OFFICE OF STATE BUDGET AND MANAGEMENT

FY 2026-27 Agency Budget Certification Training

Integrity Curiosity Innovation Excellence Teamwork

FY 2026-27 Certification Overview

Objectives

1. Review certification timeline, process, and guidelines
2. Highlight key steps for this year's process
3. Review resources agencies will use for certification

Key Links

Budget Certification | NC OSBM

IBIS Login Page

State Agency Resources | NC OSC

NCFS Chart of Accounts | NC OSC

FY 2026-27 Budget Certification Key Dates

Date	Action
July 10, 2026	Budget Certification Instructions shared
August 5, 2026	Certification Entries in IBIS due (*agencies can submit earlier than this date*)
Close of July Accounting Records	Certification of all budget codes completed

What is Certification?

- **Process to set up the certified budget as of July 1 in all of North Carolina's financial systems**
  - Integrated Budget Information System (IBIS)
  - North Carolina Financial System (NCFS)
  - Also reconcile with other state financial systems (e.g. universities)
- After short sessions (like the most recent session), certification amends the second year of the budget
- **BD 307** reflects the certified budget as of July 1 before any revisions
  - See OSBM's website for past reports

Why does OSBM certify?

GS 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 GS 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.

GS 143C-1-1(d)(7)

Certified budget. - The budget as enacted by the General Assembly including 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 mandated by the General Assembly.

Agency Certification Process

Review SL 2026-41 and SL 2026-42 **prior to certification** to ensure the agency is correctly balancing appropriation totals and that items are certified in the correct Budget Code and Budget Fund

- Use the committee report as the primary document to certify the budget
- Check the Bill for potential adjustments
- Check SL 2026-42, which is the Technical Corrections bill for SL 2026-41

Agency Certification Process

- Certification will take place in IBIS

Agencies notify their OSBM development analyst when all their certification entries are submitted

OSBM reviews and approves certification entries in IBIS

OSBM analysts notify agencies when IBIS files are interfaced to NCFS; collaborate with agency to ensure both systems reconcile

State Budget Director sign the final certified budget

OSBM analyst sends the agency an electronic copy of signed BD 307 Revised Report

FY 2026-27 Next Steps

BD 307 is signed

→

OSBM interfaces second-year data for revisions from IBIS to NCFS

→

OSBM begins approving FY 2026-27 budget revisions in IBIS

Capital Certification

- OSBM will certify State Capital & Infrastructure Fund (SCIF) funding in the SCIF budget code (24001) only
  - **Exception:** Agencies should submit IBIS entries for SCIF transfers that **appear in agency budgets in the committee report**
- Work with your OSBM Capital Analyst to establish individual projects via Type 11 budget revision **after** certification
  - Agencies and campuses must submit a new Budget Fund for each new project
  - Set up projects in the 426XX capital Budget Code, unless OSBM has granted an exemption
    - Projects will be given the next available Budget Fund in NCFS
  - Write the Interscope item number in the revision's justification box to match projects in both systems

Key Certification Steps

New NCFS Chart of Accounts Requests – OSBM Process

- Identify any new Budget Codes and Budget Funds needed and submit these requests via IBIS for OSBM to approve
  - Use the OSBM bulk upload template for budget fund requests if agency has more than ten new Budget Funds
  - Contact your OSBM budget development analyst if you need this template or have other questions about required segments

Chart of Account Segments – OSC Updated Process

- OSC manages all COA segments outside of Budget Code and Budget Fund
  - Submit spreadsheet template to OSC for changes to Agency Management Unit, Agency Program, Project
  - Use an online form for new account requests
    - OSC Financial Reporting team and COA Committee review and approve these requests

Certifying Positions – Agency Actions

- Use the **FY 2025-26** contribution rates for new **FY 2026-27** positions

	Retirement Rates for New Positions				
	TSERS	**LEO**	**ORP**	**CJRS**	**LRS**
FY 2025-26 Total Contribution Rate	24.67%	29.67%	14.24%	45.06%	25.59%

- Use **$8,500** as the FY 2025-26 State Health Plan amount for new positions
- Submit revisions to incorporate legislative increases and fringe benefits at FY 2026-27 levels

Certifying Positions – Agency Actions

- Ensure agency budget and HR personnel coordinate on position-related entries

- Confirm the following items **match** for new positions to be approved
  - Position number
  - Position name
  - Effective date (generally 7/1/2026)
  - Annual salary (on the Cost tab)

- Establish positions in both IBIS and Fiori HR/Payroll during certification
  - Communicate with your OSBM development analyst **if you plan to certify certain positions into reserves** (i.e. without position numbers)
  - Avoid certifying funds to reserves whenever possible – correctly certifying funds reduces number of revisions necessary

Certifying Position Cuts

- SL 2026-41 includes **vacant position cuts** for various agencies
- Certify these reductions by creating a negative reserve with FTE and requirements consistent with the committee report
  - Use **57100137 – Reserve-Position Cuts** to certify this negative reserve
- After certification, fill the reserve through Type 11 revisions that eliminate positions
  - Section 5.4 of SL 2026-41 provides flexibility regarding the number of FTE eliminated to achieve the dollar reduction specified in the Committee Report
  - Discrepancies between the committee report FTE and actual FTE reductions will be handled via revision

Salary and Benefit Reserves

- Review information on funds appropriated into reserves for Salaries and Benefits in Part XLI of SL 2026-41
- Certify salary and benefit adjustments within the appropriate reserve account listed below:

Statewide NCFS Expenditure Accounts:

- **57202000 Reserves** – Compensations (Nonrecurring bonuses)
- **57204000 Reserve** – Legislative Increase Compensation Reserve (Regular LI and other recurring salary adjustments)
- **57206000 Reserve** – State Retirement System Contributions (Recurring state retirement contributions)
- **57206001 Reserve** – State Retirement System Contributions Nonrecurring (Nonrecurring state retirement contributions)
- **57208000 Reserve** – State Health Plan

Agencies may need to validate Chart of Account strings that use these accounts for them to appear in IBIS for entry

Statewide Reserves

- SL 2026-41 includes appropriations from statewide reserves
- Use the following interfund segments to establish accounts to certify these appropriations

Reserve Name	Interfund
Economic Development Project Reserve	198040
Federal Infrastructure Match Reserve	198100
Information Technology Reserve	198010
Medicaid Contingency Reserve	199310
Regional Economic Development Fund	198150
Stabilization and Inflation Reserve	198140
State Emergency Response and Disaster Relief Fund	199300

Stabilization and Inflation Reserve Transfer

- Agencies with transfers from the Stabilization & Inflation Reserve Tracker should certify:
  - The transfer with no requirements, the S&IR receipts, and a negative net appropriation
  - Other nonrecurring items with their requirements, no receipts (unless shown for that item), and a positive net appropriation.
- Certification entries should match **individual** appropriations in the committee report
  - The entry for the transfer will show the nonrecurring *receipts*
  - The entries for any nonrecurring appropriations will show all nonrecurring *requirements*
  - In many cases, these will equal, leading to a nonrecurring net appropriation change of **$0**

Stabilization and Inflation Reserve Transfer – Example

89 **Stabilization and Inflation Reserve Transfer**

Budgets receipts from the Stabilization and Inflation Reserve to support expansionary nonrecurring General Fund appropriations in this budget code.

Requirements	$	-
Less: Receipts	$	13,929,262 NR
Net Appropriation	$	(13,929,262)
FTE		-

105 **Integrated Behavioral Health System (IBHS) Support**
Budget Fund: 102680

Provides funding to support the IBHS program. This program provides free 24/7 psychological support to Service Members and their families and was previously supported by federal funding.

Requirements	$	785,000 NR
Less: Receipts	$	-
Net Appropriation	$	785,000
FTE		-

Nonrecurring	$	-

Statewide Reserve Transfer-In Accounts

- Agencies should use the account number **48100001** – Agency Operating Transfer for receipts from most statewide reserves
- **Exceptions**:
  - Information Technology (IT) Reserve: **48061000** – IT Reserve Transfer In
  - Medicaid Contingency Reserve: **48048000** – Medicaid Contingency Reserve
  - Stabilization and Inflation Reserve: **48V00001** – Stabilization and Inflation Reserve – Transfer In

Helene Funding

- SL 2026-41 includes Helene recovery funding for various agencies
- To certify these appropriations, these agencies should:
  - Create/revise Budget Fund descriptions to include statutory references to SL 2026-41 and previous appropriations to Helene recovery programs
    - Agency Budget Code Purpose Session Law
  - Create unique Child Project segments with Helene Descriptive Flex Fields
  - Enter the total appropriation amount into the NCFS Budgetary Control module
  - Include the interfund for the Helene Fund, **201273**
- Both the instructions and job aid include the coding guidance for Helene funding in NCFS
  - *DOT and UNC System should continue to follow existing guidance from GROW*

Tools & Resources

- Budget Certification | NC OSBM
- Agency Certification Instructions
- University Certification Instructions
- Capital Agency/University Certification Instructions
- State Agency Resources | NC OSC
- Past Certified Budget Reports
- NCFS Chart of Account Maintenance | NC OSC
- IBIS Certification Entry Upload Template (in IBIS)

QUESTIONS?

Stay in touch!

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