



North Carolina Department of Health and Human Services Office of the Controller

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MEMORANDUM #2011-5

To: Division Directors
Division Budget Officers

From: Laketha M. Miller *Laketha M. Miller*

Date: November 19, 2010

Subject: Implemented Changes to the North Carolina Accounting System (NCAS)

Effective November 1, 2010 the Office of the State Controller (OSC) implemented changes to the North Carolina Accounting System (NCAS) to accomplish changes outlined by the Office of State Budget and Management (OSBM), OSC, and the Office of Economic Recovery and Investment (OERI) in a memo dated June 25, 2009. These modifications are necessary in order to accommodate the tracking of state spending for purposes of Executive Order 4 (OpenBook Government for North Carolina) and for the American Recovery and Reinvestment Act (ARRA) funds. Other systems affected include the Interactive Purchasing System (IPS) at the Department of Administration, NC E-Procurement, the Grants Information Center (GIC), and the Community Resource Information System (CRIS).

The largest impact of these changes on the DHHS divisions involves payments made to grantees and other recipients as recorded in the 536xxx series of accounts in NCAS. All payments recorded to the 536XXX range are impacted. However, only account numbers 536CAA – 536HAA and 536JAA now require additional pieces of information in order for the system to process the payment. This additional information includes an indicator for tracking ARRA spending, as well as an indicator to uniquely identify the grant for which the payment is being made.

OSBM and OSC have been working directly with budget officers and grants administrators regarding registering grants and ARRA funds so that the new required indicators are available. In many cases, the need for one of these indicators is dependent upon which NCAS account is used when recording the payment. Several divisions have attempted to make grant payments that are not intended to be subject to these changes, but which have nevertheless been halted because they are being recorded to an NCAS account that is subject to the new requirements. These grants will need to be budgeted and recorded to different NCAS accounts. That process will need to be accomplished by division budget officers in coordination with the DHHS Division of Budget & Analysis. OSBM has implemented a temporary solution that will allow grant payments to continue through the use of “dummy” indicators through December 31, 2010. Information on the use of these dummy indicators will be forthcoming.

As these issues are resolved, if you have questions about payments for your division we ask that you work through your division budget officer in contacting the DHHS Controller's Office General Accounting or Program/Benefits Payments Branch Head for your division, as applicable. If you are unable to reach the appropriate Branch Head, you may also contact Robbie Alford (715-8985) for General Accounting payments or Jack Chappell (733-0169) for Program/Benefits payments.

Payments to grantees and other recipients are an important aspect of the services of DHHS and we will work diligently with you to ensure that those processes are accomplished as efficiently as possible.

cc: DHHS Executive Committee
DHHS Office of the Controller