Agency Certification Instructions – Short Session FY 2020-21

After the budget becomes law, agencies work with their OSBM analysts to certify the official budget. 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 existing approved budget. OSBM analysts review entries to ensure they accomplish what the budget bills intended. When all entries have been approved, OSBM analysts generate a **BD 307 Report**, which is the official certification report and reflects the budget as enacted by the General Assembly.

Prior to certification, agencies should review any enacted bills that appropriate funding. **Appendix A: Enacted Bills Requiring Certification** of this job aid has a list of all enacted bills requiring certification and a guide to the agencies impacted by that bill.

These enacted bills will serve as the primary documents used to certify the budget. Any allocations to state agencies contained in these bills will be certified this year in addition to any appropriations. The certification amount for an agency will equal the total amount of appropriations, allocations, and cash balance transfers contained in the enacted bills.

Step by Step Guide for Budget Certification:
*** *Universities follow different procedures at certain steps. Please work with your OSBM analyst to complete certification for university budgets as noted below.*

1) **Use IBIS to certify the 2020-21 budget**. The direct link to the IBIS system is http://ibis.nc.gov/ibis-webapp/IBIS.html. If you have issues accessing the system, please email the IBIS Help Desk at NCIBIS-Help@osbm.nc.gov.

2) **IBIS User Guide - Certification.** For detailed instructions on how to use the Certification form in IBIS, see the Operating Certification user guide: http://ibis.nc.gov/ibisfiles/certification_operating.pdf

3) **Review Enacted Legislation**. Work with your OSBM analyst to review ratified bills and bill summaries to ensure the agency is correctly balancing appropriation and allocation totals and that items are certified in the correct Budget Code and Fund Code.

4) **Create Certification Forms.** Agencies create new certification forms for expansion, reduction, and technical items. Agencies with complex certification entries should prepare a spreadsheet summarizing certification entries for OSBM review prior to creating certification forms in IBIS.

5) **Certifying Allocations and Cash Balance Transfers.** Some enacted bills appropriate funds to an agency to be allocated to other state agencies and non-state entities. Both this appropriation and subsequent allocations need to be certified. Therefore, the certification entry for a state agency receiving state appropriation to be allocated must show in its expenditure accounts the transfers out to the agencies and entities receiving the allocations.

A state agency receiving an allocation must also submit a certification entry certifying this allocation in its receipt accounts. This same principal applies to cash balance transfers as well—one agency must certify the transfer out of the cash balance in its expenditure accounts and the receiving agency must certify the transfer in of these funds in its receipt accounts.

6) **Coronavirus Relief Funds.** For Coronavirus Relief Funds (CRF) appropriated to OSBM and allocated to state agencies, each agency will need to establish a CRF transfer-in receipt account within the North Carolina Accounting System (NCAS) in the appropriate budget code and fund code unless the accounts have already been established. Table A in the OSBM Memo dated May 14, 2020, lists the receipt accounts that were to be established to receive CRF funds under S.L. 2020-4 and shall be used by those agencies to certify CRF allocations in FY 2020-21.

   Agencies that have already established funds for tracking CRF pursuant to the May 14 OSBM Memo will certify CRF allocations in these funds. Agencies that have not yet done this may establish at least one new budget code or fund code where CRF allocations will be certified and recorded. The title should match the overall purpose of the direct allocation or otherwise be referenced as COVID-19 Recovery Fund.

   Exception for university budget codes, excluding NC School of Science and Math: The UNC System Office and each campus will certify all expenditures and receipts from the Coronavirus Relief Fund within a General Fund budget code. The UNC System Office and OSBM have worked together to identify a systemwide NCAS/NC IBIS fund number, 1155, that will be used by each campus receiving COVID-19 funding.

7) **Certifying Amended S.L. 2020-4 Amounts.** Certain enacted bills amend the amounts appropriated and allocated in S.L. 2020-4. These amounts will need to be certified. When certifying these amended amounts, certify the difference between the new amount and the amount in S.L. 2020-4. For example, S.L. 2020-80 increases the amount allocated to the Division of Social Services for foster care from $2,250,000 in S.L. 2020-4 to $3,550,000. Therefore, in this instance, the amount certified is $1,300,000.

8) **Distribute Reserves.** With limited exceptions, such as reserves for salaries and benefits (see Step 10), OSBM directs agencies to avoid certifying funds to reserves. Rather, agencies should develop a plan for distributing those funds prior to certification. Correctly certifying those funds at the beginning of the fiscal year will reduce revision transactions later in the fiscal year.

9) **Basic Information Tab**. Fill out the Basic Information tab of the certification form, including Biennium, Fiscal Year, Session Law, Department/Agency, BRU, Budget Code, Committee Report Item Title, Budget Adjustment Type, and whether the item is recurring or non-recurring.
   - **If an item has both recurring and non-recurring adjustments, prepare a separate certification entry for each**.

- For the Committee Report Item Title, enter the short title of the enacted bill item followed by a 'R' for recurring or a 'NR' for non-recurring (Example: Connect NC Park Facilities Operating Reserves – R; Coronavirus Relief Fund/Additions & Revisions – NR). **Appendix A: Enacted Bills Requiring Certification** of this job aid shows the short title for each bill.

- The Committee Report Item Number format for the enacted bills is [Session Law Number – Section Number]. For items with both recurring and non-recurring adjustments, place an 'A' after the item number for the recurring item and 'B' after the item number on the non-recurring form. Together this information is used to identify the item.
    i. Example for the retirement and related benefits provided in S.L. 2020-41: Title "State Retirement Contribution – R"; Item Number "SL41 S1"
    ii. Example for funds provided to the Department of Commerce, Division of Employment Security in S.L. 2020-53: Title "GDAC Partnerships – NR"; Item Number "SL44 S1(b)"

10) **Reserve for Salaries and Benefits.** Three bills affected benefits in FY 2020-21—S.L. 2020-31, S.L. 2020-41, and S.L. 2020-45. There were no salary adjustments passed this legislative session.

The new retirement rates for FY 2020-21 are:

Retirement Rates					
	TSERS	LEO	ORP	CJRS	LRS
Original Total Contribution Rate	21.44%	26.44%	13.76%	42.82%	35.82%
New Total Contribution Rate	21.68%	26.68%	13.61%	43.12%	33.98%

The new State Health Plan amounts are:

State Health Plan		
	Original	New
Active	$6,647	$6,326
Medicare-eligible	$5,165	$4,916

Appendix B: Benefit Amounts at the end of these instructions provides the adjustment amounts for each agency for both changes to the retirement rates and the State Health Plan employer contributions. Agencies should certify their benefit adjustments within the **appropriate reserve account** listed below.

Statewide NCAS Accounts:
- **537206 Reserve – State Retirement System Contributions**: Refer to amounts listed in Appendix B.
- **537208 Reserve – State Health Plan**: Refer to amounts listed in Appendix B.
- **537202 Reserve – Compensation Bonus**: Not applicable this year.
- **537204 Reserve – Legislative Increase Compensation Reserve**: Not applicable this year.
- **537205 Reserve – Statutory Step Increase Reserve**: Not applicable for certification. Step increases may be eligible for funds from the Pay Plan Reserve.

OSBM will provide a memorandum and job aid with instructions on the distribution of salary and benefit reserves. Funds remaining following the distribution of the salary and benefit reserves will be moved to statewide budget code 19004 for redistribution to other agencies and/or the Pay Plan Reserve.

11) **Position Tab**. Enter new and abolished positions on the Positions Tab of the certification form. The HR/Payroll System assigns position numbers for new positions when the agency initiates a workflow action (PCR). Budget personnel should coordinate with their agency HR personnel to ensure new positions and abolished positions are established or eliminated in both the IBIS and HR/Payroll systems. If your HR department will not be able to provide position numbers in time to complete certification, consult your OSBM analyst for further instructions.

12) **New Account/Cost Center Validation**. Agencies should work with the Office of State Controller (OSC) to validate any new accounts or cost centers they create as part of certification. New accounts and/or cost centers must be validated in advance for the certification entry to load correctly into the North Carolina Accounting System (NCAS). Agencies should run a validation report in IBIS to check for unvalidated accounts/cost centers: Public Folders > Self Service Reports > Administrative Reports > Revised Certification Account Validation (report for Short Session).

   > ***Exception for university budget codes, excluding NC School of Science and Math***: W*ork with your OSBM analyst to identify any new accounts required for certification. OSBM will need to establish the new accounts for you in IBIS and work with OSC for any new reserve accounts.*

13) **Running BD 307 Reports**. Once data has been entered on certification forms in IBIS, a BD 307 can be generated. (IBIS>Reports>Self Service Reports>Certification Reports>)

   - There are two BD 307 report options: BD 307 Original Report and BD 307 Revised Report. **For certification of the short session budget for FY 2020-21, run the BD 307 Revised Report**.

   - Agencies can run a BD 307 to include forms in **draft** status (at agency), **OSBM** status (meaning any forms residing at OSBM), or in an **approved** status. This allows agencies to create and review a BD 307 report before all certification entries have been approved.

   - Agencies can also run a BD307 report showing all detail level accounts and cost centers by using the cost center prompts when creating a BD 307 report. Reviewing this detailed-level report helps ensure that items are certified to the correct accounts and cost centers. Work with your OSBM Development Analyst to correct any identified negative accounts.

14) **Notify OSBM.** Agencies should notify their OSBM Budget Development Analyst when all their certification entries have been submitted and are ready for review and approval. OSBM will then review, verify, and approve certification entries in IBIS.

15) **IBIS/NCAS Interface and Suspended Batch Master**. When all certification entries have been approved in IBIS and OSBM has verified the BD307 matches the certification totals provided, OSBM analysts will direct OSBM technical staff to produce files to upload to NCAS and CMCS. The CMCS file contains summary appropriation information. The NCAS file contains the certified and authorized budget amounts for the detail level accounts and cost centers.

> *****Exception for university budget codes, excluding NC School of Science and Math**: Universities will not have an NCAS file generated. Universities will interface their budgets with NCAS directly and are not subject to the suspension process described below.

NCAS will load any submitted files each night and place the certified and authorized budgets in the **Suspended Batch Master (SBM)** for the agency to review/release (authorized and certified totals will be the same during the certification process). Suspended Batch Master allows the agency to do a final review before the file is released and posts to the General Ledger (GL) in NCAS. The data in the Suspended Batch Master file reflects the agency's budget as it exists in IBIS. Agencies should **NOT** change the data in SBM before releasing it to post. If an agency changes a fund or account number while in the Suspended Batch Master, NCAS will not match what is in IBIS.

- **OSC has posted guidance on how to handle releasing annual budget batches from IBIS to NCAS on its website**: https://www.osc.nc.gov/state-agency-resources/north-carolina-accounting-system-ncas/ncas-procedures/handling-annual-budget
  For additional help, contact the OSC Help Desk (support.services@osc.nc.gov , 919-707-0795, https://www.osc.nc.gov/contact/contact-osc-support-services).

- **If you find incorrect information in your budget file, delete the entire file out of the SBM and work with OSBM to make corrective certification entries in IBIS.** OSBM will re-send the file to NCAS once the corrections have been made in IBIS. Re-check the data in Suspended Batch Master to ensure it has been corrected.

- When the file is correct, the agency must release the file from Suspended Batch Master before it posts to NCAS. Once released, it will show up in NCAS the following day. If your accounting office is not sure how to release the file in SBM, read the guidance linked above and/or contact the OSC Help Desk (support.services@osc.nc.gov , 919-707-0795).

- If there are minor detail cost centers errors (RCC level), you can release the file to post to the General Ledger and do a budget revision to correct the problem in IBIS and NCAS. This will guarantee that both systems agree and that authorized adjustments are tracked correctly.

- If there are errors and you do not know what action to take, contact your OSBM analyst to discuss the best option for fixing the problem.

16) **BD 701 Report.** Once you have released the file from SBM *(***or interfaced with NCAS if a university)*, run a BD 701 report the following day make sure its certified and authorized amounts

match the BD 307. NCAS will update overnight. This step guarantees that the correct budget was loaded into NCAS and matches the official budget contained in IBIS. It will also give you a point in time 'snapshot' of the budget before new year budget revisions are approved and load into NCAS.

17) **Official Certification Copy**. The budget is only considered certified once it carries the signature of the State Budget Director on a signed BD 307. Your Budget Development Analyst will send an electronic copy to the agency.

18) **New Year Budget Revisions**. Agencies can work on 2020-21 budget revisions in IBIS during the certification process, but no 2020-21 budget revisions will be approved and posted to NCAS until the agency's certification process is complete.

Agency Certification Checklist

☐ 1. Review enacted bills for your agency's appropriations and allocations.

☐ 2. Establish any needed funds/accounts for Coronavirus Relief Fund (CRF) allocations.

☐ 3. Create certification entries for any appropriations, allocations, and cash balance transfers.

☐ 4. For any amended SL 2020-4 amounts, make sure you are certifying the difference between the new amount and the old amount.

☐ 5. Validate accounts using the IBIS report Revised Certification Account Validation (Self Service Reports>Administrative Reports> Revised Certification Account Validation).

☐ 6. Review accounts in draft BD307 to identify any negative accounts and work with OSBM Budget Development Analyst to resolve.

☐ 7. Notify OSBM that you are ready to certify.

☐ 8. Once in Suspended Batch Master, review one last time before releasing.

☐ 9. Release file in Suspended Batch Master.

☐ 10. Review BD 701 report the day after file release to ensure that the certified and authorized amounts match the BD307.

Appendix A: Enacted Bills Requiring Certification

Session Law	Short Title	Agencies Impacted
S.L. 2020-14	Fund VIPER Tower Hardware Upgrades	DPS, OSBM
S.L. 2020-15	Raise the Age Funding	DPS
S.L. 2020-17	Bipartisan Elections Act of 2020	SBE, Commerce
S.L. 2020-24	Military Presence Stabilization Fund/Funding	DMVA, Commerce
S.L. 2020-26	NCSU/NC A&T Matching Funds/Umstead Act	UNC-BOG, UNC-NCSU, UNC-NCAT, DPI
S.L. 2020-27	Funds to DPI for ADM Growth	DPI, OSBM
S.L. 2020-28	Funding for Workforce Housing Loan Program	HFA, OSC, DOI
S.L. 2020-31	Funds for NCSSM-Morganton Campus	Various, UNC-BOG
S.L. 2020-32	State Operations/Increase Federal Funds Use	OSBM
S.L. 2020-33	Capital Appropriation - Western Carolina University	OSBM, DOA, UNC-WCU
S.L. 2020-41	Salary-Related Contribs/Debt Service Funds	All
S.L. 2020-42	Connect NC Park Facilities Operating Reserves	DNCR
S.L. 2020-43	NC Promise Tuition Plan Funds	UNC-BOG, OSBM, DPI
S.L. 2020-44	Agricultural Sciences Center Funds	DACS, DEQ, Commerce
S.L. 2020-45	Compensation of Certain School Employees	Various, DPI, DIT
S.L. 2020-49	Education Omnibus	DPI
S.L. 2020-53	Unemployment Insurance Program Integrity	Commerce, OSBM
S.L. 2020-56	UNC Omnibus Changes/UNC Lab School Fund	UNC
S.L. 2020-57	Capital Projects – Elizabeth City State University (incl. Ocracoke Ferry)	UNC-ECSU, DOT, OSBM
S.L. 2020-64	CC Funds/CIHS Funds/CR Funds and Offsets.	OSBM, DPI, NCCCS, DIT
S.L. 2020-66	UNC Self-funded Capital Projects	UNC-CH, UNC-WCU
S.L. 2020-67	Funds for UNC Enrollment Growth/FY 2020-2021	Commerce, UNC-BOG
S.L. 2020-76	UNC Building Reserve/Certain Project/FY 20-21	UNC-BOG, UNC-Various, DOA, DOR
S.L. 2020-79	Water/Wastewater Public Enterprise Reform	DEQ, Commerce, UNC-BOG, OSBM
S.L. 2020-80	Coronavirus Relief Fund/Additions & Revisions	AOC, Commerce, DACS, DHHS, DIT, DNCR, DPI, NCGA, OSBM, UNC-P, UNC-CH, WRC
S.L. 2020-81	Capital Appropriations/R&R/DIT/ Cybersecurity	DIT, UNC-Various, OSBM
S.L. 2020-86	Implement Connor's Law	DPS, Treasurer
S.L. 2020-88	Medicaid Funding Act	DHHS, OSBM
S.L. 2020-90	P&C Changes/Glob. Tranp./Prison Pilot	DPS
S.L. 2020-91	DOT 2020-2021 FY Budget/Governance	DOT

Appendix B: Benefit Amounts

Subcomm.	Budget Code	Agency	Health Plan Reserve (537208)	Retirement Reserve (537206)
Ed	13510	Department of Public Instruction	(231,740)	108,370
Ed	13510	Public School System (6th Payroll)	(49,949,828)	16,469,008
Ed	16011	UNC System	(11,124,738)	1,131,353
Ed	16800	NC Community College Systems Office	(57,045)	35,910
Ed	16800	Community College System	(5,631,464)	2,393,997
GenGov	11000	NC General Assembly - Perm	(299,477)	36,558
GenGov	13000	Office of the Governor	(14,522)	8,444
GenGov	13005	Office of State Budget and Management	(17,655)	11,918
GenGov	13050	DMVA	(25,776)	9,631
GenGov	13100	Lt Governor's Office	(2,247)	1,512
GenGov	13200	NC Department of Secretary of State	(56,458)	22,500
GenGov	13300	NC Office of the State Auditor	(38,199)	24,960
GenGov	13410	Department of State Treasurer	(5,939)	2,231
GenGov	13900	Insurance	(130,050)	67,093
GenGov	13902	Insurance - Industrial Commission	(16,370)	8,934
GenGov	14100	Department of Administration	(123,882)	58,551
GenGov	14160	Office of the State Controller	(50,701)	30,350
GenGov	14660	Dept of Information Technology	(33,625)	25,988
GenGov	14700	Revenue	(267,846)	126,099
GenGov	18025	State Board of Elections	(22,053)	11,144
GenGov	18210	Office of Administrative Hearings	(16,785)	9,566
HHS	14410	Central Management and Support	(202,134)	108,705
HHS	14411	Division of Aging and Adult Services	(10,713)	5,133
HHS	14420	Division of Child Development and Early Education	(10,114)	3,900
HHS	14430	Division of Public Health	(191,865)	91,482
HHS	14440	Division of Social Services	(58,024)	24,720
HHS	14445	Division of Health Benefits	(68,440)	34,773

Subcomm.	Budget Code	Agency	Health Plan Reserve (537208)	Retirement Reserve (537206)
HHS	14450	Division of Services for the Blind/ Deaf/Hard of Hearing	(16,943)	6,608
HHS	14460	Division of Mental Health / State Healthcare Facilities	(1,349,743)	528,860
HHS	14470	Division of Health Services Regulation	(79,863)	39,398
HHS	14480	Division of Vocational Rehabilitation	(77,695)	28,863
JPS	12000	AOC (Judicial)	(1,908,480)	958,173
JPS	12001	Indigent Defense (Judicial)	(178,155)	104,382
JPS	13600	Justice	(162,047)	88,754
JPS	14550	Department of Public Safety	(7,805,035)	2,777,056
NER	13700	Department of Agriculture & Consumer Services	(427,861)	165,058
NER	13800	NC Department of Labor	(66,948)	31,407
NER	14300	Department of Environmental Quality	(170,079)	76,821
NER	14350	Wildlife Resources Commission	(40,436)	18,290
NER	14600	Commerce	(35,377)	16,719
NER	14800	Dept of Natural and Cultural Resources	(529,570)	185,674
Transport		DOT - Highway Fund	(1,859,714)	789,468

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