



# NEW STATE CHART OF ACCOUNTS RELEASE 1

## JOB AID CM-16

CM

The purpose of this Job Aid is to provide information on the New State Chart of Accounts in the North Carolina Financial System.

### Introduction

This Quick Reference Guide (QRG) provides General Ledger (GL) users with conceptual information of the Release 1 North Carolina Financial System (NCFS) Chart of Accounts (COA).

### Overview

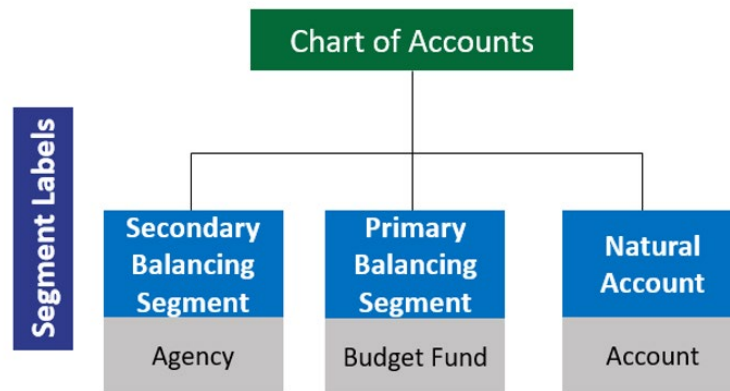
The State's Chart of Accounts provides a uniform structure and format used for categorizing, accounting, and reporting on transactions. The COA also organizes finances and segregates expenditures, revenue, assets, and liabilities to provide a better understanding of organizations' financial standing. The current NCAS COA consists of Company, Account, and Center; and the CMCS chart consists of Budget Code. The NCFS COA for Release 1 will consist of 3 segments keyed by users: Agency, Budget Fund, & Account. Additional segments will be visible with a default value and will be used in Release 3 when NCAS is replaced.

### Key Terms

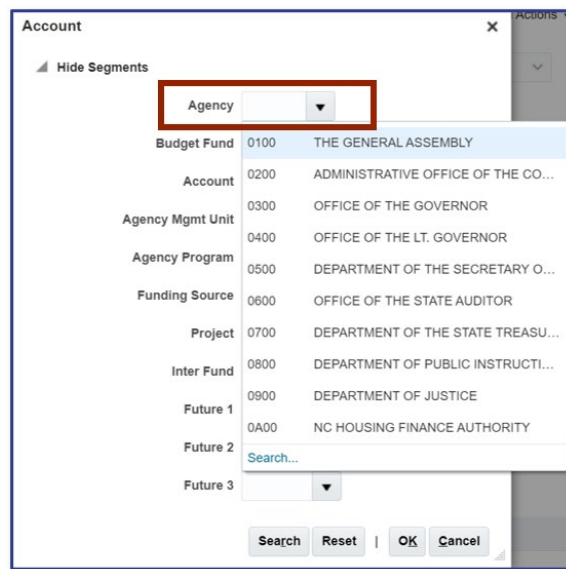
Key Term	Description
<b>Account</b>	The Account segment contains values that represent whether the transaction line is a revenue, expenditure, or cash transaction. For NCFS Release 1, Revenues and Expenditures are recorded at the highest level. Accounts are classified as Assets, Liabilities, Equity, Revenues, or Expenditures.
<b>Agency</b>	The Agency segment is a number assigned to represent a State Entity. It consolidates the multiple companies used in NCAS.
<b>Primary Balancing Segment</b>	The Primary Balancing Segment is the second segment (Budget Fund) in the Accounting Flexfield and holds the value in which all journals balance and drives Intercompany balancing.
<b>Natural Account</b>	The Natural Account holds the traditional "chart of accounts" values, which determine account types and this segment holds attributes that determine whether accounts are Assets, Liabilities, Equity, Revenue, or Expense.
<b>Secondary Balancing Segment</b>	The Secondary Balancing Segment enables the system to enforce balancing of debits and credits at a second level. The Secondary Balancing Segment for NCFS is Agency.

**New State Chart of Accounts Release 1 Overview**

In Release 1, NCFs has three COA segments being implemented: Agency, Budget Fund, and Account. The Chart of Accounts has Segment Labels or Types which are dimensions needed to properly classify and report the accounting related to a transaction (these are the blue boxes in the image below.) The COA also has “segment names” which are in the gray boxes below. The Primary Balancing Segment is the first segment in the Accounting Flexfield and holds the value in which all journals balance and drives Intercompany balancing. The Primary Balancing Segment is the Budget Fund and is the level where debits and credits must equal. This segment also drives interfund balancing. The Secondary Balancing Segment is the Agency, and debits and credits must also balance at this level. The Natural Account is the Account and contains values that represent the type of information being keyed on the transaction line: asset, liability, revenue, or expenditure.



**Agency:** The “Agency” segment is a 4-digit value that is defined as the secondary balancing segment. The COA Agency segment contains departments/agencies, universities, community colleges, boards, and commissions.



**Agency Search Options**

**Budget Fund:** In NCFS Release 1, the budget fund represents a Budget Code. For Release 1, the Budget Fund title references the 5-digit Budget Code number as well as an Agency abbreviation.

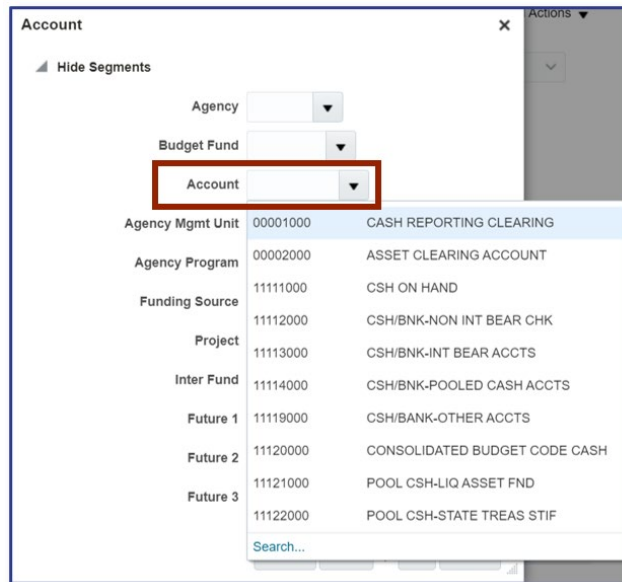
The screenshot shows a web interface for selecting an account. At the top, there is a 'Budget Fund' dropdown menu, which is highlighted with a red box. Below it, a list of account options is displayed, each with a 5-digit code and a description. The options are:

Account	Description
000042	UNCC CMCS 00042 CLEARING
000043	UNCC CMCS 00043 CLEARING
011000	GENAS CMCS 11000 CLEARING
012000	AOC CMCS 12000 CLEARING
012001	AOC CMCS 12001 CLEARING
013000	GOV CMCS 13000 CLEARING
013001	GOV CMCS 13001 CLEARING
013005	GOV CMCS 13005 CLEARING
013006	GOV CMCS 13006 CLEARING
013010	NCHFA CMCS 13010 CLEARING

At the bottom of the interface, there are buttons for 'Search', 'Reset', 'OK', and 'Cancel'.

***Budget Fund Search Options***

**Account:** Account is an 8-digit value, and the Segment label is the Natural Account. The account is the object or line item in the budget or financial statements such as assets, liabilities, revenues, or expenditures.



*Account Search Options*

## Applying the Chart of Accounts in North Carolina Financial System (NCFS)

This section focuses on how the COA is used in NCFS. There are two focus areas: transacting in NCFS and Reporting in NCFS.

### Transacting in NCFS

Transactions are entered in NCFS as journal entries. The Chart of Accounts segments are entered for each journal entry when a GL Journal Entry user enters journal line information (see image below).

Users input the agency which specifies which organization is creating the entry. The budget fund is the primary balancing budget, which means that in NCFS the system balances debits and credits at the budget fund level. For NCFS Release 1, one Budget Fund has been created for each Budget Code. The Budget Fund number is the Budget Code number with a "0" in front. Account in NCFS specifies which account type (i.e., revenue clearing account, expenditure clearing account). Any transaction will require the completion of at least two journal lines.

Journal Lines ?

Actions View Format + [Icons] Detach Wrap

Line	* Account	Entered (USD)		Description
		Debit	Credit	
▶ 1				
▶ 2				
<b>Total</b>				

*Journal Line Section of an NCFS Journal Entry*

Journal ? Show More

Journal [Field]  
 Description [Field]  
 \* Ledger NC CASH US  
 \* Accounting Date 6/30/20  
 \* Category [Field]

Journal Lines ?

Actions View Format + [Icons] Detach Wrap

Line	* Account
▶ 1	
▶ 2	
<b>Total</b>	

Columns Hidden 11

Account

Hide Segments

Agency [Dropdown]  
 Budget Fund [Dropdown]  
 Account [Dropdown]  
 Agency Mgmt Unit [Dropdown]  
 Agency Program [Dropdown]  
 Funding Source [Dropdown]  
 Project [Dropdown]  
 Inter Fund [Dropdown]  
 Future 1 [Dropdown]  
 Future 2 [Dropdown]  
 Future 3 [Dropdown]

Search Reset | OK Cancel

*Journal Line Section of an NCFS Journal Entry*

## Reporting in NCFS

There are four main transaction reports in NCFS:

- Deposits Report
- Daily Disbursements
- Transfer Availability Report
- Cash Availability Report

The COA segments are key components to these reports as they provide information by budget code at the agency level. The Account field on Journal Entry screen contains the entire accounting string and is crucial to ensure system balances, including available cash, are reported accurately.



## Wrap Up

The NCFS Chart of Accounts (COA) is designed to provide additional levels of detail, much of which will not be realized until Release 3. For Release 1, users will need to enter an Agency, Budget Fund, and Account value for all journals. Also, for Release 1, a Budget Fund represents a Budget Code, and the Account represents the type of accounting transaction being recorded. The information entered for a transaction will drive enhanced system reporting on all cash related transactions.

## Additional Resources

For more information on the Chart of Accounts, please review the following materials:

### Web Based Training (WBT)

- GEN 104: Chart of Accounts Overview

### Instructor Led Training (ILT)

- GEN 104: Chart of Accounts Overview

### Quick Reference Guides (QRGs)

- NCFS Go-Live Chart of Accounts crosswalk between CMCS and NCFS Release 1