

**NORTH CAROLINA DEPARTMENT OF ADMINISTRATION
MAIL SERVICE CENTER
BILLING SYSTEM**

Background

The Mail Service Center (MSC) was created to provide professional mail processing services to state agencies at the lowest possible cost. Services offered by MSC include pick-up of outbound 1st Class US Mail, delivery of all US Mail; Inter-Office Mail; Courier Services and consulting on mailing projects.

MSC reduces mail processing and postage costs by processing all US Mail generated by state agencies in the Raleigh area for volume discounts. Participating agencies pay no processing fees - only postage. Inter-Office Mail delivery within Wake County is free. In addition, MSC's Courier Service delivers intra-government correspondence and parcels statewide at a fraction of the cost of the US Postal service and independent carriers.

In January 1999, DOA and OSC began to design an interface from the Mail Center Billing System (MCBS) to the North Carolina Accounting System (NCAS) and Cash Management Control System (CMCS). Only US Postal charges are included in this interface. Plans are to interface courier billings in a subsequent phase of this project.

Agencies not using NCAS as their primary accounting software are not included in the billing interface to NCAS (e.g. DOT). MCBS generates an invoice to these agencies to process through their own accounting systems.

Mail Center Billing System (MCBS) Design Highlights

- Implementation date of the MCBS is July 1, 1999, for all cabinet level agencies except Department of Revenue (DOR). DOR is to be phased in by January 1, 2000. Other agencies may participate at their option.
- The MCBS is designed to make use of the data recorded by the postal machines. The system creates a record for each piece of US Mail processed by the Mail Service Center.
- MCBS billing keys are based on the company and center elements of the NCAS accounting key. A MCBS billing key can be up to 16 digits in length. DOA gives each agency bar codes reflecting the MCBS billing keys.
- The billing process is run once a month on the second working day of the following month for which the services were incurred. (e.g. the billing process for July 1 - 31 services is run August 3, 1999).

- For primary NCAS user agencies, the MCBS generates a billing file to NCAS by company, account, and center. The company and center elements of the NCAS accounting distribution come from the MCBS billing key. The expense account used for all agencies is 532840003 (POST,FR&DEL-POSTAL METER). An offset entry also posts to the appropriate cash account.
- For DOA, MCBS generates the corresponding reimbursement entry to account 5383070AA, where the reimbursing agency's ID number replaces the AA. An offset entry also posts to the appropriate cash account.
- Participating agencies receive a system-generated billing detail report via email the same day that the billing file is submitted to NCAS. This report provides backup documentation for the billing entries generated by the interface.
- Any billing corrections or adjustments are made in a subsequent month. Amounts posted through the interface are recorded in NCAS as net disbursements. No entries are recorded as refunds of expenditure entries.

Requesting MCBS Bar Codes

Maintaining the postal machines with correct billing keys is imperative to accurately process the postage costs. Whenever an agency creates a new accounting distribution in NCAS using expenditure account 532840003 (POST,FR&DEL-POSTAL METER), the agency should also request a new MCBS bar code. Based on this request, the MSC staff adds the new billing key to the postal machines and creates a new bar code for the agency. Requests received by 10AM are processed the same day. The new bar code is delivered by interoffice mail to the agency the next day.

An agency should also notify the MSC whenever an accounting distribution in NCAS referencing account 532840003 is inactivated. Inactivating the NCAS accounting distribution means the MCBS billing key is to be discontinued. The MSC staff deletes the billing key from the postal machines.

An *Add/Delete Bar Code* request may be emailed to Rick.Kelly@ncmail.net or sent interoffice mail to him at the Mail Service Center, Reedy Creek Road. The information needed to process the request is:

Agency Name
 Requester Name
 Requester Phone Number
 MCBS Billing Keys and name to Add (list of keys)
 MCBS Billing Keys and name to Delete (list of keys)

To help maintain accurate billing keys within the postal machines, MSC extracts a file of valid NCAS company and center combinations nightly. MCBS processes the current file maintained in the postage machines against this extract file to check for invalid company and center combination that have been requested through the MCBS. If an invalid company and center combination is discovered, MSC personnel responsible for creating bar codes will contact the agency representative to :

1. Verify the company and center combination being requested as a valid MCBS billing key and make necessary corrections if necessary. Once verification of a valid billing key has been established, bar codes are generated
2. Delete the bar code from the mail system if the center is no longer active in NCAS.

CAUTION: MAIL, US MAIL AND COURIER, WILL NOT BE PROCESSED BY THE MAIL SERVICE CENTER WITHOUT THE PROPER BAR CODE IDENTIFICATION. MAIL SENT WITHOUT A BAR CODE LABEL WILL BE RETURNED TO SENDER.

Mail Service Center Interface to NCAS and CMCS

The Mail Service Center interface converts data from the Mail Center Billing System (MCBS) into North Carolina Accounting System (NCAS) and Cash Management Control System (CMCS) posting transactions for primary NCAS agencies processing mail through the Mail Service Center. The Office of the State Controller (OSC) receives a monthly file from MCBS that includes all postage expenditures and the required reimbursement to the Department of Administration (DOA).

NCAS Processing

1. On the second working day of the month, the MCBS produces the billing and reimbursement entries file and submits the file to OSC for processing in that night's production run. The GL effective date of the entries is the current run date.
2. OSC processes the MCBS file to create posting entries to NCAS. These transactions are processed through the Financial Controller (FC) and are posted to the General Ledger (GL) with an application source code of MI. The interface also assigns a simulated Document ID number to each transaction. This simulated Document ID number appears on the BD800 report and places the cash account transaction into the appropriate report column.

Agency GL Entries for Payment	
DR Postage Expense (532840003) Company and Center from the MCBS bar code	CR Cash (111240, 111260, or 111270) Center roll-up is based on the AP02 accounting rule used in writing checks

DOA GL Entries for Reimbursements	
DR Cash (111270) Center roll-up is based on the AP02 accounting rule used in writing checks	CR Reimbursement (5383070AA) AA is equal to reimbursing agency ID number

Invalid or inactive accounting distributions post to a unique postage interface suspense account (532849) and center (9999). Agencies must clear the suspense balance by entering a two-sided journal voucher into NCAS to correctly classify the expenditure/reimbursement and cash entries.

If the transaction effective date is during July, the interface also posts an accrual batch with a 6/30 effective date and an accrual reversal batch for 6/30 of the next year.

3. The interface process creates a report for agency review. The report is located in RMDS group OSCOP* FC709-1 CENTRAL MAIL TO NCAS.

Central Mail Interface Posting Transactions to NCAS Report	
<i>Report Field Name</i>	<i>Description</i>
Company/Account/Center	Accounting distribution to which the amount will attempt to post
Description	Appears as the Document ID for the cash account entry on the BD800 report
Effective Date	Date the MCBS creates the interface file
DR/CR Amount	Expense/reimbursement amount
Error Message	Possible messages are: NOT ON GL, POST TO SUSPENSE INACTIVE, POST TO SUSPENSE DATE INACTIVE, POST TO SUSPENSE

4. OSC summarizes the original input file based on budget code to create a posting file for CMCS. If no budget code is available within NCAS for the company/fund combination, the interface assigns a default budget code to the transaction. The default budget code for each agency is:

ID	Agency Name	Budget Code
01	General Assembly	11000
02	Judicial Department (AOC)	12000
03	Governor's Office	13000
04	Lt. Governor's Office	13100
05	Secretary of State	13200
06	State Auditor's Office	13300
07	State Treasurer	13410
08	Public Instruction	13510
09	Dept. of Justice	13600
10	Dept. of Agriculture	13700
11	Dept. of Labor	13800
12	Dept. of Insurance	13900
13	Dept. of Administration	14100
14	State Controller's Office	14160
15	Dept. of Transportation	80000
16	Environment & Natural Resources	14300
17	NC Wildlife Resources Commission	24350
18	Office of Juvenile Justice	14060
20	DHHS - Central Admin	14410
21	DHHS-Aging	14411
22	DHHS-Child Development	14420
23	DHHS-Deaf & Hard of Hearing	14424

24	DHHS-Social Services	14440
25	DHHS-Medical Assistance	14445
26	DHHS-Blind Services	14450
27	DHHS-Facility Services	14470
28	DHHS-Vocational Rehab.	14480
30	DHHS-Mental Health	14460
41	Information Technology Services	14660
42	Dept. of Correction	14500
43	Dept. of Commerce	14600
44	Employment Security Commission	24650
45	Dept. of Revenue	14700
46	Dept. of Cultural Resources	14800
47	Dept. of Crime Control and Public Safety	14900
50	Dept. of Community Colleges	16800
60	State Board of Elections	18025
67	Office of Administrative Hearings	18210
1A	NC State Fair	53750
2A	DHHS-Disability Determination	24481
2B	DHHS-Health Services	14430
6A	Comprehensive Major Medical	28410
B0	State Bd. of Barber Examiners	28101
B1	State Bd. of Cosmetic Arts	28102
B2	State Bd. of Opticians	28103
B4	Nursing Home Admin. Lic. Board	28105
B5	NC Auctioneer Lic. Board	28106

- The interface process creates a report for agency review. The report is located in RMDS group OSCOP* FC709-2 CENTRAL MAIL TO CMCS.

Central Mail Interface Posting Transactions to CMCS Report	
<i>Report Field Name</i>	<i>Description</i>
Budget Code	Budget code associated with the company/fund combination posted in NCAS. If combination is not valid, the default budget code for the agency is used.
Amount	Transfer amount
Effective Date	Date the MCBS creates the interface file

CMCS Processing

- CMCS posts the interface-generated file on the third working day to create Transfer Request entries. There is one Transfer Request entry for each budget code processed in the interface. Entries are batched into CMCS in “prepared” status with a description code of “MAIL” to identify the transactions as coming from the Mail Service Center interface.

2. The sending agency gives payment approval by “passing” the Transfer Request entry to DOA. (For internal control purposes, it is at this passing that the sending agency has given approval of these expenditures.

The sending agency should not pass the Transfer Request until money is available in the budget code. However, all transfers must be completed by the close of business on the 25th day of the month. If the sending agency is unable to pass the transfer, the sending agency must notify DOA. In order for both the sending agency and DOA to close their books for the month, each agency must reverse the entry posted to NCAS by the interface.

Sending Agency - Reverse Postage Expenditure	
Use Document ID transaction type 22 to post to Disbursements column on BD800 report	
DR Cash (111240, 111260, or 111270) Center roll-up is based on the AP02 accounting rule used in writing checks	CR Postage Expense (532840003) Company and Center from the MCBS bar code.

DOA - Reverse Reimbursement Entry	
Use Document ID transaction type 21 to post to Deposits column on BD800 report	
DR Reimbursement (5383070AA) AA is equal to reimbursing agency ID number	CR Cash (111270) Center roll-up is based on the AP02 accounting rule used in writing checks

3. DOA accepts the payment by “submitting” the Transfer Request for approval.
4. If money is available in the sending agency’s budget code, OSC’s cash management staff approves the Transfer Request updating the balances for both the sending agency and DOA’s budget codes. The transfer is now complete. Transfers must be completed before an agency closes for the month.
5. If money is not available in the sending agency’s applicable budget code, OSC’s cash management staff cannot approve the Transfer Request. DOA contacts OSC’s cash management staff to have the Transfer Request returned. DOA then notifies the sending agency of the problem. In order for both the sending agency and DOA to close their books for the month, each agency must reverse the entry posted to NCAS by the interface.

Sending Agency - Reverse Postage Expenditure	
Use Document ID transaction type 22 to post to Disbursements column on BD800 report	
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DOA - Reverse Reimbursement Entry	
Use Document ID transaction type 21 to post to Deposits column on BD800 report	
DR Reimbursement (5383070AA) AA is equal to reimbursing agency ID number	CR Cash (111270) Center roll-up is based on the AP02 accounting rule used in writing checks

Delaying, Changing, or Deleting the Transfer Request in CMCS

The sending agency should pass the Transfer Request to DOA as soon as possible. Postage for the postal meters must be purchased in advance. Delaying reimbursement to DOA may impact the Mail Service Center’s ability to process mail for all agencies.

The Transfer Requests in CMCS must always agree to the amounts posted to NCAS by the interface in order to reconcile the two systems at month-end. Entries posting to the postage suspense account, as well as entries without a budget code assignment for the company/fund combination, are recorded in CMCS using the default budget code designated for each agency. In addition to reclassifying the expenditure in NCAS to the appropriate accounting distribution, the sending agency must also transfer the cash to the correct budget code in CMCS.

The sending agency **must not** change or delete the original Transfer Request due to suspense postings or other adjustments needed in NCAS. In order for DOA to reconcile payments, the sending agency must pass the Transfer Request “as is”. The agency should process separate correction entries to adjust the automated posting.

The sending agency **must not** delete or change the Transfer Request in order to correct a Mail Services bill amount. Corrections or adjustments to the Mail Services bill are included in the next month’s postings.