



Executive Subcommittee of SC House  
Legislative Oversight  
STO SCEIS Conversion Presentation  
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State Treasurer

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South Carolina Office of  
the State Treasurer

# STO SCEIS Conversions

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Key priorities of the STO SCEIS conversions are to **reduce risk** by achieving enhanced security, and **increase transparency**, monitoring, and reporting capabilities.

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# SCEIS History

- State of SC has been converting to SCEIS since 2002; statewide legislation passed in 2005
- SCEIS Executive Oversight Committee (EOC) provides an annual SCEIS progress report to the legislature.
- Decision to convert agencies before agencies with statewide functions
- Major functional conversions require multi-year commitment from inception to full integration:
  - STO SCEIS administrative function conversion dates:
    - FI Conversion (2007)
    - HR/Payroll Conversion (2010)
  - CG finished CAFR conversion in 2013
  - State Budget office implemented Public Budgeting Formulation (PBF) module in 2014



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# STO Conversions

- SC STO administers statewide Debt, Investments and Treasury Management functions
- First Treasurer to commit and prioritize a multi-year conversion of statewide treasury functions to SCEIS
- Retire risk-driven 30 year old legacy systems
- Go live by end of calendar year (Investments & Debt)
- STO has worked with SCEIS and gone through SCEIS Change Advisory Board (CAB) and Executive Oversight Committee (EOC) processes



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# Process

- STO conducted an extensive external 'Gap Analysis' and 'Proof of Concept' process for Debt and Investments to determine if SCEIS could meet business requirements of statewide functions. Process led by external contractors/SAP
- Business Blue Print for each project to establish detail level functionality
- IV&V (Independent Verification and Validation) Contractor hired to provide a critical **insurance policy** for these projects to ensure blue prints/deliverables are met and we are truly ready to go live from a technical and end user standpoint.
- Next Steps in 2016:
  - Conversion of 19 General Depository bank accounts
  - Retirement of Investments and Debt legacy systems

## Statewide & STO Timeline for SAP/SCEIS Systems Conversions

- 2000 State of SC issued a Request for Proposals for an Enterprise Resource Planning System. SAP was unanimously selected by the Evaluation Panel
- 2002 SC Department of Mental Health implemented SAP as pilot agency.
- 2005 Legislature approved partial funding (25%) for statewide implementation of SAP; state agencies to provide 75% of funding with a goal of replacing approximately 200 administrative systems and eliminate associated costs of maintenance contracts/personnel across 75 state agencies
- State purchased SAP software
- Provisos issued to create the (EOC) Executive Oversight Committee (issues a progress report to Legislature annually) and to allow agencies to create special accounts to carry forward funds to pay implementation costs. Richard Eckstrom and Frank Fusco original conversion leadership and led EOC.
- 2006 IV&V contractor was hired by the State to oversee the SAP implementation
- 2007 (November) First wave of agencies (*including STO*) implemented Finance and Procurement modules of SAP
- 2010 (January) First wave of agencies (*including STO*) implemented HR and Payroll modules of SAP
- Comptroller General designated SAP as the financial 'book of record' for the State
- 2011 *Treasurer Loftis was the first Treasurer to express interest in replacing legacy investment and debt systems*
- 2013 Comptroller General developed and issued the CAFR using SAP data (multi-year process)
- STO completed an SAP software 'gap analysis' to identify feasibility of converting statewide Debt & Treasury functions and required level of customization.*
- 2014 State Budget Office implemented Public Budgeting Formulation (PBF) module of SAP
- STO completed a 'proof of concept' to provide demonstrations of the investment and debt functionality within SAP. Upon completion, Treasurer Loftis authorized the conversion of investment and debt functionality to SAP.*
- STO conversion projects have been designed, developed, tested and implemented in close cooperation with the SCEIS Team. SCEIS provides both functional and technical (development and configuration) resources to support these projects.*
- (September) STO contracted with SAP as part of a joint development project to enhance the Debt Series functionality in the SAP Treasury module.*
- 2015 *(April) STO contracted with Grant Thornton to provide IV&V services for the implementation of the NVEST and DEBT Projects*
- (September 1st) STO Investments (NVEST) Project was moved to production*
- (November) STO Debt is scheduled to move into production*
- 2016 *STO is also working on projects to convert additional functions to SAP that are currently integrated with STARS – i.e., conversion of 19 general depository bank accounts to SAP. Legacy systems for Investments and Debt are scheduled for retirement in 2016.*