A message from the Vice Chancellor for Finance and Administration

April 4, 2014

The state of North Carolina is facing several financial challenges as we near the end of the fiscal year. The University of North Carolina system has been working diligently and on a continuous basis with its member universities to address the significant financial impact that it has been facing and continues to endure. As the Chancellor’s Communique, dated March 28, 2014 indicated, the University of North Carolina at Pembroke has been informed of a budget cut. The budget cut has been assigned for the month of April 2014, and further information will be provided to us relative to the months of May and June 2014.

As you are aware, the University of North Carolina at Pembroke has already been notified of a permanent budget reduction to the FY15 annual operating budget in excess of $400,000. The Chancellor’s Office has notified the University Oversight Committee of this reduction and will continue to engage them in a development of a plan to address the budget reduction.

This communication is to lay out our plan for addressing the immediate budget reduction that has been levied against UNC-Pembroke for the month of April 2014 and most likely for the months of May and June 2014 as well.

As of today, we have incurred a one-month budget cut (actual reduction of cash) in the amount of $218,824. I suspect that this reduction will continue for the entire 4th quarter, resulting in a total reduction in cash of $656,472. I hope that I will be able to tell you that this reduction will not be as severe, but we need to prepare for the worst possible situation.

Mr. Charles Perusse, the chief operating officer of the University of North Carolina system, has issued guidelines to the member universities on measures to take for addressing the budget cut. With his guidelines in mind, we have drafted a plan that will go into effect immediately and remain in place until June 30, 2014.

- **Salary Adjustments:** Unless they are already being processed, no General Fund appropriation-supported base salary increases may be granted except for promotions, retention, or an increase in job duties, unless they are approved by a vice chancellor.

- **Travel:** All General Fund appropriated-supported travel should be limited to instances involving an employees’s 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 otherwise obligated (e.g., a signed agreement with a hotel or similar vendor). Any additional meetings or conferences should be deferred until next fiscal year if the registration fees and associated travel would be supported by General Fund appropriations.

- **Non-compensation Operating Budgets:** An internal budget reversion will take place today. Several, but not all funds will be affected. Any fund owners and associated fund managers will be contacted personally by the provost or me. Funds will be transferred from the affected fund to a holding account that will be under the control and supervision of the appropriate vice chancellor or the provost in the case of academic departments. The transfers will not leave the affected funds without some available dollars remaining (i.e. some dollars will continue to be available for use by the fund manager).

Every fund manager must review his/her respective funds each week and keep a close eye on the financial activity. Departments will be allowed to spend the remaining balance between now and the end of the fiscal year. All fund budgets will return to their current funding amounts on July 1, 2014 unless the provost or relevant vice chancellor chooses to rebudget.

Please do not stockpile items for next fiscal year. It is imperative that we all remain extremely frugal and only purchase items that are essential. I will inform the campus if the state communicates to us that any additional financial adjustments are necessary. It is entirely possible that the budget revisions may need to be revisited if the state changes the present situation.

Richard Cosentino
Vice Chancellor for Finance and Administration