



***2025-27  
Governor's  
Recommended Budget  
Kickoff***

***UNC Base Budget  
Training***

***WELCOME! We will begin shortly.***

Integrity

Innovation

Teamwork

Excellence



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# Objectives

- Base Budget Process and Timeline
- Allowable Adjustments: FY 2024-25 Budget Revisions
- Allowable Adjustments: Worksheet I Forms
- Resources



# Preparing the 2025-27 Recommended Budget

## Base Budget (Worksheet I)

- Authorized budget adjustments
- Realignments
- Increases & decreases
- Fund restructuring

## Change Budget (Worksheet II)

- Expansion requests and/or reduction options
- Includes IT projects
- Specific guidance and instructions to be issued later this fall

## Capital Budget (Worksheet III)

- 6-year capital plan, includes
- New capital projects
- Repair & renovation requests



## What is the Governor's Recommended Base Budget?

G.S. 143C-1-1(d)(1c) provides:

- “That ***part of the recommended State budget*** that provides the baseline for the next biennium. The base budget for each State agency ***shall be the authorized budget*** for that agency ***with adjustments*** only for the following...”

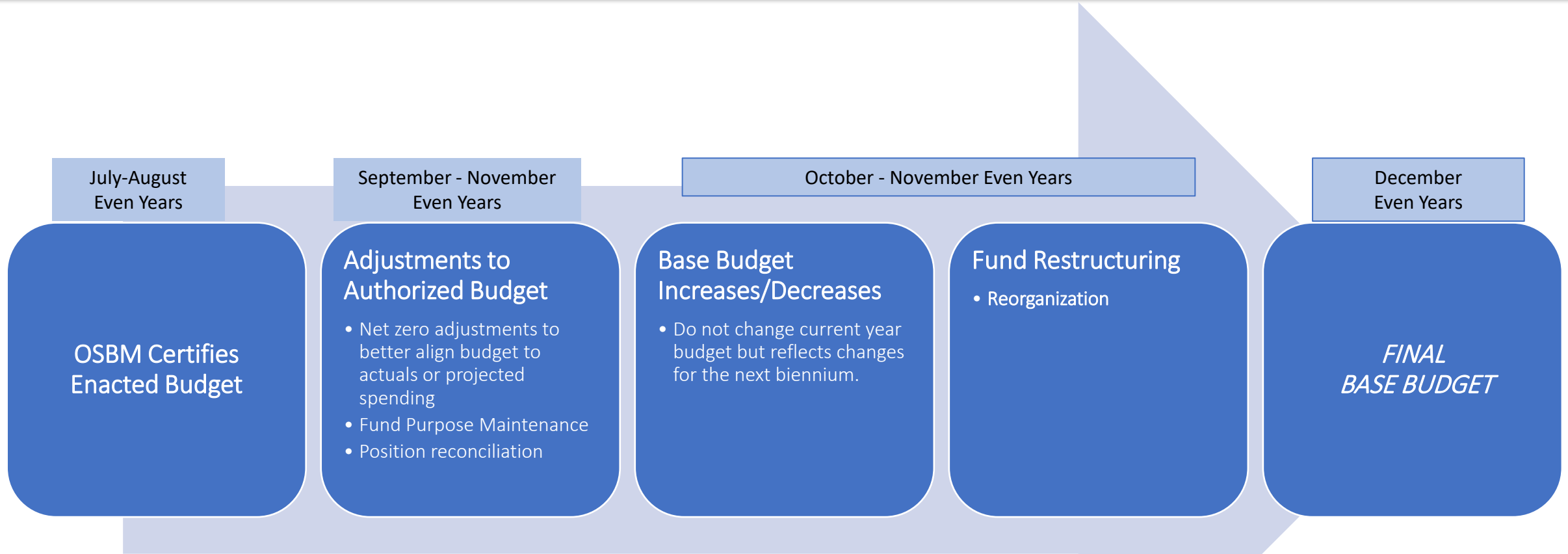
The base budget provides funding necessary to continue the ***existing, authorized level of services for the next biennium.***

The base budget is presented in the Base Budget Report (Worksheet I Report) available in IBIS.

G.S. 143C-3-5(d) provides that the budget includes “...*all Governmental and Proprietary Funds, as those funds are described in G.S. 143C-1-3, and all funds established for The University of North Carolina and its constituent institutions that are subject to this Chapter.*”



# Base Budget Development Process



## GOAL OF BASE BUDGET ACTIVITIES

More accurately reflect ongoing budget needs, which  
**REDUCES NUMBER OF BUDGET REVISIONS IN THE 2025-27 BIENNIUM!**



## Base Budget Key Dates



### Due on or before:

- **Sep 6:** Base Budget Instructions memo issued
- **Sep 12:** Base Budget instructions training
- **Sep 16:** Draft Base Budget documents available for university review, including RK314 report
- **Sep 20:** Universities to notify OSBM of budget revisions to include/exclude from base budget
- **Oct 1:** Universities submit requested updates to fund purpose statements
- **Oct 18:** Universities submit proposed Pay Plan Reserve estimates to OSBM (final estimates due Jan 1, 2025)\*
- **Oct 22:** Universities submit revisions adjusting receipts based on receipt analysis with OSBM
- **Oct 29:** Universities submit all revisions adjusting salary reserve/personnel expenditures and intra-governmental transfers
- **Nov 12:** All Worksheet I entries due to OSBM, including restructuring plans
- **Nov 22:** Deadline to include revisions in Base Budget/Base Budget finalized

*\*Use of the Pay Plan Reserve is only allowed for statutorily-required Pay Plans (i.e. state agency teachers at UNC Lab Schools)*



Home > Budget > Budget Instructions

## Budget Instructions

**The Latest Instructions**  
Instructions for FY 2025-27 Base Budget

[FY 2025-27 Base Budget](#)





## Job Aids

<b>Base Budget Aids</b>	Closeout/Carryforward Aids	Capital Aids	Change Budget Aids
Salaries, Benefits	Certification	Misc. Aids	

### FY 2025-27 Base Budget Job Aids

[Job Aid: Base Budget Reports](#)

[Job Aid: Explanation of Worksheet I Report Structure](#)

[Job Aid: Worksheet I Training Guide](#)

[Job Aid: Allowable Changes to FY 2024-25 Authorized Budget](#)

[Job Aid: Allowable Increases and Decreases to Establish 2025-27 Base Budget](#)

[Job Aid Attachment: Budget Restructuring](#)

[Job Aid Attachment: Annualization Calculations](#)

[Job Aid Attachment: Lease Increase Calculation](#)



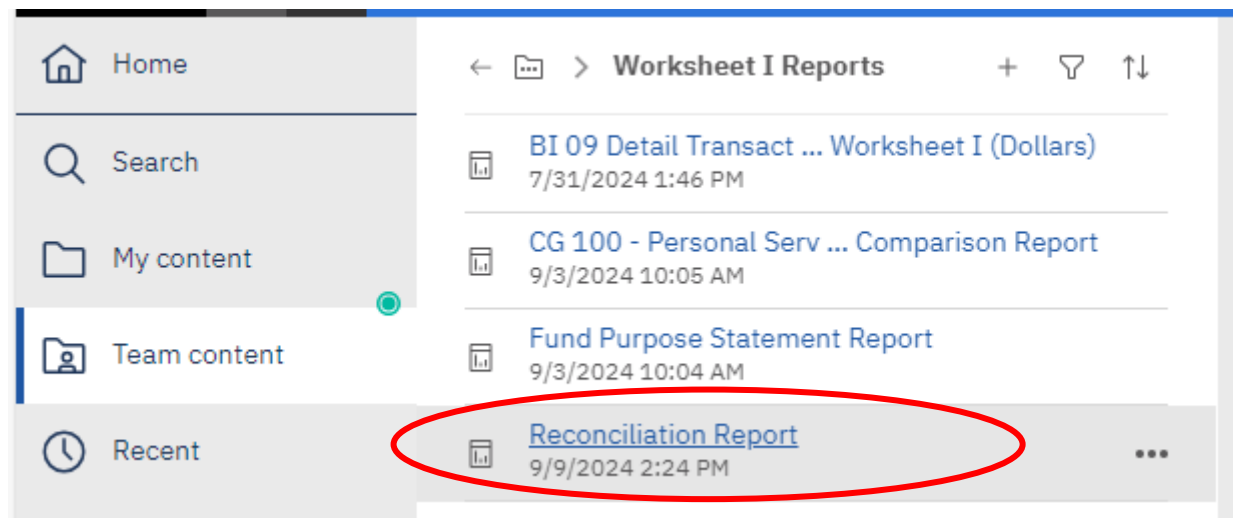
## Reconciliation Report

Where can you find it?

*IBIS > Reports > Self Service Reports > Budget Development Reports > Worksheet I Reports > Reconciliation Report*

What does it tell me?

- Illustrates how the Authorized Budget on the Worksheet I Report is derived.
  - Begins with Certified Budget (Revised BD307)
  - Provides a list of approved revisions included in the Base Budget
  - Adjustments to Requirements, Receipts, and Appropriation shown at the budget code level





# Budget Revision Review

## RK314 Report

Where can you find it?

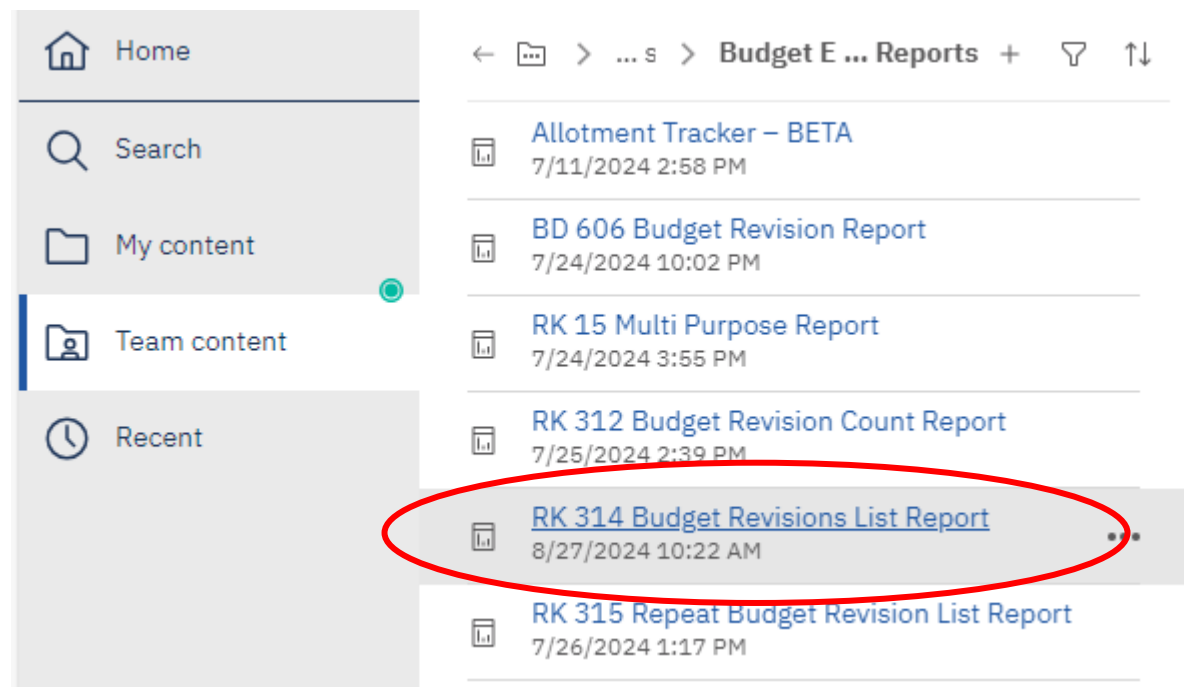
*IBIS > Reports > Self Service Reports > Budget Execution Reports*

What does it tell me?

- Provides a list of all revisions approved for the current biennium in the selected budget code(s)
  - Outlines Requirements, Receipts, Appropriations, positions, Recurring or Non-Recurring status, and revision titles
  - Indicates whether the revision has been included in the Base Budget
  - Make sure to select the FY 2023-25 biennium when running this report.

Why is it important?

- It may assist universities in determining what revisions should be included in the Base Budget and ensure no revisions are erroneously excluded





## How to include Budget Revisions in the Base Budget

- **Until Sep 20<sup>th</sup>**: OSBM will automatically include approved revisions based on university feedback of include/exclude due on this date
- **After Sep 20<sup>th</sup>**: OSBM must manually pull revisions the university wants included in the base budget if the revision is **approved** after this date
  - For FY 2024-25 recurring **Type 11 and 12 revisions** approved after Sep 20<sup>th</sup> AND that you would like included, write in the justification box: “Please include this revision in the base budget”
  - For FY 2024-25 recurring **Type 14 revisions** approved after Sep 20<sup>th</sup> AND that you would like include, email your OSBM analyst as your approve them internally.
  - OSBM analysts will pull the revision into the base budget manually. Once updated, the revision will show the “Included in Base Budget” flag as “Yes”

Reference Number: 12-0039  
Revision Type: 12  
Effective Date: 07/01/2022  
Approval Date: 11/30/2022  
Recurrence: Recurring  
Included in Base Budget: Yes  
Ibis ID: 10V8X  
New Grant: No  
Change to Existing Grant: No  
Over-realized Departmental Receipts: No  
Realignment: Yes  
Program Restructure: No  
Other: No



## Budget Revisions: Realignment

Ask yourself: Does your 2023-25 budget make sense for 2025-27?

- Reconcile actuals from several recent fiscal years against budget totals
- Consider trends and future actions that might impact expenditures

By realigning budget this way, universities avoid the necessity for budget revisions following certification of the 2025-27 biennial budget.

- Fewer Type 12 and 14 budget revisions needed to close out budget reports.



## Budget Revisions: Receipts Adjustments

- G.S. 143C-3-5(b)(2)c, requires estimated receipts in the recommended budget to be ***adjusted to reflect actual collections from the prior fiscal year***, unless the Director of the Budget recommends a change to that methodology or determines there is a more reasonable basis to accurately project receipts.
- OSBM will work with each university to determine a basis to accurately project receipts and to make associated increases or decreases to total requirements if necessary.
  - Close out grants/programs that are no longer needed in FY 2024-25 and/or in the 2025-27 biennium.
  - Adjust expenditures to reflect actual receipt collection for FY 2024-25 and/or anticipated receipts in the 2025-27 biennium.



## Budget Revisions: Adjustments for NCFS Chart of Accounts

- Universities should ensure that:
  - Any budgeted amounts that were incorrectly mapped from NCAS in the transition to NCFS have been corrected, and/or
  - The Base Budget accurately and completely reflects their use of new NCFS chart segments
- The following segments must be used:
  - 4000 fund source segment for all personal services accounts (51XXXXXX)
  - NCFS program code for all accounts



## NCSSM Only - Salary Reserve & Personnel Expenditure Realignment

- Agencies should reconcile annualized salary budgets within IBIS and BEACON to ensure adequate budget is structured to support payroll commitments.
- OSBM will assist agencies in analysis of budgeted salaries and BEACON salary amounts by **budget fund, account, and funding source.**
- The B0149 Report in BEACON provides funding information for all positions within an agency.
- Once that reconciliation is complete, based on budgeted salaries, agencies should confirm adequate budget is structured for Social Security, health benefits, and retirement commitments.

Federal Insurance Contributions Act (FICA) Social Security & Medicare	7.65%
Social Security (OASDI) up to maximum taxable amount of \$168,600	6.20%
Medicare Portion (HI) on ALL earnings	1.45%
Teachers and State Employees Retirement Rate	24.04%
State Law Enforcement Officers Retirement Rate	29.04%
Optional Retirement Rate	13.96%
Consolidated Judicial Retirement Rate	43.99%
Legislative Retirement System Rate	28.99%
Health Benefits – Active Employees	\$8,095

\*Retirement rates for CJRS and LRS are subject to change if HB10 becomes law



# Allowable Increases and Decreases



# Allowable Increases and Decreases

- Annualization of programs and positions
- Reductions and increases to adjust for NR items during the prior fiscal year
- Adjustments for federal payroll tax changes and rate increases on existing leases of real property
- Adjustments for receipt projections, made in accordance with G.S. 143C-3-5(b)(2)c
- Reconciliation of intragovernmental and intergovernmental transfers that require no net General Fund increase
- Adjustments for statutory appropriations and other adjustments as directed by the General Assembly
- Reconciliation of salary-related employer contributions, longevity, and special separation allowance under Article 12D of Chapter 143 of the General Statutes



## Adjustments for Nonrecurring Items

- Nonrecurring Increases or Decreases made by the General Assembly will need to be removed.
  - Example: The General Assembly increased Department of Public Safety appropriations by \$1,000,000 for a Digitizing Paper-Based Health Records project on a nonrecurring basis.
  - IBIS will automatically generate a Worksheet I Increase/Decrease form to remove these items, but universities will still need to review and submit these to OSBM for approval.



## Annualizations

Allowable adjustments (increases or decreases) of a program changed by the General Assembly, on a recurring basis, in the previous fiscal year with a start date after July 1, 2024.

*Example: The General Assembly funded 30 new positions in the 2023 Appropriations Act with a start date of January 1, 2025.*

- Recurring expenditures that were funded specifically with non-recurring funds are not eligible to be annualized.
- Make sure to submit forms for all needed building reserves annualizations. These forms are needed for buildings will come online in the 2<sup>nd</sup> year of the biennium with revisions that do not have a July 1<sup>st</sup> revision effective date.
- If you have any questions regarding annualizations please contact your OSBM analyst.



## Adjustments for Federal Payroll Taxes and Leases

- Known adjustments to federal payroll taxes may be made in the base budget through a Worksheet I form.
- Known contractual lease obligations that have been entered into by an agency may be included in the base budget process.
  - Example: A university signs a five-year lease with 5% per year escalation. The 5% per year escalation may be included in the base budget.
  - Lease contracts must be signed. OSBM cannot approve anticipated lease increases that are not already obligated.
  - The Lease Increase worksheet is available on the Job Aid Site here: [Lease Increase Calculation](#)



## Leases Associated with Guaranteed Energy Savings Contracts

- A Guaranteed Energy Savings Contract is a type of lease of real property via an installment contract through under Article 3B of G.S. 143
  - Normal utility inflation increases are **not** allowed under the base budget process
  - If utility inflation was included under the Guaranteed Energy Savings Contract schedule N, they may be included in the base budget process and associated with the relevant utility line item
  - Universities will attach the Schedule N (Guaranteed Annual Cashflow Analysis) and a completed Lease Increase Calculation sheet.



## Adjusting Receipt Budgets – Increase/Decrease Form

- Most recurring receipt budget adjustments can be made via budget revisions that are pulled into the base budget.
- Increase/Decrease Form is used to adjust receipt budgets in two cases:
  - Adjustments with a non 7/1 effective date that need to be included in the base budget
  - Adjustments that start as of July 1, 2025.



## Reconciliation of Intra- and Inter-Governmental Transfers

- Universities and agencies must balance inter- and intra-departmental transfers - i.e., if one fund or university/agency includes a transfer requirement, the receiving fund or university/agency must budget a matching transfer receipt
- OSBM is working on a tool to identify these transfers for UNC and will communicate updates at a later date.





# Statutory Adjustments

- The General Assembly may direct that adjustments be made to the Base Budget
  - Made through a WSI form
  - Justification must include the statute or session law requiring the adjustment



**Budget Cycle:** 2023-25  
**Reference Number:** BB-10ZEP  
**Request Type:** Increase/Decrease  
**Department:** The University of North Carolina  
**Adjustment Type:** Other Statutory Adjustments

## WORKSHEET-I - UNC COLLEGE SCHOLARSHIP RESTRUCTURE

Status: Approved

**Budget Code:** 16011-UNC Board of Governors - Institutional Programs  
**BRU:** University of North Carolina  
**Title:** UNC College Scholarship Restructure  
**Ibis ID:** 10ZEQ  
**Is this recurring:** Yes



**Justification:** SL 2021-180 included the following language:



SECTION 8A.4.(f) Notwithstanding any other provision of law to the contrary, the Director of the Budget shall, in consultation with The University of North Carolina and the North Carolina State Education Assistance Authority, make necessary permanent adjustments to The University of North Carolina's certified budget for the 2021-2022 fiscal year to ensure that State appropriations for programs administered by the State Education Assistance Authority are clearly identified in a separate budget code or budget codes from the funds for the programs and for the support of the operations of The University of North Carolina System Office. The budget code changes authorized by this section are effective from July 1, 2021, and shall be reflected in the base budget for the 2023-2025 fiscal biennium.

### REQUIREMENTS

Budget Fund	Act #	Act Desc	AMU	NCFS Program	Fund Source	Project	Inter Fund	Adjustments To Requirements				Adjustments To FTE			
								Actual (2021-22)	Authorized (2022-23)	Amount (2023-24)	Amount (2024-25)	Actual (2021-22)	Authorized (2022-23)	Count (2023-24)	Count (2024-25)
150051	57110322	RES-UNC COLLEGE SCHOLARS	0000000	U001260	0000	00000000000	000000	\$0.00	\$2,371,253.00	(\$2,371,253.00)	(\$2,371,253.00)	0.000	0.000	0.000	0.000

### SUMMARY

	2023-24	2024-25	2023-24 FTE	2024-25 FTE
Requirements		(\$2,371,253)		0.000
Receipts		\$0		
Net Appropriation		(\$2,371,253)		



# Budget Restructuring

Base Budget  
Attachment  
Due 11/12/2024

- An agency or university may restructure their budget by reducing or increasing the number of budget funds within a Budget Code to increase operational efficiency
- **Budget Restructuring Plans are due to OSBM by November 12, 2024**
- Budget restructuring is not necessarily a reorganization of the agency or university

## RESTRUCTURING PLAN

DEPARTMENT:

DIVISION OR INSTITUTION:

BUDGET CODE(S) AFFECTED:

CURRENT BUDGET CODE	CURRENT BUDGET FUND	NEW BUDGET CODE	NEW BUDGET FUND



## WSI Entry: Reconciliation of Salary-related Employer Contributions

### **“i. Reconciliation of salary-related employer contributions, longevity, and special separation allowance under Article 12D Chapter 143 of the General Statutes”**

- Universities should confirm adequate certified budget is structured for Social Security, health benefits, retirement, and longevity commitments and realign via budget revisions if needed.
- Remaining adjustments to address surpluses or shortfalls in the certified budget at the budget code level can be done on a Worksheet I form

Federal Insurance Contributions Act (FICA) Social Security & Medicare	7.65%
Social Security (OASDI) up to maximum taxable amount of \$168,600	6.20%
Medicare Portion (HI) on ALL earnings	1.45%
Teachers and State Employees Retirement Rate	24.04%
State Law Enforcement Officers Retirement Rate	29.04%
Optional Retirement Rate	13.96%
Consolidated Judicial Retirement Rate	43.99%
Legislative Retirement System Rate	28.99%
Health Benefits – Active Employees	\$8,095

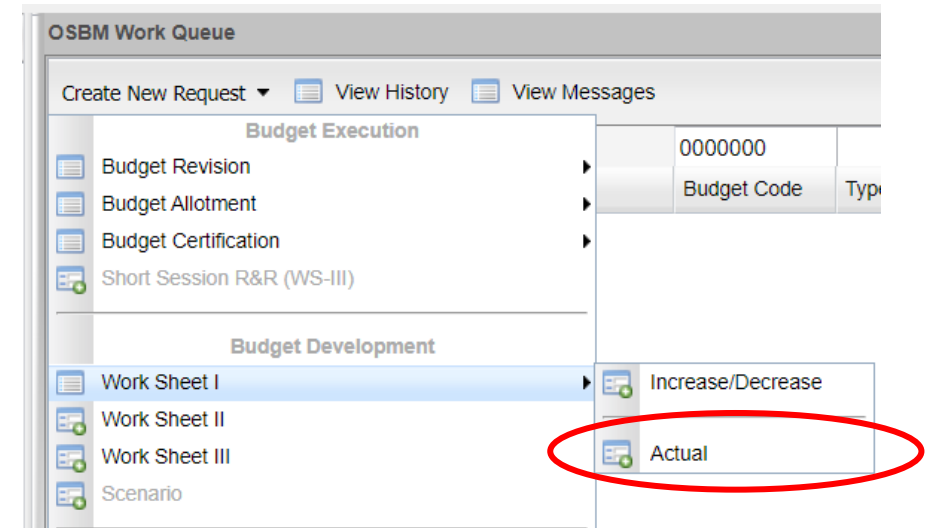
\*Retirement rates for CJRS and LRS are subject to change if HB10 becomes law

# Worksheet I Form: Actual



## Worksheet I Actual Form: Actual FTE

- Universities must use the Worksheet I Actual form to:
  - Reflect **actual** positions funded at the university as of June 30, 2024
  - Make corrections to any actuals that are not are represented properly on the Worksheet I report
- Since UNC campuses are not on Beacon, FTE actual data for the prior year must be entered through a WSI Actual form.



*\*NCSSM does not need to submit the Worksheet I Actual form for FTE actuals since they are on NCFS.*



# Worksheet I Report



**Recommended Base Budget (Worksheet I)  
Summary By Account  
Biennium : 2023-25  
Status : Approved**

030-Governor's Office - General Fund  
13000-Governor's Office - General Fund

**Requirements**

**PERSONAL SERVICES**

Account Code	Account Title	Fund Source	Inter Fund	Actual 2021-22	Certified 2022-23	Authorized 2022-23	Incr/Decr 2023-24	Total 2023-24	Incr/Decr 2024-25	Total 2024-25
51110000	EPA-REG SALARIES	1XXX		\$3,288,305	\$3,527,764	\$3,524,895	\$0	\$3,524,895	\$0	\$3,524,895
51110000	EPA-REG SALARIES	2XXX		\$631,670	\$678,241	\$678,241	\$0	\$678,241	\$0	\$678,241
51140000	SEC/COUNCIL OF ST SAL	1XXX		\$158,612	\$162,881	\$165,750	\$0	\$165,750	\$0	\$165,750
51460000	EPA&SPA-LONGVTY PAY	1XXX		\$51,851	\$63,151	\$63,151	\$0	\$63,151	\$0	\$63,151
51460000	EPA&SPA-LONGVTY PAY	2XXX		\$0	\$4,500	\$4,500	\$0	\$4,500	\$0	\$4,500
51475000	BONUS-ARPA	1XXX		\$57,255	\$0	\$0	\$0	\$0	\$0	\$0
51475000	BONUS-ARPA	2XXX		\$7,995	\$0	\$0	\$0	\$0	\$0	\$0
51510000	SOCIAL SEC CONTRIB	1XXX		\$259,753	\$303,221	\$303,221	\$0	\$303,221	\$0	\$303,221
51510000	SOCIAL SEC CONTRIB	2XXX		\$47,073	\$48,707	\$48,707	\$0	\$48,707	\$0	\$48,707
51520000	REG RETIRE CONTRIB	1XXX		\$801,573	\$860,206	\$860,206	\$0	\$860,206	\$0	\$860,206
51520000	REG RETIRE CONTRIB	2XXX		\$144,657	\$142,255	\$142,255	\$0	\$142,255	\$0	\$142,255
51560000	MED INS CONTRIB	1XXX		\$282,823	\$334,937	\$334,937	\$0	\$334,937	\$0	\$334,937
51560000	MED INS CONTRIB	2XXX		\$47,303	\$51,631	\$51,631	\$0	\$51,631	\$0	\$51,631
51576000	FLEXIBLE SPENDNG SVG ACCT	0XXX		\$5,784	\$5,200	\$5,200	\$0	\$5,200	\$0	\$5,200
51625000	ST DISABILITY PMT	1XXX		\$0	\$1,615	\$1,615	\$0	\$1,615	\$0	\$1,615
51631000	WRKER COMP-MED PAYMENTS	0XXX		\$14,340	\$12,639	\$12,639	\$0	\$12,639	\$0	\$12,639
51652000	COMPEN TO OTH ELECTED OFF	0XXX		\$11,500	\$15,500	\$15,500	\$0	\$15,500	\$0	\$15,500
<b>Total PERSONAL SERVICES</b>				<b>\$5,810,493</b>	<b>\$6,212,448</b>	<b>\$6,212,448</b>	<b>\$0</b>	<b>\$6,212,448</b>	<b>\$0</b>	<b>\$6,212,448</b>

**PURCHASED SERVICES**

# Resources



## Base Budget Office Hours

- OSBM will be holding office hours structured around the different parts of the base budget process.
- Details and invitations will be sent out closer to the dates.





## OSBM Budget Execution Contacts

### **Rachel Stallings**

[rachel.stallings@osbm.nc.gov](mailto:rachel.stallings@osbm.nc.gov)

#### **Operating Only**

UNC System Office  
UNC-Chapel Hill  
NC State University  
UNC-Greensboro  
East Carolina University  
UNC-Wilmington  
Western Carolina University  
Appalachian State University  
UNC-Pembroke  
Fayetteville State University  
NC Central University  
NC Agricultural & Technical University  
NC School of Science & Mathematics

### **Cole Justad**

[cole.justad@osbm.nc.gov](mailto:cole.justad@osbm.nc.gov)

#### **Operating & Capital**

UNC-Charlotte  
UNC-Asheville  
Winston-Salem State University  
Elizabeth City State University  
UNC School of the Arts

#### **Capital Only**

UNC System Office  
UNC-Chapel Hill  
East Carolina University  
NC School of Science & Mathematics

### **Brian Farmer**

[brian.farmer@osbm.nc.gov](mailto:brian.farmer@osbm.nc.gov)

#### **Capital Only**

NC State University  
UNC-Greensboro  
UNC-Wilmington  
Western Carolina University  
Appalachian State University  
UNC-Pembroke  
Fayetteville State University  
NC Central University  
NC Agricultural & Technical University



## Questions?

Please fill out the evaluation form for this training:

[Training Evaluation Form](#)

For additional information/guidance *on base budget*, please refer to:

<https://www.osbm.nc.gov/budget/budget-instructions>

or contact your OSBM Budget Execution Analyst

***THANK YOU FOR ATTENDING!***