



# State of North Carolina

## Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

June 2, 2005

### **MEMORANDUM**

**TO:** Agency Chief Fiscal Officers  
University Vice Chancellors

**FROM:** Robert L. Powell  
State Controller

**SUBJECT:** New EFT Master Contract Arrangements

The Office of the State Controller (OSC) currently administers a Master Services Agreement (MSA) with Wachovia Bank to provide electronic funds transfer (EFT) services to eligible participating agencies on a statewide enterprise basis. The contract supports both outbound and inbound electronic payments. With the contracting expiring in July of this year, OSC is currently working with ITS to issue a new RFP to select a vendor to continue providing these services. The schedule provides for the extension of the current contract until September 30<sup>th</sup> with a new Master Services Agreement to be effective October 1, 2005.

There are a number of agencies that developed EFT programs before the MSA was executed in 2002 and therefore are not part of the statewide MSA arrangement. **IN ORDER TO LEVERAGE STATE ACTIVITY AND SECURE A BETTER PRICING STRUCTURE, OSC WILL REQUIRE ALL AGENCIES TO PARTICIPATE UNDER THE NEW MSA.** This new process is consistent with the policy issued by OSC dated April 12, 2002 (revised from the August 16, 2000 date) that provides for the migration to the new MSA by ALL agencies, unless exception is provided by the State Controller.

Under the new MSA, agencies will be allowed to operate basically as they do now. Agencies that pay for EFT services will continue to provide for their own funding. Services secured through the Department of State Treasurer (DST), generally for payroll and NCAS related accounts, will continue to be paid by DST. Agencies that currently transmit ACH files directly to the bank will continue that process, while agencies utilizing a payment gateway such as the Common Payment Service may continue their current process. The only difference is that all affected agencies will be required to use the bank selected under the new MSA, not a bank of their choice. OSC will strive to limit disruption of business flow during this process.

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Accordingly, effective with the execution of the new MSA, all agencies will participate under the new contract. If an agency desires to be considered for exception, a detailed business case justification must be submitted to the OSC by the Chief Fiscal Officer. **If an agency is currently operating under an approved exemption, a new business case will be required for the new MSA.**

Please note that this represents the first step in transitioning state government agencies away from paper checks to the maximum extent possible. It is our goal that OSC, working in conjunction with the DST and state agencies, will move North Carolina government closer to a paperless disbursing environment in the very near future. We appreciate your support of this new contract as we expect it will provide for a more efficient program supporting all the statewide users of EFT.

If you have questions regarding the MSA, please contact David C. Reavis, E-Commerce Manager, at (919) 871-6483 or [dreavis@ncosc.net](mailto:dreavis@ncosc.net). Thank you!