



NOTICE OF TEXT

[Authority G.S. 150B-21.2(c)]

OAH USE ONLY

VOLUME:

ISSUE:

CHECK APPROPRIATE BOX:

- ☒ Notice with a scheduled hearing
☐ Notice without a scheduled hearing
☐ Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 14. If a hearing is scheduled, complete block 5.
Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: Office of State Budget and Management

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://www.osbm.nc.gov/news/events/public-comment-and-hearing-proposed-amendments-state-grant-rules>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

- ☒ **ADOPTION:** 09 NCAC 03M .0901, .0902
- ☐ **AMENDMENT:**
- ☐ **REPEAL:**
- ☒ **READOPTION with substantive changes:** 09 NCAC 03M .0102, .0201, .0205, .0401, .0703, .0801, .0802
- ☒ **READOPTION without substantive changes:** 09 NCAC 03M .0101, .0202, .0702
- ☐ **REPEAL through READOPTION:**

4. Proposed effective date: December 1, 2026

5. Is a public hearing planned? ☒ Yes ☐ No

If yes: **Public Hearing date:** September 16, 2026

Public Hearing time: 2:00 p.m.

Public Hearing location: Old Revenue Building, Blue Ridge Training Room #A309
2 South Salisbury St, Raleigh NC 27601

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s): These rules govern administration of State awards to non-state entities. The amendments align the rules with current agency practice, clarify reporting requirements and noncompliance procedures, establish defined timelines and expectations for agencies and non-State entities, and provide transparent procedures for petitions for rulemaking and declaratory rulings. The changes also provide greater regulatory certainty by specifying the version of 2 CFR Part 200 applicable to non-federal grant funds. Collectively, these revisions should promote consistent administration and oversight of State grant funds, support accountability and stewardship of public resources, and enhance transparency in future rulemaking decisions.

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

☐ Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Julie Ventaloro

Address: NC Office of State Budget and Management
MSC 20320
Raleigh, NC 27699-0320

Phone (optional):

Fax (optional):

E-Mail (optional): grants-OSBM@osbm.nc.gov

10. Comment Period Ends: October 16, 2026

11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☒ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact ($\geq \$1,000,000$)
- ☒ Approved by OSBM
- ☐ No fiscal note required

12. Rule-making Coordinator: Blake Thomas

Phone: 919-817-3799

E-Mail: Blake.Thomas@osbm.nc.gov

Additional agency contact, if any: Julie Ventaloro

Phone: 984-239-0694

E-mail: Julie.Ventaloro@osbm.nc.gov

13. The Agency formally proposed the text of this rule(s) on
Date: July 27, 2026

14. Signature of Agency Head* or Rule-making Coordinator:



Typed Name: Blake Thomas

Title: Rulemaking Coordinator

**If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.*