January 8, 2020

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers
All State Departments, Institutions, and Agencies

FROM: Charles Perusse
State Budget Director

SUBJECT: State Budget Manual Updates

The Office of State Budget and Management (OSBM) posted the following revisions to the State Budget Manual effective January 1, 2020 on our website located at https://www.osbm.nc.gov/library.

- **3.6.6 Internal Budget Revisions:** Revised to allow agencies and universities to approve budget adjustments of $5,000 or less to a revenue account as an internal budget revision (Type 14).

- **3.10.13 General Fund Supported Debt Procedures/Guidelines:** Updated the requirements, procedures and deadlines for the General fund-supported debt requisition process which was recently automated through systems enhancements.

- **3.14 Directed Grants:** Updated to conform to changes enacted in Section 4.8 of SL 2019-250. Clarified language that specifies the role and responsibilities of the administering agency and the grantee, including how non-profit grantees must register with OSBM’s grant management system. Included new requirements for administering agencies to provide quarterly status reports to the General Assembly’s Fiscal Research Division and OSBM. Merged Section 3.14.3 Request for Payment Appropriation Form into Section 3.14.2.

- **5.1.7 Travel Policy on Excess Lodging:** Amended to allow transportation costs to be considered in justifying excess lodging authorizations.

- **5.1.26 Transportation by Personal Vehicle:** Updated the Internal Revenue Service (IRS) business standard mileage rate to 57.5 cents per mile for calendar year 2020.

- **9.3 Municipal Population Estimates - Key Obligations of Municipalities:** Changed the deadline for municipalities to notify OSBM on changes in points of contact. Established new requirements for municipalities when responding to the Annual North Carolina Demographic Survey and reviewing the Provisional Estimates.
• **9.4 Municipal Population Estimates - Procedures and Deadlines for Meeting Obligations:**
  Established two additional requirements including verifying Points of Contacts and a new deadline for responding to the annual survey. Revised the date when certified populations estimates will be posted online.

If you have any questions, please contact your OSBM Budget Execution Analyst.

cc: Jennifer T. Pacheco, Office of State Controller
5.1.7 Excess Lodging

Excess lodging authorization for in-state, out-of-state, and out-of-country travel must be obtained in advance from the department head or his or her designee.

- Excess lodging is allowed for the following reasons:
  - Employee is in a high cost area and the current allowance is insufficient to secure lodging.
  - Cost of the excess lodging is less than the cost of lower cost lodging plus transportation costs.

Excess lodging authorization is not allowed for reason of convenience or personal preference for the employee. The employee may exceed the part of the ceiling allocated for lodging without approval from department head or his or her designee provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence.

5.1.26 Transportation by Personal Vehicle

It is the intent of the State that state employee travel shall be conducted in the most efficient manner and at the lowest and most reasonable cost to the state. With regard to passenger vehicle travel, whether in- or out-of-state, agency travel policies shall:

- Maximize utilization of state-owned vehicles (agency-owned or agency-assigned vehicles owned by the Department of Administration),
- Make use of State term contracts for short-term rentals (State Term Contract 975B Vehicle Rental Services), and
- Reimburse for use of personal vehicles on a limited basis in situations when the use of state owned vehicles or state term contract rental vehicles are not readily available.

Agencies are encouraged to establish policies that promote efficient travel, such as ride-sharing. When State-owned resources are not available, the agency may procure vehicles through the State’s term contracts or reimburse use of personal vehicles. If a state employee chooses to use a personal vehicle, actual mileage is reimbursable. Mileage is measured from the closer of duty station or point of departure to destination (and return). A state employee shall be reimbursed the business standard mileage rate set by the Internal Revenue Service (57.5 cents per mile effective January 1, 2020) when using their personal vehicle for state business when the trip does not exceed 100 miles per trip. For business travel trips that utilize personal vehicles and exceed 100 miles per trip, the employee shall be reimbursed at a rate that would not exceed 33 cents a mile. Parking fees, tolls, and storage fees are reimbursable when the required receipts are obtained. Fines for traffic and parking violations are the responsibility of the state employee. Internal agency exceptions to this policy can be granted by agency heads, or their designees, if an agency has a unique clearly documented business need that is not directly addressed by this OSBM policy. These exceptions are public records and shall be made available upon request by OSBM staff, auditors or interested third parties.