



Office of State Budget and Management
Balancing Needs - Improving Government



Grants Management Committee Recommendations

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- Grants Management Oversight Committee created and charged with:
 - Coordination of development of enterprise grants management system to replace all redundant grants management systems
 - Directing OSBM's planning and implementation of a new enterprise grants management system
 - The committee is made up of the following members:
 - David McCoy, State Controller (Committee Chair)
 - Tom Newsome, Deputy State Controller
 - Andy Willis, State Budget Director
 - Beth Wood, State Auditor



Current Grants Management Systems

- NC agencies currently operate more than 20 separate grants management systems
- Several agencies are still using fully manual processes

<i>Table 1 - Existing Grant Applications</i>	
Category	Applications/Agencies
Custom, in-house developed & supported	13 applications
Custom, vendor developed & supported	2 applications
COTS*, vendor supported	3 applications
Software-as-a-Service (SaaS)	3 applications
Total	21 applications
Manual Processes - No IT Applications	5 agencies

**Commercial Off-the-Shelf*



Grants Management Requirements

- What are the state's business needs for grants?
- OSC conducted business requirements gathering in 2008
- With agency input, OSBM updated the 2008 requirements, with 2 major categories:
 - State-as-a-grantor
 - State-as-a-grantee



Grants Management Requirements

- A comprehensive enterprise grants management system must include the following:
- State as a grantor:
 - Application for non-State entities to receive State grant funds
 - Payment processing and monitoring
 - Grantee reporting
 - Audit
- State as a grantee:
 - Federal draw-down
 - Reports on use of federal funds



Methodology

- Study by Gartner, Inc. used to identify Best-of-Breed and ERP grant systems
 - A Best-of-Breed application is the best application for one particular function, such as grants
 - An Enterprise Resource Planning (ERP) application performs all business functions, such as finances, grants, fleet maintenance, and HR/payroll, as one integrated system



Conclusions

- SAP identified as leading Best-of-Breed application
- However, Financials should be included in order to capture State-as-a-grantee requirements, necessitating an ERP
- SAP is the only ERP with the capability of meeting NC's grants needs



Conclusions

- In addition, NC already has significant SAP resources
 - BEACON HR/Payroll operates on an SAP platform
 - DOT's ERP implementation was the basis for SAP's public sector package
- DOT has fully implemented SAP as an ERP, including grants management
- DOT's record of successful implementation has resulted in DOT being seen as a leader in grants management
- DOT has provided info or demos of their SAP implementation to over 30 governmental entities across the US and Canada



Recommendations

- Implement full SAP ERP based on DOT implementation
 - SAP is the leading enterprise grants management software for large public sector entities
 - Financials must be included in order to capture State-as-a-grantee requirements
 - SAP is the only ERP capable of meeting NC's needs from both a grants and financials perspective
 - Additionally, NC already has significant SAP resources
 - BEACON HR/Payroll operates on an SAP platform
 - DOT's ERP implementation was the basis for SAP's public sector package



Recommended Steps: Short-Term

- Agencies in need of new grant management systems prior to the implementation of a statewide solution should work with OSBM and DOT to adapt DOT's existing SAP solution as Best-of-Breed (excluding Financials)
- Existing or future grants-related IT projects would be redirected toward the long-term statewide enterprise effort
- Agencies taking the short-term approach would move to the statewide solution if that solution is different from the existing SAP solution



Recommended Steps: Short-Term

- Reauthorize Grants Management Oversight Committee as a Steering Committee, expand to include agency participants
 - Agencies with both State-as-grantee and State-as-grantor needs
- Conduct a planning assessment to determine actual implementation process and cost



Recommended Steps: Long-Term

- Begin implementation of ERP based on recommendations of planning assessment
 - Anticipated phased implementation, agency-by-agency over 5-year period
- Consider centralizing SAP resources in a statewide financial oversight agency (such as OSBM or OSC) with a direct SAP appropriation
 - Governance decisions would be accomplished through this agency



Questions?