

# The University of North Carolina at Chapel Hill Emergency Budget Guidelines – Amended 4/21/09

## **SPENDING FREEZE EFFECTIVE IMMEDIATELY**

Effective April 9, 2009 and until further notice, the State Budget Director, acting on behalf of the Governor, and under Article III, Section 5(3) of the North Carolina Constitution, has implemented hiring and spending restrictions on all state funds including state receipts (16020 Academic Affairs, 16021 Health Affairs, 16022 AHEC, and State Receipts). The accounts affected by this freeze are identified in the Financial Records System (FRS) as 2-XXXXX and 3-8XXXX. This spending freeze does not apply to non-state funds, although prudence should be exercised in spending non-state funds.

**Actions contrary to these guidelines will result in the transfer of expenses to non-state funding sources.**

## **Personnel Expenses**

Requests for exceptions to the following personnel expense guidelines must be approved by the Office of State Budget and Management (OSBM). Such requests are being approved only in very rare cases, so requests should be kept to a minimum. The special request must represent an emergency situation. Requests should be sent to Thea Crabtree in the Budget Office at 919-962-5764 or [pwcrabtr@email.unc.edu](mailto:pwcrabtr@email.unc.edu). Do not contact OSBM.

- 1) Hiring for both tenure-track and non-tenure-track faculty positions directly related to classroom instruction is still permitted, using the normal approval process. Hiring for positions that are paid entirely from non-state resources -- is also permitted using the normal approval process.
- 2) Hiring of public safety officer or health care staff providing direct care to patients may continue using the normal approval process.
- 3) All other EPA and SPA vacant positions funded entirely or partially from state funds are frozen, except those for which there was a verbal or written communication with the prospective employee through April 9, 2009 detailing salary and anticipated start date.
- 4) Creation of a new position that is funded fully or partially with state funds is not permitted.
- 5) Salary reallocations to state funds are not permitted. (The only exception is when a faculty member's employment contract affirms that state funds will be used as a funding bridge between research projects. This can only be applied on a current basis. Retroactive adjustments cannot be made.)

- 6) One-time payments to faculty are allowed if they are part of a faculty contract that was entered into before April 9.
- 7) Salary increases that include state funds cannot be made to incumbent personnel for any reason.
- 8) Reclasses or promotions, even if there is no salary increases, are not allowed.
- 9) New personal service and fixed term contracts are not permitted.
- 10) Current staffing contracts with employment agencies and contractors (e.g., temporary staffing, IT contractors, etc.) may not be renewed at the expiration of the current contract period if it is prior to 6/30/2009.
- 11) Current temporary appointments, including students, may be continued if there was a commitment before April 9, but no new temporary appointments or renewals may be made.
- 12) Overtime hours are permitted but should be kept to a minimum.
- 13) Recruitment and selection processes:
  - a) Searches officially underway may be continued but only appointments of teaching faculty, public safety officer positions or health care staff providing direct care to patients may be made with an effective date prior to July 1, 2009.
  - b) For those positions which are not teaching faculty, public safety officers, or health care providers, no employment offer may be made with an effective date in this fiscal year for payroll purposes. SPA positions hired with an effective date on or after 6/8/09 and EPA positions hired with an effective date on or after 7/1/09 are considered next fiscal year and are allowable. Any such offers must be consistent with the unit's 2009-10 budget reduction plan at the 5% level.
  - c) New searches may be initiated, but no advertising or recruitment expenditures are permitted from state funds.
- 14) Employee insurance payments, worker's compensation claims, disability payments, and other similar payments are considered personnel expenses and thus do not require approval by OSBM.

## Travel Expenses

**Travel on state funds is prohibited, except as noted below:**

- 1) **In-State travel** directly related to delivering classroom instruction (including distance education), public safety, delivering direct care to patients or animals, or economic development that specifically creates commerce within the State of N.C. is permitted, but requires pre-approval of the Executive Vice Chancellor and Provost. **Pre-approval requests should be submitted to Phil Easler in Travel Services at 919-962-0210 or [peasler@email.unc.edu](mailto:peasler@email.unc.edu). Do not contact the Office of the Executive Vice Chancellor and Provost with travel requests.**
- 2) **Out of state travel** will not be authorized. In extremely rare cases, out-of-State travel directly related to delivering classroom instruction, public safety, delivering direct care to patients, or economic development that specifically creates commerce within the State of N.C. may be permitted. This exception will require pre-approval of the Office of State Budget and Management (OSBM). **Exception requests should be submitted to Martha Pendergrass, Director of Materials and Disbursement Services at 919-843-5048 or [mjpender@email.unc.edu](mailto:mjpender@email.unc.edu). Do not contact OSBM.**
- 3) Student travel that is required as part of the student's instructional program and is paid through the billing and collection of special student fees (e.g. field training classes) are allowed.
- 4) In a case where the university has already expended state funds that are not refundable, the trip may only be completed with non-state funds.
- 5) Travel for the recruitment of potential students is NOT permitted.

## Other Non-Personnel Expenses

**A request for exception to the following non-personnel expense guidelines must be approved by the Office of State Budget and Management (OSBM). Such requests are being approved only in very rare cases, so requests should be kept to a minimum. The nature of the special request must represent an emergency situation. Any request for exception must be sent to Pat Tayloe in Disbursement Services at 919-843-5098 or [pat\\_tayloe@unc.edu](mailto:pat_tayloe@unc.edu).**

- 1) Transfers of expenses from non-state funds to state funds are not permitted.
- 2) Purchase orders for goods or services that have been ordered but not received by April 16, 2009 must be cancelled. This restriction includes information technology purchases, special fabricated equipment and furniture, and personal services contracts (includes guest speakers). Restocking or cancellation fees can only be paid if included in the contract terms.
- 3) Expenses that provide direct matching funds to secure federal or other non-state funds (e.g. private gift) are not allowed unless a pre-approved exception has been granted by OSBM.
- 4) Commitments made to incoming faculty for start-up packages (e.g., scientific equipment, lab renovations and related expenses) may be honored if the faculty member will have classroom responsibilities, but only if the commitment was part of the employment contract.
- 5) Continuing payments on existing contractual obligations (maintenance contracts, copier contracts, service contracts, insurance premiums, lease agreements, software licenses and ongoing maintenance and repairs) are permitted. However, contract renewals and extensions are considered new and must be submitted to OSBM as an exception.
- 6) Student instructional materials that are required as part of the student's instructional program and is paid through the billing and collection of special student fees (e.g. dentistry equipment/materials fees) are allowed.
- 7) Expenses related to the purchase of supplies, equipment and materials required for direct classroom instruction, expenses directly related to the health and safety of employees, students or the general public require pre-approval by OSBM as an exception. This includes computers for new faculty members providing direct classroom instruction. These will only be considered in emergency situations.
- 8) A blanket exception for all continuing education courses and conferences was denied. The delivery of continuing education courses and conferences require pre-approval by OSBM as an exception. OSBM has stated that campuses may submit an exception request for several courses/conferences at one time. Such requests must include the date of the course/conference, name of the course/conference, a short description of the program, total estimated costs, a short description of the costs, estimated revenues, and a statement attesting that state employees paying with state funds will not be allowed to attend.
- 9) Departments are not allowed to pay for office supplies (e.g. legal pads, pens/pencils, paper clips), cleaning supplies or similar supply type items from state funds unless the entire campus is completely out of supplies. Vice Chancellors and Deans are encouraged to facilitate the sharing of supplies across units. If the campus completely runs out of supplies, a special exception request may be submitted to OSBM.
- 10) Copier supplies and postage for normal business operations is allowable, but supplies must be kept to a minimum. Electronic means of communicating should be used whenever possible.
- 11) Annual reports, brochures, flyers and other similar print publications are not permitted.
- 12) Current communication costs are allowed but should be kept to a minimum. New communication devices must be approved as an exception by OSBM.
- 13) Library books and on-line library services are allowed only if the goods were received before April 16th or the on-line service contract was signed before April 9.

- 14) Commencement expenses are not allowed unless an exception is pre-approved by OSBM. The request will have to list the specific expenses and amounts.
- 15) Departmental work orders through facilities services are not allowed. Emergency situations (e.g. health and safety) will require prior approval of OSBM.
- 16) Payments from internal charges from campus service units that are related to external contractual arrangements entered into before April 9 are allowed (i.e. the purchase meets the same spending restrictions that apply to purchases from outside vendors).
- 17) Purchases of gasoline, other fuels and other supplies that are necessary to operate maintenance equipment and delivery vehicles are permitted but must be kept to a minimum.
- 18) Food, bedding, and supplies for the care of the research animals, the purchase of research animals and the repair of equipment - such as cage washing -- that are needed to be compliant with federal regulations are allowable. Supplies must be kept to a minimum.
- 19) Food, diapers, baby formula, and other expenses for the direct care of infants/children are allowable. Supplies must be kept to a minimum.
- 20) Drugs for the delivery of direct care to patients are allowable. Supplies must be kept to a minimum.
- 21) Expenses required to address state or internal audit findings or lawsuits are allowable.
- 22) Advisory board expenses are not allowed. Advisory board meetings should either be canceled, the meeting conducted by phone, or the costs paid from non-state sources.
- 23) Student refunds are allowable expenses.

## **Capital Expenses**

**Appropriated capital improvement funds designated for repair and renovation projects are on hold unless they are obligated by a contract entered into before April 9. Exceptions for capital expenses and emergency repairs will require approval from OSBM. Such requests are being approved only in very rare cases, so requests should be kept to a minimum. The nature of the special request must represent an emergency situation. Please contact Facilities Planning & Construction regarding requests for exceptions.**