



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**



Employment First State for Individuals with Disabilities

JOSH STEIN
GOVERNOR

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STATE BUDGET DIRECTOR

May 4, 2026

TO: Department Heads and Chief Fiscal Officers
All State Departments, Institutions, and Agencies

FROM: Kristin Walker *Kristin Walker*
State Budget Director

SUBJECT: Budget Guidelines for Agency Carryforward and Closing Fiscal Year 2025-2026

The Office of State Budget and Management (OSBM) is beginning the carryforward and closeout process for FY 2025-26. This memo contains information, links to job aids and steps agencies should follow, and deadlines for carryforward and closeout. We appreciate your partnership and collaboration in ensuring this process goes as smoothly as possible. OSBM will review this information during our Carryforward & Closeout Kick-Off, and we strongly encourage attendance.

FY 2025-2026 Agency Carryforward & Closeout Kick-Off

Friday, May 8th

10:00 a.m. – 11:00 a.m.

Blue Ridge Training Room (A309)

2 South Salisbury St – Old Revenue Building, Raleigh, NC 27601

RSVP Link: [FY 2025-26 Agency Carryforward & Closeout Kick-Off](#)

This is an in-person training with no remote option.

Job Aids

OSBM has developed job aids for Carryforward, Operating Closeout, and Capital Closeout, which can be found on the OSBM website here: [OSBM Carryforward & Closeout Job Aids](#). These documents will provide additional reference and technical assistance to assist you and your staff in completing the budget closeout process. Please refer to these resources that provide step-by-step guidance. If after consulting these resources you have questions about these procedures, please contact your OSBM budget execution analyst

Deadlines

June 1, 2026	Capital allotment requests for June due to OSBM
June 5, 2026	Deadline to encumber items included in carryforward requests Review the Agency Carryforward Job Aid , which explains procedures for Encumbrance Carryforward requests. Agencies should only include items encumbered by this date on their carryforward request.
June 17, 2026	Preliminary carryforward request estimates due to OSBM from: Department of Health and Human Services, Department of Public Instruction, and University of North Carolina System using the OSBM Carryforward Template .
June 19, 2026	Certification of Capital Improvement reports due to OSBM
July 2, 2026	Final carryforward requests for all agencies and universities due to OSBM Submit carryforward requests using the updated OSBM Carryforward Template along with any required supporting documentation.
Mid-July	OSBM approves carryforward and notifies agencies and universities OSBM will review requests to carryforward funds from FY 2025-26 to FY 2026-27 in compliance with G.S. 143C and other general statutes.
July 27, 2026	OSC Cash Closing Deadline This is the final date when cash can move between budget codes.
July 28, 2026	Reversion Allotment due to OSBM Agencies should follow the year-end reversion process outlined in the Reversion Allotment Job Aid to ensure proper reversion to the General Fund.

Allotments for the First Quarter 2026-27

If the General Assembly does not enact the 2026-27 budget (Current Operations Appropriations Act) by July 1, 2026, first quarter allotments will be estimated using the BD 307 Certified Budget for FY 2026-27. Allotments are subject to adjustment by OSBM in the event the General Assembly later passes the Current Operations Appropriations Act.

Thank you for your attention to these guidelines as you continue to serve the citizens of North Carolina as excellent stewards of taxpayer dollars.



STATE OF NORTH CAROLINA
CERTIFICATION

2025-26 Quarter and Fiscal Year End Budget Reports

AGENCY / DIVISION NAME:

This certification should be completed and provided to your OSBM analyst at the time of pre-certification with the Office of the State Controller at the end of each quarter and fiscal year.

BUDGET REPORT REVIEW CHECKLIST

Note: Please attach documentation of OSBM approved exceptions, if applicable.

BD 701 Report

- 1. Certified and authorized budgets reconcile between NCFS and IBIS for the complete NCFS chart of account combination...
2. No negative certified or authorized budgets:
- At the NCFS Natural Account AND Funding Source group for accounts 51XXXXXX
- At the NCFS Natural Account level for accounts 52XXXXXX through 58XXXXXX;
3. No over-expended NCFS Budget Funds...
4. No over-expended accounts:
- At the NCFS Natural Account level (full 8-digit) AND Funding Source group for accounts 51XXXXXX
- At the NCFS parent account level 1 (rolled up to the 3rd digit) for accounts 520XXXXX through 550XXXXX
- At the NCFS Natural Account level (full 8-digit) for accounts 56XXXXXX through 58XXXXXX;
5. Over-realized receipts were budgeted and approved by OSBM prior to expenditure of receipts
6. Type 14 revisions follow OSBM guidelines...
7. No negative salary reserve balances...
8. No negative cash balances in special Budget Funds
9. Federal Funds: Receipt-supported expenditures and related receipts reconcile
10. Federal Funds: Excess receipts in the General Fund are returned to 3XXXX federal budgetcode (year-end requirement)
11. Reserve accounts (57XXXXXX) are distributed...
12. Clearing budget funds and accounts are not budgeted...
13. Carryforward is correctly recorded in NCFS and IBIS (year-end requirement)

BD 702 Report

- 14. Year-to-date allotment totals reconcile between NCFS and IBIS
15. Year-to-date requirements and appropriation:
- Do not exceed total allotment and available cash on hand (quarter-end requirement); OR
- Equals total allotment with no available cash on hand (year-end requirement)
16. Unexpended appropriation indicates proper cash reversions (year-end requirement only)

I certify that the BD 701 & 702 Budget Reports are complete, accurate, and comply with OSBM's guidance.

*If any requirements outlined above are not checked, please explain to your OSBM Analyst why the step was not completed via a memorandum or email.

Signature (Budget Director or CFO)

Date