STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

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TO: Chief Financial Officers, Budget Officers
                All State Agencies, Departments, and Institutions

FROM: Kristin Walker
                State Budget Director

SUBJECT: Certification Guidance for SL 2025-26

The Disaster Recovery Act of 2025 – Part II, SL 2025-26, enacted June 27, 2025, appropriates $576 million to support Hurricane Helene disaster recovery, and reallocates additional funding.

To simplify the certification process, only OSBM, the Office of the Governor, and the Department of Commerce will complete certification entries for SL 2025-26. Agencies will budget reallocations and their distributions from the Hurricane Helene Disaster Recovery Fund via Type 11 revisions. Once OSBM has completed its certification process, OSBM's Budget Execution team will provide additional guidance on the Type 11 revision(s) needed to distribute the funds as scheduled in Subpart II-A. In budget revisions for appropriations from the Helene Fund, **agencies should use interfund 201273 for the incoming transfer from OSBM**.

SL 2025-26 continues the reporting requirements of Section 4.1(g) of SL 2025-2 that mandate transparent and accurate financial tracking of Helene recovery efforts. To meet these reporting requirements and to effectively manage expenditures, agencies may need to set up new segments, including new budget funds, in the Chart of Accounts to track Hurricane Helene-related funds. Please note you will need to be able to track expenditures by county. Please work with your OSBM Budget Execution analyst to determine the appropriate budget structure to meet the reporting requirements and other agency needs. **Creating NCFS segments has been a previous source of delay, so we strongly recommend that agencies prioritize creating these accounts in advance to expedite budget revisions**.

Appendix 1 includes specific guidance for agencies about setting up the budget structure for Helene appropriations. Appendix 1 **does not** apply to the University of North Carolina System or the Department of Transportation, who should follow existing guidance. Please reach out to Veronica Butcher at GROW NC (veronica.butcher@nc.gov) for Helene tracking and coding questions.

If additional bills affecting appropriations become law later in the fiscal year, OSBM will issue additional instructions. If you have questions about this memo, please contact Brett Altman or Darryl Childers.

Appendix 1: NCFS Structure for Helene Funding

Create unique Child Project segments, tagged with the appropriate Helene Descriptive Flex Field (DFF), to track new funds for Helene recovery by purpose. Enter the total appropriation amount via the NCFS Budgetary Control app to populate the total available funds in the Project Life to Date report (RPTRTR003).

a. In line with GROW NC's 6/9 Helene Coding Memo, please take the following actions any time the agency receives new state or federal funds for Helene recovery. This accounting structure will help enable transparent and accurate statewide Helene financial tracking. The goal is to leverage NCFS for automated reporting and minimize agency staff time needed to comply with ongoing manual reporting requests.
   1. (*optional*) Create a unique Budget Fund that corresponds to the purpose of the appropriation.
   2. Create one or more unique Child Project(s) for each specific Helene recovery activity.
      i. Use project descriptions that clearly reflect the purpose of the appropriation (e.g., the money item header in the Conference Committee Report).
      ii. You are encouraged to create more than one child project for funds that support broad programs covering multiple activities.
      iii. You may NOT use a generic "Helene" child project.
      iv. Project codes should begin with the agency number followed by H, with the remaining 7 digits up to the agency discretion (example: 14H0000024).
      v. Ensure all revenues, expenditures, and reimbursements are coded to these projects.
   3. Ask OSC to tag the new child projects with the appropriate Helene DFF.
      i. **HLN APP ###S**: *New* supplemental state and federal funds appropriated for Helene activities or reallocations directed in session law, showing the state funding share with ###S.
         a. **Examples:**
            i. HLN APP 0S: 100% federal funding
            ii. HLN APP 50S: Combination of state and federal dollars with 50% state share
            iii. HLN APP 100S: 100% state funding
      ii. **HLN NO APP ###S**: *Existing* state and federal funds agencies choose to use to cover Helene activities, showing the state funding share with ###S.
         a. **Examples:**
            i. HLN NO APP 0S: 100% federal funding
            ii. HLN NO APP 25S: Combination of operational funds and federal dollars with 25% state share
            iii. HLN NO APP 100S: 100% state funding
         b. **Reimbursement**: When federal reimbursements or insurance payments are received for Helene expenses, code the revenue to the same Child Project that the agency used for the expenditures. Do not change the DFF assigned to the Child Project. For example, if the agency first recorded initial state funds expenditures in a Child Project with DFF HLN NO APP 100S, then later received full or partial FEMA reimbursement of those costs, the federal revenues should be captured in this same Project and DFF. The Project history will then show the total and net state costs for the specific activity over time.

4. All Helene entries for an agency transfer-in using account 48100001 must use an interfund. While in some cases an interfund may not be required from an accounting perspective it is required for Helene reporting.

5. Populate the budget field within the Project Life to Date report (RPTRTR003) with the entire amount of the appropriation for each project. This is not an IBIS action. See OSC's reference guide for step-by-step instructions on completing the "Enter Budgets in Spreadsheet" task within the NCFS Budgetary Control App. Please contact OSC and copy Veronica Butcher at GROW NC (veronica.butcher@nc.gov) if you need a waiver of Budget Manager permissions to access the budget spreadsheet.
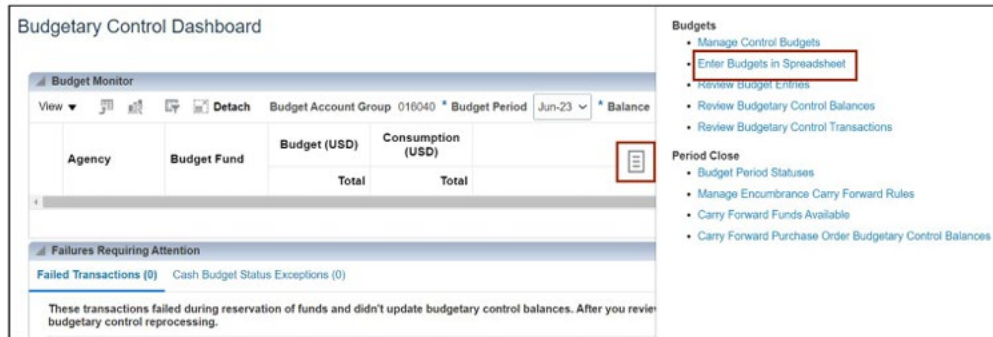
b. Reach out to GROW NC analyst Veronica Butcher (veronica.butcher@nc.gov) with any questions about NCFS setup. Please continue to reach out to your OSBM Budget Execution analyst with any other questions about Type 11 revisions.