



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

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GOVERNOR

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STATE BUDGET DIRECTOR

July 30, 2026

TO: Department Heads and Chief Financial Officers
Community College Presidents and Chief Financial Officers
All Occupational Licensing Boards

FROM: Kristin Walker 
State Budget Director

SUBJECT: Approval of Collection Costs for Civil Penalties, Fines, and Forfeitures

[G.S. 115C-457.2](#) requires the Office of the State Budget and Management (OSBM) to approve the percentage of the civil penalties, fines, and forfeitures collected by State agencies, universities, community colleges, boards, and commissions (“agencies”) that can be withheld as collection costs. The percentage is based on the agency’s actual collection costs for the prior year and cannot exceed 20 percent.

OSBM will use a [Smartsheet](#) to collect all required information. The Smartsheet must be submitted to OSBM **no later than August 14, 2026. No agency may retain collection costs in FY 2026-27 until OSBM has approved the collection costs submission.**

All agencies must complete the Smartsheet regardless of whether the agency collects civil penalties, fines, and forfeitures:

- All agencies that collect civil penalties, fines, and forfeitures and retain collection costs must complete the Smartsheet and submit a [Collection Costs Worksheet](#) that reflects the actual costs of collecting civil penalties, fines, and forfeitures for FY 2025-26. Please review the tab labeled “Instructions” in the worksheet before completing and submitting it. Submit one worksheet per Budgetary Report Unit (BRU) with a tab for each budget code in which civil penalties, fines, and forfeitures are budgeted.
- Agencies that **do not collect** civil penalties, fines, and forfeitures or retain collection **costs must still submit the Smartsheet form**. However, the Worksheet is not required.
- Retaining collection costs is not required. Your agency may decide to not retain a percentage of collection costs due to administrative burden or other reasons. In this case, enter that you collect civil penalties but do not retain collections costs in the Smartsheet; no Worksheet is required.

Appendix 1 provides a process chart for completing the Collection Costs Worksheet and Smartsheet.

OSBM will post updated [collection cost rates online](#) in August. Each BRU will have one approved cost collection rate across all budget codes. If you have any questions, please contact OSBM at CollectionCosts@osbm.nc.gov.

Attachments: Collection Costs Worksheet

Appendix 1: Collection Costs Approval Process

