

>>> Larry Nielsen and Charles Leffler (Charles Leffler) 2/25/2009 3:11 PM >>>

**MEMORANDUM**

TO: Executive Officers and Deans

FROM: Larry A. Nielsen, Provost and Executive Vice Chancellor  
Charles D. Leffler, Vice Chancellor for Finance and Business

SUBJECT: 2008-09 Reversion Increased to 7%

As expected, the Office of State Budget and Management announced today that the UNC system's required allotment reversion for 2008-09 has been increased from 6% to 7% effective with our March 2009 allotments. This action will reduce significantly the University's ability to draw cash from the state since the additional 1% is an annual amount that will have to be realized in the last four months of the fiscal year.

Since we anticipated this additional reversion amount in our reversion planning and allocations, no additional change is required in your current operating budgets. However, our Emergency Spending Guidelines remain in effect and we urge you to follow them very closely in the event that further reversions are required when the final income tax revenues are known in mid-April. Also, as you know this reversion eliminates the last of the University's state appropriated budget reserves for further allocation to the campus.

Please direct any questions or concerns to your budget analyst.

cc: Chancellor James L. Oblinger