

JOB AID: ALLOWABLE CHANGES TO AUTHORIZED BUDGETS DURING BASE BUDGET DEVELOPMENT

Review of the authorized budget during Base Budget development allows agencies to permanently realign line-item budgets within a budget fund. This process should be the first step agencies take to address overages and deficits that impact the ability to deliver existing programs and services outlined in the budget.

Agencies should examine FY 2026-27 authorized budgets by budget fund for opportunities to generate savings or realign budgets within a budget fund.

Depending on the scope and nature of a proposed change, OSBM may require certain adjustments be requested as part of the Change Budget process.

The items listed below are adjustments allowed to the authorized budget during Base Budget development using authority that is not specific to the base budget process. **These changes are accomplished through recurring budget revisions in IBIS which are pulled into the Base Budget by OSBM.** All Base Budget Adjustments (formerly Worksheet I forms) will be submitted in BRIDGE. Budget revisions to be included in the Base Budget will interface with BRIDGE nightly and will be reflected in the Base Budget Report the following day. The *Base Budget Revisions Report (RPT_BA_006)* in BRIDGE will show what revisions have been included in the base budget; your OSBM analyst will also update this information in IBIS periodically so that these budget revisions will be marked as “included in base” on the budget revision form in IBIS.

1. **IBIS Budget Revision - Reconciliation of Budget Revisions** – Each morning the 2027-29 Base Budget reports will update in BRIDGE with all recurring revisions that have been approved by 11:59 pm the day before. The FY 2026-27 Authorized Budget in the Base Budget reports is equal to the recurring portion of the 2026-27 BD 307 Revised Certified Budget and all recurring revisions approved in the 2025-27 biennium. At launch, the Base Budget Report will include all recurring revisions approved so far in the biennium, and new recurring revisions will be pulled into BRIDGE and the Base Budget reports nightly.

For Base Budget reports:

Certified Budget = FY27 Base Budget + FY27 R Certification Amt^s + FY27 R Revision Amt^s (Type-11)
Authorized Budget = FY27 Base Budget + FY27 R Certification Amt^s + FY27 R Revision Amt^s (All Types)

The first step in reviewing the Base Budget Report in BRIDGE is to review the revisions that have interfaced into BRIDGE. Use the *Base Budget Revisions Report (RPT_BA_006)* in BRIDGE (location: Reports >> Financial Reports >> Base Budget Reporting >> Reconciliation Reports) and the *RK 314 Budget Revisions List Report in IBIS* (location: Reports >> Self-Service Reports >> Budget Development Reports >> Worksheet I Report) for this analysis. The Base Budget Revisions Report lists only revisions that are included in the Base Budget and the RK 314 lists all revisions approved during the 2025-27 biennium. Using these reports, agencies will determine if any recurring budget revisions should be excluded from the base budget or if any non-recurring revisions should be considered for Base Budget Adjustments. Agencies should complete their analysis and communicate with OSBM by October 9, 2026, to ensure that all previously approved recurring budget revisions are appropriately included in the base budget.

A few reminders:

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- a. Make sure all permanent allocations from statewide reserves are distributed in the Base Budget (e.g., LI, retirement, state health plan increases).
- b. If appropriation was transferred between budget codes, make sure reciprocal budget revisions are either both included or excluded.
- c. Carryforward revisions are non-recurring and should not be included in the base budget. Budget Revisions that authorize a carryforward from 2025-26 into 2026-27 should not be included in the Base Budget.

The totals for the budget code in the IBIS *RK 314 Reconciliation Report* will match the total certified/authorized columns in the Base Budget Report.

Note: New FY 2026-27 budget revisions may be needed to adjust the Base Budget following the analyses outlined below. Be sure to indicate in the justification section of any new recurring revision whether the revision should be included in the Base Budget.

2. **IBIS Budget Revision: Realignments** - Agencies are encouraged to realign non-personnel expenditure account lines, 52XXXXXX - 55XXXXXX, within an operating budget fund to reflect anticipated expenditures for 2026-27 and for the upcoming 2027-29 biennium. Agencies may submit new recurring budget revisions to realign expenditures and receipts on a recurring basis. If a realignment has already been submitted as a non-recurring revision for the current biennium, please work with your OSBM Budget Execution analyst to determine the best way of making that adjustment in the Base Budget.
3. **IBIS Budget Revision: Receipts Adjustments** - The State Budget Act, in [G.S. 143C-3-5\(b\)\(2\)c](#), requires estimated receipts in the recommended budget to be adjusted to reflect actual collections from the prior fiscal year, unless the Director of the Budget recommends a change that will result in collections that differ from the prior year, or determines there is a more reasonable basis to accurately project receipts. OSBM will engage agencies in an analysis comparing budgeted receipts with actual collections over the last three fiscal years and will work with each agency to determine the basis to accurately project receipts and to make associated increases or decreases to total requirements if necessary.

In rare instances, it may be necessary to adjust receipts in the Base Budget to reflect receipts that are anticipated for the next biennium but will not be received in FY 2026-27. Agencies should contact their OSBM budget analyst if there is an instance like this.

4. **IBIS Budget Revision: Salary Reserve and Personnel (51XXXXXX) Expenditure Realignments** - Agencies should reconcile salary budgets between IBIS and FIORI to ensure adequate funding for payroll obligations (filled and unfilled positions). Agencies should also reconcile employer contributions for social security, retirement, and health insurance premiums. To the extent the annualized budget for salaries and fringe benefits exceeds requirements; these funds may be realigned to under-budgeted salary or fringe benefit line items. Note that any realignments must be between salary accounts that share the same funding source.

OSBM will engage agencies in analysis of budgeted salaries and FIORI salary information by budget fund and account. Agencies should use the *Base Budget to HR-Payroll Comparison Report (RPT_003)* in BRIDGE to aid in the reconciliation of salaries and position counts. Agencies are responsible for

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maintaining current and accurate salary and position count data. ***Salaries reflected in FIORI must not exceed the authorized budget. If total salaries in FIORI exceed the authorized budget, appropriate personnel actions must be taken to adjust FIORI.***

Agencies should carefully review this information and may submit budget revisions to OSBM to align salary reserve to accurately reflect the annual salary requirements in each operating budget fund, and to eliminate any negative balances that exist.

It may be necessary to reduce or abolish positions in some instances to eliminate negative salary reserve amounts. Agencies can retain positive salary reserve amounts in the base budget.

Once agencies have reconciled position counts and salaries, apply the rates listed below for each budget fund and then compare the calculated amount needed for fringe benefit account lines to what is in the Base Budget Report “Total” columns for each year of the new biennium.

The recurring fringe benefits rates are as follows:

Federal Insurance Contributions Act (FICA) Social Security & Medicare	7.65%
Social Security (OASDI) up to maximum taxable amount of \$184,500	6.20%
Medicare Portion (HI) on ALL earnings	1.45%
Teachers and State Employees Retirement Rate	25.38%
State Law Enforcement Officers Retirement Rate	30.38%
Optional Retirement Rate	14.59%
Consolidated Judicial Retirement Rate	48.37%
Legislative Retirement System Rate	25.56%
Health Benefits – Active Employees	\$8,925

Retirement and health benefits for permanent state employees who work at least nine months per year and at least 30 hours per week must be included.

Upon OSBM approval of allowable changes to authorized budgets, agencies should turn their attention to the Increases/Decreases to the authorized budget.

Note: The reconciliation of salary-related benefits outlined above refers only to recurring realignments within a fund that net to zero, as allowable under 143C-6-4. Reconciliations involving recurring realignments across funds and/or increases or decreases to the total amount budgeted are only allowable under 143C-1-1(d)(1c)i and must be completed as a Base Budget Adjustment entry.