

East Carolina University 2009/10 Revised Budget Management Guidelines

The 2009/10 state budget is complete and signed by the Governor. On August 14, 2009 the Office of State Budget and Management (OSBM) advised campuses that the emergency budget management restrictions contained in its July 24, 2009 memorandum are rescinded and no longer apply. However, OSBM instituted a 5% non-recurring reduction effective September 1, 2009 for the remainder of the 2009/10 fiscal year. The state's financial situation continues to be serious and is expected to last multiple years. We must continue to exercise prudent stewardship of all university resources and must implement budget guidelines for the remainder of the fiscal year.

Fortunately, we have already set aside sufficient funds to meet the 5% non-recurring reduction implemented by OSBM so the following guidelines are less restrictive than the version implemented earlier in the fiscal year. The ECU Board of Trustees' Policy Framework for Resource Allocation continues to apply. The Business Groups' review of consolidation/centralization areas continues. We are proceeding with the cost cutting initiatives identified by the University Budget Task Force, and with the review and reduction of administrative stipends.

The university's leadership has agreed to implement the following guidelines for the remainder of the 2009/10 fiscal year. **These guidelines are in effect immediately and apply to transactions involving only state funds unless otherwise noted.**

1. The creation of all new positions regardless of funding source must receive advance written approval by the appropriate vice chancellor. The chancellor expects a compelling institutional need for creating new positions and expects such exceptions to be kept to a minimum. **All new administrative positions** require approval by both the Vice chancellor and the Chancellor. The rationale must be urgent and compelling and the bar is high for such requests.
2. Vacant positions may be filled with faculty positions receiving first priority in accordance with the hiring priorities attached to this document. Non-faculty positions may also be filled, but in all cases, hiring actions require the prior approval of the appropriate vice chancellor. Positions identified for elimination as part of the 2009/10 and 2010/11 budget reduction plans, may not be filled under any circumstances. Hiring undergraduate and graduate students is permitted.
3. Limit all new salary increases including stipends, career progression/in-range salary adjustments, etc. A possible example of a warranted salary increase would be to retain a faculty member the University deems exceptional, but whom has received a written offer of employment by an entity other than ECU. Requests must clearly identify the essential nature of the increase and must receive advance written approval by the chancellor or his designee. All expenditures for overtime, on-call pay, beeper pay, etc. must be strictly managed and expenditures reduced significantly (**Goal 80% reduction**). All current administrative stipends must be reviewed by each vice chancellor and the number and amount of the stipends reduced (**Goal 50% reduction**).
4. Limit all travel, especially out-of-state travel (**Goal 50% reduction**). Requests for travel must be justified based on the important nature of the travel (instruction, fundraising, admissions, athletic competition, athletic recruitment, governmental relations, research activity, student activity, etc.) and must receive prior approval by the chancellor or his designee. Out-of-state travel by faculty must be limited to trips deemed essential by the appropriate dean and approved in writing by the chancellor or his designee in advance of the proposed travel. State funds may be used to cover candidate travel in accordance with university policy.

East Carolina University
2009/10 Revised Budget Management Guidelines

5. Departments may purchase materials, supplies, services, furniture, equipment, etc. but manage this carefully (maintain only limited inventories). In particular, purchases for law enforcement, health care, public safety, classroom instruction and the maintenance and repair of campus operations are considered high priority items. Continuing payments on existing contractual obligations (maintenance contracts, service contracts, insurance premiums, software licenses and ongoing maintenance and repairs) are permitted. Creation of new contracts and renewal and extensions of existing contracts require approval of the appropriate vice chancellor. All purchasing activity noted above plus direct payments and pro card purchases must be in accordance with guidelines promulgated by the appropriate vice chancellor.
 - a. Printing of publications, newsletters, invitations, brochures, etc. must managed strictly and expenditures reduced significantly **regardless of the funding source (Goal 75% reduction)**.
 - b. Expenditures for the use of priority mailing services such as Fed Ex, UPS, etc. must be managed strictly and expenditures reduced significantly **regardless of the funding source (Goal 75% reduction)**.
6. Institutional funds (including foundation and auxiliary funds) used for meals and entertainment must be managed strictly. Expenditures for meals and entertainment must be clearly related to an external client or opportunity. Meals with other university employees must be paid from personal funds.
7. Increase appropriate energy conservation efforts to reduce utility costs. Review and strictly enforce building temperature guidelines. Other information regarding the university's energy conservation efforts can be found at http://www.ecu.edu/facility_serv/energy/energypage.html

The provisions are effective immediately and will remain in effect until modified by the chancellor. Some disruption of normal operations will undoubtedly accompany these requirements but the actions are necessary to deal with the university's current financial situation. Route any specific requests to the appropriate vice chancellor. Address any general questions regarding these guidelines to Anne Jenkins at 737-1133 or Jenkinsa@ecu.edu.