



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

BEVERLY EAVES PERDUE
GOVERNOR

CHARLES E. PERUSSE
STATE BUDGET DIRECTOR

June 15, 2009

MEMORANDUM

TO: Chief Financial Officers

FROM: Charles E. Perusse *Charles E. Perusse*

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

The Office of the State Budget and Management (OSBM) is required by the General Assembly (G.S. 115C-457.2) to approve the percentage of the civil penalties, fines, and forfeitures collected by State agencies, boards, and commissions which can be withheld as collection costs. The percentage is based on the actual collection costs incurred by the agencies, boards, and commissions for the prior year, and can not exceed 20 percent of the amount collected. Effective July 1, 2006, and annually thereafter, State agencies, boards, and commissions must submit for OSBM's approval a Collection Cost Worksheet that reflects their actual costs of collecting civil penalties, fines and forfeitures for the previous year. Agencies that do not submit worksheets and receive OSBM's approval will be unable to withhold any collection cost.

Attached are instructions and worksheets that State agencies, boards, and commissions should use in determining their actual costs of collecting civil penalties and submitting the worksheets for OSBM's approval. The instructions and worksheet are also available on OSBM's web site at www.osbm.state.nc.us/osbm under the Memorandums link. ***You must submit a response on the worksheet where noted, even if you do not collect civil penalties, fines and forfeitures or do not intend to withhold collection cost.***

If you have any questions about completing the worksheet, please contact Joe Turlington at 919-807-4759 or Joe.Turlington@osbm.nc.gov. If Joe is unavailable, contact Anne Bander at 919-807-4744 or Anne.Bander@osbm.nc.gov.

Thank you.

Attachments: Instructions for Submitting Collection Cost Worksheets
Collection Cost Worksheet
Sample Collection Cost Worksheet

cc: Department Heads

Instructions for Submitting Collection Cost Worksheets

Collection Cost Worksheets should be submitted to the Office of State Budget and Management (OSBM) no later than July 24, 2009 to provide OSBM sufficient time to review and approve the percent of collection costs that State agencies, boards, and commissions (hereafter referred to as State agency or agencies) withhold for the year. The collection costs claimed by State agencies on the worksheet should only be costs specifically related to the billing, recording, receiving, and recovery of civil penalties. **Costs related to the normal duties and responsibilities of State agencies and the imposition of penalties, such as law enforcement, inspections, regulatory compliance, and collection of taxes and fees are not related to the actual collection of penalties; and therefore should not be included in the worksheet.** Further, State agencies should be prepared to provide documentation, such as personnel time sheets, invoices, and other relevant documents, to support the collection costs that they claim on their worksheets. Agencies that do not submit a Collection Cost Worksheets will be unable to withhold any collection cost.

OSBM will approve the allowable percent by July 31st unless it is delayed by late submissions of worksheets and/or the need for agencies to provide supporting documentation.

If you do not wish to withhold any collection cost, or you do not collect fines, penalties or forfeitures, you must still complete the worksheet by indicating such where noted.

Agencies' worksheets should be e-mailed to Joe Turlington at Joe.Turlington@osbm.nc.gov or faxed to Joe's attention at 919-733-0640 **no later than July 24, 2009.**

SAMPLE

Collection Cost Worksheet for Civil Penalties, Fines, and Forfeitures Fiscal Year 2009-10

Department North Carolina Department of Many Purposes
Types of Penalties, Fines, & Forfeitures Parking Fines
Contact Person Jane Doe
Ph. Number 919-555-1234

<u>Type of Expenditure</u>	<u>Account Number</u>	<u>Amount</u>
Personal Services (Identify)		
Administrative Clerks (.75 position)	531111	\$ 22,676.00
ITS Technical (0.25 position)	532112	\$ 30,000.00
Supervisor/Manager (0.05 position)	532113	\$ 5,000.00
Purchased Services (Identify)		
Electric Services (5%)	532210	\$ 300.00
Water & Sewer (5%)	532230	\$ 150.00
Building Lease (5%)	532512	\$ 1,200.00
Supplies (Identify)		
General Office Supplies (5%)	533110	\$ 400.00
Data Processing Supplies (5%)	533120	\$ 900.00
Other Administrative Supplies (5%)	533190	\$ 150.00
Property, Plant, & Equipment (Identify)		
Voice Communications Equipment (5%)	534528	\$ 500.00
Personal Computers and Printers (5%)	534534	\$ 1,000.00
Server (5%)	534535	\$ 400.00
Other ITS Equipment (5%)	534530	\$ 500.00
Other Expenditures (Identify)		
Collection Agency Fess	535940	\$ 2,000.00
Total		\$ 65,176.00

Total Collections for the Fiscal Year \$ 455,750.00
Percent of Expenditures to Collections 14.30%

OSBM Approval: _____
Signature
Percent
Date

Do not collect any fines, penalties, or forfeitures _____
 Do not withhold any collection cost _____