



February 13, 2009

BERNADETTE GRAY-LITTLE
Executive Vice Chancellor and Provost
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MEMORANDUM

TO: Vice Chancellors and Deans

FROM: Bernadette Gray-Little, Executive Vice Chancellor and Provost *BGL*
Richard Mann, Vice Chancellor for Finance and Administration *RLM*

RE: Budget Control Environment

Carolina has a decentralized budget philosophy, and under ordinary circumstances holding division leaders for shortfalls at the divisional level serves as a reasonable budget control mechanism. However, during this time of extraordinary economic stress and increased risk of budget deficits, we need special budget control mechanisms to protect the University.

Effective March 1, budget controls will be activated to allow transactions through the system only when budget is available in the appropriate object line (e.g. EPA Personnel, SPA Personnel, Supplies, Equipment, Services). This date has been set to allow your unit time to review account balances and move charges from accounts that may be overspent to those with available budgets. The new controls will be activated for all fund sources.

We will reconsider the controls once the economic situation improves, however, they may remain in place indefinitely as maintaining strong budget controls is a good management practice at all times.

Meetings are being scheduled with your business officers to review the changes in the budget control system in more detail. We deeply appreciate your cooperation and support as our campus works its way through this difficult budget period.

BGL/RLM:st

copy: Holden Thorp, Chancellor
Elmira Mangum, Senior Associate Provost
Roger Patterson, Associate Vice Chancellor for Finance