North Carolina Accounting System (NCAS) Update

Presented to

Joint Legislative Oversight Committee on Information Technology

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OSC Overview

OSC's mission is to serve as the public's fiscal guardian by promoting accountability and protecting the financial integrity of the State.

OSC is committed to:

- Providing exceptional enterprise accounting, disbursing, payroll, internal control and financial reporting systems that serve state agencies, employees and the public;

- Maximizing financial return by implementing a uniform statewide cash management plan and an accounts receivable program; and

- Delivering quality services that achieve efficiencies and enable partnerships that result in an exceptional customer experience.

North Carolina Accounting System Overview

The North Carolina Accounting System (NCAS) provides primary budgetary control and financial accounting to most state agencies and statewide financial reporting and information access for all agencies.

North Carolina Accounting System Components

- **NCAS Enterprise Resource Planning System (Financial Modules)**

- **NCAS Decision Support System (DSS) Data Warehouse**

- **Cash Management Control System (CMCS)**

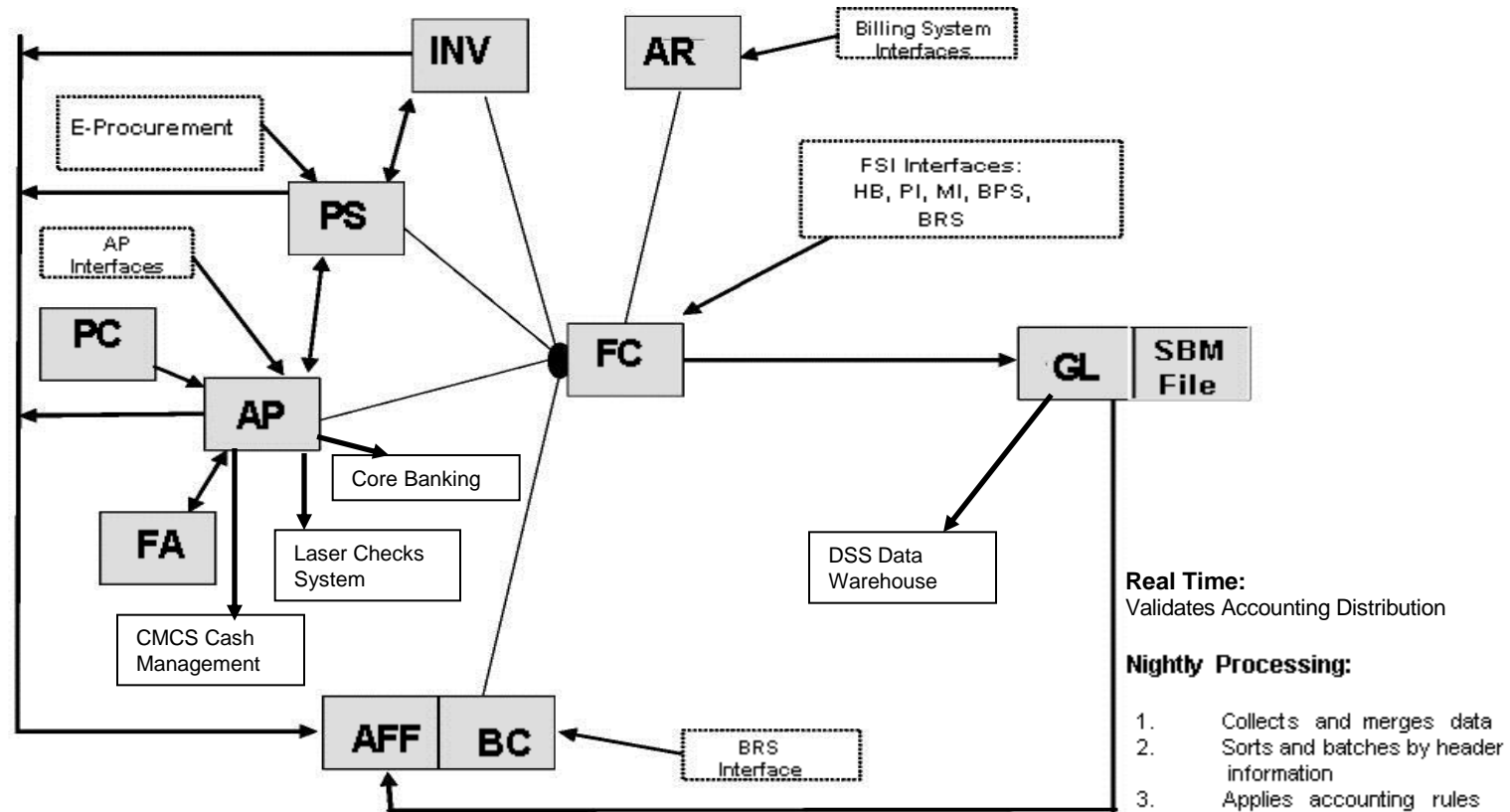- **NCAS Laser Check (secure local check printing)**

NCAS ERP System Components

NCAS is a enterprise resource planning (ERP) system that uses INFOR software on a mainframe platform. NCAS is comprised of the following modules:

- **Accounts Receivable (AR)**
- **Accounts Payable (AP)**
- **Budgetary Control (BC)**
- **Fixed Assets (FA)**
- **Financial Controller (FC)**
- **General Ledger (GL)**
- **Information Expert (IE)**
- **Inventory (IN)**
- **Procurement Card (PC)**
- **Purchasing / eProcurement (PS)**

NCAS ERP System Integration Model

NCAS and E-Procurement

Purchase to Payment Process

- Requisitions are entered into E-Procurement and interfaced to NCAS for verification and committing of funds

- Requisition approval in E-Procurement generates a purchase order which is also interfaced to NCAS for verification and encumbering of funds

- Receipts are entered into E-Procurement and interfaced to NCAS to allow for 3-way match (PO – Receipt – Invoice)

- Invoices are entered into NCAS and matched to appropriate purchase orders.

    - If the 3-way match is successful the invoice is accepted for payment processing; exceptions are directed back to buyer

- Payments are processed according to vendor payment terms and delivery settings (e-payment vs. paper check)

NCAS Payments

Current Fiscal Year to Date (July 1, 2011 – March 31, 2012)

All NCAS Payments

	Amount	Count
E-Pays	$5,358,514,186	178,440
Checks	$1,341,529,420	433,666
Inter-Gov	$ 537,922,769	10,067

NCAS Payments against E-Procurement Purchase Orders

	Amount	Count
E-Pays	$ 332,131,827	19,809
Checks	$ 310,651,083	37,103
Inter-Gov	$ 31,770,028	1,288

NCAS System Metrics

Support Statistics for FY 11

NCAS (approx. 5,500 users within 30 state agencies)

- **General Ledger Chart of Accounts - 176,986 accounts; 1,708,095 account/center combinations**
- **40,209,186 financial transactions**
- **1,532 daily, monthly and yearly standard reports; more than 970 adhoc reports**
- **183 inbound and outbound interfaces**

NCAS Decision Support System (DSS) Data Warehouse (approx. 1,100 users)

- **4307 reports updated daily, many of which include drill down capabilities**

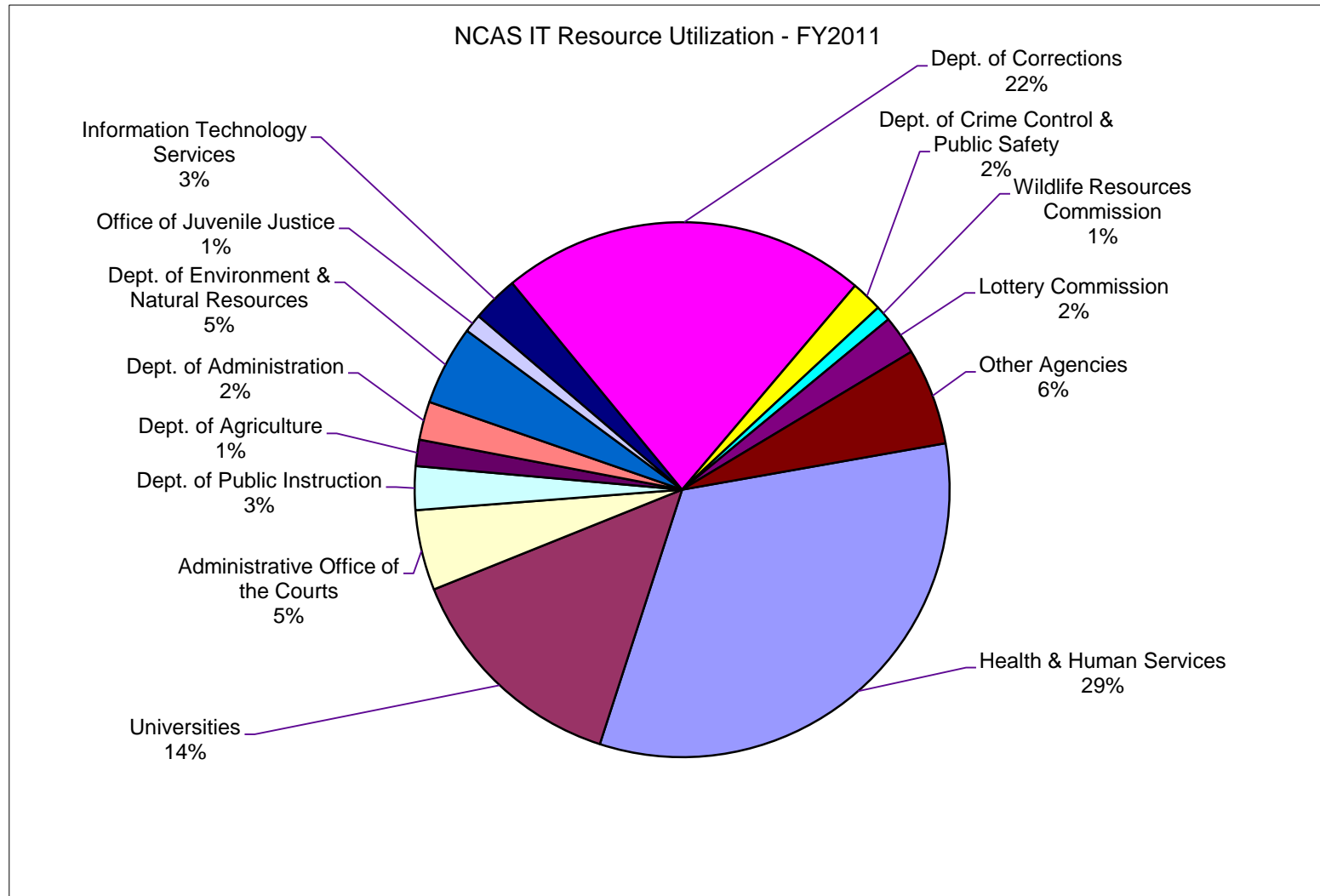**Cash Management Control System (CMCS)**

- **81,773 cash requisitions, 380,390 deposits, 138,362 transfers**

NCAS Laser Checks Payment System

- **Processed 697,655 checks totaling $3,977,887,289**

NCAS Agency Usage

NCAS IT Resource Utilization - FY2011

- Dept. of Corrections 22%
- Dept. of Crime Control & Public Safety 2%
- Wildlife Resources Commission 1%
- Lottery Commission 2%
- Other Agencies 6%
- Health & Human Services 29%
- Universities 14%
- Administrative Office of the Courts 5%
- Dept. of Public Instruction 3%
- Dept. of Agriculture 1%
- Dept. of Administration 2%
- Dept. of Environment & Natural Resources 5%
- Office of Juvenile Justice 1%
- Information Technology Services 3%

NCAS History

NCAS Implementation History

- **Cash Management Control System (CMCS)**
  - **1983**
- **Early Agency Users**
  - **DPI (1988,1991)**
  - **OSC (1991)**
  - **OSA (1992)**
  - **DOC (1993)**
- **Statewide Implementation (1995)**

AEROSPACE

HIGH TECH

AUTOMOTIVE

INDUSTRIAL MANUFACTURING

INDUSTRIAL EQUIP & MACHINERY

FOOD & BEVERAGE

CHEMICAL

DISTRIBUTION

HOSPITALITY

PUBLIC SECTOR

FASHION

HEALTHCARE

NC Infor Clients

- **NC General Assembly**
- **State of North Carolina Hospitals**
- **City of Charlotte**
- **Gaston County**
- **State Employees Credit Union (SECU)**
- **Bank of America Technology**
- **First Citizens**
- **Wachovia Operational Services**
- **Belk Department Stores**
- **Harris Teeter Food Stores**

NCAS Limitations

Older Technology

- **COBOL programming language**
- **Mainframe screens – no GUI**
- **No point-and-click technology**
- **No workflow**
- **Technical skillset required for data extraction**

Enterprise Financial Functions Excluded from NCAS

- **Banking**
- **Budgeting**
- **Grant processing (grantee and grantor)**
- **Procurement without catalogs (in use before eProcurement)**

NCAS Advantages

- **Favorable support cost ($ 3,422,183 support cost for FY 11)**
- **Highly available and stable (very limited down time)**
- **Processes substantial volume of transactions**
- **Integrated with other enterprise financial systems (CMCS, DSS, Laser Check)**
- **Interfaces with other agency enterprise systems (budget, banking, etc.)**
- **Trained and experienced agency staff**
- **Ongoing work to enhance the North Carolina Accounting System**
  - **Upgrading NCAS DSS to IBM Cognos 10**
  - **Collaborating with State Treasurer to incorporate cash management into their Core Banking System upgrade**
  - **Ongoing software enhancements**

NCAS Options for Moving Forward

Each option has its own pros and cons and implementation costs:

- **Upgrade and retain current NCAS limited-function system**

- **Implement best-of-breed systems with extensive data warehousing**

- **Implement a new limited-function ERP system**

- **Implement a new full-function ERP system**

NCAS Update Summary

- **NCAS is stable, reliable and meets the business needs of the enterprise.**

- **Electronic payments are made daily as part of the NCAS system.**

- **OSC is working towards mandating electronic payments for NCAS vendors**

- **OSC continues to enhance NCAS and related financial systems to enable and support financial best practices by the state**

Questions

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