Agency Certification Instructions – Long Session FY 23-25

Preface

The Agency Certification Instructions are for state agencies and the North Carolina School of Science and Math. The UNC System Office and all other universities follow the University Certification Instructions. To certify capital projects included in the State Capital and Infrastructure Fund (SCIF), see the Capital Instructions Job Aid.

This document provides:

1. A high-level overview of the certification process,
2. Step-by-step instructions for budget certification, and
3. A checklist of each task in the certification process.

Following these instructions closely will help to expedite the budget certification process and minimize the need to revisit tasks and/or revise entries.

Agencies will be certifying in North Carolina Financial System (NCFS) this year using the updated Integrated Budget Information System (IBIS) system. **Certification entries should be completed in IBIS after the Release 3 of NCFS in October.**

Process Overview

After the budget becomes law, agencies work with their OSBM development analyst to certify the official budget. Budget certification is done in IBIS and will interface with the new NCFS. Agencies submit **certification entries**, which reflect adjustments (+/-) that appropriation bills have made to the existing approved budget. OSBM analysts review entries to ensure they reflect the Appropriations Act and associated laws. When all entries have been approved and interfaced with NCFS, OSBM analysts generate a **BD 307**, which is the official certification report and reflects the budget as enacted by the General Assembly.

Agencies should review S.L. 2023-14, S.L. 2023-134, and the Joint Conference Committee Report on the Current Operations Appropriations Act of 2023 (the Committee Report).

- For S.L. 2023-134, the Committee Report is the primary document used to certify the budget. Each impacted Budget Code is listed with their starting appropriation (base budget), a summary of their budget/FTE adjustments (total legislative changes), and a summary of their revised budget.
- S.L. 2023-14 also contains appropriations for some agencies. Appendix A below has a list of agencies impacted by the bill. Prior to certification, these agencies should review S.L. 2023-14 to determine what certification entries are required due to this bill.
- If the North Carolina General Assembly (NCGA) makes technical corrections to these bills, OSBM will issue additional guidance to ensure any necessary adjustments are properly certified.

Step by Step Guide for Budget Certification:

1) **IBIS.** Agencies and OSBM will use IBIS to certify the 2023-25 budget. The direct link to the IBIS system is http://ibis.nc.gov/ibis-webapp/IBIS.html.

   a. **Certification entries should be uploaded in the updated IBIS system after the Release 3 of NCFS in October.**

   b. If you have system access issues, email the IBIS Help Desk at NCIBIS-Help@osbm.nc.gov.

   c. For detailed instructions on how to use IBIS certification forms, see the Operating Certification user guide: https://www.osbm.nc.gov/documents/files/ibistraining-certification-operating/download. This guide will be edited to reflect changes to IBIS due to the transition to NCFS.

2) **Enacted Legislation.** Work with your OSBM development analyst to review the enacted bills and the Committee Report to ensure the agency is certifying all items; balancing appropriation and allocation totals; and that items are certified in the correct Budget Codes and Budget Funds. If the NCGA makes technical corrections to these bills, OSBM will issue additional guidance to ensure any necessary adjustments are properly certified.

3) **NCFS Chart of Accounts.** Agencies will need to enter all certification items using the NCFS Chart of Accounts (COA), not the more familiar NCAS COA.

   a. You can use OSBM's certification template to help organize certification entries and to crosswalk between NCAS and NCFS.

   b. Please share a spreadsheet of your draft certification entries and the NCFS crosswalk file you are using with your OSBM development analyst.

   c. OSC has a helpful Power BI tool to map your previous NCAS COA to your new NCFS COA: Microsoft Power BI (powerbigov.us)

4) **New Chart of Account Requests**.

   a. Identify any new Budget Codes and Budget Funds needed and submit these requests for approval via IBIS.

   b. OSBM has a bulk upload template for Budget Fund requests for agencies with more than 10 new Budget Funds. Contact your OSBM development analyst if you need this template before go-live for IBIS updates.

   c. Agencies will also need to identify any new chart of account segments needed outside of Budget Codes and Funds required for certification. OSC leads this process.

      i. Agencies will need to submit a spreadsheet template to OSC for changes to Agency Management Unit, Agency Program, and Project.

      ii. The template can be found here: NCFS COA Maintenance | NC OSC

      iii. New NCFS Account requests are submitted via form and follow the standard review process with the OSC Financial Reporting team and COA Committee.

      iv. New accounting combinations will need to be brought over from NCFS to IBIS. OSC has provided an accounting combination template to assist agencies with creating valid accounting combinations in both systems.

     v.   After OSC approves and successfully uploads changes to NCFS, the new COA segments will interface with IBIS overnight.

    d.   As needed, agencies should consult with OSBM and work with OSC to create statewide accounts.

    e.   New Chart of Account requests will be processed after NCFS and IBIS go live in October.

5) **Certification Forms.** Agencies create new certification forms in IBIS for expansion, reduction, and technical items.

    a.   Although there are new fields in IBIS to reflect the new field options in NCFS, the IBIS interface and certification forms look very similar to those used in prior years and the process for accessing and completing certification forms remains the same.

    b.   Once you have logged into IBIS, from the Work Queue page, click on 'Create New Request', selecting the 'Budget Certification' and then the 'Operating' options.
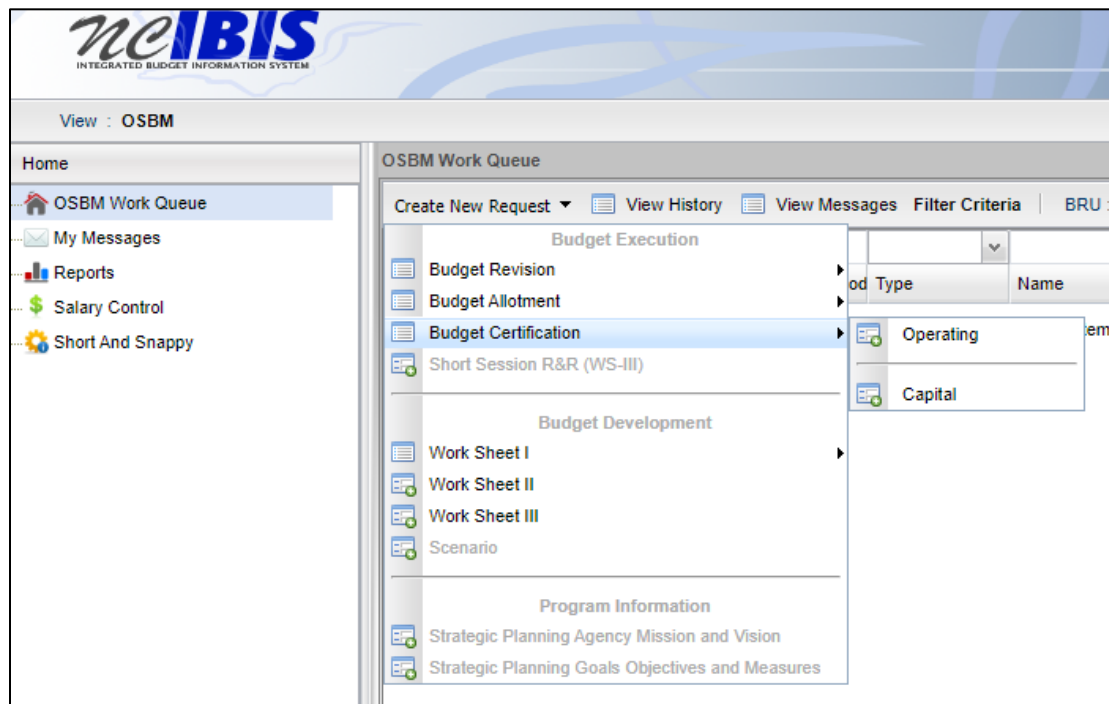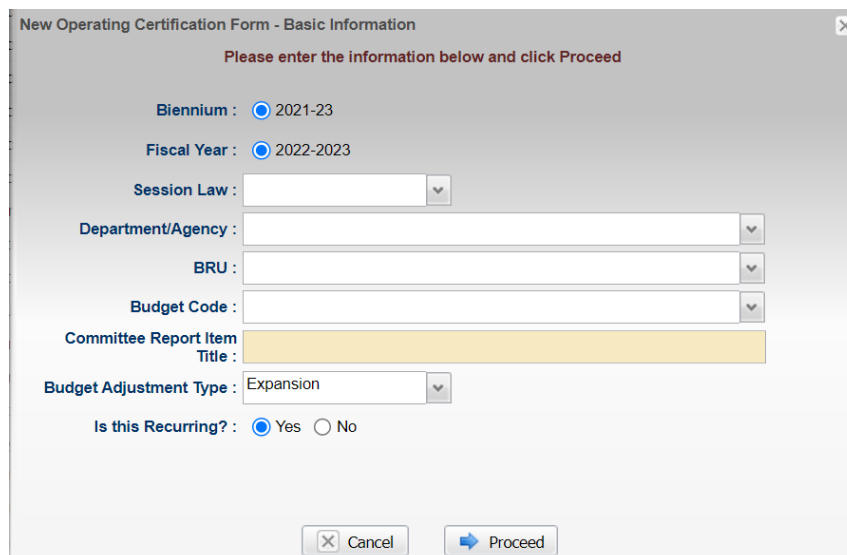

6) **Certifying Allocations and Cash Balance Transfers.** The enacted bill may appropriate funds to an agency to be allocated to other state agencies and non-state entities. In these cases, the appropriation and subsequent allocations are certified.

    a.   The certification entry for an agency receiving state appropriation to be transferred should include the transfers out to other entities receiving the allocations in the agency's expenditure accounts.

    b.   A state agency receiving an allocation must also submit a certification entry certifying this allocation in its receipt accounts.

c. This same principle applies to cash balance transfers —one agency must certify the transfer out of the cash balance in its expenditure accounts and the receiving entity must certify the transfer in of these funds in its receipt accounts.

d. Transfers in NCFS require the Inter-Fund segment. Agencies should work with your OSBM development analyst to verify the correct reciprocal Budget Fund needed.

7) **Reserves.** With limited exceptions, such as reserves for salaries and benefits (see Step 10), agencies should avoid certifying funds to reserves. Rather, agencies should develop a plan for distributing those funds prior to certification. Correctly certifying those funds at the beginning of the fiscal year will reduce revisions later in the fiscal year.

8) **Basic Information Tab**. Fill out the Basic Information tab of the certification form, including Biennium, Fiscal Year, Session Law, Department/Agency, BRU, Budget Code, Committee Report Item Title, Budget Adjustment Type, and whether the item is recurring or non-recurring.

a. **If an item has both recurring and non-recurring adjustments, prepare a separate certification entry for each**.

b. For the Committee Report Item Title, enter the name of item listed in the Committee Report followed by 'R' for recurring or 'NR' for non-recurring. In addition, the title for items funded by State Fiscal Recovery Funds should start with SFRF (Examples: Compensation Increase Reserve – R; SFRF State Drinking Water/Wastewater Reserve Grants – NR).

c. For the Committee Report Item Number, enter the agency's Committee Report section letter and item number [Section Letter–Item Number] followed by 'R' for recurring or 'NR' for non-recurring. (Example for funds provided to the Secretary of State for Information Technology Rates: F-1144 R).

d. For stand-alone bills such as S.L. 2023-14, the Committee Report Item Number format is [Session Law Number – Section Number]. (Example for the NC Finish Line Grants Program to the NC Community College System in Section 6.10 of S.L. 2023-14: Title "NC Finish Line Grants Program – R"; Item Number "14 S-6-10").

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9) **Statewide Reserves.** Information on Statewide Reserves and funds appropriated into reserves for Salaries and Benefits can be found in Section 2.2 and Part 39 of S.L. 2023-134, respectively.

Agencies should certify their salary and benefit adjustments and statewide reserve items within the **appropriate statewide reserve account** listed below.

Statewide Expenditure Accounts-Salary and Benefit:
- **57204000 Reserve** – Legislative Increase Compensation Reserve (Regular LI and other recurring salary adjustments)
- **57206000 Reserve** – State Retirement System Contributions (For state retirement contributions)
- **57208000 Reserve** – State Health Plan
- **57209000 Reserve** – Labor Market Adjustment Reserve

Statewide Accounts-Transfer In:
- **48T00001 Reserve –** Retiree Supplement Reserve – Transfer In*
- **48049000 Reserve-** SRFR Recovery Reserve-Transfer In
- **48060000 Reserve-** Sports Wagering-Transfer In
- **48061000 Reserve-** IT Reserve-Transfer In
- **48062000 Reserve-** ARPA Temporary Savings (Medicaid Expansion)-Transfer In

*Funds received into 48T00001 should be budgeted as expenditures from the 57206000 Reserve.

Agencies should use **48100001** – Agency Operating Transfer for all other transfers from new statewide reserves.
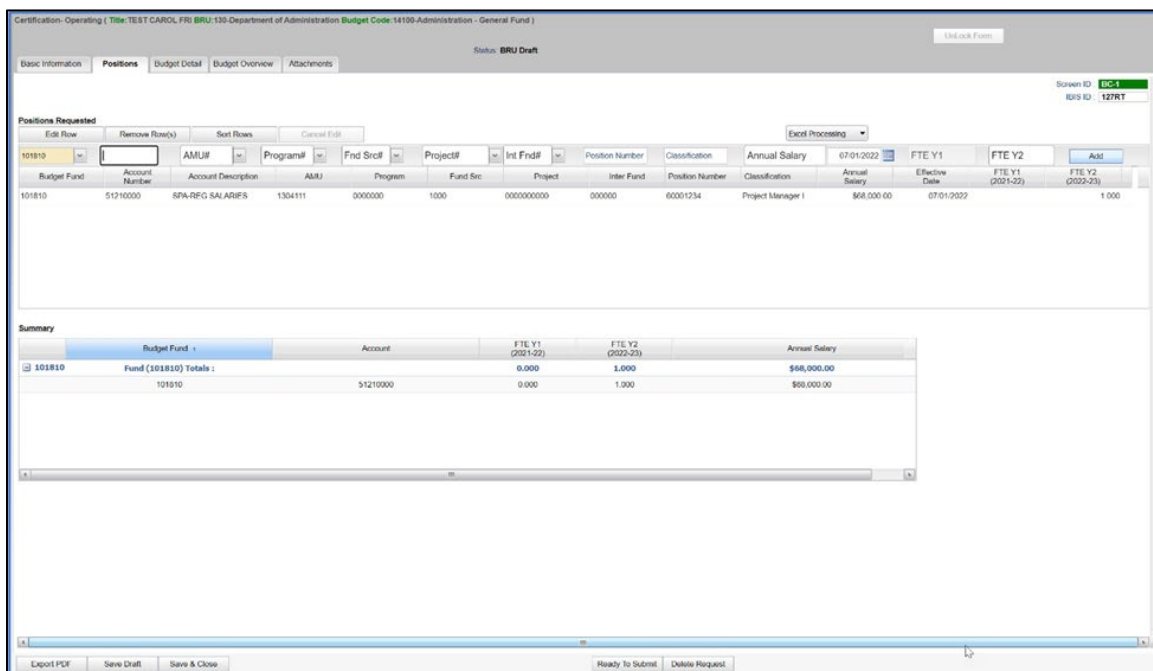
Inter-Fund is required for transfers from Statewide Reserves. Inter-fund numbers for transfers from Statewide Reserves usually start with a zero, followed by the Budget Code. For example, the SERDRF Inter-Fund is 019930, while it is 019810 for the Federal Infrastructure Match Reserve.

Reserve Name	Inter-Fund
State Emergency Response and Disaster Relief Fund	019930
State Fiscal Recovery Fund Reserve (Interest)	019941
Information Technology Reserve	019801
Economic Development Project Reserve	019804
Regional Economic Development Project Reserve	019815
NC Innovation Reserve	019817
World University Games	019807
Housing Reserve	019808
Federal Infrastructure Match	019810
Retiree Supplement Reserve	019811
Need Based Capital Reserve	019812

Clean Drinking Water Reserve	019813
Transportation Reserve	019816
Opioid Abatement	019805
Sports Wagering	019914
Funds in Agencies with Transfers	**Inter-Fund**
OSBM State Capital and Infrastructure Fund (Recurring Position Funding and Debt Service)	201350
OSBM State Capital and Infrastructure Fund FY 2024 Funding	201356
OSBM State Capital and Infrastructure Fund FY 2025 Funding	201357
OSBM ARP – State & Local Fiscal Recovery Fund	214100
HHS Opioid Abatement Fund	231005
HHS ARPA Temporary Savings	230518

OSBM will issue a separate memorandum and job aid with instructions on distributing salary and benefit reserves following Certification. Funds remaining following the distribution of the salary and benefit reserves will be moved to statewide Budget Code 19004 for redistribution to other agencies and/or the Pay Plan Reserve.

10) **Position Tab**. Enter new and abolished positions on the Positions Tab of the certification form.

The Fiori HR/Payroll System assigns position numbers for new positions when the agency initiates a workflow action (PCR). Budget personnel should coordinate with their agency HR personnel to ensure new positions and abolished positions are established or eliminated in both the IBIS and Fiori HR/Payroll systems. If your HR department will not be able to provide position numbers in time to complete certification, consult your OSBM development analyst.

Agency budget and HR personnel should coordinate when establishing new positions to ensure their PCR entries match their respective certification entries. Specifically, note that position number, position name, effective date (7/1/2023 in most cases), and annual salary need to match. Please **work with your HR Directors to ensure all new positions have an effective date of 7/1/2023** unless otherwise stated in legislation.

Use the **FY 2022-23 retirement and health plan rates**, provided below, when establishing new positions, and not the new rates found in S.L. 2023-134. After Certification, agencies will use the Reserves for Benefits to increase contributions for all positions, including new positions, to FY 2023-24 contribution rates via budget revision following certification.

Per S.L. 2022-74, the retirement rates for FY 2022-23 are:

Retirement Rates for New Positions					
	TSERS	**LEO**	**ORP**	**CJRS**	**LRS**
FY 2022-23 Total Contribution Rate (use FY 2022-23 for new positions)	24.50%	29.50%	13.83%	46.84%	31.80%

The State Health Plan amount per S.L. 2022-74 is:

	FY 2022-23 *(use this for FY 2023-24 new positions)*
Active	$7,397
Retirees	$5,118

For informational purposes only

Retirement and health plan rates for the **2023-25** biennium are:

Retirement Rates per S.L. 2023-134:

Retirement Rates for New Positions					
	TSERS	**LEO**	**ORP**	**CJRS**	**LRS**
FY 2023-24 Total Contribution Rate	**25.02%**	**30.02%**	**13.96%**	**42.42%**	**27.79%**
Recurring	23.82%	28.82%	13.96%	39.98%	25.75%
Non-recurring	1.20%	1.20%	.13%	2.44%	2.04%
FY 2024-25 Total Contribution Rate	**24.04%**	**29.04%**	**13.96%**	**43.99%**	**28.99%**
Recurring	24.04%	29.04%	13.96%	43.99%	28.99%
Non-recurring	0%	0%	0%	0%	0%

The State Health Plan amount per S.L. 2023-134:

	FY 2023-24	**FY 2024-25**
Active	$7,557	$8,095
Retirees	$5,525	$5,405

11) **Budget Detail tab**. Fill in the Budget Detail as needed. The form will automatically fill in zeros for Chart of Account segments that are not needed.

12) **Budget Detail Upload**. Agencies may use the upload template for IBIS certification forms to speed up certification entry in IBIS. This form will be available in IBIS and on OSBM's website. The form allows agencies to enter multiple lines for a single certification entry into an Excel spreadsheet. Agencies can then upload the Excel sheets into IBIS after completing the Basic Information Tab. This form will allow agencies to prepare IBIS certification entries during the blackout period and may be easier than entering complex entries directly into IBIS.

For the Budget Detail tab, select 'Excel Processing' and then 'Upload & Process' (as shown below). Make sure that all Chart of Account segments are filled out to allow the form to process correctly, including the appropriate number of zeros for Chart of Account segments that are not used.

13) **BD 307 Reports**. Once certification forms are entered, agencies can generate a BD 307:
IBIS>Reports>Self Service Reports>Certification Reports>.
   a. There are two BD 307 options: BD 307 Original Report and BD 307 Revised Report. **For long session budget certification, run the BD 307 Original Report (Sub Group Level)**.

   b. Agencies can run a BD 307 to include forms in **draft** status (includes any forms not submitted to OSBM), **OSBM** status (includes any form submitted to OSBM but not approved), or in an **approved** status (includes any forms approved by OSBM). This allows agencies to create and review a BD 307 before all certification entries have been approved.
   c. Agencies should review all accounts in their BD 307 to identify any negative accounts and work with OSBM analyst to address them.

14) **OSBM Notification.** Agencies should notify their OSBM development analyst when all their certification entries have been submitted and are ready for review. Make sure to send your analyst a copy of your certification tracking spreadsheet and the latest NCAS/NCFS crosswalk. OSBM will then review, verify, and approve certification entries in IBIS. Once OSBM has completed this process, your analyst will email you when your agency's IBIS files are being interfaced to NCFS.

15) **IBIS/NCFS Reconciliation.** Once your OSBM development analyst has notified you that the IBIS has interfaced with NCFS, the next step is to verify that the budget information in NCFS matches that in IBIS. To do this, you will need to run a BD 701 Report in NCFS and compare it to the IBIS-generated BD 307. If the BD 701 and BD 307 do not match, the agency will need to work with OSBM to reconcile and correct any differences. This step guarantees that the correct budget was loaded into NCFS and matches the official budget contained in IBIS. It will also give you a point-in-time snapshot of the budget before new budget revisions are approved and loaded into NCFS.

   a. OSBM has created a quick reference guide on how to run a BD 701 in NCFS, which can be found here: [How to run a BD 701 (nc.gov)](How to run a BD 701 (nc.gov))

   Responsibilities for Reconciliation Check: OSBM checks all systems reconcile at the Budget Code and Budget Fund levels. Agencies are responsible for reconciliation in IBIS/NCFS at the account level.

16) **Official Certification Copy**. The budget is considered certified once it is signed by the State Budget Director. Your OSBM analyst will send an electronic copy of your signed BD 307 to complete the certification process.

17) **Repeat and FY 2023-24 Budget Revisions**. Once an agency's certification process is complete, OSBM will release repeat revisions and begin approving FY 2023-24 budget revisions in IBIS.

Agency Certification Checklist

☐   1. Review S.L. 2023-14, S.L. 2023-134, and the Committee Report for your agency's appropriations and allocations.

☐   2. Submit any new Budget Code and Budget Fund requests in IBIS to OSBM. Submit any new NCFS chart of account requests to OSC.

☐   3. Complete certification spreadsheet. Please share that spreadsheet and the latest NCAS/NCFS crosswalk with your OSBM analyst. Consider using OSBM's certification template.

☐   4. Create certification entries for any appropriations, allocations, and cash balance transfers in IBIS after the NCFS Phase 3 launch in October.

☐   5. Review accounts in your agency's BD 307 to identify any negative accounts and work with OSBM development analyst to resolve.

☐   6. Notify your OSBM development analyst that your entries are ready for review. When OSBM has completed its review, IBIS will interface with NCFS. Your OSBM analyst will notify you when the certification interface is complete.

☐   7. Review the BD701 in NCFS against the BD307 in IBIS to ensure IBIS and NCFS match. If they do not, contact your OSBM development analyst.

☐   8. Notify your OSBM development analyst that IBIS and NCFS match. Your OSBM development analyst will send you an official signed copy of your BD 307. Repeat and FY 2023-24 revisions can be processed after certification is complete.

Appendix A - S.L. 2023-14 Impacted Agencies

Department of Health and Human Services - Division of Public Health

Department of Health and Human Services - Division of Health Benefits

Department of Health and Human Services - Division of Social Services

Department of Health and Human Services - Division of Child Development and Early Education

Department of Public Instruction

North Carolina Community College System