

Subject: Year End Spending - Operational Guidance
Date: Thursday, April 16, 2020 at 12:06:02 PM Eastern Daylight Time
From: CPH Faculty & Staff on behalf of Tina DUVALL Supakorndej
To: CPH-FACSTAFF@LISTSERV.UGA.EDU
Priority: High
Attachments: ESSENTIAL PURCHASE ORDER REQUEST.04.15.2020.tds.pdf

As communicated across campus on the various listservs in the last several days, all schools/colleges/units have been instructed to only submit purchase requests in the remaining months of FY20 that are deemed ESSENTIAL to our business, instructional and research related needs. We are to defer any non-critical or non-essential spending until FY2021 due to the current fiscal challenges and anticipated challenges ahead due to massive UGA financial losses created by the COVID-19 pandemic.

As per the latest directives from the UGA Finance Division dated April 15th, we must return state funds (10xxx and 111xxx) that have not been expended, but it is expected that we will also be good stewards of ALL FUNDING SOURCES and defer any non-essential spending until FY2021. This applies to all methods of payment (*PCard, petty cash, personal reimbursement, requisitions/purchase orders, and certain payment requests*).

We anticipate limited essential spending during the remaining months. In these special circumstances, CPH will require the attached form be completed and submitted **with all of the critical and/or essential transactions**.

Please do not hesitate to contact me with any questions.

Thanks for your time and patience as we moved forward in closing out FY2020 and preparing for FY2021.

Tina

From: UGA OneSource
Sent: Wednesday, April 15, 2020 1:40 PM
To: business-memos@listserv.uga.edu; business-admin@listserv.uga.edu
Subject: Year End Spending - Operational Guidance

Dear Colleagues:

The recent memo distributed on April 10, from Provost Hu and Ryan Nesbit shared [Year-End guidance](#) from the State of Georgia Office of Planning & Budget (OPB) and the University System of Georgia (USG).

As you evaluate your spending for the remainder of the fiscal year, please begin using the following guidelines designed to facilitate UGA's ability to meet OPB's expectations. In these unprecedented times, your partnership and cooperation has been heartening, demonstrating the resolve, tenacity and creativity that will be needed to successfully navigate and overcome the fiscal challenges before us. An operational outline regarding FY20 fourth quarter spending is below and you can find additional information in the [FAQ section](#) which follows.

While the University is only required to lapse and return certain funds (10xxx and 11xxx), the expectation is that schools/colleges/units will be good stewards of **all funding sources** and defer any non-critical or non-essential spend until FY2021. *Please note the below applies to all methods of payment (PCard, petty cash, personal reimbursement, requisitions/purchase orders, and certain payment requests).*

Purchases greater than \$2,500 will require justification.

You should closely scrutinize all purchases to determine whether they are essential and **must** occur in FY20. Beginning Thursday, April 16, users entering requisitions in UGAmart will be prompted to provide FY20 purchasing justification on any UGAmart purchases with a combined total over \$2,500. The inclusion of this justification will assist your approvers in your internal, unit-level review process, as well as facilitate any external review of FY20 purchasing that may occur.

Create unit-based internal pre-review processes for PCard purchases.

Creating an internal unit review prior to purchase will help ensure that we are moving together in lockstep as an institution to defer all non-essential spending in FY20. We encourage units to communicate within their organization the need to scrutinize PCard spending for essential and critical needs.

Memberships, maintenance, service, subscription, licensing or support agreements.

For these items beginning July 1, 2020 or later, we should make every effort to defer these purchases to use FY21 funds.

Services that begin on or after July 1, 2020 (e.g., advertising, public relations, consulting, etc.).

For services beginning July 1, 2020 or later, we should make every effort to defer these purchases until FY21. If printing or advertising needs are essential, [Bulldog Print + Design](#) may be a great resource. We recommend obtaining quotes and comparing these against outside vendors. Consider digital publications, which are also offered by Bulldog Print + Design, rather than printed copies, as a cost saving measure.

Conference/Event agreements

Conference/Event agreements for events occurring after July 1, 2020 that do not require advance deposits or lead times of 45 days or more should be deferred.

Furniture & Equipment

Spending should be deferred on non-critical furniture and equipment.

Hardware

Spending should be deferred on hardware slated for routine refresh including IT, A/V, etc.

Non-critical supplies

Non-critical supplies (including office supplies), personal papers (toilet paper/paper towels), and other consumable supplies should not be purchased unless they are required for immediate use. Units should refrain from “stocking up” on these and other items as a mean of utilizing fourth quarter funds.

Copier lease/maintenance beginning July 1, 2020 or later

Spending should be deferred to FY21.

Construction/renovation/maintenance projects

Continue to work with your contacts in the Office of University Architects. Facilities Management

Division (FMD), and/or Capital Budgets to determine any impacts or opportunities in these areas.

Purchases made using UGA Foundation Funds

You should closely scrutinize all purchases to determine whether they must occur in FY20. The UGA Foundation will also be reviewing any check requests over \$2,500. Units should provide clear justification as to why the purchase is needed for FY20. As previously communicated, cash carryforwards to fiscal year 2021 would generally be limited to the amount of the fiscal year 2020 spending allocation, but the UGA Foundation will consider forgoing the cash carryforward limit where appropriate. (See full letter [here](#).)

While each school, college and unit must ultimately decide what constitutes “essential spending” for the remainder of the fiscal year, please know that we stand alongside to assist and support you throughout this process. Please do not hesitate to contact us with questions, concerns or suggestions.

Sincerely,

The Finance Division Senior Leadership Team

Frequently Asked Questions

Q: Are any funds excluded from these non-essential spending restrictions?

A: We should make every effort to limit non-essential spending across all fund types. Restricted and sponsored activity (i.e. fund 2xxxx) considered essential and having time sensitive deliverables associated with the projects should continue with appropriate documentation to be provided with the associated purchases. The UGA Foundation will follow the protocol outlined above and will require justification for purchases made using fund 20200 and those items purchased directly through the Foundation.

Q: How can I delineate between essential and non-essential spending?

A: One useful exercise is to ask yourself what the true impact would be in deferring the charge until FY21. If the answer is not significant risk of critical and irreparable damage, then you should likely consider deferring until FY21. Another approach is to ask, “If my budget was subject to a reduction, is this something I would continue to purchase?”

Q: Should we expect an approved FY21 budget by June 1?

A: While we have not received definitive word, we should plan as though a budget will be available by June 1. We will share updates as soon as they are available.

Q: Will the Budget Planning and Salary Setting due date be extended?

A: There is no definitive timeline at this time but we do expect to extend the April 26 deadline that is currently listed for Budget Planning and Salary Setting. You should continue any budget planning activity you are able to do at this time.

Q: Is UGA currently under a hiring freeze?

A: As outlined in the [critical hire process](#), UGA is not under a hiring freeze, rather closely monitoring and only approving those positions considered essential and critical for hiring. This process is only for full-time, regular positions at or above \$40,000, meaning positions under \$40,000 should still be processed assuming those are deemed essential and critical for operations. On April 7, UGA released guidance on critical hire exceptions for academic leadership, research and faculty positions, which can be viewed [here](#).

Q: Is there a specific percentage (%) that I should plan on?

A: No, there is no specific guidance on a % reduction. This year-end guidance is to mitigate revenue losses given the current circumstances.