



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT
Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

May 14, 2020

MEMORANDUM

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

FROM: Charles Perusse *Charles Perusse*
State Budget Director

SUBJECT: Budget Procedures for COVID-19 Appropriations

In response to the devastating impacts of the Coronavirus (COVID-19) pandemic, Governor Cooper signed into law [House Bill 1043](#) (Session Law 2020-4) on May 4, 2020. The bill appropriates \$1.43 billion in COVID-19 recovery funding to state agencies, local governments, and non-profits. The General Assembly also passed a companion policy bill, [Senate Bill 704](#) (Session Law 2020-3), during the 2020 Session.

ESTABLISHMENT OF CORONAVIRUS RELIEF FUND

The General Assembly established the Coronavirus Relief Fund to provide relief and assistance from the effects of COVID-19. As directed by statute, the Fund will be maintained as a special fund and administered by the Office of State Budget and Management (OSBM) to carry out the provisions established in Session Law 2020-4. The Fund will also maintain funding for subsequent legislative appropriations. All funds allocated from the Fund must be used for necessary expenditures incurred due to the COVID-19 public health emergency. Only expenditures incurred from March 1, 2020 through December 30, 2020, are eligible for reimbursement from this Fund. Agencies are encouraged to review both bills and become familiar with legislation that effects your specific agency.

BUDGET PROCEDURES

If your agency receives direct funding allocations in House Bill 1043, a non-recurring type-11 budget revision shall be submitted to OSBM for the full authorized amount in legislation in an existing 2XXXX Special Fund Budget Code with a [General Fund GASB designation](#). If your agency does not maintain a Special Fund with a General Fund GASB designation, you should consult with your OSBM budget execution analyst to determine if a budget code needs to be established or if budgeting your COVID-19 allocation within the agency's 1XXXX General Fund Budget Code would be appropriate.

Each agency must establish at least one new fund code to record the appropriations in House Bill 1043. The title should match the overall purpose of the direct allocation as described in House Bill 1043 or otherwise referenced as COVID-19 Recovery Fund. Since OSBM will be transferring funds from the COVID-19 Relief Fund, your budget revision's total certified requirements will be supported by a receipt transfer line. OSBM with input from the Office of the State Controller has established agency specific transfer and receipt accounts (Table A).

Each agency will need to establish the account listed in Table A (and family of accounts) within the North Carolina Accounting System (NCAS) in the appropriate budget code and fund. COVID-19 operating expenditures for current obligations will be recorded out of this fund by the following two methods:

- Recode expenditures to the newly established agency COVID-19 fund in the Special Fund Budget Code; or
- If the agency decides to expend funds within their General Fund, the agency shall record a transfer from the agency Special Fund Budget Code to the General Fund. If the transfer to the General Fund option is used, agencies must be able to track General Fund expenditures for reporting requirements.

The UNC System Office and each campus will track all expenditures and receipts from the Coronavirus Relief Fund within a General Fund budget code. The UNC System Office and OSBM have worked together to identify a systemwide NCAS/NC IBIS fund number, 1155, that will be used by each campus receiving COVID-19 funding.

In most cases, OSBM will transfer the total amount directly allocated in House Bill 1043, Subsection 3.3 to your agency this fiscal year. The agency will submit a non-recurring type-11 budget revision in FY 2020-21 to budget the remaining balance of COVID-19 funds once FY 2019-20 is closed.

Any allocation to be determined by OSBM as dictated in House Bill 1043, Subsection 3.3 will be communicated to agencies at a later date. We anticipate these allocations to be made before the end of the fiscal year; therefore, the instructions for budgeting these funds will be the same as outlined above. In addition, the North Carolina Pandemic Recovery Office (NCPRO) will communicate any reporting requirements within the next several weeks.

If you have questions regarding the budgeting of COVID-19 funds from House Bill 1043, please contact your OSBM budget execution analyst.

Thank you.

Table A
OSBM Assigned Receipt Accounts for Coronavirus Relief Fund Transfer

Agencies	OSBM: 538X Transfer- Out Expenditure	Agencies: 438X Transfer- In Receipt Accounts
Administrative Office of the Courts	538C09	438C09
Brody School of Med at ECU	536663	432905
Department of Administration	538C23	438C23
Department of Agriculture	538C16	438C16
Department of Commerce	538C06	438C06
Department of Environmental Quality	538C30	438C30
Department of Health and Human Resources	538C15	438C15
Department of Information Technology	538C11	438C11
Department of Insurance	538C40	438C40
Department of Justice	538C59	438C59
Department of Labor	538C67	438C67
Department of Military Affairs	538C26	438C26
Department of Natural and Cultural Resources	538C31	438C31
Department of Public Instruction	538C01	438C01
Department of Public Safety	538C66	438C66
Department of Revenue	538C91	438C91
Department of State Treasurer	538C70	438C70
Department of Transportation	538C04	438C04
Division of Employment Security	538C42	438C42
General Assembly	538C21	438C21
Golden LEAF	536601	State aid-CRF
Governor Office	538C50	438C50
NC Community College System	538C20	438C20
North Carolina Housing Finance	538C28	438C28
North Carolina Lottery Commission	538C34	438C34
Office of State Controller	538C90	438C90
Office of Administrative Hearings	538C07	438C07
Office of the Lieutenant Governor	538C19	438C19
Secretary of State	538C18	438C18
State Auditor Office	538C32	438C32
State Board of Elections	538C25	438C25
UNC System Office	536686	432905
UNC System Office- State Education Assistance Authority (SEAA)	536694	432905
University of NC at Chapel Hill	536686	432905
Wildlife Resource Commission	538C33	438C33