



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 \$4,363,363 to cover budgeted amounts required to cover Adult Corrections Canteen Fund purchases for resale of supplies and transfer funds to Welfare. This will eliminate negative line-item account balances required to close out the 2022-2023 fiscal year. This includes funds needing to be budgeted under DPS for the period of July 1, 2022 to December 31, 2022.

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 used to replenish the items in the canteens. This results in the net effect of zero in the budget code. 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 #: 12-0004 & 12-0006 (DPS)

Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
5011	\$ 34,091,416	\$ 1,022,742	\$ 4,363,363	\$ 3,340,621
25013	\$ 9,922,168	\$ 297,665	\$ -	\$ (297,665)
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Fund Type Total	\$ 44,013,584	\$ 1,320,408	\$ 4,363,363.00	\$ 3,042,955

JUSTIFICATION FOR REQUEST:

G.S. 143C-6-4. (b1) requires reporting an overexpenditure that would cause a departments total requirements 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 unrealized receipts in the amount of \$4,363,363 to cover budgeted amounts required to cover Adult Corrections Canteen Fund purchases for resale of supplies and transfer funds to Welfare. This will eliminate negative line item account balances required to close out the 2022-2023 fiscal year. This includes funds needing to be budgeted under DPS for the period of 07/01/22-12/31/22.

The largest share of the overexpenditure 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 used to replenish the items in the canteens. This results in the net effect of zero in the budget code. 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.

DETAIL REPORT BY FUND

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 ***** UNEXPENDED / UNREALIZED *****									
EXPENDITURES--BUDGET AND ACTUAL									
533800	PURCHASES FOR RESALE	.00	.00	.00	15,082,411.52	15,082,411.52-	15,082,411.52-	.00	***
533XXX	SUPPLIES	.00	.00	.00	15,082,411.52	15,082,411.52-	15,082,411.52-	.00	***
538110	TRANSFER CANTEEN-WELFARE	.00	.00	.00	4,258,114.40	4,258,114.40-	4,258,114.40-	.00	***
538XXX	INTRAGOVERNMENTAL TRANS	.00	.00	.00	4,258,114.40	4,258,114.40-	4,258,114.40-	.00	***
TOTAL NON-SALARY ITEMS									
		.00	.00	.00	19,340,525.92	19,340,525.92-	19,340,525.92-	.00	***
EXPENDITURES									
		.00	.00	.00	19,340,525.92	19,340,525.92-	19,340,525.92-	.00	***
REVENUES--ESTIMATED AND ACTUAL									
434150	FOOD & VENDING SVC	.00	.00	.00	19,130,832.10	19,130,832.10-	19,130,832.10-	.00	***
434390	OTH SALES OF GOODS	.00	.00	.00	12,913.84	12,913.84-	12,913.84-	.00	***
438110	TRANSFER CANTEEN-WELFARE	.00	.00	.00	196,779.98	196,779.98-	196,779.98-	.00	***
		.00	.00	.00	19,340,525.92	19,340,525.92-	19,340,525.92-	.00	***
REVENUES									
		.00	.00	.00	19,340,525.92	19,340,525.92-	19,340,525.92-	.00	***
INCREASE/ (DECREASE)									
CASH ANALYSIS									
	BEGINNING BALANCE				.00				
	+ CASH RECEIPTS				19,340,525.92				
	- CASH DISBURSEMENTS				19,340,525.92				
	+ ASSETS				.00				
	+ LIABILITY				.00				
	+ EQUITY				.00				
	= ENDING BALANCE				.00				
ADDITIONAL ASSETS									
					.00				
TOTAL AVAILABILITY									
					.00				

STATE OF NORTH CAROLINA GENERAL LEDGER SYSTEM
 AGENCY MANAGEMENT BUDGET REPORT
 FOR THE PERIOD ENDING APRIL 30, 2023
 05011 ADULT CORR - CANTEN FUND NO
 0202 DOP UNIT'S CANTEN ACCOUNTS
 DETAIL REPORT BY FUND

RMDSID52 NOT CERTIFIED
 BD701-03
 520 DEPARTMENT OF ADULT CORRECTION
 05011 ADULT CORR - CANTEN FUND NO
 0202 DOP UNIT'S CANTEN ACCOUNTS

ACCOUNT	DESCRIPTION	CERTIFIED	BUDGET	ED	A	C	T	U	A	L	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 ***** UNEXPENDED / UNREALIZED *****																
EXPENDITURES-BUDGET AND ACTUAL																
533800	PURCHASES FOR RESALE	26,220,266.00	26,220,266.00								.00	7,372,461.47	18,847,804.53	18,847,804.53	.00	.34
533XXX	SUPPLIES	26,220,266.00	26,220,266.00								.00	7,372,461.47	18,847,804.53	18,847,804.53	.00	.34
538110	TRANSFER CANTEN-WELFARE	7,871,150.00	7,871,150.00								.00	2,128,096.13	5,743,053.87	5,743,053.87	.00	.32
538XXX	INTRAGOVERNMENTAL TRANS	7,871,150.00	7,871,150.00								.00	2,128,096.13	5,743,053.87	5,743,053.87	.00	.32
	TOTAL NON-SALARY ITEMS	34,091,416.00	34,091,416.00								.00	9,500,557.60	24,590,858.40	24,590,858.40	.00	.33
	EXPENDITURES	34,091,416.00	34,091,416.00								.00	9,500,557.60	24,590,858.40	24,590,858.40	.00	.33
REVENUES-ESTIMATED AND ACTUAL																
434150	FOOD & VENDING SVC	33,893,160.00	33,893,160.00								.00	9,377,623.54	24,515,536.46	24,515,536.46	.00	.33
434390	OTH SALES OF GOODS	7,666.00	7,666.00								.00	571.77	7,094.23	7,094.23	.00	.09
438110	TRANSFER CANTEN-WELFARE	190,590.00	190,590.00								.00	122,362.29	68,227.71	68,227.71	.00	.77
	REVENUES	34,091,416.00	34,091,416.00								.00	9,500,557.60	24,590,858.40	24,590,858.40	.00	.33

INCREASE/ (DECREASE)

CASH ANALYSIS

BEGINNING BALANCE	.00
+ CASH RECEIPTS	9,500,557.60
- CASH DISBURSEMENTS	9,500,557.60
+ ASSETS	.00
+ LIABILITY	.00
+ EQUITY	.00
= ENDING BALANCE	.00

ADDITIONAL ASSETS

TOTAL AVAILABILITY	.00
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