



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

BEVERLY EAVES PERDUE
GOVERNOR

CHARLES E. PERUSSE
STATE BUDGET DIRECTOR

January 4, 2010

MEMORANDUM

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

FROM: Charles Perusse *Charles E. Perusse*

SUBJECT: State Budget Manual Update

The Office of State Budget and Management (OSBM) has posted revisions to the State Budget Manual on the OSBM website at <http://www.osbm.state.nc.us/>. These revisions are detailed below and are listed in the appendix section of the State Budget Manual.

1. Existing policies regarding lapsed salary revisions have been consolidated and are now comprehensively presented in the Budget Execution section, 3.6.7, of the State Budget Manual.
2. Clarification is provided on the procedures for establishing a new receipt-supported position. The "Establish New Receipt-Supported Positions" form must be completed and submitted to OSBM for any new position funded in whole or in part through receipts. In addition, if the position requires the budgeting of new receipts and is to extend beyond the current fiscal year, the associated budget revision must be coded with a 'G'. This update is located in the Budget Execution section, 3.6.10, of the State Budget Manual.
3. The Office of Information Technology Services is required under G.S. 147-33.82(a) to submit all information technology rates and fees to OSBM for approval. Procedures have been established for this requirement and are located in the Budget Execution section, 3.9.2, of the State Budget Manual.
4. In some circumstances, employees traveling to their destination earlier than necessary and/or delaying their return to avail the state of reduced transportation rates may be reimbursed subsistence for additional travel days. The amount saved due to the early and/or delayed travel must be greater than the amount expended in additional subsistence. This addition is located in the Travel Policies and Regulations section, 5.1.21, of the State Budget Manual.

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5. For clarification purposes, an update has been made to the subsistence policy for non-state employee members of state boards, councils, commissions, and committees (other than licensing boards and members of the General Assembly). Subsistence is a daily, lump-sum allowance for each day of official service, provided that meals are not furnished. No overnight stay is required to receive this allowance. This update is located in the Travel Policies and Regulations section, 5.3.2, of the State Budget Manual.
6. Section 4.11, Payment of Awards to Employees for Employee Suggestion Program, has been moved to the Personnel Policies and Regulations section, 6.1.7, of the State Budget Manual.
7. Under certain circumstances, state agencies may spend a portion of lapsed salaries to cover nominal expenses related to health promotion and wellness activities as outlined in the Office of State Personnel's wellness policy. Furthermore, agencies that receive grants and/or donations for wellness activities may spend those funds in accordance with the grant agreement or donor's direction after reporting those funds to OSBM. This addition is located in the Personnel Policies and Regulations section, 6.1.8, of the State Budget Manual.

Improving the State Budget Manual is an ongoing process, and OSBM will issue updates to the Manual periodically. Users are encouraged to email their comments, suggestions, or questions about the State Budget Manual to Budget-Manual-OSBM@osbm.nc.gov.