MEMORANDUM

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

FROM: Charles Perusse

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

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

While the process remains much the same as prior years, OSBM will use a Smartsheet to collect all required information. All agencies must submit the Smartsheet regardless of whether the agency collects civil penalties, fines, and forfeitures and regardless of whether the agency retains collection costs. All agencies that collect civil penalties, fines, and forfeitures and retain collection costs must submit a Collection Cost Worksheet that reflects the actual costs of collecting civil penalties, fines, and forfeitures for FY 2021-22.

No agency may retain collection costs in FY 2022-23 until OSBM has approved the collection costs submission. If agencies plan to retain collections costs in the month of July, the Worksheet must be submitted to OSBM no later than July 22, 2022.

The Collection Costs Worksheet is available online. Please complete this worksheet and Smartsheet for all budget codes in which civil penalties, fines, and forfeitures are budgeted. The worksheet includes instructions and an example. Only the Department of Revenue should complete the DOR Collection Costs Worksheet. Appendix 1 provides process chart for completing the Collection Costs Worksheet and Smartsheet.

OSBM will post updated collection cost rates online in early August. If you have any questions, please contact OSBM at CollectionCosts@osbm.nc.gov.

Attachments: Collection Costs Worksheet
Appendix 1: Collection Costs Approval Process

Start

Are Civil Penalties, Fines and Forfeitures collected? 

YES
Fill out Smartsheet form and Select "Yes" to collection question.
Submit Smartsheet Report.

NO
End

Do you wish to retain collection costs?

YES
Determine which budget codes are used for Civil Penalties, Fines and Forfeitures
Select "Yes" to question about retaining collection costs
Submit a Smartsheet report for each budget code.

NO
Select "No" to remit 100% to OSBM.
Submit Smartsheet Report.

Complete all cells highlighted in blue in Collection Cost Worksheet.
Make a separate tab for each budget code
Enter the Summary Information (Yellow Cells) into the Smartsheet report.

Upload the Collection Cost Excel reporting worksheet to the Smartsheet report.