

NC STATE UNIVERSITY

An Equal Opportunity/Affirmative Action Employer

919.515.2155 (phone)
919.515.5121 (fax)

August 17, 2009

MEMORANDUM

TO: Executive Officers and Deans

FROM: Warwick A. Arden, Interim Provost and Executive Vice Chancellor
Charles D. Leffler, Vice Chancellor for Finance and Business



SUBJECT: Revised 2009-10 Expenditure Guidelines

The Office of State Budget and Management (OSBM) has rescinded the Budget Expenditure Guidelines they issued on July 24. They have replaced those guidelines with a mandatory reversion of 5% of our 2009-10 appropriated budget that will require continued strict management of our spending to assure that adequate cash is available to pay personnel and other costs.

With the implementation of our 10% budget reduction plan, we believe sufficient reductions have been identified to meet the permanent reduction allocation and the additional 5% reversion directed by the Governor. Therefore, we are not directing an additional budget reversion to the campus at this time.

Revised NC State University Budget Guidelines are attached and will be posted on Budget Central. Please note that these guidelines require that any expenditures must be consistent with your 10% budget reduction plan. In addition, OSBM strongly encourages state agencies and institutions "...to continue holding positions vacant where appropriate; limiting the issuance of purchase orders for goods or services (only minimum inventories should be maintained); and restricting travel and compensation adjustments (promotions, reclassifications, etc.) to the maximum extent possible."

Please note that these guidelines require prior approval of the Chancellor, appropriate Vice Chancellor or Dean for certain types of expenditures. The Vice Chancellors and Deans will have final approval authority except for creating new state-funded positions as noted in the guidelines. For those actions requiring such approval, it will be necessary that you maintain adequate documentation for audit purposes. Individual units/colleges may also impose more stringent restrictions as deemed necessary by the appropriate Vice Chancellor or Dean.

Please contact your University Budget Analyst if you have questions.

cc: Chancellor James H. Woodward
University Budget Advisory Committee
University Budget Officers

**NC State University
Expenditure Guidelines
Effective August 17, 2009**

Effective August 17, 2009 and until further notice, NC State will follow the institutional spending restrictions below for all state-appropriated funds (projects 201000 - 249999 and 4XXX50). Appropriated receipts projects (projects 301000 – 349999 and 4XXX52) are excluded from these guidelines. All expenditures must be consistent with the college's or division's 10% budget reduction plan. Additional budget sanctions and restrictions could be imposed by the Governor if state revenues fall further behind budgeted levels so please restrict expenditures to the extent possible.

PERSONNEL EXPENDITURES:

1. Filling established positions (both EPA and SPA) requires the approval of the appropriate Vice Chancellor or Dean before an offer is extended. You are strongly encouraged to continue holding positions vacant where appropriate.
2. Creation of any new non-faculty position that is funded fully or partially with state appropriations requires the prior approval of the Provost (for the Provost's units and the colleges) or Vice Chancellor for Finance and Business (for all other administrative divisions). Any such request must describe how the new position complies with the unit's budget reduction strategy for 2009-10 at the level reflected in budget reduction plans submitted through June 2009.
3. Any salary increases for any reason on incumbent personnel requires the prior review and endorsement by Human Resources, and approval of the Chancellor, appropriate Vice Chancellor or Dean. Salaries may only be increased for promotions, in-range adjustments for job change, career progression adjustments for demonstrated competencies, or any other adjustment related to an increase in job duties or responsibilities (includes increases in FTE). All other salary increases on state appropriated funds are prohibited. To the extent possible, please restrict compensation adjustments.
4. Salary reallocations to state appropriated funds are permitted retroactive beginning this fiscal year, July 1, 2009, through the normal approval process.

NON-PERSONNEL EXPENDITURES:

Deans and Vice Chancellors have the flexibility to determine how to best manage your budgets within your 10% reduction strategy. However, you are strongly encouraged to continue limiting the issuance of purchase orders for goods or services to the extent necessary to maintain minimum inventories (not more than 30 days).

TRAVEL RELATED EXPENDITURES:

1. In-State travel should be limited to the maximum extent feasible.
2. Out-of-State travel requires the pre-approval of the Chancellor, appropriate Vice Chancellor or Dean.