MEMORANDUM

TO: WCU Campus

From: Chancellor David O. Belcher

SUBJECT: Temporary State Budget for July 2013-14

DATE: July 15, 2013

As you are aware, the FY 2013-15 permanent State Budget has not been adopted and we are operating as of July 1st under a continuing resolution that is restricting the allotment of state appropriations to universities to 95% of the FY 2012-13 budget. We will basically receive enough state appropriation to pay the majority of our monthly state budget payroll expenses, and then the State is requiring universities to use state budget receipts to cover the rest of payroll and other operating expenses in the state budget. The allotment will not be sufficient to support our normal level of expenditure activity so we must keep spending from state budget funds to a minimum level until such time that a permanent state budget is approved.

In spring of FY 2012-13, WCU operated under reduced spending guidelines required by the Governor and Office of State Budget and Management (OSBM) by a March 8, 2013 memorandum. In order to comply with this memorandum, I issued similar reduced spending guidelines in a March 21, 2013 email to campus.

These 2012-13 spending guidelines must become more restrictive in order to operate our campus on a temporary state budget. These guidelines include the following measures:

**Salary Adjustments:** On July 8th, the Office of State Personnel and UNC-General Administration provided revised information on allowable salary actions from all sources of funds based on revisions provided by the Office of State Budget and Management.

- **Actions Not Allowed:**
  - Reclassifications, banding changes, retention, contractual obligations, equity, and any other type of salary adjustment for an individual who is not changing jobs.

- **Actions Allowed:**
  - Salary adjustments offered in June for individuals who applied for and accepted another university job.
  - Changes in faculty rank with less than 10% salary change.
  - Summer School additional teaching assignments.
  - FTE adjustments, such as changing from 9 to 12 months with no other increase in salary.
  - Department Chair and other such stipends or supplements that are less than 10% of current salary.

- Position studies: studies and reviews will continue; however any associated salary actions are subject to the above restrictions.
Travel:

- All state supported travel should be limited to travel that is critical to continue the core mission of the university. All travel that has already been authorized that is not considered critical should be re-evaluated prior to final approval.
- Alternative forms of communication are encouraged in lieu of normal business travel whenever possible.
- Travel authorizations for which non-refundable costs have already been incurred may be honored.
- Travel, when required, should be approved in advance of the trip; documented by an approved travel authorization; and the travel reimbursement form should be signed by the appropriate individual. All travel in academic affairs and other divisions should be pre-approved by the Provost, appropriate Vice Chancellor, Chief of Staff or CIO.

Purchasing:

- Purchases are limited to mandatory obligations: these are utilities, debt service (IT capital lease payments), direct instructional supplies, or a purchase of goods or services absolutely necessary to continue the core mission of the University.
- Purchases over $10,000 will be subject to a review process by the Provost, respective Vice Chancellor, Chief of Staff, CIO, or designee.
- Any purchase over the campus delegated authority will require a signed letter of approval from the Chancellor.

Business transactions, such as purchase orders, and travel commitments, processed on or after July 1st must be in compliance with these spending guidelines and these guidelines are applicable only to State funds. Guidelines for salary adjustments are applicable to all sources of funding.

Thank you in advance for your patience and understanding as we navigate the management of the university on a 95% temporary state budget while at the same time trying to prepare for fall semester, managing our largest overall enrollment, and preparing for possible permanent state budget reductions. We will provide additional information as it becomes available.

Information on the 2013-14 continuing resolution is posted on the WCU Budget Office website at [http://budget.wcu.edu](http://budget.wcu.edu). Please share this information with employees who do not have access to email. If you have specific questions, please direct those to the appropriate senior administrative officer or to Kristen Crosson, Director of Budgets & Financial Planning at [klcrosson@email.wcu.edu](mailto:klcrosson@email.wcu.edu) or 227-3753. As always, we welcome your input and guidance for managing these difficult times.