



FY 2022-23 Agency Budget Certification Training

August 1, 2022

Integrity

Innovation

Excellence

Teamwork



FY 2022-23 Certification Overview

Objectives

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

Key Links

[Agency Certification Instructions](#)

- For state agencies and the North Carolina School of Science and Math.

[University Certification Instructions](#)

- For UNC System Office and all other universities.

[Capital Agency/University Certification Instructions](#)

- For the certification of capital projects included in the State Capital Infrastructure Fund (SCIF).

[State Agency Resources | NC OSC](#)

- Login links for State financial, accounting, and budget systems



FY 2022-23 Budget Certification Key Dates



Due on or before

FY 2022-23 Budget Certification Key Dates/Deadlines	
Date	Action
July 22, 2022	Short Session Budget Certification Instructions shared
August 12, 2022	Certification Entries in IBIS due
Close of August Accounting Records	Certification of all budget codes completed
Post Agency Certification	Certification of capital projects included in the State Capital Infrastructure Fund (SCIF)



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) – Budgeting
 - North Carolina Accounting System (NCAS) – Accounting
 - North Carolina Financial System (NCFS) – Cash Management
 - Also reconcile with other state financial systems (i.e., universities)
- In long sessions, certification sets up the two-year budget.
 - In Short Sessions (like FY 2022-23), certification revises the existing certified budget.
- The BD 307 reflects the certified budget as of July 1 before any Type 11 revisions.
 - See [OSBM's website for past reports](#).



Why does OSBM certify?

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.

G.S. 143C1-1(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/University Certification Process

- Prior to certification, agencies should review:
 - [S.L. 2022-74](#), [S.L. 2022-74's Committee Report](#), and [S.L. 2022-75](#)
- Committee Report is the primary document used to certify the budget, includes:
 - Enacted budget - starting appropriation;
 - Total Legislative Changes - a summary of their budget/FTE; adjustments
 - Net appropriation summary.
- If a Technical Corrections bill is passed into law, agencies should work with OSBM analysts to make any necessary adjustments to certify budget updates.



Agency/University Certification Process

- Budget certification is done in the Integrated Budget Information System (IBIS).
 - Agencies submit certification entries which reflect adjustments (+/-) that appropriation bills have made to the enacted budget.
 - OSBM analysts review entries.
- When entries have been approved, OSBM analysts generate a BD 307 (official certification report) that reflects the budget as enacted by the General Assembly.
 - For Short Session, only produce BD 307s for budget codes that have changes.
- For detailed external step-by-step instructions see:
 - [Agency Certification Instructions on the OSBM website.](#)
 - [University Certification Instructions on the OSBM website.](#)



Capital Certification

- OSBM capital team will first certify all State Capital and Infrastructure Funds (SCIF projects) to the Statewide budget code 24001.
 - OSBM analysts will certify SCIF transfers to agency budgets that appear in agency operating budgets in the Committee Report.
- Following the completion of the Budget Certification process, agencies and universities will work with their OSBM Capital Analyst to establish their individual projects via Type 11 budget revision.
- Agencies should refer to the [Capital Instructions](#) for the SCIF capital project budgeting process.

Key Changes



State Fiscal Recovery Funds (SFRF)

- OSBM analysts with agencies receiving additional SFRF or with SFRF changes should work closely with their agency counterparts to certify these changes.
- Agencies should use the SFRF-specific fund codes, expenditure accounts, and receipt accounts within the North Carolina Accounting System (NCAS) found in Table A of the [OSBM Memo dated November 19, 2021](#).



Statewide Receipt Accounts for Certain Reserves

- While not included in the memo, there will be new statewide receipt accounts.
- OSBM & OSC are working to determine which reserves need statewide receipt accounts and to establish these accounts.
 - There will be new statewide receipt accounts the Retiree Supplement Reserve.
- OSBM will notify CFOs once these accounts are established



Salaries and Benefits Reserves

- Section 39 of S.L. 2022-74.
- Agencies certify these reserves into the following Statewide NCAS Accounts :
 - **537202 Reserve** – Compensation Bonus
 - **537204 Reserve** – Legislative Increase Compensation Reserve
 - **537206 Reserve** – State Retirement System Contributions
 - **537208 Reserve** – State Health Plan
 - **537209 Reserve** – Labor Market Adjustment Reserve
- OSBM issues a separate instructions on the salary and benefit reserves distribution.
- Excess LI and retirement funds must be transferred to 19004



Certifying Positions

- Agency budget and HR personnel should *coordinate* on position-related entries.
- The following items *must* match for new positions to be approved:
 - Position number
 - Position name
 - Effective date (generally 7/1/2022)
 - Annual salary (on the Cost tab)
- To the extent possible, establish positions in both IBIS and HR/Payroll during certification.
 - If you plan to certify certain positions into reserves (i.e. without position numbers), please ensure that is communicated with your OSBM analyst



Certifying Positions

- Agencies should use the **FY 2021-22 rates** for new positions.
- Per S.L. 2021-180 and S.L. 2022-74, the retirement rates for FY 2021-22 and FY 2022-23 are:

Retirement Rates					
	TSERS	LEO	ORP	CJRS	LRS
FY 2021-22 Total Contribution Rate (use this for new positions)	22.89%	29.10%	12.83%	49.50%	35.46%
Revised FY 2022-23 Total Contribution Rate (S.L. 2022-74)	24.50%	29.50%	13.83%	46.84%	31.80%

- The State Health Plan amounts are unchanged in S.L. 2022-74:

State Health Plan		
	FY 2021-22 (use this for new positions)	FY 2022-23
Active	\$7,019	\$7,397
Retirees	\$4,856	\$5,118



IBIS/NCFS Interface

- The NCFS file contains summary appropriation information.
- Agency staff will need to verify that the summary appropriation information correctly posted the following day as NCFS updates overnight.
- Use the NCFS General Fund Cash Balance Fund report.
 - Select Jul 22 as reporting period and verify that the “Adjusted Appropriation” balances are correct.
- Contact your OSBM analyst to discuss the best option for fixing incorrect information.



Repeat Revisions

- Once agency and OSBM development analyst have confirmed the BD 307 matches the BD 701 and that agency appropriations loaded correctly into NCFS...
- OSBM development analyst will let OSBM execution analyst know:
 - The budget has posted correctly
 - To begin the “repeat process” to pull in any repeat revisions that should be included in the budget.

**Universities follow a different procedure – See University Instructions for details.



What can agencies do while waiting?

- Complete FY 2021-22 closeout.
- Share a spreadsheet documenting Certification Entries with OSBM development analysts to expedite review process (especially for complex submissions).
- Review [directed grants guidance](#) on the OSBM website if your agency received them in the most recent State Appropriations Act.
- Establish new positions in Beacon.
- Prepare needed documentation for new job postings.



Resources

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[Past Certified Budget Reports](#)

QUESTIONS?



Stay in touch!

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