

Financial Backbone Replacement (FBR) Project Update

2020 NC Office of the State Controller Financial Conference
December 15, 2020



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Polling Question

- How aware are you of the FBR project?
 - Very aware
 - Aware
 - Somewhat aware
 - Not aware



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Agenda

- Introducing NCFS
- Project Update
- NCFS Cash Management
- Release 1 Training Overview
- Stakeholder Engagement

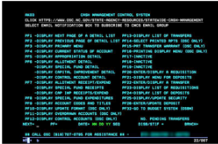
Introduction to NCFS

- The Financial Backbone Replacement Project (FBR) is an initiative of the Office of the State Controller to replace the State's current financial systems, the North Carolina Accounting System (NCAS) and the Cash Management Control System (CMCS).
- The FBR project is vital. NCAS and CMCS present existential risks to the financial operations of the State as they age, go out of support, and as the personnel who support them retire.
- The State is replacing NCAS and CMCS with the North Carolina Financial System (NCFS)
- NCFS is powered by the Oracle Cloud Financials new industry leading technology that will change how financial and accounting tasks are performed, managed and completed within State Agencies.

Introduction to NCFS

- To reduce risks and lessen impacts to the Agencies, the FBR Team is using a phased release plan; deploying NCFS in three releases rather than all at once. Today's update will focus on Release 1.

CMCS



Release 1 (April 2021)

NCAS

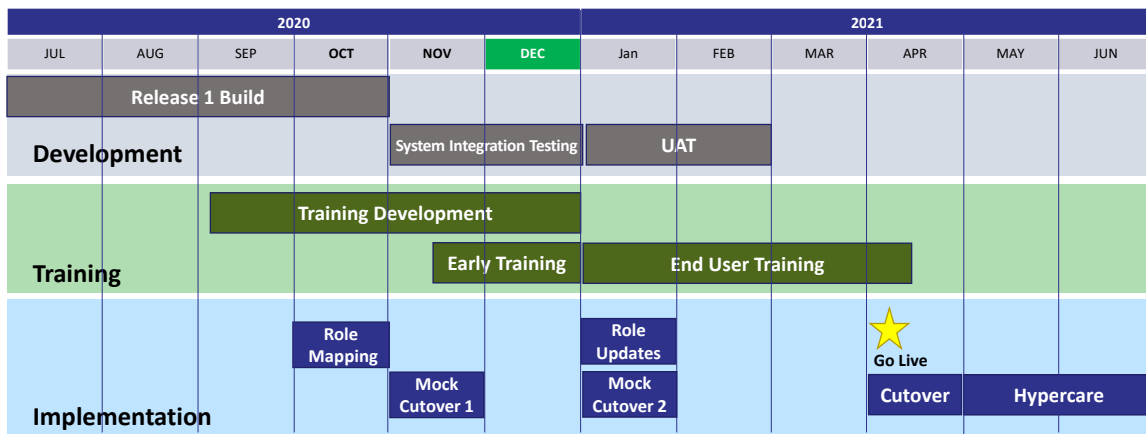


Future Release 3



Project Update

FBR Release 1 Implementation Timeline



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Project Update – Work Completed

- Completed Sprints 0 through 3
 - Sprint 3 concludes the Build Phase for Release 1
 - 18 interfaces, 4 conversions, 30+ reports for Release 1
 - Completed two mock conversions and one mock cut-over for Release 1
- Defined Release 1 user access roles - ~1,400 user role mappings received
- Re-engaged SMEs to support training, testing, and begin transition to Superuser
- Completed Release 1 System Integration Test (SIT) Cycle 1 – SIT Cycle 2 concludes on 1/13/21



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Project Update – Upcoming

- Dec-Jan: Complete System Integration Test – FBR team
- Jan-Feb: User Acceptance Test – FBR team and SMEs
- Release 1 Focus
 - Covid-19 has elevated the risk profile of Release 1
 - Translating CMCS into NCFS has been every bit as challenging as we thought it might be
 - Thank you for your engagement and support. We need your continued help to be successful

NCFS Cash Management

NCFS Cash Management – Transactional

Cash Management transactions entered in CMCS today will be done in NCFS using standard Oracle Cloud Financials General Ledger functionality

| | | |
|------------------|---|-------------------------------|
| CMCS Deposit | ➡ | NCFS GL Journal Entry |
| CMCS Requisition | ➡ | NCFS GL Journal Entry |
| CMCS Transfer | ➡ | NCFS Intercompany Transaction |

- All NCFS GL transactions will result in a balanced journal entry
 - Journal entries will require Agency, Budget Fund, GL Account
 - Debits must equal Credits – a Cash Clearing account will be used for the offset

NCFS Cash Management – Reporting

Custom BI reports have been developed for the NCFS user organizations use to identify budget code balances, list detail transaction, and pre-empt errors with exception reports.

- Budget Code Balance Reports:
 - General Fund Cash Balance Report – YTD budgetary information as well as YTD revenues and expenditures with a calculated cash balance for the reverting general fund budget codes.
 - Budget Code Balance by Type Report – Beginning cash balance with YTD revenues and expenditure with a calculated ending cash balance.
 - Capital Improvement Funds Availability Report – LTD budgetary information, revenues, expenditures, with allotment balances and cash availability.

NCFS Cash Management – Reporting (continued)

Transaction Reports:

- Deposit Report – Lists detailed deposits with bank account, deposit amount, dates, journal batch source & category, and approval status.
- Daily Disbursements (Requisition) Report – Lists detailed requisitions with disbursement account, amounts disbursed, dates, journal batch source & category, and batch approval status.
- Daily Transfers Report – Lists transfers out/in by budget code with amounts, dates, journal batch source, and “Batch Reference” notations for batch reversals. There are three tabs in this report:
 - Summary for posted transfers – by budget code type
 - Unposted transfer details
 - Posted transfer details

NCFS Cash Management – Reporting (continued)

- Daily Cash Transaction Detail Report – Provides a listing of every general ledger entry posted to a cash account by budget code with transaction type data, journal category, date, and journal.
- Exception Reports:
 - Cash Availability Report – Calculates the ending cash balance for budget codes that have pending transfers and disbursements (requisitions.) The status of the cash balance displays (sufficient vs. insufficient) by budget code.
 - Negative Budget Code Report – Lists all budget codes that have a negative cash balance after all transactions have posted.
 - Internal Transfers Exception Report – Lists all internal (within agency) transfers that have inappropriate transfer types or blank transfer types.

Getting Ready for Release 1

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Preparing our Users

- NCFS User Organization project teams
- Training
- Communications and Learning

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NCFS User Organization Preparations

- Just as we needed broad-based input for our shared FSV and Design, we need help from agencies, universities, and boards and commissions to realize that vision and those designs.
- Comprised of internal resources from each organization, members of the FBR Support Team are responsible for specific project-related activities.
- To give that work a structure we've worked with each organization to define the work and the roles needed and assign people to fill those roles to do that work.

Support Team Roles and Responsibilities



Financial Leadership

- Stay informed
- Maintain accountability

Project Coordinator

- Primary point of contact
- Communications
- Monitor and escalate

Change Agent

- Role Mapping
- Change Impacts
- Readiness

Technical Agent

- Technical Readiness
- Testing
- Interfaces

Support Team Roles and Responsibilities

Training Agent

- Student Preparation
- Student Registration

Subject Matter Expert (SME)

- User Acceptance Testing
- Training Classroom Support
- Cut-Over Activities

Security Admin

- Requestor of security roles
- Security access issues
- Sustainment

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Continuous Preparation

| | | Nov | | | | Dec | | | | Jan | | | | Feb | | | | Mar | | | | Apr | | |
|------------------------|------------------------------------|-----|----|----|----|-----|----|----|----|-----|---|----|----|-----|---|----|----|-----|---|----|----|-----|---|---|
| | | 6 | 13 | 20 | 27 | 4 | 11 | 18 | 25 | 1 | 8 | 15 | 22 | 29 | 5 | 12 | 19 | 26 | 5 | 12 | 19 | 26 | 2 | 9 |
| Project Milestones | R1 Role Mapping | | | | | | | | | | | | | | | | | | | | | | | |
| | Budget Fund Clean-Up completion | | | | | | | | | | | | | | | | | | | | | | | |
| | R1 UAT (User Acceptance Testing) | | | | | | | | | | | | | | | | | | | | | | | |
| | Prerequisites Training (dates TBD) | | | | | | | | | | | | | | | | | | | | | | | |
| | Train The Trainer (dates TBD) | | | | | | | | | | | | | | | | | | | | | | | |
| | End User Training (dates TBD) | | | | | | | | | | | | | | | | | | | | | | | |
| R1 Go Live (4/5) | | | | | | | | | | | | | | | | | | | | | | | | |
| Stakeholder Engagement | FBR APC Meetings | | | | | | | | | | | | | | | | | | | | | | | |
| | FBR UPC Meetings | | | | | | | | | | | | | | | | | | | | | | | |
| | FBR Change Agent Meetings | | | | | | | | | | | | | | | | | | | | | | | |
| | FBR Training Agent Meetings | | | | | | | | | | | | | | | | | | | | | | | |
| | FBR SME Engagement Meetings | | | | | | | | | | | | | | | | | | | | | | | |
| | FBR End User Information Sessions | | | | | | | | | | | | | | | | | | | | | | | |
| | Agency Touchpoints | | | | | | | | | | | | | | | | | | | | | | | |
| | Change Readiness Survey | | | | | | | | | | | | | | | | | | | | | | | |
| | Change Impact Planning @ agencies | | | | | | | | | | | | | | | | | | | | | | | |
| | NCFS Noon Time Knowledge | | | | | | | | | | | | | | | | | | | | | | | |

TBD: actual dates to be determined

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Polling Question

- Do you know who the support team is for your organization?
 - Yes, I know who all of them are
 - Yes, I know who some of them are
 - No, I don't know who any of them are
 - My organization will not be using NCFS
 - Not applicable







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Release 1 Curriculum

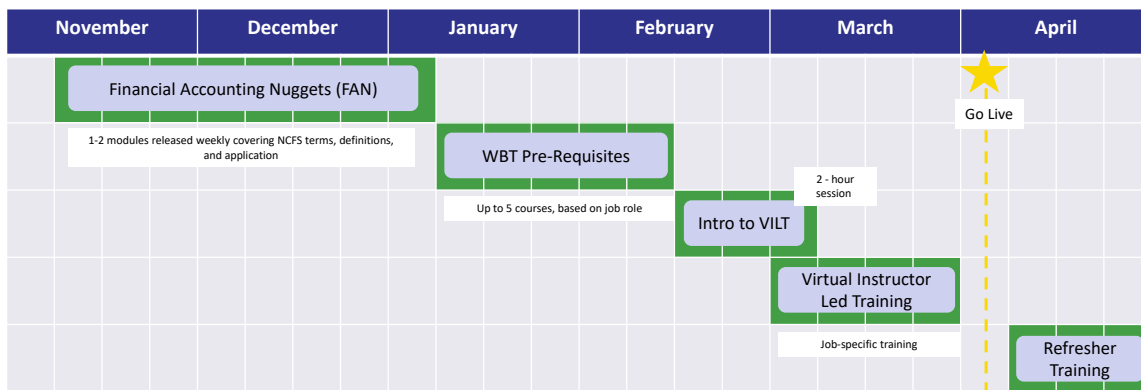


| November - January | January - February | March | March |
|---|--|---|---|
|  Micro Learning (FAN) |  Web-Based Training (WBT) |  Virtual Instructor-Led Training (VILT) |  Quick Reference Guides (QRG) |
| <ul style="list-style-type: none"> • FAN100 – Financial Accounting System Basics • FAN101 – General Ledger and Sub-Ledger • FAN102 – Cash vs. Accrual • FAN103- Assets and Liabilities • FAN104 – Balance Sheet • FAN105 – Revenues and Expenditures • FAN106 – Operating/Income Statement • FAN107 – Budget • FAN108 – Receipts and Disbursements • FAN109 – Chart of Accounts | <ul style="list-style-type: none"> • GEN101 – Overview of NCFS • GEN102 – Navigation of NCFS • GEN103- NCFS Common Features • GEN104a – Introduction to North Carolina Chart of Accounts • GEN105: NCFS Reporting <p style="text-align: center;"><i>The courses below will be delivered as WBT in March:</i></p> <ul style="list-style-type: none"> • BU100a – Budget Setup and Management • BU101a – Introduction to Budget Management | <ul style="list-style-type: none"> • VILT100 – Introduction to VILT Learning • GL100a – Journal Entry • GL101a – Journal Approval • IC100a – Transfer Creation • IC101a - Transfer Approval | <ul style="list-style-type: none"> • Basic Navigation • Budget Management • Create JE • Create banks, branches, bank accounts • Create inbound and outbound transactions in intercompany module • Perform auto/manual reconciliation • How to run a BIP Report • OTBI Report and Dashboard Creation • EPRCS Reporting • BI Publisher Report Creation • SmartView Overview • SmartView Reporting |

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End User Training Timeline

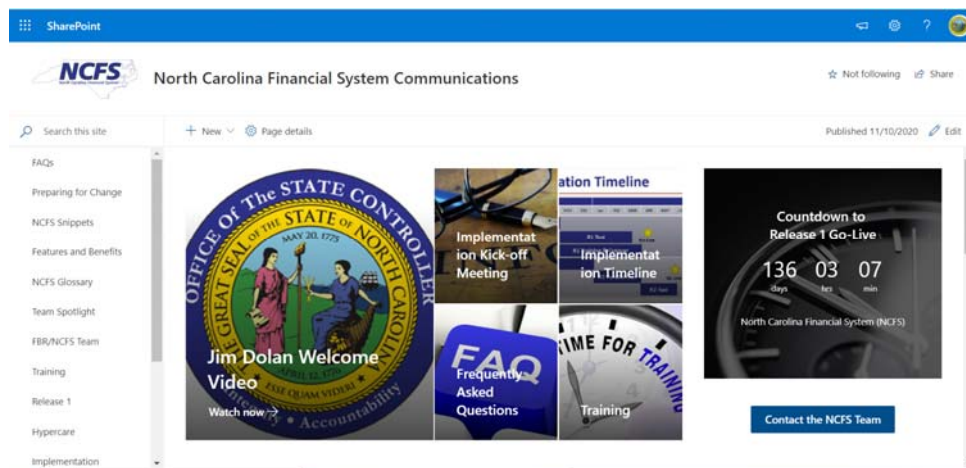


Sessions based on where we see users experiencing problems

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NCFS SharePoint Site



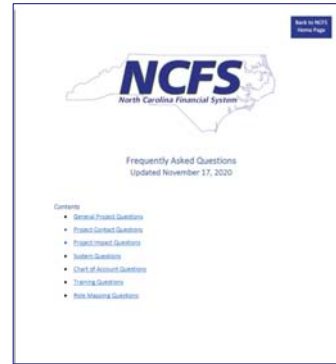
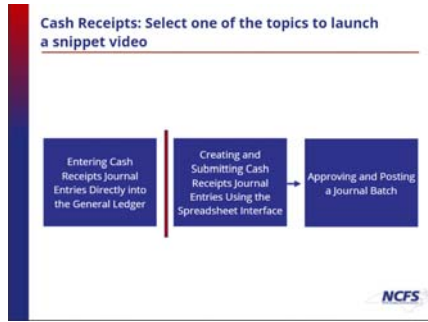
Click the image to access the NCFS SharePoint Site

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The NCFS SharePoint site is where you can find the most up-to-date information on FBR and NCFS *(click the image to view)*

- Want to see NCFS in action? Check out the NCFS Snippets:
- Looking for some quick answers? Check out our project FAQs:



The NCFS SharePoint site is where you can find the most up-to-date information on FBR and NCFS *(click the image to view)*

- Need to contact a Training Agent or Change Agent? We have them listed:
- Miss a newsletter? We have them in our Newsletter Archive:

| Agency Training Agents | | |
|------------------------|---------------------|-------------------|
| Agency | Training Agent Name | Email |
| AJR | Shirley MacDonell | smacdon@ncfs.com |
| AJR | David Ho | dho@ncfs.com |
| AJR | Sandra Ponce | sponce@ncfs.com |
| AJC | Angela Johnson | ajohn@ncfs.com |
| AJC | Sue Cunningham | scun@ncfs.com |
| Comme | Cheryl Davis | cdavis@ncfs.com |
| Comme | Laura Parker | lparker@ncfs.com |
| Comme | Patsy Shaw | pshaw@ncfs.com |
| DCL | Lorena Barner | lbarner@ncfs.com |
| DWH | Carleen Cole | ccole@ncfs.com |
| DIT | Beth Lane | blane@ncfs.com |
| DIT | Brack Hamilton | bham@ncfs.com |
| DIT | Mark Nease | mnease@ncfs.com |
| DNR | Devin Crocker | dcrocker@ncfs.com |
| DOL | Angela Chafarovich | achafar@ncfs.com |
| DOL | Stephanie Fisher | sfisher@ncfs.com |

| Agency Change Agents | | |
|----------------------|--------------------|-------------------|
| Agency | Change Agent Name | Email |
| AJR | Billy Hinton | bhinton@ncfs.com |
| AJC | Angela Johnson | ajohn@ncfs.com |
| AJC | Rae Jennings | raejenn@ncfs.com |
| Comme | Sue Cunningham | scun@ncfs.com |
| Comme | Heather Hester | hhester@ncfs.com |
| DCL | Renae Sun | rsun@ncfs.com |
| DWH | Deag Wills | dewills@ncfs.com |
| DIT | Beth Lane | blane@ncfs.com |
| DIT | Brack Hamilton | bham@ncfs.com |
| DIT | Mark Nease | mnease@ncfs.com |
| DNR | Devin Crocker | dcrocker@ncfs.com |
| DOL | Angela Chafarovich | achafar@ncfs.com |
| DOL | Stephanie Fisher | sfisher@ncfs.com |



The NCFS SharePoint site is where you can find the most up-to-date information on FBR and NCFS *(click the image to view)*

- Want view the timeline for the current release? Check out the Release 1 Implementation timeline.
- Not sure what the upcoming release will bring? Check out the Release 1 Change Impacts.

