



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 15

MEETING DATE: June 17, 2026

SUBJECT: Accounting System Software

SUBMITTED FOR: X Action Information

RECOMMENDATION

Authorize the Chief Executive Officer to execute an agreement with Sikich for Microsoft Dynamics 365 Business Central implementation services and first-year software licensing in an amount not to exceed \$400,000.

PURPOSE/STRATEGIC PRIORITY

This item supports the Strategic Management Plan objective to evolve SCERS' operational model by strategically aligning responsibilities to balance shared services and independent functions in a way that best serves members and beneficiaries.

DISCUSSION

At the May 20, 2026, Board meeting, staff provided information regarding SCERS' strategy to transition accounting and banking operations from County-supported processes to an internally managed operating model.

As discussed in the [prior Board memorandum](#), staff recommended a pre-implementation alignment strategy under which SCERS would establish its accounting and banking infrastructure in advance of future pension administration system implementation activities. The Board was advised that a modern accounting platform is a foundational component of that strategy, serving as the system of record for financial operations and providing the framework necessary to support banking integration, financial reporting, internal controls, and future interoperability with a pension administration system. Consistent with that direction, staff has completed the accounting system evaluation process and is now presenting the recommended solution and implementation approach for Board consideration.

As part of the ongoing Levi, Ray & Shoup (LRS) pre-engagement project, LRS and Sikich completed an Accounting System Analysis, which evaluated SCERS's future accounting system requirements, operational objectives, integration needs, and implementation considerations.

Through this evaluation, LRS and Sikich conducted requirements gathering and operational review sessions covering:

- General ledger and financial reporting;
- Cash management and banking;
- Accounts payable and payment workflows;
- Accounts receivable and billing;
- Purchase order processing;
- Fixed asset management; and
- Integration with PensionGold.

Based on this analysis, LRS recommended Microsoft Dynamics 365 Business Central as the accounting and financial management platform best aligned with SCERS' operational requirements, scalability needs, and long-term technology strategy.

The evaluation further identified Business Central as a cloud-based platform capable of supporting future automation, enhanced reporting, banking integrations, workflow efficiencies, and integration with the broader Microsoft ecosystem, including Microsoft Teams, Outlook, Power BI, and future PensionGold integration requirements.

LRS and Sikich also identified several operational objectives supported through the implementation, including:

- Establishing an internally managed accounting framework;
- Developing a SCERS-specific chart of accounts;
- Reducing manual processes and improving automation;
- Supporting future business process modernization; and
- Establishing integrated banking and treasury management capabilities.

A SCERS peer survey of 1937 Act County Retirement Systems further demonstrates that Microsoft-based accounting platforms are well established within the public retirement community. Of the 20 county retirement systems, Alameda, Los Angeles, San Bernardino, San Mateo, Sonoma, and Ventura, either currently utilize Microsoft Dynamics 365 Business Central or Microsoft Great Plains, or are actively transitioning to Business Central. Additionally, both the Los Angeles City Employees' Retirement System and the San Diego City Employees' Retirement System utilize Microsoft-based accounting platforms. Collectively, these findings indicate that Microsoft's ecosystem has an established presence within the retirement industry and that Business Central represents a mature, widely adopted solution capable of supporting the operational, reporting, and integration requirements of public pension systems.

Additionally, selection of Business Central does not commit SCERS to a specific pension administration system vendor. While the platform is preferred within the current evaluation framework, it is a broadly adopted, vendor-agnostic solution that can be implemented independently or integrated with multiple pension administration systems, preserving SCERS' flexibility in future system selection. Review of comparable accounting platforms and

implementation services indicates that the proposed costs are consistent with similar products and service engagements for organizations of comparable size and operational complexity.

Completion of the accounting system analysis now positions SCERS to move from evaluation and planning into implementation. Procuring the Business Central platform and associated implementation services would maintain project readiness, avoid unnecessary delays, and establish the accounting and banking infrastructure necessary to support future pension administration system implementation activities.

Because Sikich participated directly in the accounting system analysis, requirements development, and pension administration integration planning, staff further recommends retaining Sikich for implementation services to preserve continuity, reduce rework risk, and support implementation efficiency.

IMPLEMENTATION TIMELINE

The anticipated high-level timeline is as follows:

- Accounting Software Implementation (Business Central): Mid-2026 - mid-2027
- Banking and Treasury Management Implementation: Late 2026 - mid-2027, aligned to Business Central deployment and operational readiness
- Pension Administration System Determination: Late 2026
- Tentative Pension Administration System Cut-Over (Including Retiree Payroll): late 2029 - early 2030 (estimated)

Additionally, the County is in the early stages of its own enterprise system replacement effort under a similar timeframe, and SCERS staff does not recommend participating in that project or being positioned to support multiple large-scale system implementations concurrently.

FISCAL IMPACT

The proposed implementation will result in both one-time implementation costs and ongoing operational expenses associated with transitioning to internally managed accounting operations. Estimated one-time implementation costs total approximately \$400,000, consisting primarily of:

- Approximately \$325,000 for Business Central procurement, implementation, and Sikich services; and
- First-year licensing costs are estimated at approximately \$75,000. Ongoing, annual licensing costs are estimated at approximately \$75,000.

Additionally, staff is currently evaluating external project management support providers to assist in this effort.

These costs should be considered in the context of SCERS' current expenditures for County-supported accounting, payroll, cash management, and related financial services, which total approximately \$370,000 annually. Though SCERS will continue to utilize County-supported

services in the short term, the transition therefore represents a reallocation of operational costs toward internally managed infrastructure designed to support increased operational control, system integration, and long-term modernization objectives.

The software and implementation costs are covered by Digital Transformation funding in the 2026-27 SCERS operating budget.

ATTACHMENTS

- Board Order
- Project Timeline

Prepared by:

/S/

Margo Allen
Chief Operations Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
June 17, 2026

AGENDA ITEM:

Accounting System Software

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to authorize the Chief Executive Officer to execute an agreement with Sikich for Microsoft Dynamics 365 Business Central implementation services and first-year software licensing in an amount not to exceed \$400,000.

I HEREBY CERTIFY that the above order was passed and adopted on June 17, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Chris Giboney
Board President

Eric Stern
Chief Executive Officer and
Board Secretary

Global Project Timeline

Through Q1 2030

