



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

May 9, 2023

MEMORANDUM

TO: Joint Legislative Commission on Governmental Operations

FROM: Kristin Walker *Kristin Walker*

SUBJECT: Deviation Request from Department of Adult Correction, Canteen Funds

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 Adult Correction is requesting to budget over realized receipts in the amount of \$17,373,110 to cover budgeted amounts required to cover purchases for resale. This includes funds needing to be budgeted under DPS for the period of July 1, 2022 to December 31, 2022.

The amounts received and spent fluctuate from year to year and it is hard to project the needs based on 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

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: Adult Correction
FISCAL YEAR: 2022 - 2023
Date: 10-Apr-23
Budget Revision #: 12-0017

| Budget Code | Certified Requirements | 3% Deviation Threshold | Amount of the Overexpenditure Request | Amount the Request Exceeds the Deviation Threshold |
|------------------------|------------------------|------------------------|---------------------------------------|--|
| 75010 | \$ 87,623,625 | \$ 2,628,709 | \$ 17,373,110 | \$ 14,744,401 |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - | \$ - |
| Fund Type Total | \$ 87,623,625 | \$ 2,628,709 | \$ 17,373,110.00 | \$ 14,744,401 |

JUSTIFICATION FOR REQUEST:

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

The Department of Adult Correction is requesting to budget overrealized receipts in the amount of \$17,373,110 to cover budgeted amounts required to cover purchases for resale. This will eliminate negative line item account balances required to close out the 2022-2023 fiscal year. This includes funds to be budgeted under DPS for activity from 07/01/22 - 12/31/2022

SUMMARY BY ACCOUNT

| ACCOUNT | DESCRIPTION | CERTIFIED | AUTHORIZED | CURRENT-MONTH | YEAR-TO-DATE | ***** UNEXPENDED / CERTIFIED | UNREALIZED AUTHORIZED | ENCUMBRANCES | RATE |
|---|----------------------------|-----------|---------------|---------------|---------------|------------------------------|-----------------------|--------------|------|
| ***** B U D G E T E D ***** A C T U A L ***** | | | | | | | | | |
| EXPENDITURES-BUDGET AND ACTUAL | | | | | | | | | |
| 534700 | INTANGIBLE ASSETS | .00 | 66,346.00 | .00 | 50,174.00 | 50,174.00- | 16,172.00 | .00 | .91 |
| 534XXX | PROPERTY, PLANT & EQUIP | .00 | 2,950,825.00 | .00 | 795,430.16 | 795,430.16- | 2,155,394.84 | 459.86 | .32 |
| 535100 | LEGAL, LICENSE, PERMIT COS | .00 | 3,100.00 | .00 | 3,099.85 | 3,099.85- | .15 | .00 | 1.20 |
| 535800 | OTHER ADMIN EXPENSES | .00 | 1,228.00 | .00 | 1,228.00 | 1,228.00- | .00 | .00 | 1.20 |
| 535900 | OTHER EXPENSES | .00 | 857,084.00 | .00 | 857,083.46 | 857,083.46- | .54 | .00 | 1.20 |
| 535XXX | OTHER EXPENSES & ADJUST | .00 | 861,412.00 | .00 | 861,411.31 | 861,411.31- | .69 | .00 | 1.20 |
| 538101 | TRANSFER TO 14550 | .00 | 1,030,110.00 | .00 | 1,030,110.00 | 1,030,110.00- | .00 | .00 | 1.20 |
| 538102 | TRANSFER TO 24550 | .00 | 14,830.00 | .00 | 14,829.57 | 14,829.57- | .43 | .00 | 1.20 |
| 538111 | TRANSFER TO CI'S | .00 | 25,000.00 | .00 | 25,000.00 | 25,000.00- | .00 | .00 | 1.20 |
| 538116 | TRANS FOR CRIME VIC COMP | .00 | 222,015.00 | .00 | 222,014.05 | 222,014.05- | .95 | .00 | 1.20 |
| 538131 | TRANSFER TO DAC | .00 | 5,046,221.00 | .00 | 24,046,220.11 | 24,046,220.11- | 18,999,999.11- | .00 | 5.72 |
| 538XXX | INTRAGOVERNMENTAL TRANS | .00 | 6,338,176.00 | .00 | 25,338,173.73 | 25,338,173.73- | 18,999,997.73- | .00 | 4.80 |
| TOTAL NON-SALARY ITEMS | | | | | | | | | |
| | | .00 | 57,139,321.00 | 133.24 | 63,893,496.14 | 63,893,496.14- | 6,754,175.14- | 75,378.91 | 1.34 |
| EXPENDITURES | | | | | | | | | |
| | | .00 | 64,426,653.00 | 133.24 | 71,193,533.63 | 71,193,533.63- | 6,766,880.63- | 75,378.91 | 1.33 |
| REVENUES-ESTIMATED AND ACTUAL | | | | | | | | | |
| 434110 | HOUSEHOLD/CLEANING SVC | .00 | 55,961,349.00 | .00 | 55,852,769.19 | 55,852,769.19- | 108,579.81 | .00 | 1.20 |
| 434320 | SALE OF SURPLUS PROPERTY | .00 | 823,028.00 | .00 | 861,962.38 | 861,962.38- | 38,934.38- | .00 | 1.26 |
| 434410 | RENTAL OF REAL PROPERTY | .00 | 63,470.00 | .00 | 63,470.98 | 63,470.98- | .98- | .00 | 1.20 |
| 437113 | INSURANCE RECOVERIES | .00 | 1,238,122.00 | .00 | 1,803,620.86 | 1,803,620.86- | 565,498.86- | .00 | 1.75 |
| 437127 | PROCUREMENT CARD REBATES | .00 | .00 | .00 | 35,929.76 | 35,929.76- | .00 | .00 | *** |
| 438111 | TRANSFER FROM CI'S | .00 | 1,294,684.00 | .00 | 3,073,406.71 | 3,073,406.71- | 1,778,722.71- | .00 | 2.85 |
| REVENUES | | | | | | | | | |
| | | .00 | 59,380,653.00 | .00 | 61,691,159.88 | 61,691,159.88- | 2,310,506.88- | .00 | 1.25 |
| INCREASE/(DECREASE) IN FUND BALANCE | | | | | | | | | |
| | | .00 | 5,046,000.00- | 133.24- | 9,502,373.75- | 9,502,373.75- | 4,456,373.75 | .00 | 2.26 |

STATE OF NORTH CAROLINA GENERAL LEDGER SYSTEM
 AGENCY MANAGEMENT BUDGET REPORT
 FOR THE PERIOD ENDING APRIL 30, 2023
 DETAIL REPORT BY FUND

| ACCOUNT | DESCRIPTION | CERTIFIED | AUTHORIZED | CURRENT-MONTH | YEAR-TO-DATE | CERTIFIED | UNEXPENDED / UNREALIZED **** | AUTHORIZED | ENCUMBRANCES | RATE |
|---------|-------------------------------|---------------|---------------|---------------|---------------|---------------|------------------------------|---------------|--------------|------|
| 533900 | OTHER MATERIALS/SUPPLIES | 1,300,000.00 | 1,150,000.00 | 14,685.13 | 209,473.67 | 1,090,526.33 | 940,526.33 | 69,369.60 | .29 | |
| 533XXX | SUPPLIES | 45,281,802.00 | 48,185,500.00 | 988,063.93 | 14,562,510.26 | 30,719,291.74 | 33,622,989.74 | 12,306,050.43 | .67 | |
| 534300 | BUILDINGS-CONSTRUCTED | 7,000.00 | 157,000.00 | .00 | 169,556.17 | 162,556.17 | 12,556.17 | 903.00 | 1.30 | |
| 534400 | OTHER STRUCTURES/IMPROV | 135,000.00 | 135,000.00 | .00 | 41,737.30 | 93,262.70 | 93,262.70 | 28,285.00 | .62 | |
| 534500 | EQUIPMENT | 886,761.00 | 886,761.00 | 45,034.59 | 409,556.67 | 477,204.33 | 477,204.33 | 2,670,966.74 | 4.17 | |
| 534700 | INTANGIBLE ASSETS | 100,000.00 | 100,000.00 | .00 | 24,022.00 | 75,978.00 | 75,978.00 | 20,650.00 | .54 | |
| 534XXX | PROPERTY, PLANT & EQUIP | 1,128,761.00 | 1,278,761.00 | 45,034.59 | 644,872.14 | 483,888.86 | 633,888.86 | 2,720,804.74 | 3.16 | |
| 535100 | LEGAL, LICENSE, PERMIT COS | 10,000.00 | 10,000.00 | .00 | 5,490.00 | 4,510.00 | 4,510.00 | .00 | .66 | |
| 535800 | OTHER ADMIN EXPENSES | 5,250.00 | 5,250.00 | 2,018.26 | 3,967.20 | 1,282.80 | 1,282.80 | .00 | .91 | |
| 535900 | OTHER EXPENSES | 250,000.00 | 250,000.00 | .00 | 103,761.96 | 146,238.04 | 146,238.04 | 27,517.94 | .63 | |
| 535XXX | OTHER EXPENSES & ADJUST | 265,250.00 | 265,250.00 | 2,018.26 | 113,219.16 | 152,030.84 | 152,030.84 | 27,517.94 | .64 | |
| 538043 | LEGISLATIVE MANDATED TRA | 500,000.00 | 500,000.00 | .00 | 500,000.00 | .00 | .00 | .00 | 1.20 | |
| 538101 | TRANSFER TO 14550 | 2,060,000.00 | 2,060,000.00 | .00 | 515,055.00 | 1,544,945.00 | 1,544,945.00 | .00 | .30 | |
| 538102 | TRANSFER TO 24550 | 90,408.00 | 90,408.00 | .00 | 39,881.86 | 50,526.14 | 50,526.14 | .00 | .53 | |
| 538116 | TRANS FOR CRIME VIC COMP | 176,357.00 | 176,357.00 | .00 | .00 | 176,357.00 | 176,357.00 | .00 | .00 | |
| 538XXX | INTRAGOVERNMENTAL TRANS | 2,826,765.00 | 2,826,765.00 | .00 | 1,054,936.86 | 1,771,828.14 | 1,771,828.14 | .00 | .45 | |
| | TOTAL NON-SALARY ITEMS | 55,788,239.00 | 58,841,937.00 | 1,247,137.10 | 18,132,025.55 | 37,656,213.45 | 40,709,911.45 | 16,821,185.13 | .71 | |
| | EXPENDITURES | 87,623,625.00 | 89,802,608.00 | 1,387,089.27 | 29,241,251.54 | 58,382,373.46 | 60,561,356.46 | 16,821,185.13 | .62 | |
| | REVENUES-ESTIMATED AND ACTUAL | | | | | | | | | |
| 434110 | HOUSEHOLD/CLEANING SVC | 86,944,966.00 | 86,813,750.00 | 1,469,081.95 | 29,194,758.24 | 57,750,207.76 | 57,618,991.76 | | .40 | |
| 434320 | SALE OF SURPLUS PROPERTY | 58,400.00 | 58,400.00 | .00 | 47,046.37 | 11,353.63 | 11,353.63 | | .97 | |
| 434410 | RENTAL OF REAL PROPERTY | 210,350.00 | 210,350.00 | .00 | 48,234.88 | 162,115.12 | 162,115.12 | | .28 | |
| 437113 | INSURANCE RECOVERIES | .00 | 2,310,199.00 | .00 | 2,310,198.18 | .82 | .82 | | 1.20 | |
| 437127 | PROCUREMENT CARD REBATES | 19,356.00 | 19,356.00 | .00 | .00 | 19,356.00 | 19,356.00 | | .00 | |
| 437995 | OTHER MISC REV-GENERAL | 98,545.00 | 98,545.00 | .00 | .00 | 98,545.00 | 98,545.00 | | .00 | |
| 438101 | TRANSFER FROM 14550 | 201,600.00 | 201,600.00 | .00 | .00 | 201,600.00 | 201,600.00 | | .00 | |
| 438127 | TRANSFER FROM DPS | .00 | 5,046,000.00 | .00 | 24,046,220.11 | 19,000,220.11 | 19,000,220.11 | | 5.72 | |
| | REVENUES | 87,533,217.00 | 94,758,200.00 | 1,469,081.95 | 55,646,457.78 | 31,886,759.22 | 39,111,742.22 | .00 | .70 | |