



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

July 19, 2022

MEMORANDUM

TO: Joint Legislative Commission on Governmental Operations

FROM: Charles Perusse *Charles Perusse*

SUBJECT: Deviation Request from Department of Public Safety, Division of Adult Correction Canteen Accounts

Pursuant to G.S. 143C-6-4 (b1) Prior consultation with Governmental Operations is required when the over expenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the over expenditures.

The North Carolina Department of Public Safety, Division of Adult Correction, is requesting to budget over realized receipts in the amount of \$3,428,914 to address budgeted amounts required to cover Adult Corrections Canteen Fund purchases for resale supplies and transfer for funds to Welfare. This will eliminate negative line-item account balances required to close out the 2021-22 fiscal year.

The largest share of the over expenditure is related to the Purchase for Resale category under supplies. The receipts realized in this budget code come from inmate purchases in the canteens in the various facilities. The funds received are then reused to replenish the items in the canteens. This results in the net effect of zero (0) in the budget code. The amounts received and spent fluctuate from year to year and it is hard to project the needs based population and demand within the facilities.

Please see the attached Deviation Exception Request Form.

If you have questions or concerns, please contact Budget Analyst Marsha Overby, at [Marsha.Overby@osbm.nc.gov](mailto:Marsha.Overby@osbm.nc.gov) – and cc: Michael Arnold, OSBM Chief Operating Officer at [Michael.arnold@osbm.nc.gov](mailto:Michael.arnold@osbm.nc.gov)

**REQUEST TO DEVIATE UNDER G.S. 143C-6-4:**

(b1) Prior consultation with Governmental Operations is required when the overexpenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the overexpenditures.

**DEPARTMENT:** Public Safety  
**FISCAL YEAR:** 2021-2022  
**Date:** 6/29/2022  
**Budget Revision #:** 12-0004

Internal Service Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
04553	\$ 34,091,416	\$ 1,022,742	\$ 3,428,914	\$ 2,406,172
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
<b>Fund Type Total</b>	<b>\$ 34,091,416</b>	<b>\$ 1,022,742</b>	<b>\$ 3,428,914</b>	<b>\$ 2,406,172</b>

**JUSTIFICATION FOR REQUEST:**

G.S. 143C-6-4.(b1) requires reporting an overexpenditure that would cause a department's total requirements for a Fund to exceed the department's certified budget by 3% for a fiscal year.

The Department of Public Safety is requesting to budget overrealized receipts in the amount of \$3,428,914 to cover budgeted amounts required to cover Adult Corrections Cateen Fund purchases for resale supplies and transfer for fund sto Welfare. This will eliminate negative line item account balances required to close out the 2021-22 fiscal year.

The largest share of the overexpenditure is related to Purchase for Resale category under supplies. The receipts realized in this budget code comes inmate purchases in the Canteen in the various facilities. The funds received are then reused to replenish the items in the canteens. This results in the net effect of zero (0) in the budget code. The amounts received and spent fluctate from year to year and it is hard to project the needs based population and demand within the facilities.

RMSID19  
BD701-03  
190 DEPARTMENT OF PUBLIC SAFETY  
04553 ADULT CORR - CANTEEN FUND NO  
0202 DOP UNIT'S CANTEEN ACCOUNTS

STATE OF NORTH CAROLINA GENERAL LEDGER SYSTEM  
AUTHORIZED MONTHLY BUDGET REPORT  
FOR THE PERIOD ENDING JUNE 29, 2022  
DETAIL REPORT BY FUND

PAGE: 1  
A19-GI-BD701-AUTH-REPORT  
RUN DATE: 07/12/2022  
ATBD701

ACCOUNT	DESCRIPTION	BUDGET	CURRENT	QUARTERLY	TO DATE	BALANCE	ENCUMBRANCES	UNENCUMBERED	RATE
** AUTHORIZED ** ***** A C T U A L *****									
EXPENDITURES--BUDGET AND ACTUAL									
533800023	PFR-CANTEEN	31,038,027.00	2,577,008.28	7,849,783.62	33,612,068.54	2,574,041.54-	.00	2,574,041.54-	1.08
533XXX	SUPPLIES	31,038,027.00	2,577,008.28	7,849,783.62	33,612,068.54	2,574,041.54-	.00	2,574,041.54-	1.08
538110	TRANSFER CANTEEN-WELFARE	8,409,308.00	854,872.74	2,336,731.18	9,264,180.46	854,872.46-	.00	854,872.46-	1.10
538XXX	INTRAGOVERNMENTAL TRANS	8,409,308.00	854,872.74	2,336,731.18	9,264,180.46	854,872.46-	.00	854,872.46-	1.10
	EXPENDITURES	39,447,335.00	3,431,881.02	10,186,514.80	42,876,249.00	3,428,914.00-	.00	3,428,914.00-	1.09
REVENUES--ESTIMATED AND ACTUAL									
434150	FOOD & VENDING SVC	39,156,496.00	3,417,266.04	10,134,921.32	42,573,761.38	3,417,265.38-	.00		1.09
434390	OTH SALES OF GOODS	7,666.00	.00	.00	4,700.28	2,965.72	.00		.61
438110	TRANSFER CANTEEN-WELFARE	283,173.00	14,614.98	51,593.48	297,787.34	14,614.34-	.00		1.05
	REVENUES	39,447,335.00	3,431,881.02	10,186,514.80	42,876,249.00	3,428,914.00-	.00		1.09

INCREASE/ (DECREASE)

CASH ANALYSIS	
BEGINNING BALANCE	.00
+ CASH RECEIPTS	42,876,249.00
- CASH DISBURSEMENTS	42,876,249.00
+ ASSETS	.00
+ LIABILITY	.00
+ EQUITY	.00
= ENDING BALANCE	.00

ADDITIONAL ASSETS	
TOTAL AVAILABILITY	.00