



THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON

E-MEMORANDUM

To: Cabinet
Vice Chancellors

From: Provost / CFO

Date: June 16, 2009

Subject: **FY 2009-10 Budget Management**

Last week we received correspondence from the Office of State Budget and Management implementing budget management guidance effective July 1, 2009. OSBM is providing agency heads (i.e., the Chancellor) authority to manage expenditures for the coming fiscal year. That's the good news.

Although we will have authority to manage our expenditures, OSBM will withhold **nearly 12 percent of our cash allotment each month** so we are still under a spending limit. Since North Carolina is still struggling with how it will meet its estimated budget shortfall for FY 2009-10, UNCW's monthly appropriation allotment will be reduced until the legislature approves the FY 2009-10 budget (hopefully by August). That's the not-so-good news.

So, although we now have the authority to manage our own finances, we will be capped on the amount we spend each month (this applies only to state funds).

Because of this cap a decision has been made to keep some of the current budget restrictions in place effective July 1, 2009; but allow certain exceptions to be requested to senior management. The exception process will remain the same that has been in effect since April (i.e., exceptions are submitted electronically, through Vice Chancellors to the Budget Office). The only difference is the requests do not have to go to OSBM for approval.

The following will be effective July 1, 2009:

- Hiring:
 - The hiring freeze on vacant SPA positions will remain in effect until the reassignment process is completed. Exceptions can be requested and will

be reviewed after it is determined that a vacant position cannot be utilized for reassignment. This applies to any funding source.

- Student and non-student temporary worker hiring is authorized.
- EPA – Non Faculty and Faculty hiring is authorized.
- Salary increases, including promotions, during these restricted months must be authorized by the Chancellor. Requests should be submitted through the VC to the Budget Office.
- Purchases of supplies & materials are authorized; but should be kept to a minimum.
- Furniture and equipment purchases (including computers) are not authorized, but exceptions can be requested.
- Travel is not authorized, including blanket travel. However, travel associated with direct classroom instruction is authorized. When entering the travel authorization in the travel system, the course number MUST be included in the travel purpose field in order for the travel to be authorized.
- Overtime requires approval of the divisional Vice Chancellor.

FY 2009-10 operating budgets have been reduced to reflect the 7% budget reduction. Your Budget Managers have the details.

We will continue to discuss this during upcoming Cabinet meetings and Bob Russell will discuss with your Budget Managers.

If there are any questions concerning our process, please do not hesitate to contact the Budget Office staff.

cc: Budget Managers
Budget Office Staff
Director of Purchasing
Controller