

**Spending Guidelines Memo to Campus**  
**June 15, 2009**

As Chancellor Peacock mentioned in his June 4 message, the North Carolina Office of State Budget and Management (OSBM) recently issued a memo stating: "Agencies may proceed with 2009-10 hiring and other 2009-10 spending actions (April 9, 2009 memorandum restrictions no longer apply effective July 1, 2009) without an exception from OSBM as long as the agency is managing spending using the lower of the 2009-10 Governor, Senate, or House budgets. Agencies are strongly encouraged to maintain similar agency-level budget management restrictions."

While we may proceed with hiring and other spending actions for the 2009-10 year, many unknowns remain about the budget. It could be several weeks until the North Carolina General Assembly passes a budget for the 2009-11 biennium, and while we do not yet know how much our budget will be reduced, we do know that a significant reduction is likely.

Although some spending actions may now occur, we must remain diligent in our efforts to control spending as we soon begin the new fiscal year. Consequently, the guidelines listed below should be followed until otherwise notified:

- All hiring and travel requests must be approved by the appropriate Vice Chancellor (or to the Chancellor for those directly reporting to him).
- Departments may purchase essential classroom and office supplies but are asked to keep those purchases at minimum levels until a budget is approved.
- Equipment purchases remain suspended unless approved by the appropriate Vice Chancellor (or to the Chancellor for those directly reporting to him).
- Maintenance agreements and standing purchase orders previously denied by the OSBM may be processed.
- Membership dues should be assessed for necessity before renewal.
- Procurement card, petty cash, Physical Plant work orders, Central Store billings, postage charges, Print Shop charges, and other service area transactions for the 2008-09 fiscal year will be closed out on June 15, 2009. Any service area transaction made on June 16 or after will be charged to the 2009-10 fiscal year.
- All purchase orders in excess of \$1,000 must be approved by the appropriate Vice Chancellor (or to the Chancellor for those directly reporting to him).
- In the future, Purchase Orders and Purchase and Contract bids will include the following statement: "Any and all payments to the contractor are dependent upon and subject to availability of funds to the agency for the purpose set forth in this agreement."

We realize these budgetary restrictions may hinder the execution of your responsibilities, but the uncertainty of the 2009-10 appropriation and the potential for additional allotment restrictions after the Appropriation Bill has been passed prevent any significant relaxing of spending guidelines at this time.

Thank you for your patience, cooperation and understanding during these challenging times.