

## Requests for clarification to OSBM 04/17/09 responses 04/21/09

OSBM has responded to numerous campus-specific questions. The responses provided were to address a specific question that had been raised and does not extend blanket approval. Exception requests are reviewed and approved on a case by case basis. Therefore, all campuses must continue to request campus-specific exceptions to the guidance in the April 9, 2009 memo. In addition, these requests should be restricted to those items deemed critical to basic operations through June 30.

#1 Educational materials and supplies for classroom instruction and labs (p. 1 #5 / p. 11 #35 / p. 16 #13 / p. 17 #1, 5b, and 6 / pp. 22-25 several items). Do we need to submit an exception request for this? OSBM has told ASU that we DO need to submit exception request(s), but the document is not clear about whether to and how often (if needed).

- It will likely be difficult to project how much is needed. Any suggestions?

**Response: Yes an exception must be submitted. It should only include those items needed for direct classroom instruction necessary through June.**

#2 Workers comp claims, admin fees, and settlements (p. 9 #22 / p. 20 5th item / p. 24 #F). Do we need to submit an exception request for these? (Does it help to know that these payments, although paid from personnel account codes 5316xx, do not run thru payroll, but rather are paid thru A/P?)

- It will likely not be possible to have the amount for May by the April 24 deadline.

**Response: Yes an exception must be requested. A "best estimate" projection should be identified for allotment request purposes based on existing data.**

#3 Contracted services (p. 1 #9 and 14 / p. 7 #15 / p. 16 #14 / p. 23 #3F / p. 29 #7 / p. 36 #9). We understand that existing contracts cannot be renewed or extended. Do we understand correctly that any contract entered into before 4/9/09 can continue to be honored, i.e., payments may continue thru the term of the existing contract? (Some of the answers seem to indicate that Oracle, SunGard, IBI, etc. are contract renewals and need to be requested as exception; some seem to indicate that you must have received the service and you can only pay for what was received prior to April 9.)

**Response: It is not necessary to cancel ongoing contracts such as contractual lease agreements, or IT maintenance contracts that were in place prior to April 9, 2009. If contracts of this nature are due to expire, renewal of the contract must be requested as an exception. No new contracts are permissible. Personal services contracts that have concluded should not be renewed or extended without an approved exception request from OSBM.**

#4 Hiring staff positions with a start date on or after July 1, 2009 (p. 7 #1 / p. 10 # 27 / p. 16 #9). The 1<sup>st</sup> and 2<sup>nd</sup> references seem to indicate that we cannot make commitments to staff positions for FY 10; the 3<sup>rd</sup>, that we can.

**Response: No hiring commitment is permissible if the commitment was NOT made prior to April 9, 2009 or unless the position is being filled for the purpose of direct classroom instruction, critical law enforcement, health care, public safety or is related to the custody and care of persons for the whom the state is responsible.**

#5 Custom-manufactured vehicle/equipment (p. 8 #5 / p. 18 #11 / p. 37 #23). Can we submit an exception request for any custom-made item for which we will be required to pay under any circumstance, regardless of the type/use of the equipment (e.g., police communications)?

**Response: An exception must be requested with complete justification including documentation of cancelation costs.**

#6 Postage and copies (p. 14 #15 / p. 27 #11A). We understand that we should keep costs to a minimum. Do we need to submit exception request(s) and if so, how often?

- If we don't have to submit exception request(s), in what category will we request allotments?

- For both classroom-related (copies) and “routine business” (both), it will likely be difficult to project how much is needed for minimal operations. Any suggestions?

**Response: An exception request must be submitted to OSBM. The request must specify the dollar amount of the exception requested based on the most accurate projection data available. If it is determined at a later date that the expenditure will exceed the initial OSBM approval a subsequent request must be made. Resources should be consolidated and purchases minimized to the greatest extent possible.**

#7 Lab animals, purchase and feeding (p. 11 #35 / p. 14 NCSU #2). Can we submit an exception request for costs associated w/ laboratory animals if they are strictly research, and not classroom instruction?

**Response: No exception request is required but the expenditures must be reported to OSBM as a part of the allotment request under the category “Other obligations.”**