



# State of North Carolina

## Office of the State Controller

**DAVID T. MCCOY**  
**STATE CONTROLLER**

October 8, 2010

### MEMORANDUM

**TO:** Members of the Joint Legislative Commission on Governmental Operations  
Ms. Marilyn Chism, Fiscal Research Director

**FROM:** David McCoy *David McCoy*

**SUBJECT:** Payment Card Rebate Program Reporting Requirement  
Session Law 2010-31, Section 27B.2

Session Law 2010-31, Section 27B.2 instructs the Office of State Controller to report quarterly to the Joint Legislative Commission on Governmental Operations concerning the implementation of the Payment Card Rebate Program. This public/private partnering with a financial institution would allow some vendor payments to be paid electronically on the vendor's bank issued corporate card. The State would then recoup a cash rebate issued by the financial institution based on transactions processed using the corporate card.

Unfortunately, in order to implement this program, the State Controller's Office would have to make significant and time intensive modifications to the North Carolina Accounting System (NCAS). At present, all of our accounting technical resources that would be responsible for the changes are engaged on NC Open Book and the federally mandated 3% Federal tax withholding requirement (that will become effective on January 1, 2012). No funds were made available to the OSC for this unfunded mandate. In order to meet these required mandates the Payment Card Rebate Program must be postponed at this time. The Office of State Controller will revisit this program at a later date.

Please let me know if you have any questions concerning this matter.