



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


PAT MCCRORY
GOVERNOR

ANDREW T. HEATH
STATE BUDGET DIRECTOR

June 28, 2016

MEMORANDUM

TO: Jackie McKoy, Department of Revenue

FROM: Andrew Heath 
State Budget Director

SUBJECT: Approval of Cost Collection Worksheet 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, universities, community colleges, boards, and commissions (hereafter referred to as agencies) which can be withheld as collection costs. The percentage is based on the actual collection costs incurred by the agencies for the prior year, and cannot exceed 20 percent of the amount collected. Effective July 1, 2006, and annually thereafter, agencies must submit for OSBM's approval a Cost Collection 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 is a worksheet with instruction and example that agencies should use in determining their actual costs of collecting civil penalties and submitting the worksheet for OSBM's approval. The worksheet, instruction, and example are also available on OSBM's web site at www.osbm.nc.gov under Library (tab at the top) under 2015-16 Budget Memos (Key Budget Documents). *You must submit a response to OSBM by July 22, 2016, 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 Donald Croke at 919-807-4729 or Donald.Croke@osbm.nc.gov. If Donald is unavailable, contact Erin Matteson at Erin.Matteson@osbm.nc.gov

Thank you.

Attachments: Dept. of Revenue-Instruction for Submitting Cost Collection Worksheet
Dept. of Revenue-Example of Cost Collection Worksheet
Dept. of Revenue-Blank Cost Collection Worksheet to complete

cc: Secretary of Revenue, Jeffrey M. Epstein