point and Bilateral Testing," "Regression Testing," "System Testing," and "Unit Testing."

Test Facility:

A system isolated from the production environment dedicated to the testing and validation of applications and system components.

Unit Testing:

Testing to determine that individual program modules perform to specification.

Utilities:

To a business this could mean several things: 1) Computer programs designed to perform maintenance work on the system or on system components. For example, a storage backup program, a disk or file recovery program, or a resource editor. 2) The general phrase used to refer to telecommunication, electrical, gas, water and waste management services.

Year 2000 Compliant:

The information technology in use will continue to accurately process all date/time data during 1999, 2000, and throughout the 21st century in addition to accurately handling the leap year in 2000 (including, but not limited to, calculating, comparing, and sequencing).

Year 2000 Plan:

A plan that identifies a business methodology of dealing with the various components of the year 2000 Problem and its business impact. Key components of plans are: inventory, assessment, resourcing, budgeting, testing, and contingency planning.

Year 2000 Problem:

The collection and variations of potential problems that may occur when hardware, software, embedded systems, and other technological areas attempt to correctly interpret year-date data represented in 2-digit-year format.