

Financial Backbone Replacement (FBR) Project Update

2021 NC Office of the State Controller Financial Conference
December 15, 2021



1

Agenda

- Introduction to FBR and NCFS
- Where We've Been
 - Release 1 in Review
 - Release 2 in Review
- Where We're Going
 - Release 3 Plans
 - Schedule
- Where to get more information



2

2

Polling Question

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



3

3

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.
- NCFS will change how financial and accounting tasks are performed, managed and completed within State Agencies.



4

4

Where We've Been



5

5

NCFS Release 1 in review – Cash Management



NCFS IS DEPLOYED

- R1 April 5, 6:30a
- Replaced CMCS for all 1500+ users
- CMCS data is now read-only access

CHALLENGES OVERCOME

- System performance
- R1 remaining challenges: reporting, interfaces, transactions

READY FOR R3

- Greater visibility to remaining work
- New project team members

MAJOR ACCOMPLISHMENTS

- 30+ years of hidden custom logic
- Virtual training

WHAT WORKED WELL

- TOP NOTCH Team with years of experience
- Leadership Support
- Hypercare & User Support
- Organizational Change Management

6

6

Release 2 in Review - ACFR



WHAT'S WORKED WELL

- TOP NOTCH Team with years of experience
- Parallel Run

GO-LIVE

- Production Cutover July 26
- Go/No-Go July 30

CHALLENGES

- Rounding
- Availability of key resources

RELEASE 2 SCOPE

- Compilation of the Annual Comprehensive Financial Report (ACFR)
- Replaces very manual process

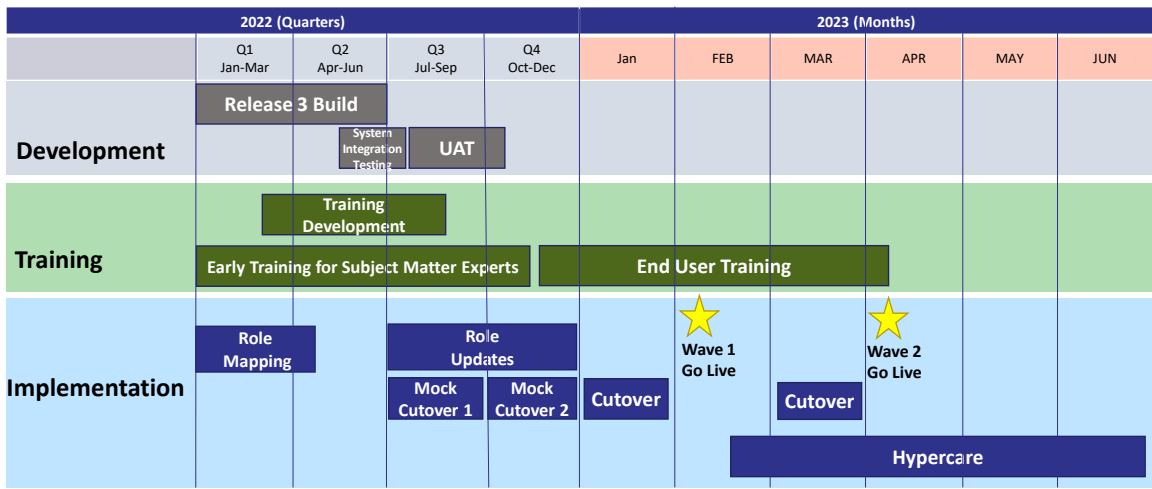
SUCCESSFUL COMPILATION

- FY21 ACFR was completed within a few days of normal schedule



Where We're Going

FBR Release 3 Implementation Timeline



R3 Preparation and Plans



Benefits

Mitigation of the risk presented by NCAS and CMCS as they go out of support

- **Single entry for cash**
Elimination of redundant data entry across multiple systems
- **Better reporting**
Modern reporting tools for a variety of users, leveraging a more robust data model
- **Improved efficiencies**
Excel integration to upload transactions and download reports. Attach documents and files to transactions.

Key Decisions

Projects & Grants

- Expanded coding block with dedicated segments for projects
- Hierarchies to make it easier to aggregate projects under a single award

Conversion Scope

- Prior year monthly GL balances
- Current year GL detail transactions
- Open purchase orders
- Assets
- Inventory items and warehouses



R3 Preparation and Plans (cont.)

Risks	Mitigations
<p>Unknowns</p> <ul style="list-style-type: none"> • Hidden special logic in NCAS and business processes • Differences between how we work and how Oracle applications work 	<p>Engage SMEs earlier and more deeply to try to uncover hidden issues</p> <p>Be open minded to new ways of working, and engage Oracle to help with requirements unique to State government</p>
<p>IE Reports</p> <ul style="list-style-type: none"> • Hundreds of reports accumulated over decades that may or may not be used today, and that cannot be completely rebuilt 	<p>Identify IE reports that are used as interfaces</p> <p>Build agency reporting skills and capabilities during the project</p> <p>Leverage enhanced inquiry and Excel integration to meet information needs</p>
<p>Time and Effort</p> <ul style="list-style-type: none"> • Once in a generation change that will require combined, total State effort 	<p>The success of Release 3 will depend on the people who work on it, and the time, effort, and experience they bring to it</p>



R3 Integration Work

Key Considerations

- Establish connectivity with organizations application for file transfers early on
- Would like to get sample files for testing early on
- Explore use of Excel based upload
- All Chart of Account, COA, values interfaced into NCFS must be valid values
- Driving to a single file format /layout for interface organizations

R3 Scope

All NCAS & Interface agencies

Upcoming Work

- Technical point of contact for establishing connection and getting a sample file
- Discussion on Valid COA values
- Discussion on new file format/layout

Polling Question

- Do you know where to go to get the most up to date information on the FBR Project?
 - Y
 - N



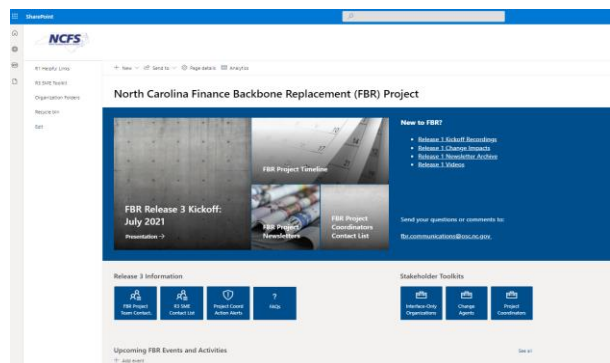
13

13

NCFS R3 SharePoint

Financial Backbone Replacement (FBR) Communications Site

- Home Site
- NCFS updates
- Newsletters
- Project Coordinators List
- Toolkits
 - Interface Only
 - Project Coordinators
 - Subject Matter Experts
 - Change Agents
- All audiences



<https://nconnect.sharepoint.com/sites/FBRComms/SitePages/Home.aspx>

14

14