



Budget Revision 101

First Friday Training Series – June 13, 2025

Integrity

Innovation

Teamwork

Excellence

▼ Agenda

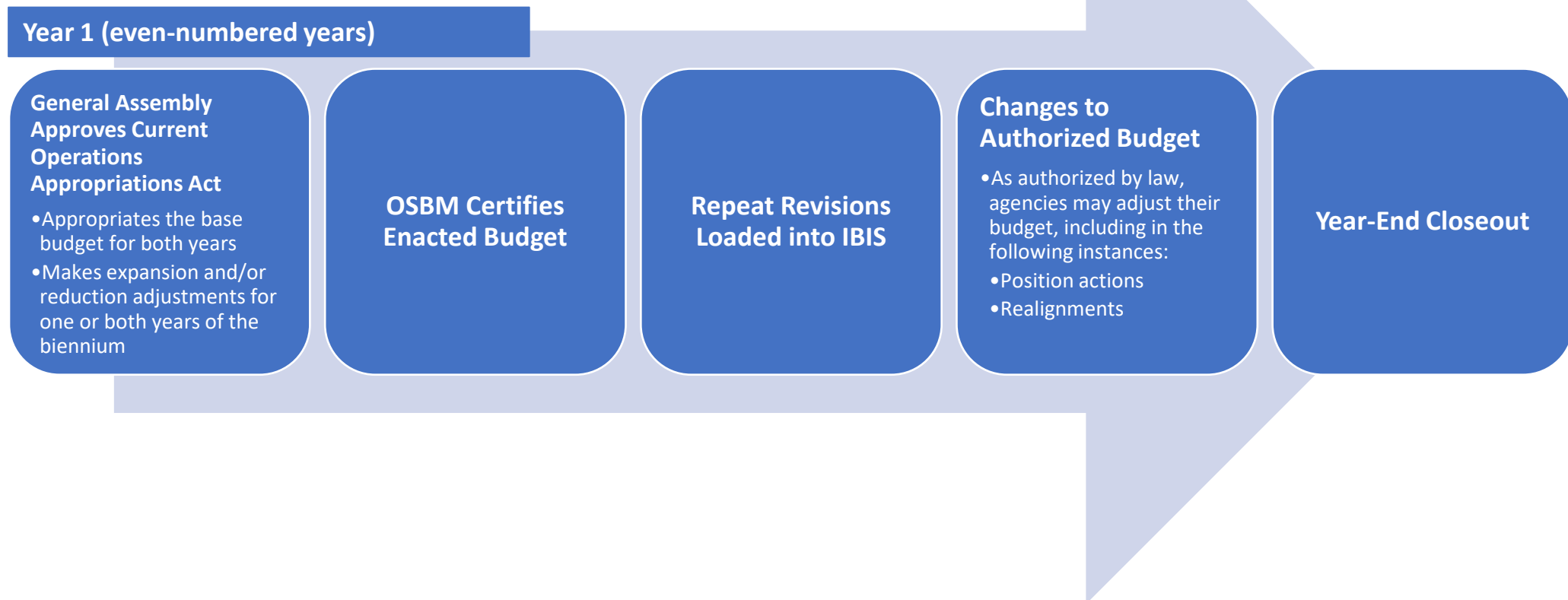
- Building the Budget
- Budget Authority
- Types of Budget Revisions
- Completing Budget Revisions
- Resources

Building the Budget



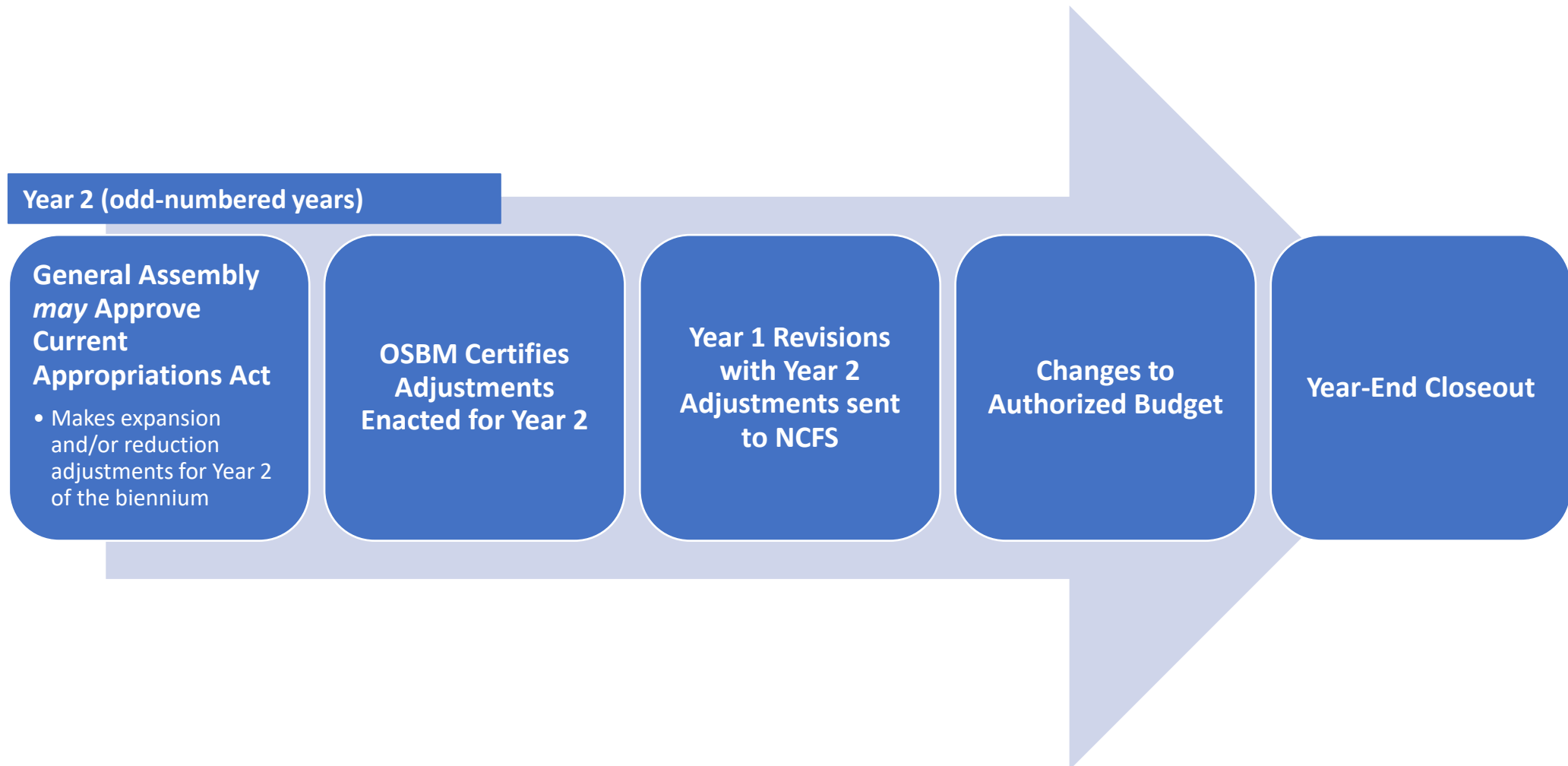
Biennial Budget – Year 1

Biennium - The *two fiscal years beginning on July 1 of each odd-numbered year* and ending on June 30 of the next odd-numbered year (G.S. 143C-1-1(d)(2))





Biennial Budget – Year 2





Biennial Budget – Continuing Resolution

If the General Assembly does not approve a Current Operating Appropriations Act by July 1 of odd-numbered years, the State will operate under a ***continuing resolution***, as stipulated in GS 143C-5-4(b)

- State departments, institutions, and agencies may expend funds at the level at which operations were **certified on a recurring basis for the previous fiscal year**. The statute does not allow for increases included in the recommended base budget (statutory appropriations, lease increases, position and program annualizations, receipt adjustments, etc).
- Vacant positions subject to be eliminated in either the House, Senate, or Proposed Conference Committee Substitute versions of the Appropriations Act shall not be filled after June 30.
- State employees, including those exempt from the classification and compensation rules established by the State Human Resources Commission, shall not receive salary increases, including automatic step increases, annual, performance, merit, bonuses, or other increments until authorized by the General Assembly.



Certification

G.S. 143C-6-1(c)

Certification of the Budget - The Director of the Budget shall certify to each State agency the amount appropriated to it for each program and each object from all funds included in the budget as defined in G.S. 143C-3-5(d). The certified budget for each State agency shall reflect the total of all appropriations enacted for each State agency by the General Assembly in the Current Operations Appropriations Act and any other act affecting the State budget. The certified budget for each State agency shall follow the format of the Budget Support Document as modified to reflect changes enacted by the General Assembly.

BD307 is the static certified budget report

FORM BD 307(R)



CURRENT OPERATIONS
APPROPRIATION

STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

The FY 2024-25 Certified Budget as appropriated by the General Assembly of 2023 is adjusted by SL 2023-134, SL 2024-01, SL 2024-40, SL 2024-51, SL 2024-53, SL 2024-55 and SL 2024-57 for the fiscal year of 2024-25, July 1, 2024 to June 30, 2025, for the use of

Code: 16010
CAMPUS/AGENCY NAME: UNC System Office

and available only by monthly or quarterly allotments under Section 6-3 and only for the Purposes and/or Objects herein enumerated as under Sections 6-1 and 6-4 of the State Budget Act, Chapter 143C of the General Statutes of North Carolina.

	2024-25 Revised
TOTAL REQUIREMENTS	\$47,640,384
LESS ESTIMATED RECEIPTS	\$259,217
NET APPROPRIATION	<u>\$47,381,167</u>

Approved - February 25, 2025



Certified & Authorized Budget

Certified Budget: G.S. 143C-1-1(d)(7)

- The certified budget is ***enacted by the General Assembly*** and includes adjustments made for ***(i) distributions to State agencies from statewide reserves*** appropriated by the General Assembly, ***(ii) distributions of reserves appropriated to a specific agency*** by the General Assembly, and ***(iii) organizational or budget changes directed by the General Assembly*** but left to the Director to carry out

Authorized Budget: G.S. 143C-1-1(d)(1a)

- An agency's "working budget," which is equal to the certified budget plus adjustments authorized by the Director of the Budget through authority granted in the State Budget Act and/or other applicable state law
- ***Composed of the certified budget plus allowable internal budget revisions*** (type 14 budget revisions) ***and adjustments that must be approved by OSBM*** (type 12 budget revisions) through its statutory authority or acting on behalf of the Governor under the Governor's Constitutional role and authority as Director of the Budget



Certified & Authorized Budget

The General Assembly has defined how the certified and authorized budget may be adjusted. Budget revisions are the mechanism used to adjust the budget.

Certified Budget: The budget the General Assembly enacted/ approved with allowable Type 11 changes (BD 307 + Type 11 Revisions).

Authorized Budget: The certified budget plus all allowable budget revisions (BD 307 + Type 11 + Type 12 + Type 14 revisions).

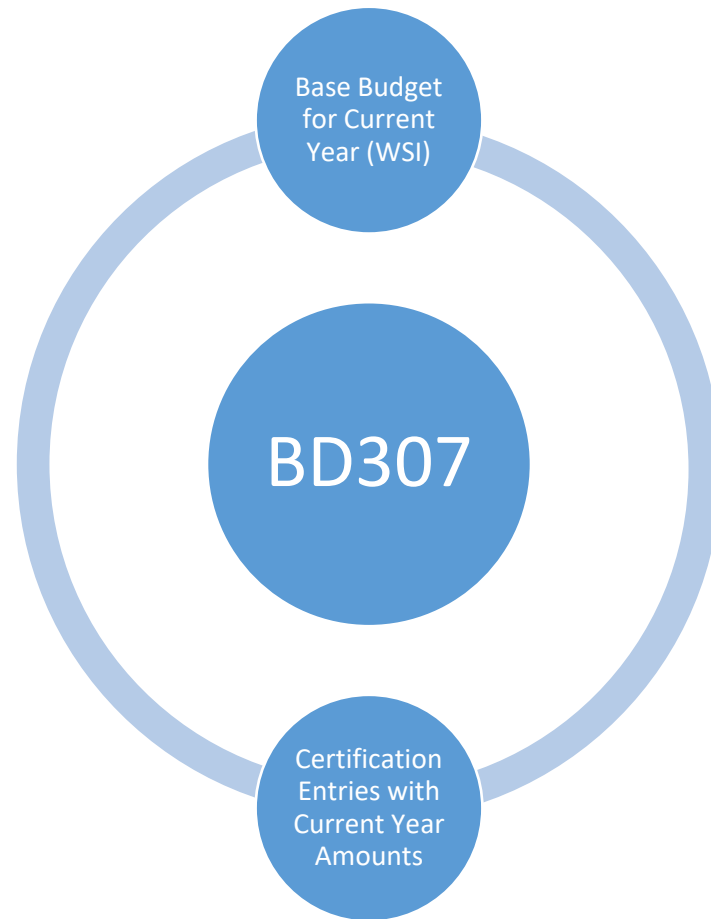
→ **This is the working budget.**

IBIS RK 325 report and NCFS BD 701 show the dynamic budget (BD 307 + approved revisions)

Account Code	Account Title	2024-25 Certified	2024-25 Authorized
PURCHASED SERVICES			
52000000	PURCHASED SERVICES - UNIVERSITY	\$5,717,773	\$7,413,657
52100000	PURCHASED CONTRACTUAL SERVICES- UNIVERSITY	\$131,669	\$1,661,468
52200000	UTILITIES - UNIVERSITY	\$0	\$4,170
Total PURCHASED SERVICES		\$5,849,442	\$9,079,295



IBIS - Building the Budget





NCFS Chart of Accounts

- In October 2023, the State of North Carolina transitioned to a new financial and accounting system – the North Carolina Financial System (NCFS)
- The transition to NCFS included the introduction of new Chart of Account Segments available for agency use in accounting and budgeting
- Please note that the level at which an agency accounts for actual expenditure and revenue may not necessarily be the level at which they structure their budget authority



NCFS Chart of Accounts – Budget Codes

- General Fund (1XXXX)
 - Houses the majority of expenditures and receipts for most agencies, which may include State appropriation-, receipt-, and federal-supported expenditures
 - State General Fund cash authorized for an agency is requested for and transferred to General Fund budget codes via the IBIS allotment form
 - All cash remaining in the budget code at year end is subject to reversion



NCFS Chart of Accounts – Budget Codes

Types of Special Funds (as defined by GS 143C-1-3)			
Budget Code	Fund Type	Description	Example
2xxxx	Special	May be used to account for proceeds of specific revenue sources, often those that are legally restricted for specific purposes or services performed by an agency and that should not revert to the General Fund. Special funds are either specifically established in Session Law or General Statute or otherwise authorized by law.	<ul style="list-style-type: none">❖ NC State Lottery Fund❖ Tobacco Settlement Fund
5xxxx	Enterprise	Used to account for any activity for which a fee is charged to external users for goods or services.	<ul style="list-style-type: none">❖ ABC Commission❖ Education Lottery
7xxxx	Internal Service	Similar to Enterprise Funds, but the fund provides goods or services to other government entities or its component units rather than to external users.	<ul style="list-style-type: none">❖ DIT Internal Service Fund❖ DOA Motor Fleet
6xxxx	Trust	Accounts for funds that are being held in trust for a specific purpose or program.	<ul style="list-style-type: none">❖ Veteran's homes trust❖ Utilities trust



NCFS Chart of Account - Expenditure and Revenue Accounts

Statewide Chart of Accounts is maintained by Office of State Controller (OSC) and can be located on their website.

Expenditure Accounts (Requirements)

- 51XXXXXX - Personal Services
- 52XXXXXX - Purchased Services
- 53XXXXXX - Supplies
- 54XXXXXX - Property-Plant-Equipment
- 55XXXXXX - Other Expenses and Adjustments
- 5598XXXX - Lottery Prizes
- 56XXXXXX - Aid and Public Assistance
- 57XXXXXX - Reserves
- 58XXXXXX - Intragovernmental Transactions

Revenue Accounts (Receipts)

- 41XXXXXX - Tax Revenues
- 42XXXXXX - Grants
- 43XXXXXX - Investment Income
- 44XXXXXX - Sales-Service-Rentals
- 45XXXXXX - Fees-Licenses-Fines
- 46XXXXXX - Contributions and Donations
- 47XXXXXX - Miscellaneous
- 48XXXXXX - Intragovernmental Transactions



NCFS Chart of Accounts – Chart of Account Segments

- Budget Funds are unique to each agency
- AMU, Agency Program, and Project are unique to each agency
 - Their use is generally at the discretion of an agency, dependent on their unique needs
 - The project segment may be leveraged for Life-to-Date reporting in NCFS

Segment Name	Length
Agency	4
Budget Fund	6
Account	8
Agency Management Unit (AMU)	7
Agency Program	7
Funding Source	4
Project	10
Interfund	6



NCFS Chart of Accounts – Required Segments

Fund Source

- Required for all salary and benefit accounts (51XXXXXX)
- First digit indicates type of funding
 - 1 – State General Fund
 - 2 – Receipts
 - 3 – Federal
- Final two digits may be used to indicate grant year for receipt and/or federal funds

Interfund

- Required for all transfer lines (48100001/3 and 58100001/3) and should represent the budget fund where funds will be transferred from or to

Budget Authority



Sources of Budget Authority

North Carolina Constitution
Article III, Section 5

State Budget Act
GS 143C

**General and Agency
Specific Statutes** (E.g., GS 58
for the Department of
Insurance) and **Session Laws**



Article III, Section 5 of North Carolina Constitution:

- “The Governor shall prepare and recommend to the General Assembly a comprehensive budget of anticipated revenue and proposed expenditures of the State for the ensuing fiscal period”
- “The budget enacted by the General Assembly shall be administered by the Governor”
- Requires Governor to maintain a balanced budget at all times



Budget Authority – General Statute

North Carolina General Statute may provide broad or specific authority relevant to the budget authority of an agency

§ 143C-6-4. Budget Adjustments Authorized.

(a) Findings. - The General Assembly recognizes that even the most thorough budget deliberations may be affected by unforeseeable events; therefore, under the limited circumstances set forth in this section, the Director is authorized to adjust the enacted budget by making transfers among lines of expenditure, purposes, or programs or by increasing expenditures funded by departmental receipts.

(b) Budget Adjustments. - Notwithstanding the provisions of G.S. 143C-6-1, a State agency may, with approval of the Director of the Budget, spend more than was appropriated in the certified budget by adjusting the authorized budget for all of the following:

(1) Line items within programs. - An object or line item within a purpose or program so long as the total amount expended for the purpose or program is no more than was authorized in the certified budget for the purpose or program.

(2) Responses to extraordinary events. - A purpose or program if the overexpenditure of the purpose or program is:

- Required by a court or Industrial Commission order;
- Authorized under G.S. 166A-19.40(a)(1) and (c) of the North Carolina Emergency Management Act; or
- Required to call out the North Carolina National Guard.

(3) Responses to unforeseen circumstances. - A purpose or program not subject to the provisions of subdivision (b)(2) of this subsection, if each of the following conditions is satisfied:

- The overexpenditure is required to continue the purpose or programs due to complications or changes in circumstances that could not have been foreseen when the budget for the fiscal period was enacted.
- The scope of the purpose or program is not increased.
- The overexpenditure is authorized on a one-time nonrecurring basis for one year only, unless the overexpenditure is the result of (i) salary adjustments authorized by law or (ii) the establishment of time-limited positions funded with agency receipts.

Article 55A.
Beehive Grants.

§ 106-650. Beehive Grant Fund.

(a) Establishment. - The North Carolina Beehive Grant Fund is established as a special fund in the Department of Agriculture and Consumer Services. The Department is responsible for administering the Fund using personnel and other administrative resources of the Agricultural Development and Farmland Preservation Trust Fund program. The Fund may receive funds appropriated by the General Assembly and any gifts, grants, or donations from any public or private sources.

(b) Purposes. - Funds in the North Carolina Beehive Grant Fund shall be used, as available, to encourage the establishment of new beehives in the State. Grants from the Fund shall be made upon application to the Beehive Grant Program as set forth in G.S. 106-651. (2017-57, s. 12.6.)



Budget Authority – State Budget Act

State Budget Act (GS 143C)

- The Governor is Director of the Budget but may delegate authority
- Required to clearly distinguish program base budget, reductions, eliminations, expansions, and new programs. The Governor must provide a budget message that explains goals, activities, and revenues included in recommended budget
- Establishes the procedures for
 1. Preparation of the recommended State budget
 2. Enactment of the State budget, and
 3. Administration of the State budget
- Outlines the circumstances in which OSBM, agencies, and UNC institutions are allowed to make budget adjustments



Budget Adjustments - GS 143C-6-4(b)

Revisions to Authorized Budget GS 143C-6-4(b)

- GS 143C-6-4(b)(1) - Between line items in a purpose code
- GS 143C-6-4(b)(2) - Extraordinary events and emergencies
- GS 143C-6-4(b)(3) - Over-expenditure is due to **unforeseen circumstances** provided:
 - Required to continue program due to complications
 - Scope of program is not increased
 - One-year nonrecurring adjustment, **unless**
 - (i) salary adjustments authorized by law or
 - (ii) the establishment of time-limited positions funded with agency receipts
- Includes **transferring appropriations between funds and budgeting over-realized receipts**



Budget Adjustments - GS 143B-10

Reorganization by Department Heads - GS 143B-10(c)

- The head of a principal State department may establish or abolish within his department any division. Each head of a principal State department may establish or abolish within his department any other administrative unit to achieve economy and efficiency.
- Reorganizations under this subsection must be reported to the General Assembly within 30 days after the reorganization.

Department Staffs - GS 143B-10(c)

- “The head of each principal State department may establish necessary subordinate positions within the department, make appointments to those positions, and remove persons appointed to those positions, all within the limitations of appropriations and subject to the State Budget Act and the North Carolina Human Resources Act. All employees within a principal State department shall be under the supervision, direction, and control of the head of that department. The head of each principal State department may establish or abolish positions, transfer officers and employees between positions, and change the duties, titles, and compensation of existing offices and positions as the head of the department deems necessary for the efficient functioning of the department, subject to the State Budget Act and the North Carolina Human Resources Act and the limitations of available appropriations.”
- Revision must include statement from the “head of department” approving the action



Budget Adjustments - Session Law, Appropriations Acts

- A Current Operating Appropriations Act may include:
 - Appropriation of the base budget (Year 1)
 - Reductions to or expansion of specified programs
 - Creation of new programs
 - Changes to policy that may or may not have a fiscal impact

Types of Budget Revisions



Budget Authority

- When preparing a budget revision, an agency should consider:
 1. What are you trying to accomplish on the revision?
 2. Why is that adjustment needed?
 3. What gives the authority to make that budget adjustment?
- The relevant authority will help to determine what type of revision should be used to accomplish a given action
- Generally, revisions should be focused
 - A single revision should not be submitted to accomplish several different budget actions allowable under different authorities



Changes Mandated by the General Assembly

- Budget action that is ***required*** by General Statute or Session Law, or that ***distributes a reserve account*** appropriated by the General Assembly
- Adjustments made are reflected in both the ***certified and authorized*** budgets



Budget Revisions - Type 12

- Budget action that is ***authorized, but not required***, by General Statute or Session Law
- Adjustments made are reflected in the ***authorized budget only***



Budget Revisions - Type 14 (Internal) *Preview of Updated Guidance*

- Budget action that is ***authorized, but not required***, by General Statute or Session Law and for which ***OSBM has delegated authority*** to state agencies in specified circumstances
- Adjustments made are reflected in the ***authorized budget only***
- **Budget Manual Updates** for Type 14 Revisions, effective beginning with FY26 revisions



Type 14 *Preview of Updated Guidance* - Recurrence

- *(new)* **Recurring** revisions allowed for:
 - Realignments between AMU, agency program, and project segments within a single account and budget fund
 - Realignments between 52-55XXXXXX account groups within a single budget fund
 - **These revisions are subject to OSBM review for inclusion in the base budget**
- *(no change)* Non-recurring revisions allowed for:
 - Realignments between 51-55XXXXXX account groups within a budget fund
 - Increases to receipts, up to a dollar limit, and related expenditures



Type 14 *Preview of Updated Guidance* - Adjustments of NCFS Segments

Allowable

(new) Realignments between AMU, agency program, and agency project segments within the same account and budget fund/purpose.

(clarified for NCFS)
Realignments within fund source groups (e.g., 3000 to 3024)

Prohibited

(clarified for NCFS) No adjustments to interfund segment for 481/581 accounts

(clarified for NCFS) No movements between fund source groups (e.g., 1000 to 2000)



Type 14 *Preview of Updated Guidance* - Requirement Adjustments

- *(no change)* No dollar limit on movements between 51-55XXXXXX account groups within a budget fund.
- *(no change)* No adjustments to individual accounts in the 56-58XXXXXX account groups (Grants, Reserves, and Transfers)
- *(no change, clarified)* Lapsed salary must be moved on a nonrecurring basis for 1 year. Agencies can budget up to 50% of last year's actual lapsed salary proactively after OSBM review of analysis.



Type 14 *Preview of Updated Guidance* - Receipt Adjustments

Starting in FY26, OSBM is increasing the receipts threshold allowed on Type 14 revisions. The threshold will be **by budget code** based on the **BD 307 certified receipts budget** for that budget code:

- \$25K for budget codes with a certified receipts budget of less than \$100 million
- \$100K for budget codes with a certified receipts budget of equal to or greater than \$100 million

The OSBM Budget Manual will be updated in July 2025 to reflect this change.

Agencies may not use this expanded authority until FY26. **All type-14 revisions for FY25 should comply with the existing \$5K receipts adjustment threshold.**



Budget Revision Types

	Revision Type		
	Type 11	Type 12	Type 14
Impacts	<ul style="list-style-type: none">• Certified & Authorized	<ul style="list-style-type: none">• Authorized Only	<ul style="list-style-type: none">• Authorized Only
OSBM Approval	<ul style="list-style-type: none">• Yes	<ul style="list-style-type: none">• Yes	<ul style="list-style-type: none">• No
Action	<ul style="list-style-type: none">• Adjustments required by law or distributions from a reserve account	<ul style="list-style-type: none">• Adjustments allowed by law but not delegated to agencies	<ul style="list-style-type: none">• Realign certain requirement accounts & budget receipts up to OSBM-delegated threshold.
Transfer Across Funds	<ul style="list-style-type: none">• Yes	<ul style="list-style-type: none">• Yes	<ul style="list-style-type: none">• No
R/NR	<ul style="list-style-type: none">• Both	<ul style="list-style-type: none">• Both	<ul style="list-style-type: none">• R - Realignments• NR – Receipts

Knowledge Check



Question 1: Multiple Choice

The RK325/BD701 certified budget amounts includes adjustments from:

- A. Type 11 revisions
- B. Type 12 revisions
- C. Type 14 revisions
- D. All of the above
- E. None of the above



Question 1: Multiple Choice

The RK325/BD701 certified budget amounts includes adjustments from:

- A. Type 11 revisions
- B. Type 12 revisions
- C. Type 14 revisions
- D. All of the above
- E. None of the above



Question 2: True or False

The State Budget Act provides sole authority related to authorized budget adjustments.



Question 2: True or False

The State Budget Act provides sole authority related to authorized budget adjustments.

False. The State Budget Act provides certain authority for budget adjustments but should be used in conjunction with constitutional authority, authority provided in general or agency-specific General Statute, and Session Laws.



Question 3: True or False

Agencies may immediately begin completing Type 14 budget revisions under the new internal revision guidance.




Question 3: True or False

Agencies may immediately begin completing Type 14 budget revisions under the new internal revision guidance.

False. Agencies should continue using existing Type 14 revision authority for **all remaining revisions for FY25**. Beginning for FY26 revisions, newly delegated authority for Type 14 revisions may be used.

Completing Budget Revisions

- 
- Purpose of a Revision
 - Revision Requirements
 - Special Funds
 - Common Errors
 - Example



The Purpose of Creating a Revision

Your agency needs to make a change to its budget.



What type of change is needed in your budget?



What would be accomplished if this revision is approved?



What is the authority to make the budget adjustment?



Preparing a Budget Revision - Basic Information Form

- Is the revision in the correct fiscal year?
- Is the revision on the correct type?
- Is the revision Recurring or Non-Recurring?
- Is the title descriptive to the action of the revision?

New Budget Revision- 'Operating' Form - Basic Information

Please enter the information below and click Proceed

Biennium : ☒ 2023-25

Fiscal Year : ☐ 2023-2024 ☒ 2024-2025

Revision Type : ☐ 11 ☐ 12

Department/Agency :

BRU :

Budget Code :

Recurrence :

Request Title :



Revision Requirements - Descriptive Revision Title

- Having a descriptive title gives OSBM clarity of the action on the revision
- Makes searching for the revision in IBIS easier, saving time and effort

Key Items to include in the Budget Revision Title
Budget Fund
Program
Type of Action
Recurrence
Month (If applicable)



Preparing a Budget Revision - Category Field

- Statutory - This budget revision is to identify those that are authorized by NC General Statute.
- Special Provision - This budget revision is to identify those that are authorized by a special provision enacted in the Appropriation Act.
- Lapsed Salary - This budget revision is transferring lapsed salary and should not be included in the calculation of salary reserve.
- One-Time Salary Change - This budget revision is a one-time salary change, such as one-time bonus.
- Carry Forward - This budget revision is to budget all carryforward of funds from the prior fiscal year, including federal grants.



Preparing a Budget Revision - Category Field

- New Grant - This budget revision is to identify those that are budgeting a new grant not included in the certified budget.
- Change to Existing Grant - This revision is for increasing or decreasing a grant that is currently in the certified budget.
- Over-Realized Departmental Receipts - This revision is for budgeting department receipts that are realized more than current certified levels
- Realignment - Transferring budget or positions between funds/purpose codes.
- Other - Used for any type 12 or 14 revision not listed.



Preparing a Budget Revision - Justification and Attachments

Purpose: Ensure that the justification describes the purpose/function of the revision. Does it fully explain what is happening on the revision -- why is this needed and what will be accomplished by its approval?

Authority: List the applicable Session Law and/or General Statute that authorizes the budget action

Source of Fund: List the source of funds being budgeted (i.e., state appropriation, federal/other grant, or other receipts)? Please explain the source of funds being budgeted:

- Example: State Appropriation, S.L. 2023-134, Item # XX
- Example: Receipts – Federal Child Nutrition Grant Receipts

Reciprocal: If needed, list reciprocal budget revision information. For a transfer in/out, the budget code and budget revision reference number is needed **OR** the previously approved budget revision reference number when making a correction to that revision

Attachments: Agencies should attach any spreadsheets, BD701 page, MOU, award documents, etc. necessary to support the request.



Effective Date and Approval Date

- The effective date and approval date will appear on your budget revision
 - The effective date is the point in the year the budget revision will take effect
 - The approval date is when the revision will affect budget reports
 - If a revision executes an item specified in session law, the effective date should be the date the bill was signed, unless otherwise stated

Position Actions

- Effective date must match the date of the Fiori action
- If effective date is not 7/1, requirements and receipts should be pro-rated for the current fiscal year



What does the annualized column on budget revisions do?

- Activates for **recurring** revisions with an **effective date other than 07/01/XX**
- This data from the 2nd year of the biennium will be **pulled into IBIS in the next biennium**
- **If left blank, no budget will be copied** into the new fiscal year



Budget Revision - Budget Details



OPERATING BUDGET REVISION - 104603 ESTABLISH POSITION 65021644

Status: OSBM_Draft

Fiscal Year: 2024-2025
Status: OSBM Draft
Department/Agency: Department of Commerce
BRU: Department of Commerce
Budget Code: 14600 - Commerce - General
Title: 104603 Establish Position 65021644
Journal Entry Number: N/A
Statutory: No
Special Provision: No
Lapsed Salary: No
One-time Salary Change: No
Carry Forward: No

Reference Number: 12-0186
Revision Type: 12
Effective Date: 07/01/2024
Approval Date: 05/31/2025
Recurrence: Recurring
Included in Base Budget: No
Ibis ID: 168Z4
New Grant: No
Change to Existing Grant: No
Over-realized Departmental Receipts: No
Realignment: No
Program Restructure: No
Other: Yes

Justification: **Purpose:** On behalf of Science Technology Innovation Division, the Department would like to request permission to establish a new receipt supported position identified by position 65021644, Financial Examiner in BC 14600 Fund 104603, effective 07/01/2025. The purpose of this position is to identify, compile, and organizes relevant data to analyze and draw sound logical conclusions for work assignment or examinations of financial institutions with minimal-to moderate risk profiles and/or structures.

The beacon action has been approved by the Department and resides OSBM along with this budget revision for approval. The PCR number is 5000242271. Failure to approve the budget revision will result in the position to remain unbudgeted and not established.

Source: Receipts Climate Reduction Grant

Authority: G.S. 143B-10(c)

Attachments: Climate Reduction Grant Memo

701 Report



Budget Revision - Budget Details

Positions

Budget Fund	Account Number	Account Description	AMU	NCFS Program	Fund Source	Project	Position Number	Grade Band	Classification	FTE (2023-24)	FTE (2024-25)	Annual Salary
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Page 1

104603	51220000	SPA TIME LIMITED SAL	4300314	0000000	2000	0000000000	65021644	NC 20	Financial Examiner	0.000	1.000	\$100,000.00
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Position Summary

Budget Fund	Account Number	FTE (2023-24)	FTE (2024-25)	Annual Salary
104603	51220000	0.000	1.000	\$100,000.00
Fund(104603) Totals		0.000	1.000	\$100,000.00

Requirements

Budget Fund	Account Number	Account Description	AMU	NCFS Program	Fund Source	Project	Inter Fund	Amount (2023-24)	Amount (2024-25)	Annualized Amount	Authorized Budget (2023-24)	Authorized Budget (2024-25)
104603	51220000	SPA TIME LIMITED SAL	4300314	0000000	2000	0000000000	000000	\$0.00	\$100,000.00	\$0.00	\$0.00	\$60,975.00
104603	51510000	SOCIAL SEC CONTRIB	4300314	0000000	2000	0000000000	000000	\$0.00	\$7,650.00	\$0.00	\$0.00	\$4,659.00
104603	51520000	REG RETIRE CONTRIB	4300314	0000000	2000	0000000000	000000	\$0.00	\$24,040.00	\$0.00	\$0.00	\$14,659.00
104603	51560000	MED INS CONTRIB	4300314	0000000	2000	0000000000	000000	\$0.00	\$8,095.00	\$0.00	\$0.00	\$6,072.00
104603	57100085	RESERVE FOR ADMIN	4300314	0000000	0000	0000000000	000000	\$0.00	(\$139,785.00)	\$0.00	\$0.00	\$19,772.00

Summary

	Amount (2023-24)	Amount (2024-25)	Annualized Amount
Total Requirements	\$0.00	\$0.00	\$0.00
Total Receipts	\$0.00	\$0.00	\$0.00
Appropriation	\$0.00	\$0.00	\$0.00

Budget Overview

			Requirements				
Budget Fund	Account Number	Account Description	Fund Source	Amount (2023-24)	Amount (2024-25)	Authorized Budget (2023-24)	Authorized Budget (2024-25)
104603	51220000	SPA TIME LIMITED SAL	2000	\$0.00	\$100,000.00	\$0.00	\$60,975.00
104603	51510000	SOCIAL SEC CONTRIB	2000	\$0.00	\$7,650.00	\$0.00	\$5,538.00
104603	51520000	REG RETIRE CONTRIB	2000	\$0.00	\$24,040.00	\$0.00	\$17,469.00
104603	51560000	MED INS CONTRIB	2000	\$0.00	\$8,095.00	\$0.00	\$6,072.00
104603	57100085	RESERVE FOR ADMIN	0000	\$0.00	(\$139,785.00)	\$0.00	\$19,772.00
Fund(104603) Totals				\$0.00	\$0.00	\$0.00	\$109,826.00

Attachments

Name	Type	Size	Date	Uploaded By
701 Report -Demo .docx	application/vnd.openxmlformats-officedocument.wordprocessingml.document	13218 Bytes	6/10/25	Unika Ashe-Valentine
Climate Reduction Grant Memo -Demo.docx	application/vnd.openxmlformats-officedocument.wordprocessingml.document	13216 Bytes	6/10/25	Unika Ashe-Valentine
Salary and Fringe analysis .docx	application/vnd.openxmlformats-officedocument.wordprocessingml.document	13214 Bytes	6/10/25	Unika Ashe-Valentine



Annualizations Column – Depends on Date

Position 1: Effective Date 07/01/XX, no annualized amount required

REQUIREMENTS

Fund Code	Cost Center	Account Number	Account Description	Amount (2017-18)	Amount (2018-19)	Annualized Amount	Authorized Budget (2017-18)	Authorized Budget (2018-19)
1110		532000	SUPPLIES AND MATERIALS	\$0.00	\$18,000.00	\$0.00	\$1,889,972.00	\$1,552,322.00
1110		533000	CURRENT OBLIGATION	\$0.00	\$18,000.00	\$0.00	\$1,113,809.00	\$6,352,099.00
1110		534000	FIXED CHARGES AND EXPENSES	\$0.00	\$5,000.00	\$0.00	\$1,034,736.00	\$1,106,188.00
1110		535000	CAPITAL OUTLAY	\$0.00	\$9,000.00	\$0.00	\$1,712,110.00	\$2,032,106.00

RECEIPTS

Fund Code	Cost Center	Account Number	Account Description	Amount (2017-18)	Amount (2018-19)	Annualized Amount	Authorized Budget (2017-18)	Authorized Budget (2018-19)
1110		430890	OTHER INTERTRANSFERS	\$0.00	\$50,000.00	\$0.00	\$400,000.00	\$1,190,948.00

Position 2: Effective Date 12/01/XX, annualized amount required

Requirements

Fund Code	Cost Center	Account Number	Account Description	Amount (2021-22)	Amount (2022-23)	Annualized Amount	Authorized Budget (2021-22)	Authorized Budget (2022-23)
2099	3383	531162	EPA-TIME LIMITED SAL-RECP	\$0.00	\$83,417.00	\$143,000.00	\$424,498.00	\$496,531.00
2099	3383	531512	SOCIAL SEC CONTRIB-RECPTS	\$0.00	\$8,381.00	\$10,940.00	\$33,062.00	\$37,989.00
2099	3383	531522	REG RETIRE CONTRIB-RECPTS	\$0.00	\$20,437.00	\$35,035.00	\$96,637.00	\$119,074.00
2099	3383	531562	MED INS CONTRIB-RECPTS	\$0.00	\$8,630.00	\$14,794.00	\$34,190.00	\$50,919.00

Receipts

Fund Code	Cost Center	Account Number	Account Description	Amount (2021-22)	Amount (2022-23)	Annualized Amount	Authorized Budget (2021-22)	Authorized Budget (2022-23)
2099	3383	432407	MECKLENBURG BAR FOUNDATIO	\$0.00	\$118,865.00	\$203,769.00	\$661,691.00	\$778,252.00

Knowledge Check



Question 1: True or False

Over-Realized Receipts can be budgeted on a recurring basis.



Question 1: True or False

Over-Realized Receipts can be budgeted on a recurring basis.

False. Over-Realized receipts can generally only be budgeted on NR basis, because it is unknown if those receipt will be available in future years.



Question 2: True or False

Having a descriptive title helps gives OSBM clarity of the action on the revision.



Question 2: True or False

Having a descriptive title helps gives OSBM clarity of the action on the revision.

True. Title is the only portion of a budget revision that is meaningfully searchable directly in the IBIS queue.

Special Fund Revisions



Special Funds

- These non-General Fund budget codes account for expenditures supported by the proceeds of specific revenue sources and **are legally restricted for specific purposes or services** performed by the agency.
 - Special funds are defined in GS 143C-1-3
- These funds generally **do not revert** and carry fund balance across fiscal years for use, as authorized by law



- Fund balance may be composed of:
 - ❖ Receipts that support the fund
 - ❖ General fund appropriations that created the fund
 - ❖ Interest, if applicable
- Any fund balance remaining at the end of a fiscal year will be reflected as the starting balance in the same amount at the beginning of the new fiscal year



Special Funds Accrue Fund Balance

Agency		Budget Code	Period	Report Mode		
		All	Jun-24	All Sections		
Cash Analysis						
	Beginning Balance					1,005,302.55
	+ Allotments					0.00
	+ Cash Receipts					832,613.44
	- Cash Disbursements					831,760.72
	+ Assets					0.00
	+ Liability					0.00
	+ Equity					0.00
	= Ending Balance					1,006,155.27
Additional Assets						
	Total Availability					1,006,155.27

Agency		Budget Code	Period	Report Mode		
		All	Jul-24	All Sections		
Cash Analysis						
	Beginning Balance					1,006,155.27
	+ Allotments					0.00
	+ Cash Receipts					61,550.30
	- Cash Disbursements					72,306.50
	+ Assets					0.00
	+ Liability					0.00
	+ Equity					0.00
	= Ending Balance					995,399.07
Additional Assets						
	Total Availability					995,399.07



Common Revisions in Special Funds

- Establish annual budget for non-recurring expenditures
- Realigning expenditures
- Budgeting fund balance
 - Cannot be done on a type-14
- Budgeting current year receipts



Revisions in Special Funds

§ 143B-135.188. North Carolina Aquariums; fees; fund.

- (a) Fees. - The Secretary of Natural and Cultural Resources may adopt a schedule of fees for the aquariums and piers operated by the North Carolina Aquariums, including:
- (1) Gate admission fees.
 - (2) Facility rental fees.
 - (3) Educational programs.
- (b) Fund. - The North Carolina Aquariums Fund is hereby created as a special fund. The North Carolina Aquariums Fund shall be used for the following purposes with respect to the aquariums and the pier operated by the Division of North Carolina Aquariums:
- (1) Repair, renovation, expansion, maintenance, and educational exhibit construction. Funds used for repair, renovation, and expansion projects may be transferred to a capital projects fund to account for use of the funds for each project.
 - (2) Payment of the debt service and lease payments related to the financing of facility expansions, subject to G.S. 143B-135.190.
 - (3) Matching of private funds that are raised for these purposes.
 - (4) Marketing the North Carolina Aquariums.
- (c) Disposition of Receipts. - All receipts derived from the collection of admissions charges and other fees and the lease or rental of property or facilities shall be credited to the aquariums' General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina aquariums' General Fund operating budget to the North Carolina Aquariums Fund an amount not to exceed the sum of the following:
- (1) One million five hundred thousand dollars (\$1,500,000).
 - (2) The amount needed to cover the expenses described by subdivision (2) of subsection (b) this section.
 - (3) Any donations, gifts, and devises received by the North Carolina aquariums.
- (d) Approval. - The Secretary may approve the use of the North Carolina Aquariums Fund for repair and renovation projects at the aquariums-related facilities that comply with the following:
- (1) The total project cost is less than five hundred thousand dollars (\$500,000).
 - (2) The project meets the requirements of G.S. 143C-8-13(a).
 - (3) The project is paid for from funds appropriated to the Fund.
 - (4) The project does not obligate the State to provide increased recurring funding for operations.
- (e) Repealed by Session Laws 2015-286, s. 4.12(d), effective October 22, 2015.
- (f) Report. - The Department shall submit to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division by September 30 of each year a report on the North Carolina Aquariums Fund that shall include the source and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year. (1997-286, s. 5; 1997-400, s. 6.3(b); 1997-443, s. 11A.119(b); 1999-49, s. 2; 2002-159, s. 46; 2005-276, s. 12.10; 2012-142, s. 12.5(a); 2013-413, s. 42(a); 2014-100, s. 14.2C; 2014-115, s. 17; 2015-241, s. 14.30(g), (n); 2015-268, s. 5.4(d); 2015-286, s. 4.12(d); 2016-94, s. 16.6(b); 2017-57, ss. 14.3(h), 36.12(e); 2021-180, ss. 14.3(a), 14.3A(a).)



Revisions of Special Funds

- S.L. 2023-134

OVERPAYMENTS AUDIT

SECTION 25.2.(a) During the 2023-2025 fiscal biennium, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors shall be deposited in Special Reserve Account 24172 as required by G.S. 147-86.22(c).

SECTION 25.2.(b) Of the funds appropriated in this act from Special Reserve Account 24172, and for each fiscal year of the 2023-2025 fiscal biennium, two hundred fifty thousand dollars (\$250,000) of the funds shall be used by the Office of the State Controller for data processing, debt collection, or e-commerce costs.

SECTION 25.2.(c) The State Controller shall report annually to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited into Special Reserve Account 24172 and the disbursement of that revenue.



Revisions of Special Funds

- S.L. 2024-53
- **STATE DISASTER FUNDS APPROPRIATIONS**
 - **SECTION 2.1.(a)** Appropriation of State Funds (Helene Fund). – Appropriations from the Helene Fund for the budgets of State agencies and non-State entities, and for other purposes enumerated, are made for the 2024-2025 fiscal year, according to the following schedule:

Helene Fund Appropriations

FY 2024-2025

EDUCATION

- | | |
|---|------------|
| • North Carolina Community College System | 16,750,000 |
| • Department of Public Instruction | 65,000,000 |

- **REVERSION, LIMITATION, AND REPORTING OF FUNDS**
 - **SECTION 3.1.(a)** Reversion. – Except as otherwise provided, funds appropriated under Part II of this act shall revert to the Savings Reserve if not expended or encumbered by June 30, 2030.

Knowledge Check



Question 1: True or False

Fund Balance unspent at the end of a fiscal year will remain in the fund and be reflected as the starting balance of the next fiscal year.



Question 1: Answer

Fund Balance unspent at the end of a fiscal year will remain in the fund and be reflected as the starting balance of the next fiscal year.

True.



Question 2: True or False

Special funds can be budgeted and used for any expenditure, at the discretion of the agency head.



Question 2: Answer

Special funds can be budgeted and used for any expenditure, at the discretion of the agency head.

False. Special funds are generally established for specific purposes or services and use of funds are legally restricted. All revisions in special funds **MUST** comply with any specified uses of the fund.

Reviewing Revisions for Submission



Common Errors on Budget Revisions

Using the Wrong Authority

- Make sure correct and complete authority is cited on the budget revision

Realigning between the 56XXXXXX-58XXXXXX Accounts on a Type 14 Budget Revision

- Realigning within or between budget funds that impact individual grant-in-aid (56XXXXXX), reserve (57XXXXXX), or intra-agency transfer (58XXXXXX) accounts require approval by OSBM on a type 11 or 12 budget revision.

Budgeting Over-Realized Receipts on Recurring Basis

- In the General Fund, over-realized receipts are subject to reversion at the end of the year. Generally, over-realized receipts should be budgeted on a non-recurring basis as it may be unclear that excess revenue will continue to be collected. Agencies should review historical receipt collections during base budget development and consider appropriate recurring budget adjustments.

Realigning Available Receipts to cover Over-Expended State Appropriation-Supported Expenditures

- Receipts such as federal funds cannot be used other than for what it's designated for.

Budgeting Over-Realized Receipts that will not be Spent

- Over-realized receipts only need to be budgeted if an agency is expending those funds



Reviewing Budget Revisions

1. Is the revision type correct (type 11, 12, or 14)?
2. Does the effective date make sense with the action on the revision?
3. Is the title sufficiently descriptive and accurate for action on the revision?
4. Is the correct category selected (statutory, special provision, new grant, change to existing grant, over-realized receipts, realignment, etc.)?
5. Evaluate the justification for completeness and accuracy. Does the agency have the authority for the budget change?
6. If applicable, is the reciprocal budget revision information in the justification section?
7. Include and describe any attachments for any additional information or context.



Example - Over-realized Receipts



OPERATING BUDGET REVISION - 105137 DUAL EMPLOYMENT FEB 2025

Status: Approved

Fiscal Year: 2024-2025
Status: Approved
Department/Agency: Department of Natural and Cultural Resources
BRU: Department of Natural and Cultural Resources
Budget Code: 14800 - Department of Natural and Cultural Resources - General Fund
Title: 105137 Dual Employment Feb 2025
Journal Entry Number: N/A
Statutory: No
Special Provision: No
Lapsed Salary: No
One-time Salary Change: No
Carry Forward: No

Reference Number: 12-1285
Revision Type: 12
Effective Date: 02/11/2025
Approval Date: 02/13/2025
Recurrence: Non-recurring
Included in Base Budget: No
Ibis ID: 15V04
New Grant: No
Change to Existing Grant: No
Over-realized Departmental Receipts: Yes
Realignment: No
Program Restructure: No
Other: No

For overrealized receipt revisions, proof of realized receipts are required.

Justification: This revision has been established in accordance with G.S. 143.C-6-4(b)(3) and the State Human Resources Act, which allows State Government Employees to engage in dual employment activity with another State agency on a part-time, consulting or contractual basis. A CP-30 form is required for reporting purposes of dual employment. (see attachments). As the parent agency, the receipts are being budgeted appropriately by increasing requirements and receipts in the related accounts and center.

See attached 701s to budget Dual Employment for FUNDS 105137.

BD701 attached.

Requirements

Budget Fund	Account Number	Account Description	AMU	NCFS Program	Fund Source	Project	Inter Fund	Amount (2023-24)	Amount (2024-25)	Annualized Amount	Authorized Budget (2023-24)	Authorized Budget (2024-25)
105137	51450000	DUAL EMPL WAGES	0000000	0000000	2000	0000000000	000000	\$0.00	\$8,000.00	\$0.00	\$0.00	\$19,000.00
105137	51510000	SOCIAL SEC CONTRIB	0000000	0000000	2000	0000000000	000000	\$0.00	\$612.00	\$0.00	\$0.00	\$337,046.00

Receipts

Budget Fund	Account Number	Account Description	AMU	NCFS Program	Fund Source	Project	Inter Fund	Amount (2023-24)	Amount (2024-25)	Annualized Amount	Authorized Budget (2023-24)	Authorized Budget (2024-25)
105137	58210000	REIM-EMPLOYEES ON LOAN	0000000	0000000	0000	0000000000	000000	\$0.00	\$8,612.00	\$0.00	\$0.00	\$20,454.00



Example - Lapsed Salary



OPERATING BUDGET REVISION - 101005 0810100 LAPSED SALARY FY25 NR Status: Approved_Internal

Fiscal Year: 2024-2025
Status: Approved Internally
Department/Agency: Department of Public Instruction
BRU: Department of Public Instruction
Budget Code: 13510 - Public Instruction - General Fund
Title: 101005 0810100 Lapsed Salary FY25 NR
Journal Entry Number: N/A
Statutory: No
Special Provision: No
Lapsed Salary: Yes (Appropriation)
One-time Salary Change: No
Carry Forward: No

Reference Number: 14-1257
Revision Type: 14
Effective Date: 06/01/2025
Approval Date: 06/11/2025
Recurrence: Non-recurring
Included in Base Budget: No
Ibis ID: 16AMC
New Grant: No
Change to Existing Grant: No
Over-realized Departmental Receipts: No
Realignment: No
Program Restructure: No
Other: No

Justification: The purpose of this revision is to use accumulated lapsed salaries to cover current expenditures in Budget Fund 101005, primarily for temporary employment.

Source of Funds: State Appropriation

Authority: State Budget Manual 3.8.7 Lapsed Salary Revisions, G.S. 143C-6-9

Reciprocal: N/A

Attachments: BD701 with Lapsed Salary worksheet

Requirements

Budget Fund	Account Number	Account Description	AMU	NCFS Program	Fund Source	Project	Inter Fund	Amount (2023-24)	Amount (2024-25)	Annualized Amount	Authorized Budget (2023-24)	Authorized Budget (2024-25)
101005	51210000	SPA-REG SALARIES	08A0111	0810100	1000	0000000000	000000	\$0.00	(\$2,000.00)	\$0.00	\$0.00	\$364,602.00
101005	51510000	SOCIAL SEC CONTRIB	08A0111	0810100	1000	0000000000	000000	\$0.00	(\$1,630.00)	\$0.00	\$0.00	\$31,616.00
101005	51520000	REG RETIRE CONTRIB	08A0111	0810100	1000	0000000000	000000	\$0.00	(\$4,352.00)	\$0.00	\$0.00	\$104,456.00
101005	52170002	ADMIN SVC-TEMP AGENCY SVC	08A0111	0810100	1000	0000000000	000000	\$0.00	\$5,935.00	\$0.00	\$0.00	\$66,357.00
101005	52930000	REGISTRATI ON FEES	08A0111	0810100	1000	0000000000	000000	\$0.00	\$1,864.00	\$0.00	\$0.00	\$5,041.00

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Page 1

101005	53110000	GENERAL OFFICE SUPPLIES	08A0111	0810100	1000	0000000000	000000	\$0.00	\$183.00	\$0.00	\$0.00	\$350.00
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For Lapsed Salary revision, agency should make sure the correct category field is selected, and the lapsed salary analysis is attached to the revision.



What is the OSBM Budget Analyst's Role?

When reviewing budget revisions, the OSBM budget analyst:

- Develops an understanding of the requested adjustments based on the State Budget Act, State Budget Manual, other relevant state and federal legislative authority, budget reports, information provided in the justification section, and attachments to the budget revision.
- Reviews the revision for budget authority and technical accuracy.
- After reviewing the request, makes a recommendation and then takes the appropriate action (approval, return, or denial).

Before approval, the OSBM budget analyst must fully understand the request, the legal authority for the request, and that the revision is technically accurate

Resources



Budget Execution Resources

NEW!

- First Friday Training Materials: [Training Resources | NC OSBM](#)

Key Links:

- State Budget Act – [G.S. 143C](#)
- Powers and duties of heads of principal departments – [G.S. 143B-10](#)
- [State Budget Manual](#)
- OSBM's Job Aids: [Job Aids | NC OSBM](#)



OSBM Budget Execution Team

Mark Bondo – Assistant State Budget Officer (JPS, NER, Statewide)
Jennifer Neisner - Assistant State Budget Officer (HHS, Education, General Government)

<u>Agency Name</u>	<u>Analyst</u>	<u>Agency Name</u>	<u>Analyst</u>
Administrative Office of the Courts	Sarah Grimsrud	Department of Revenue	Alice Saunders
Community Colleges	Rachel Stallings	Department of Transportation	Sherese Bonner
Department of Administration	Alice Saunders	DHHS – Central Administration	Taylor Coburn
Department of Adult Corrections	Anna Naples	DHHS – Division of Aging	Chris Bouzane
Department of Agriculture/State Fair	Unika Valentine	DHHS – Division of Child and Family Wellbeing	Pam Johnson
Department of Commerce	Unika Valentine	DHHS – Division of Child Development	Pam Johnson
Department of Environmental Quality	Sherese Bonner	DHHS – Division of Health Benefits	Taylor Coburn
Department of Information Technology	Sam Barber	DHHS – Division of Health Service Regulation	Chris Bouzane
Department of Insurance	Taylor Coburn	DHHS – Division of Mental Health/ IDD/ SUS	Chris Bouzane
Department of Justice	Unika Valentine	DHHS – Division of Public Health	Pam Johnson
Department of Labor	Unika Valentine	DHHS – Division of Services for the Blind/Deaf/Hard of Hearing	Chris Bouzane
Department of Military & Veterans Affairs	Alice Saunders	DHHS – Division of Social Services	Sam Barber
Department of Natural & Cultural Resources	Unika Valentine	DHHS – Division of Vocational Rehabilitation	Chris Bouzane
Department of Public Instruction	Danielle Scheu	Disasters	Sarah Grimsrud



OSBM Budget Execution Team

State Agencies (continued)

<u>Agency Name</u>	<u>Analyst</u>
General Assembly	Alice Saunders
Governor's Office/ OSBM	Pam Johnson
Indigent Defense Services	Sarah Grimsrud
Lieutenant Governor's Office	Alice Saunders
NC Education Lottery	Danielle Scheu
NC Housing Finance Agency	Alice Saunders
NC School of Science & Math	Rachel Stallings
Office of Administrative Hearings	Loretta Peace- Bunch
Office of the State Auditor	Pam Johnson
Office of the State Controller	Sam Barber
Public Safety	Sarah Grimsrud
Secretary of State	Pam Johnson
State Bureau of Investigation	Sarah Grimsrud
State Treasurer	Sam Barber
Wildlife Resources Commission	Brian Farmer

State Boards

<u>Board Name</u>	<u>Analyst</u>
Board of Electrolysis	Pam Johnson
Board of Barber Examiners	Pam Johnson
Board of Cosmetic Arts	Pam Johnson
Board of Opticians	Pam Johnson
Board of Psychologists	Pam Johnson
Auctioneer Licensing Board	Pam Johnson
Board of Elections	Alice Saunders

Statewide

<u>Assignment Area</u>	<u>Analyst</u>
Debt (Financing/Bonds)	Mark Bondo
Salary & Benefits	Sam Barber
Statewide Reserves	Mark Bondo



Stay in Touch

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