

**Budget Reversion 2008 -09**  
*(Applies to State Funds Only)*

**A. State-mandated Cash Reversions (One-Time Funding)**

2% Office of State Budget Management (October allotment)	\$1,929,614
2% Office of State Budget Management (November allotment)	\$1,929,614
2% UNCW planning for further reductions	<u>\$1,929,614</u>
	<b>\$5,788,842</b>

**B. How are we, as an institution, going to manage these mandated reductions?**

- Guiding Principles from the Chancellor:
  - Avoid layoffs
  - Avoid internal mid-year price increases to departments or students
  - Protect student financial aid
  - Protect student academic experience
  - Maintain student academic support services
  - Increase revenue contribution of non state supported activities
- Establishment of a Senior Management Budget Reduction Team whose responsibility it was to identify strategies for reductions. Committee comprised of:
  - Chief Operating Officer
  - Chief Financial Officer
  - Senior Associate Vice Chancellor – Finance
  - Director of Budgets
  - Faculty Senate President
  - SGA President
  - Staff Council President

**C. Identified strategies to manage a 6% reversion:**

- **First 2% reversion – Unallocated funds from Annual Allocation Process**

Hold back of \$2.0 million unallocated this spring / summer.

- Handled by Budget Office

- *Second 2% reversion – Campus-wide reductions / restrictions*

- *Hold all lapsed benefits and excess receipts* *\$750,000*
  - Hold all lapsed benefits from open positions
  - Hold all excess receipts after spring enrollment
  - Handled at Budget Office
  
- *Defer or delay hiring decisions for all vacant positions* *\$600,000*
  - All current vacant position hiring dates have been pre-determined to maximize the lapsed salary savings.
  - Specific dates for all positions will be distributed by Budget Office.
  - Vacancy hiring, from this date forward, will be delayed 4 months.
    - Budget Office will notify the respective department / divisional Budget Manager of the exact hire date.
    - Budget Office will determine available lapsed salaries, after final payouts (leave, bonus, etc). Lapsed salaries will be removed from the affected position.
  - Exceptions: can be requested, through VC, to the following:
    - SPA Hire – COO, CFO, PSC
    - EPA Hire - COO, CFO, PFC
  - Advertising a vacancy
    - Exceptions to hire date should be processed (and gain approval) before you publish in vacancy announcement.
  
- *Defer Life cycle computer replacement* *\$400,000*
  - ISTD will curtail the current program effective immediately.
  - Requisitions currently encumbered will be cancelled
  - \$400K will be removed from the budget, leaving approximately an \$80,000 balance for emergency replacement.
  - Exceptions: Any emergency replacement requests should be requested through the existing life cycle replacement program process to ITSD.
    - VC ITSD has approval authority for emergency requests.
  
- *Cease all overtime for the remainder of the fiscal year* *\$250,000*
  - Primarily business affairs functions in Facilities and Campus Police are affected by this reduction, although there may be some overtime in Academic Affairs (library, CMS).
  - In other words....no overtime is authorized that COULD result in payment during FY 2008-09
  - Exceptions: can be requested, through VC, to the CFO for approval.

- **Third 2% reversion - Division Level Cost Saving Initiatives and Responsibilities**

Each division will be responsible for returning 1.8% of their permanent state appropriated budget to yield the final \$2,000,000 necessary to reach 6%.

- Division targets will be generated by Budget Office.
- Funds will be returned to the divisions if additional cuts are not required.
- Vice Chancellors have the prerogative to exempt any of these following items.

The university will implement the following policies to reduce operating expenditures division wide.

- *Reduce University Travel Expenses*
  - Travel is restricted to the following conditions:
    - Conferences presenters
    - Board Members for national professional associations
    - Student class travel
  - Exceptions:
    - Vice Chancellor approval required for all other travel
    - Vice Chancellor approval for all foreign travel.
  - Travel system has been modified to include a VC-level of approval.
- *Cease all furniture expenditures*
  - Purchasing will require vice chancellor approval to process furniture expenditures.
- *Reduce non-student temporary wages (acct code: 915100)*
  - New temporary positions may not be filled without Vice Chancellor approval
- *Review all major publications/magazines printing for possible move to web only production.*
- *Defer renovations and small project work orders*
  - Facilities will require Vice Chancellor approval to process special request and small work orders with general funds.
- *Suspend creation of any time-limited positions for remainder of the year*

#### **D. Procedures:**

- All exception requests (to the COO / CFO) for hiring delays or overtime must use the standard format memo (available on Budget Office website).
  - Although requests will be reviewed / approved in accordance with instructions above, they **MUST be submitted to the Budget Office**, for consolidation / analysis / archiving; and forwarding to the appropriate reviewing body.
  - Approvals will come from the CFO / COO through the Budget Office to the respective VC.
- Flex's that fund any of the restricted areas MUST have the respective Vice Chancellor's signature (no signature delegation is authorized).

#### **E. Comments:**

- As the Chancellor has reiterated, this is a university-wide effort to meet the cash crisis facing the state. Although UNCW is taking a proactive approach to identifying funds above what has been directed, it may be January 2009 before we know, for certainty, what our final target will be.
  - As a note, there is almost 100% certainty that "carry-forward" will NOT be authorized into FY 2009-10. Please plan accordingly.
  - Questions regarding anything involving the reversion should come directly to me.