STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

PAT MCCRORY
GOVERNOR

LEE HARRISS ROBERTS
STATE BUDGET DIRECTOR

October 7, 2014

MEMORANDUM

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

FROM: Lee Harriss Roberts
              State Budget Director

SUBJECT: Program Budgeting – Near-term Deadlines and Ongoing Requirements

Overview of Program Budgeting

Program Budgeting provides the foundation for our efforts to link budgets to programs and ultimately the results accomplished by those programs. It also enables us to communicate the budget to the public in a more transparent, user-friendly way. As you are aware, OSBM has been engaged with each agency over the last year to refine the program budget structure and supporting budget information. To date, much of this process has been done manually while we have worked to develop capabilities in IBIS.

The primary purpose of this memo is to inform you of the availability of new functions in IBIS and outlines ongoing processes and requirements to support program budgeting. There are also near-term deadlines for steps that need to be completed to support the FY15-17 budget development process and enable publication of the program budget with release of the Governor's budget.

Program Structure and Crosswalk

The "Program Structure" refers to the Strategic Program Areas (SPAs) and Programs that each agency has established with OSBM. Your goal should be to maintain a stable, consistent structure that will allow everyone involved to monitor and evaluate program budget and performance over time.

The "Program Crosswalk" refers to the assignment of budget funds and cost centers to the Program Structure. Agencies are responsible for maintaining this crosswalk using the Program Crosswalk Maintenance function in IBIS. The IBIS user guide for this process is attached and provides detailed instructions.

	Program Names and Structure		Program Crosswalk	
	Minor Changes	**Major Changes**	**Corrections**	**Additions**
Examples	Fix typos, spell out acronyms, reword program name	Create new SPA or Program, Move program to a different SPA	Cost center tied to wrong program, other data changes	Assign new cost centers to existing Program or SPA, assign existing cost centers to new Program or SPA
How to make changes?	Email budget analyst and Erin Matteson at OSBM (erin.matteson@osbm.nc.gov)		Enter changes directly in IBIS	
Include justification for change?	🚫 (No)	⭕ (Yes)	🚫 (No)	🚫 (No)
Include Program or SPA Description?	🚫 (No)	⭕ (Yes)	🚫 (No)	🚫 (No)

⚠️ SPAs and Programs cannot be deleted because they have historical data associated with them. They can be suppressed from reports if no dollars are associated in a given year. Descriptions should be modified to identify inactive programs.

New Cost Centers

Agencies will need to assign any newly created cost centers to the Program Structure through the Program Crosswalk. Until this is integrated into OSC's process for establishing a new center, it will be incumbent on you to include Program Crosswalk Maintenance as a step when creating a new cost center. Your OSBM analyst will also receive a weekly report of all unassigned cost centers and follow up with you to update the Crosswalk as needed.

Program Budget Reports

OSBM has created Excel reports that match cost center data to the program crosswalk. OSBM staff will schedule a time with your agency to review this report and receive feedback. An iteration of this report will be published with the Governor's Budget and will then be incorporated into IBIS for on-demand access.

Near-term Deadlines and Requirements

While Program Structure and Crosswalk maintenance will be ongoing processes throughout the fiscal year, there are a few near-term requirements that need to be completed to support the FY15-17 budget development process and enable publication of the program budget with release of the Governor's budget.

October 31, 2014: Program Crosswalk Entries

By **October 31, 2014,** all currently existing cost centers with activity in FY12-13, FY13-14, or FY14-15, must be assigned to a program. This is required for all budget codes, including non-General Fund codes.

Also, please note that if your agency has used cost center detail to split fund codes across multiple programs, Worksheet I adjustments and Worksheet II submissions will need to be completed at the cost center level in order to associate changes with the appropriate program(s).

November 17, 2014: SPA/Program Descriptions

A brief description is required for every SPA and Program by **November 17, 2014**. Your agency will receive an Excel file containing a list of your current SPAs and programs, with columns provided to enter descriptions. This information will be uploaded into IBIS. You will be able to make future changes directly in IBIS following the same process outlined above for changes to the Program Structure.

These descriptions will be made available online along with the release of the Governor's Budget, so please ensure that descriptions are in plain English, concise, easily understood by the public, and free of jargon or acronyms.

We greatly appreciate your continued support throughout this process. If you have any questions, please contact Erin Matteson at 919-807-4758 or erin.matteson@osbm.nc.gov.

Attachment