

MEMORANDUM

TO: Appalachian State University Faculty and Staff

FROM: Greg Lovins
Vice Chancellor for Business Affairs

DATE: April 3, 2014

SUBJECT: Budget and Spending Update

On March 27, 2014 Governor McCrory issued a memorandum that addresses budget directives for the remainder of the 2013-14 fiscal year. The topics addressed in the Governor's memorandum pertain to managing the State of North Carolina's cash flow for the remainder of the fiscal year because of the ongoing Medicaid shortfall and the uncertainty about tax revenue collections. To supplement the Governor's memorandum, Charles Perusse, the Chief Operating Officer of the UNC System, sent a memorandum on April 2, 2014 that provides additional detail. The guidelines addressed in both of these memorandums are applicable until June 30, 2014 or until further notice and are available for review on the Chancellor's budget website.

Mr. Perusse's memo addresses three areas that pertain to expenses incurred from State Appropriations (State Funds):

1. **Salary Adjustments**. No base salary increases from State Funds may be granted except for promotion, reclassification, retention or an increase in job duties. For SPA employees, salary increases based on equity, increased competency level or labor market are not allowed until further notice. Salary increases paid from non-State Funds may be allowed but require prior approval from the Chancellor through the Office of Human Resources (HR). SPA retention offer requirements must follow guidelines defined in the *State Personnel Manual*. Please direct questions to Angie Miller at extension 6769. In addition, these salary increase provisions apply to all EPA non-faculty employees. Retention salary increases require documentation of a bona-fide job offer. For EPA faculty, adjustments for

retention and increases in job duties are allowed. Summer teaching and other one-time assignments may also be approved since the restrictions apply to base salary. Please direct questions on faculty salary matters to Tim Burwell, Vice Provost for Resource Management, at extension 2070.

2. **Travel.** All travel supported from State Funds should be limited to instances involving employees' routine, required job duties. Alternative forms of communication should be attempted in lieu of normal business travel where possible. All travel that has been authorized to date that is not part of an employee's routine required job duties should be re-evaluated. Travel authorizations for which non-refundable costs have already been incurred may be honored. A limited number of staff may be approved to attend conferences and training sessions that have been contracted or obligated (e.g., a signed agreement with a hotel or similar vendor). Any additional meetings or conferences should be deferred until the next fiscal year if the registration fees and associated travel are to be supported by state fund appropriations. Please contact Accounts Payable with questions about travel at extension 6404.

3. **Purchasing.** The purchase of supplies and materials supported by State Funds should be closely monitored and limited to those items essential to support Appalachian's mission. The purchase of supplies and equipment for classroom and lab instruction and key technology initiatives may continue. Any purchase request estimated to be at or above Appalachian's purchase authority of \$150,000 requires a statement from the Chancellor that identifies the goods or services procured, along with a justification for the purchase and the funding source. If applicable, please prepare this statement for the Chancellor's signature and electronically submit it to the Purchasing Office. Purchasing will then submit the request to the Chancellor for approval. For questions, please contact the Purchasing Office at extension 2080.

Thank you for your patience and understanding as we manage ongoing budget challenges. We will keep you informed as circumstances develop.