Colleagues,

The 2009 General Assembly has adjourned and the Governor has signed the budget bill so their work is complete for another year.  Fortunately, our advanced planning will allow us to meet the mandated budget cuts and budget reversions without having to ask campus departments for additional budget reductions.

As you are aware, all state agencies have been under strict spending guidelines since early July and now with the budget approval those restrictions have been released and responsibility for managing the institutional budgets has been turned over to the chancellors and other agency heads.  Specifically, the Governor has lifted the 16% reduction in allotments and has now ordered agencies to take the necessary steps to implement a 5% reversion.  We will utilize a portion of our campus budget reductions to meet this target.  There is reason to believe that revenue changes included in the current budget and improvements in the State’s economy will limit the need for additional budget reversions.  Nevertheless, we will continue to monitor the revenue collections and provide additional information to the campus as it become available.

Effective immediately, we will begin using our normal purchasing procedures including the p-cards.  Please contact the purchasing office if you have questions.  In order to assure that we stay within the funds that have been provided; the following campus spending guidelines are provided:

1. **Employment** – the decision for releasing positions from the hiring freeze has been delegated to the provost, vice chancellor, chief of staff and chief information officer.  Departments should submit a request to the appropriate senior administrator who will notify the Office of Human Resources that the position is available for recruitment and hiring.
2. **Travel** – requests for travel authorization must be approved by the provost, vice chancellor, chief of staff or chief information officer.  The State Budget Officer has suggested restricting travel to the maximum extent possible.  In situations where we have sent multiple representatives to the same professional meeting we will now limit attendance to a single representative and expect that person to train others when they return.  Travel that is necessary to retain licensure or other credentials as required by the university will be approved.  Faculty travel for presenting papers at professional meeting is appropriate.  Out of State travel will be limited to a minimum and out of country travel will only be authorized when required to support an academic program.  We will continue to encourage the use of teleconferences and video conferences as the preferred methods for meetings with general administration and other state agencies.
3. **Salary Adjustments** – promotions, reclassifications, in-range adjustments, and banding modifications will be limited to the extent possible and must be approved by the chancellor.  The requesting department will be responsible for identifying funds to cover the annualized cost of these adjustments.
4. **Supplies** – departments should limit the inventory of supplies and materials to no more than one month’s supply.
5. **Equipment** – purchases of equipment and computers should be limited to the replacement of obsolete or inoperable equipment.
6. **PAW Print** – funds will be provided to cover PAW printing and copying expenditures in excess of current budgets that were allocated for this purpose.  The copying and printing activity in FY 09-10 will be used to establish a base line for future allocations in support of departmental printing and copying.  Additional information will be provided soon.
7. **Non-recurring Funds** – the reduction of approximately 9% from our FY 08-09 base budget has effectively eliminated the flexible funds that have heretofore been allocated by the Chancellor for institutional non-recurring expenditures.  As a campus, we have certain recurring needs that must be funded; however, no funds will be released for these needs until after fall semester.  At that time, we will assess the availability of lapsed salaries and benefits and the Chancellor will allocate those funds as available.

As a campus, we have been granted the flexibility to determine how to best manage our institutional budget and we must take this authority seriously. As managers for campus departmental budgets, we must limit the departmental expenditure activity within the funds that have been provided.  Any exceptions must be authorized by the appropriate senior administrative officer and funds must be identified from other division budgets and transferred into the departmental account to cover the budget over-runs.  By the end of this week, departmental budgets should accurately reflect the funds available for expenditure during the current year.  If you have questions, please contact the appropriate senior administrative officer or the budget office.

Thank you for your spirit of cooperation during these more difficult budget experiences.  We remain optimistic that things will improve and future budget restrictions within the current fiscal year will be limited.  As always, we welcome your comments and suggestions.  Please share this email with people within your division who do not have access to email.

Thanks,

Chuck Wooten

Vice Chancellor for

  Administration and Finance