

**North Carolina Department of Labor  
Occupational Safety and Health Division**

Administrative Information System

Administrative Procedure Notice 6A

**Subject:** Obligating Lapsed Salaries

- A. **Purpose.** This Administrative Procedure Notice (APN) establishes the procedures for obligating lapsed salary funds to pay for allowable expenditures.
- B. **Definition.** Lapsed salary is the dollar amount not expended during the period in which a particular position is vacant.
- C. **Eligibility.** With prior approval of the Office of State Budget and Management, lapsed salaries generated can be obligated to the following line items:
  - Longevity
  - Legal Fees
  - Misc. Contractual Obligations (non-recurring items only)
  - Overtime
  - Temporary Employees
  - Unemployment Compensation Payments
  - Workers Compensation Payments
- D. **Discussion.** Provided lapsed salary funds are available, the division encourages use of these funds on allowable expenditures. Use of these funds will ensure fiscal responsibility within the division, as budgeted funds can be spent in necessary areas that otherwise may not have received funds or may not be eligible for lapsed salary funds.

Use of lapsed salaries on the aforementioned line items is not a requirement of the division. In addition, should a request for lapsed salaries be received after the services have been provided or with less than a two-week notice, the bureau should be prepared to pay for the expenditure using regular budgeted funds.

Lapsed salary funds are calculated on a state fiscal year.

**E. Procedures.**

1. At a minimum, two weeks prior to date of requested action (overtime, contractual obligation, etc.) a request must be submitted to the director's office, administrative officer II.

The required paperwork should accompany the request for services. The following details those requirements:

<b>Type of Request</b>	<b>Required Paperwork</b>
Legal Fees	Contract for services
Misc. Contractual Obligations	Contract for services
Overtime	Request in memorandum format
Temporary Employees	HR Form 117

2. Contracts and requests for services may not continue beyond June 30 of each state fiscal year. Should work be required to continue after June 30, a new request for services must be submitted by July 1 of each state fiscal year.
3. Upon approval and designation of budget fund by the administrative officer II, the administrative assistant of the bureau will forward the approved form and any necessary supporting documents to the department budget office.
4. The department's budget office will then submit the request to the Office of State Budget and Management.
5. Once approved by the Office of State Budget and Management, the department's budget office will notify the administrative assistant of the designated bureau.
6. Once notification of approval has been received in the bureau, work may begin.
7. The director's office, administrative officer II will adjust lapsed salary figures to reflect all expenditures as approved by the Office of State Budget and Management

E. **Expiration.** This APN is effective on the date of signature. It will remain in effect until revised or canceled by the director.

Signed on Original  
Administrative Officer II

Signed on Original  
Director

3/21/2006  
Date of Signature