



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

ROY COOPER  
GOVERNOR

CHARLES PERUSSE  
STATE BUDGET DIRECTOR

June 26, 2018

**MEMORANDUM**

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

FROM: Adam Brueggemann  
Assistant State Budget Officer for Budget Execution 

SUBJECT: Common Sense Government: Capital Budget Execution Guidelines

As part of the Office of State Budget and Management's (OSBM) continuing effort to streamline processes and enhance customer service to state departments, institutions, and agencies, a new budget revision and allotment process for capital projects was offered earlier this fiscal year. Effective July 1, 2018 these changes will be required of all agencies as we seek ways to efficiently manage capital projects and implement our new organizational structure. These changes will greatly reduce the number of capital budget revisions and allotments, while providing better oversight and an upfront project budget.

**Capital Budget Revisions**

Capital budgets should be established using only a few broad categories for expenditure accounts. Internal revisions (Type 14) should be used to realign line item budgets to cover actual expenditures within a fund. OSBM will no longer review or approve budget realignments within a fund. Once the budget is established, OSBM should only receive a budget revision for the project if the total project budget is being increased or decreased.

**Capital Allotments**

Each project should require no more than four allotment transactions: planning/design, construction, furniture/equipment (if allowable), and closeout. If a project does not have a planning and design phase, funds may be fully allotted once they have been budgeted.

These requirements apply to state agency and university General Fund supported capital projects and state agency receipt-supported capital projects. General Fund debt-support projects will continue to be requisitioned and allotted per the requisition schedule. University of North Carolina receipt-supported projects may also be fully allotted once they have been budgeted.

A detailed summary of these changes is attached to assist you and your staff. If you have questions or concerns contact Monica Scott at (919) 807-4750.