



STATE OF NORTH CAROLINA  
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER  
GOVERNOR

KRISTIN WALKER  
STATE BUDGET DIRECTOR

August 7, 2023

TO: Joint Legislative Commission on Governmental Operations

FROM: Kristin Walker *Kristin Walker*

SUBJECT: Deviation Request from Department Information Technology

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 Department of Information Technology is requesting to transfer fund balance from the IT Modernization fund in the amount of \$9,211,966 and budget receipts in the amount of \$5,082,379 to cover requirements of \$23,530,185. This is necessary to eliminate negative line-item account balances required to close out the 2022-2023 fiscal year.

The largest share of the over expenditure stems from the IT event the department hosted in the current fiscal year. DIT planned to use available fund balance in 24667 to cover negatives created by the event. The transfer in fund balance from the IT Modernization fund will result in a positive fund balance of \$6,244,035. The receipts realized in this budget code come from telephone/telecom services and are intended to support the operations of the fund.

Please see the attached Deviation Exception Request form.

If you have any questions or concerns, please contact Budget Analyst Sam Barber, at [Samuel.barber@osbm.nc.gov](mailto:Samuel.barber@osbm.nc.gov)

**REQUEST TO DEVIATE UNDER G.S. 143C-6-4(b)(3)(b1):**

*(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:** Department of Information Tec  
**FISCAL YEAR:** FY22-23  
**Date:** 26-Jul-23  
**Budget Revision #:** 12-0137

Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
24667 (GASB 11XX)	\$ 140,416,817	\$ 4,212,505	\$ 23,530,185	\$ 19,317,680
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
<b>Fund Type Total</b>	<b>\$ 140,416,817</b>	<b>\$ 4,212,505</b>	<b>\$ 23,530,185</b>	<b>\$ 19,317,680</b>

**JUSTIFICATION FOR REQUEST:**

This deviation is necessary to cover negative fund balances and negative accounts to close the budget fiscal year. In order to correct the negatives in the budget, we have to increase the requirements to cover the expenditures. We also had to cover expenditures due to an IT related event the department had to deal with this fiscal year. Management wanted to cover the expenses for this event from the fund using available fund balance, and overall the 24667 budget code had the cash available but to transfer the cash to the correct budget fund required the transfer account to go negative. By increasing the budget, the negative will clear and allow DIT to close the fiscal year with no negatives, which is required by OSBM.

DETAIL REPORT BY FUND

\*\* AUTHORIZED \*\* \*\*\*\*\* A C T U A L \*\*\*\*\*

ACCOUNT	DESCRIPTION	BUDGET	CURRENT	QUARTERLY	TO DATE	BALANCE	ENCUMBRANCES	UNENCUMBERED	RATE
EXPENDITURES-BUDGET AND ACTUAL									
531112	EPA-REG SALARIES-RECPT	1,467,322.00	115,608.38	307,876.80	1,242,343.76	224,978.24	.00	224,978.24	.85
531142	SEC/COUNCIL OF ST-REC	209,419.00	7,786.30	41,884.02	182,306.00	27,113.00	.00	27,113.00	.87
531162	EPA-TIME LIMITED SAL-REC	5,085.00	.00	.00	5,084.32	.68	.00	.68	1.00
531212	SPA-REG SALARIES-RECPT	473,751.00	33,512.42	100,537.26	402,149.04	71,601.96	.00	71,601.96	.85
531422	HOLIDAY PAY - RECEIPTS	284.00	.00	.00	284.00	.00	.00	.00	1.00
531462	EPA&SPA-LONGVTY PAY-REC	16,095.00	7,560.00	9,353.00	16,094.69	.31	.00	.31	1.00
531512	SOCIAL SEC CONTRIB-RECPT	164,326.00	12,186.12	33,907.11	132,222.52	32,103.48	.00	32,103.48	.80
531522	REG RETIRE CONTRIB-RECPT	535,189.00	40,294.42	112,614.47	452,859.67	82,329.33	.00	82,329.33	.85
531562	MED INS CONTRIB-RECPTS	125,910.00	8,189.44	28,914.64	104,339.97	21,570.03	.00	21,570.03	.83
531576	FLEXIBLE SPENDING SAVING	2,610.00	216.53	644.27	2,607.02	2.98	.00	2.98	1.00
531662	TAX EMP REIMB/ALLOW-RECP	813.00	70.00	210.00	812.91	.09	.00	.09	1.00
531XXX	PERSONAL SERVICES	3,000,804.00	225,423.61	635,941.57	2,541,103.90	459,700.10	.00	459,700.10	.85
532110032	LEGAL SVC-TRANS REC/BRIE	225.00	.00	.00	225.00	.00	.00	.00	1.00
53214B	IT SUBSCRIPTION SUPPORT	564,159.00	564,155.44	564,155.44	564,155.44	3.56	.00	3.56	1.00
532140	OTH INFORMATION TECH SVC	21,613.00	2,619.40	245,875.56-	21,612.20	.80	4,320.00	4,319.20-	1.20
532145	SERVER SUPPORT SVC	314,003.00	20,815.63	93,850.75	313,987.52	15.48	.00	15.48	1.00
532148	APPLICATION DEVELOPMENT	15,864.00	1,878.86	8,391.56	15,863.05	.95	.00	.95	1.00
532149	IT PROJ MGMT ANALYSIS SVC	40,010.00	1,945.89-	15,362.64	40,009.22	.78	.00	.78	1.00
532170002	ADMIN SVC-TEMP AGENCY SV	66,183.00	5,948.38	12,181.56	66,182.45	.55	.00	.55	1.00
532170019	ADM-EMPLOYEE BACKGRND CK	93.00	58.00	58.00	93.00	.00	.00	.00	1.00
532186	SECURITY SERVICE AGREE	.00	.00	.00	.00	.00	4,510.10	4,510.10-	***
532199	MISC CONTRACTUAL SERVICE	2,100.00	.00	.00	2,100.00	.00	.00	.00	1.00
532199022	MISC-VIDEO PRODUCTION SV	17,539.00	.00	.00	17,538.68	.32	.00	.32	1.00
532199900	WORKSHOP/CONF EXP-MISC	11,805.00	.00	.00	11,805.00	.00	.00	.00	1.00
532521	RENT/LEASE-MOTOR VEHICLE	571.00	.00	.00	570.61	.39	.00	.39	1.00
532711	TRANSP AIR - IN STATE	1,605.00	.00	1,463.85	1,604.85	.15	.00	.15	1.00
532712	TRANS AIR-OUT STATE, IN U	13,294.00	4,650.02	9,561.49	13,293.16	.84	.00	.84	1.00
532714	TRANSP-GRND - IN STATE	3,670.00	117.51	969.15	3,669.91	.09	.00	.09	1.00
532715	TRANS GRND-OUT STA, IN US	618.00	45.91-	456.89	617.33	.67	.00	.67	1.00
532717	TRANSP OTHER - IN STATE	540.00	.00	.00	540.00	.00	.00	.00	1.00
532718	TRANS OTH-OUTSTATE, IN U	7,064.00	.00	.00	7,063.27	.73	.00	.73	1.00
532721	LODGING - IN STATE	1,770.00	.00	569.22	1,769.87	.13	.00	.13	1.00
532722	LODGING-OUT STATE, IN US	8,869.00	598.30	3,900.85	8,868.34	.66	.00	.66	1.00
532724	MEALS - IN STATE	416.00	.00	.00	415.50	.50	.00	.50	1.00
532725	MEALS-OUT OF STATE, IN US	2,550.00	228.60	759.10	2,549.90	.10	.00	.10	1.00
532811	TELEPHONE SERVICE	3,543.00	1,961.07-	529.51-	3,541.34	1.66	.00	1.66	1.00
532812	TELECOMMUN DATA CHRNG	712.00	143.55-	625.54	711.04	.96	.00	.96	1.00
532814	CELLULAR PHONE SERVICES	5,452.00	1,006.48	1,714.53	5,451.52	.48	.00	.48	1.00
532815	EMAIL AND CALENDARING	260.00	20.72	73.88	259.10	.90	.00	.90	1.00
532824	MANAGED SERVER SVCS	16,423.00	4,780.32	7,255.29	16,421.53	1.47	.00	1.47	1.00
532826	SOFTWARE SUBSCRIPTIONS	63,891.00	837.82	1,235,012.62-	63,889.73	1.27	1,334.31	1,333.04-	1.02
532828	MANAGED DESKTOP SVCS	18,064.00	134.44	5,327.48	18,063.02	.98	.00	.98	1.00
532840003	POST,FR&DEL-POSTAL METER	13.00	.00	.00	12.40	.60	.00	.60	.95
532850	PRINT,BIND,DUPLICATE	2,058.00	.00	.00	2,057.02	.98	.00	.98	1.00

DETAIL REPORT BY FUND

** AUTHORIZED ** ***** A C T U A L *****									
ACCOUNT	DESCRIPTION	BUDGET	CURRENT	QUARTERLY	TO DATE	BALANCE	ENCUMBRANCES	UNENCUMBERED	RATE
EXPENDITURES-BUDGET AND ACTUAL									
532860	ADVERTISING	202.00	.00	.00	201.50	.50	.00	.50	1.00
532919	OTHER INSURANCE	274.00	.00	.00	273.77	.23	.00	.23	1.00
532920	BONDING	420.00	.00	.00	420.00	.00	.00	.00	1.00
532930	REGISTRATION FEES	9,789.00	.00	2,475.00	9,789.00	.00	.00	.00	1.00
532XXX	PURCHASED SERVICES	1,215,662.00	603,753.50	752,265.47-	1,215,625.27	36.73	10,164.41	10,127.68-	1.01
533110	GENERAL OFFICE SUPPLIES	967.00	27.30	119.35	966.92	.08	.00	.08	1.00
533130	PHOTOGRAPHIC SUPPLIES	.00	.00	.00	.00	.00	479.99	479.99-	***
533310	GASOLINE	78.00	.00	.00	77.84	.16	.00	.16	1.00
533900	OTHER MATERIALS/SUPPLIES	1,050.00	.00	.00	1,050.00	.00	.00	.00	1.00
533XXX	SUPPLIES	2,095.00	27.30	119.35	2,094.76	.24	479.99	479.75-	1.23
534521	OFFICE EQUIPMENT	141.00	.00	.00	140.05	.95	.00	.95	.99
534539	OTHER EQUIPMENT	220.00	.00	.00	219.99	.01	.00	.01	1.00
534539001	OTH EQUIP-AUDIO/VISUAL	.00	.00	.00	.00	.00	20,674.76	20,674.76-	***
534711	OTHER COMPUTER SOFTWARE	5,525.00	.00	.00	25.00	5,500.00	5,500.00	.00	1.00
534715	IT SECURITY SOFTWARE	93,732.00	.00	.00	93,732.00	.00	.00	.00	1.00
534XXX	PROPERTY, PLANT & EQUIP	99,618.00	.00	.00	94,117.04	5,500.96	26,174.76	20,673.80-	1.21
535113	COURT COSTS	20.00	.00	.00	20.00	.00	.00	.00	1.00
535830	MEMBERSHIP DUES&SUBSCRIP	1,265,922.00	1,013,315.00	1,046,770.80	1,239,929.05	25,992.95	.00	25,992.95	.98
535900	OTHER EXPENSES	900.00	.00	900.00	900.00	.00	.00	.00	1.00
535XXX	OTHER EXPENSES & ADJUST	1,266,842.00	1,013,315.00	1,047,670.80	1,240,849.05	25,992.95	.00	25,992.95	.98
536E01	DISCRETIONARY GRANTS-NGO	529,937.00	.00	.00	.00	529,937.00	.00	529,937.00	.00
536XXX	AID & PUBLIC ASSISTANCE	529,937.00	.00	.00	.00	529,937.00	.00	529,937.00	.00
538118	TRANSFER OUT TO NCDOR	411,704.00	24,663.39	79,229.10	411,703.29	.71	.00	.71	1.00
538142	TFR TO 74660	1,469,025.00	1,469,024.37	1,469,024.37	1,469,024.37	.63	.00	.63	1.00
538146	TRANSFER TO DNCR	104,842.00	.00	.00	104,841.03	.97	.00	.97	1.00
538199	INTRA-FUND TRANS-OPER CA	.00	9,211,965.39	9,211,965.39	9,211,965.39	9,211,965.39-	.00	9,211,965.39-	***
538XXX	INTRAGOVERNMENTAL TRANS	1,985,571.00	10,705,653.15	10,760,218.86	11,197,534.08	9,211,963.08-	.00	9,211,963.08-	5.64
	EXPENDITURES	8,100,529.00	12,548,172.56	11,691,685.11	16,291,324.10	8,190,795.10-	36,819.16	8,227,614.26-	2.02
REVENUES-ESTIMATED AND ACTUAL									
434160	PROFESSIONAL SERVICES	11,700.00	.00	.00	11,700.00	.00	.00	.00	1.00
4381MR	FED INFRA MATCH RESERVE	529,937.00	.00	.00	529,937.00	.00	.00	.00	1.00
438142	TRANSFER FROM 14660	7,431,954.00	3,373,600.00	3,373,600.00	10,774,249.00	3,342,295.00-	.00	.00	1.45

DETAIL REPORT BY FUND

ACCOUNT	DESCRIPTION	** AUTHORIZED ** BUDGET	***** CURRENT	A C T U A L QUARTERLY	***** TO DATE	BALANCE	ENCUMBRANCES	UNENCUMBERED	RATE
REVENUES-ESTIMATED AND ACTUAL									
438199	INTRA-FUND TRANS-OPER CA	3,965.00	3,965.00	3,965.00	3,965.00	.00	.00		1.00
	REVENUES	7,977,556.00	3,377,565.00	3,377,565.00	11,319,851.00	3,342,295.00-	.00		1.42
	INCREASE/(DECREASE) IN FUND BALANCE	122,973.00-	9,170,607.56-	8,314,120.11-	4,971,473.10-	4,848,500.10	.00		40.43

CASH ANALYSIS

BEGINNING BALANCE	20,427,474.44
+ CASH RECEIPTS	11,319,851.00
- CASH DISBURSEMENTS	16,291,324.10
+ ASSETS	.00
+ LIABILITY	.00
+ EQUITY	.00
<b>= ENDING BALANCE</b>	<b>15,456,001.34</b>

ADDITIONAL ASSETS

TOTAL AVAILABILITY	15,456,001.34
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DETAIL REPORT BY FUND

ACCOUNT	DESCRIPTION	** AUTHORIZED ** BUDGET	***** CURRENT	A C T U A L QUARTERLY	***** TO DATE	BALANCE	ENCUMBRANCES	UNENCUMBERED	RATE
EXPENDITURES-BUDGET AND ACTUAL									
531162	EPA-TIME LIMITED SAL-REC	60,342.00	.00	10,731.25	92,237.50	31,895.50-	.00	31,895.50-	1.53
531512	SOCIAL SEC CONTRIB-RECPT	4,217.00	.00	813.34	6,957.59	2,740.59-	.00	2,740.59-	1.65
531522	REG RETIRE CONTRIB-RECPT	13,666.00	.00	2,629.16	22,598.18	8,932.18-	.00	8,932.18-	1.65
531562	MED INS CONTRIB-RECPTS	3,888.00	.00	1,169.92	6,811.96	2,923.96-	.00	2,923.96-	1.75
531576	FLEXIBLE SPENDING SAVING	100.00	.00	5.76	70.62	29.38	.00	29.38	.71
531XXX	PERSONAL SERVICES	82,213.00	.00	15,349.43	128,675.85	46,462.85-	.00	46,462.85-	1.57
538199	INTRA-FUND TRANS-OPER CA	14,141.00	.00	.00	14,141.00	.00	.00	.00	1.00
538XXX	INTRAGOVERNMENTAL TRANS	14,141.00	.00	.00	14,141.00	.00	.00	.00	1.00
	EXPENDITURES	96,354.00	.00	15,349.43	142,816.85	46,462.85-	.00	46,462.85-	1.48
REVENUES-ESTIMATED AND ACTUAL									
438P11	ARPA SFRF TRANSFER IN	94,141.00	.00	.00	94,141.00	.00	.00		1.00
438199	INTRA-FUND TRANS-OPER CA	2,213.00	48,675.35	48,675.35	48,675.35	46,462.35-	.00		22.00
	REVENUES	96,354.00	48,675.35	48,675.35	142,816.35	46,462.35-	.00		1.48
	INCREASE/(DECREASE) IN FUND BALANCE	.00	48,675.35	33,325.92	.50-	.50	.00		***

DETAIL REPORT BY FUND

ACCOUNT	DESCRIPTION	** AUTHORIZED ** BUDGET	***** CURRENT	A C T U A L QUARTERLY	***** TO DATE	BALANCE	ENCUMBRANCES	UNENCUMBERED	RATE
EXPENDITURES-BUDGET AND ACTUAL									
532140	OTH INFORMATION TECH SVC	.00	.00	444,853.16	444,853.16	444,853.16-	565,500.00	1,010,353.16-	***
532145	SERVER SUPPORT SVC	521,568.00	.00	305.84	208,053.85	313,514.15	.00	313,514.15	.40
532149	IT PROJ MGMT ANALYSIS SVC	.00	12,993.92	49,311.37	72,975.93	72,975.93-	.00	72,975.93-	***
532160	ENGINEERING SERVICES	.00	15,997.50	15,997.50	15,997.50	15,997.50-	.00	15,997.50-	***
532444	MAINT AGRMT-WAN EQUIP	.00	.00	828.10	828.10	828.10-	4,798.24	5,626.34-	***
532812	TELECOMMUN DATA CHRG	.00	643,852.00	643,852.00	643,852.00	643,852.00-	.00	643,852.00-	***
532826	SOFTWARE SUBSCRIPTIONS	.00	.00	2,448,884.04	4,457,810.04	4,457,810.04-	237,500.00	4,695,310.04-	***
532XXX	PURCHASED SERVICES	521,568.00	672,843.42	3,604,032.01	5,844,370.58	5,322,802.58-	807,798.24	6,130,600.82-	12.75
534531	WAN EQUIPMENT	.00	790,697.58	4,672,049.87	4,672,049.87	4,672,049.87-	165,203.16	4,837,253.03-	***
534715	IT SECURITY SOFTWARE	.00	.00	3,963,128.51	3,963,128.51	3,963,128.51-	.00	3,963,128.51-	***
534XXX	PROPERTY, PLANT & EQUIP	.00	790,697.58	8,635,178.38	8,635,178.38	8,635,178.38-	165,203.16	8,800,381.54-	***
	EXPENDITURES	521,568.00	1,463,541.00	12,239,210.39	14,479,548.96	13,957,980.96-	973,001.40	14,930,982.36-	29.63
REVENUES-ESTIMATED AND ACTUAL									
434131	TELEPHONE/TELECOM SVC	.00	1,149,386.13	5,082,378.51	5,082,378.51	5,082,378.51-	.00		***
438142	TRANSFER FROM 14660	521,568.00	.00	521,568.00	521,568.00	.00	.00		1.00
438199	INTRA-FUND TRANS-OPER CA	.00	9,211,965.39	9,211,965.39	9,211,965.39	9,211,965.39-	.00		***
	REVENUES	521,568.00	10,361,351.52	14,815,911.90	14,815,911.90	14,294,343.90-	.00		28.41
	INCREASE/(DECREASE) IN FUND BALANCE	.00	8,897,810.52	2,576,701.51	336,362.94	336,362.94-	.00		***

RMDSID41 NOT CERTIFIED  
 BD701-03  
 410 DEPARTMENT OF INFORMATION TECHNOLOGY  
 24667 INFORMATION TECHNOLOGY FUND  
 2725 PLAN/BUILD ADMIN

STATE OF NORTH CAROLINA GENERAL LEDGER SYSTEM  
 AUTHORIZED MONTHLY BUDGET REPORT  
 FOR THE PERIOD ENDING JUNE 29, 2023

PAGE: 2  
 C-GL-BD701-AUTH-REPORT  
 RUN DATE: 07/26/2023  
 ATBD701

DETAIL REPORT BY FUND

ACCOUNT	DESCRIPTION	** AUTHORIZED ** BUDGET	***** CURRENT	A C T U A L QUARTERLY	***** TO DATE	BALANCE	ENCUMBRANCES	UNENCUMBERED	RATE
REVENUES-ESTIMATED AND ACTUAL									
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CASH ANALYSIS									
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	BEGINNING BALANCE				813,023.19				
	+ CASH RECEIPTS				14,815,911.90				
	- CASH DISBURSEMENTS				14,479,548.96				
	+ ASSETS				1,149,386.13-				
	+ LIABILITY				.00				
	+ EQUITY				.00				
	= ENDING BALANCE				.00				
ADDITIONAL ASSETS									
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	TOTAL AVAILABILITY				.00				