

CM-16 New State Chart of Accounts - Release 1

Purpose

The purpose of this Quick Reference Guide (**QRG**) is to provide information on the New State Chart of Accounts in the North Carolina Financial System (**NCFS**).

Introduction and Overview

This QRG provides General Ledger (GL) users with conceptual information of the Release 1 NCFS Chart of Accounts (COA). 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
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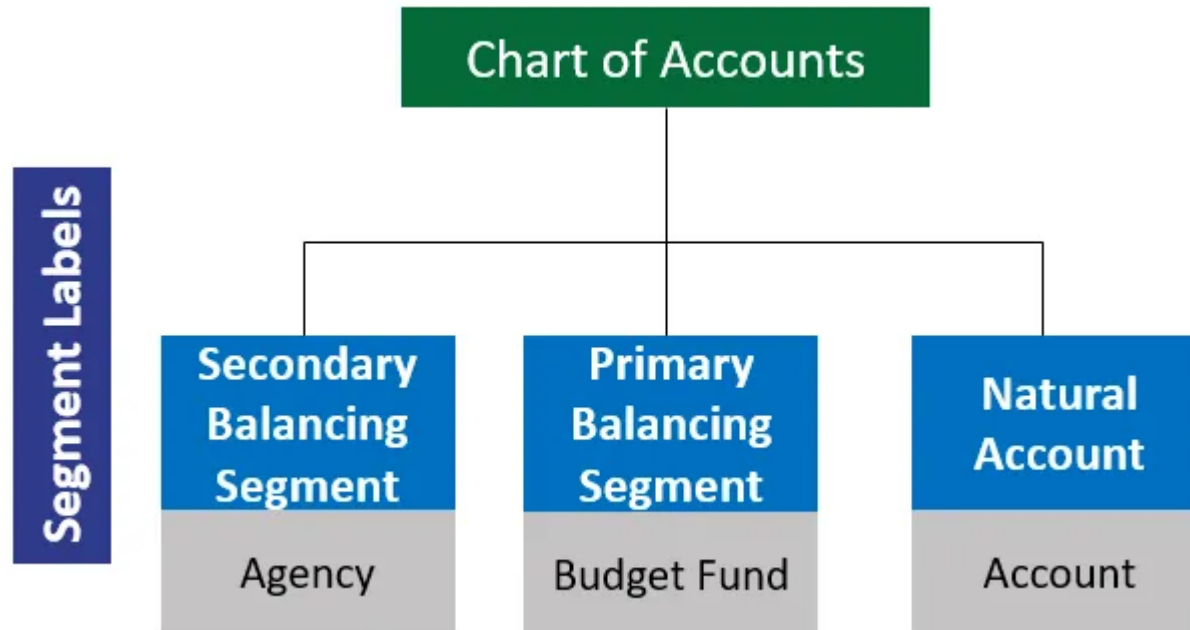
Account	The Account segment contains values that represent whether the transaction line is a revenue, expenditure, or cash transaction. For NCFS Release 1, Revenues and Expenditures are recorded at the highest level. Accounts are classified as Assets, Liabilities, Equity, Revenues, or Expenditures.
Agency	The Agency segment is a number assigned to represent a State Entity. It consolidates the multiple companies used in NCAS.
Primary Balancing Segment	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.
Natural Account	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.
Secondary Balancing Segment	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.

Image



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.

Image

Account

Hide Segments

Agency

Budget Fund

Account

Agency Mgmt Unit

Agency Program

Funding Source

Project

Inter Fund

Future 1

Future 2

Future 3

Search...

Search Reset OK Cancel

Agency	Budget Fund
0100	THE GENERAL ASSEMBLY
0200	ADMINISTRATIVE OFFICE OF THE CO...
0300	OFFICE OF THE GOVERNOR
0400	OFFICE OF THE LT. GOVERNOR
0500	DEPARTMENT OF THE SECRETARY O...
0600	OFFICE OF THE STATE AUDITOR
0700	DEPARTMENT OF THE STATE TREASU...
0800	DEPARTMENT OF PUBLIC INSTRUCT...
0900	DEPARTMENT OF JUSTICE
0A00	NC HOUSING FINANCE AUTHORITY

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.

Image

Account

Hide Segments

Agency

Budget Fund

Account

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

Search...

Search Reset OK Cancel

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.

Image

Account

Hide Segments

Agency

Budget Fund

Account

Agency Mgmt Unit 00001000 CASH REPORTING CLEARING

Agency Program 00002000 ASSET CLEARING ACCOUNT

Funding Source 11111000 CSH ON HAND

Project 11112000 CSH/BNK-NON INT BEAR CHK

Inter Fund 11113000 CSH/BNK-INT BEAR ACCTS

Future 1 11114000 CSH/BNK-POOLED CASH ACCTS

Future 2 11119000 CSH/BANK-OTHER ACCTS

Future 3 11120000 CONSOLIDATED BUDGET CODE CASH

11121000 POOL CSH-LIQ ASSET FND

11122000 POOL CSH-STATE TREAS STIF

Search...

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.

Image

The screenshot shows the 'Journal Lines' interface. At the top, there's a toolbar with 'Actions', 'View', 'Format', and various icons. Below this is a table with the following columns: 'Line', 'Account', 'Entered (USD)', 'Debit', 'Credit', and 'Description'. The table has two rows, labeled '1' and '2', and a 'Total' row at the bottom. The 'Account' column for line 1 is highlighted with a blue selection bar.

Image

The screenshot shows the 'Journal' interface with an 'Account' dialog box open. The dialog box has a 'Hide Segments' checkbox and several dropdown menus for selecting account details: 'Agency', 'Budget Fund', 'Account', 'Agency Mgmt Unit', 'Agency Program', 'Funding Source', 'Project', 'Inter Fund', 'Future 1', 'Future 2', and 'Future 3'. At the bottom of the dialog are 'Search', 'Reset', 'OK', and 'Cancel' buttons. The background shows the 'Journal' interface with fields for 'Journal', 'Description', 'Ledger' (NC CASH US), 'Accounting Date' (6/30/20), and 'Category'. Below these is the 'Journal Lines' table, which is partially visible.

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

- Web Based Training (WBT)
 - [GEN104: Chart of Accounts Overview](#)

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