



# Office of the State Controller

## OFFICIAL MEMORANDUM

**To:** Chief Fiscal Officers

**From:** Anne Godwin, Deputy State Controller *Anne Godwin*

**Date:** August 2, 2016

**Subject:** 2016 Connect NC General Obligation Bond Procedures

**CC:** Thomas Cheek, Office of State Budget and Management

General Obligation (GO) Bond Proceeds must be invested by the State Treasurer until they are required for expenditure. All funds from the sale of general obligation bonds must be spent or obligated within three years from the date of sale--preferably within two years. Funds derived from these two sources should be disbursed to contractors within 24 hours of receipt, in order to prevent violation of arbitrage laws. To ensure compliance with each of these requirements, the Office of the State Controller (OSC) has established the following procedures which must be followed when requisitioning funds or preparing transfers.

### **Requisition for Payment Directly from General Obligation Bonds**

- Funds will be drawn down bi-weekly only (will follow the 2016 Debt Proceeds Drawdown Schedule – copy attached). The first NC Connect issuance is scheduled for the week of August 15, 2016.
- Requisitions must be submitted to OSC before **10:30 a.m.** each **Thursday** and will be approved by OSC on **Friday**. If the requisition is submitted after 10:30 a.m., it will be left in a submitted status until the subsequent approval date as shown on the Debt Proceeds Drawdown schedule.
- Agencies will need to use account **438050** to record in NCAS a corresponding entry for the receipt recorded in CMCS during the 13<sup>th</sup> month accrual process.
- Universities will need to use account **432994** to record in NCAS a corresponding entry for the receipt recorded in CMCS during the 13<sup>th</sup> month accrual process.

### **Transfer from a General Obligation Bond Code to an Existing Budget Code**

- Transfers must be submitted to OSC before **10:30 a.m.** each **Thursday** and will be approved by OSC on **Friday**. If the transfer is submitted after 10:30 a.m., it will be left in a submitted status until the following Friday, when it will be approved.

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- Transfers from a General Obligation bond code to an existing budget code do not comply with arbitrage laws. **Payments to vendors/contractors should be made within 24 hours of the approval of the transfer.**

Should you have any questions, please contact Troy Scoggins at 919-707-0532 or [Troy.Scoggins@osc.nc.gov](mailto:Troy.Scoggins@osc.nc.gov); or the OSC Support Service Center, [OSC.Support.Services@osc.nc.gov](mailto:OSC.Support.Services@osc.nc.gov).

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