



TO: University Community

FROM: Robert A. Weygand
Vice President for Administration

DATE: May 23, 2008

SUBJECT: State Restrictions on Purchases

To all

Events this week have provided us more insight on state purchasing restrictions for the remaining part of this fiscal year. As you know, Director Williams informed all state agencies that there will be new restrictions on state purchases for the balance of FY08. I have attached his memo again for your review. We are lead to believe that this may also pertain to FY09. Because of the dynamic nature of the current budget and foreseeable budget, there may be more changes as we work through the coming months. For now please use the following as guidance for future purchases.

1. The goal of the Department of Administration is to reduce and eliminate any unnecessary purchase expenses for FY08 in order to meet budgetary needs of the state. They also recognize that it is vitally important for the University to meet its responsibilities to our students and the academic mission of the university. Toward that goal, future purchase expenses that are **necessary and required** to meet these academic and essential support service requirements should be considered allowable expenses.
2. The vast majority of the URI purchases are handled through the department level via a Limited Value Purchase Order (LVPO) for purchases of \$5,000 or less or through our own Purchasing Department for purchases in excess of \$5,000. In both of these situations it will be the responsibility of the college deans, administrative department directors and/or vice presidents to oversee/verify that all purchases are necessary to meet the academic, essential support and contractual requirements of the university.
3. Purchases made on a college requisition and requiring the issuance of a State Requisition will require a "Critical Request Form", however, the form and instruction will be provided to you when it is deemed necessary. Therefore, you **do not** need to complete a "Critical Request Form" unless notified by the URI Purchasing Department. These requests will be reviewed by URI Purchasing and me. Those approved will then be forwarded to the Office of Higher Education for their approval and processing to State Purchasing. Notification will be provided to the originating departments if their state requisition is not approved to proceed. Deans, directors and/or vice presidents shall take any steps necessary to ensure compliance with these requirements.
4. Travel and related expenses that have been contracted prior to May 15, 2008 will be honored. Future travel and related expenses shall be limited to those expenditures that are necessary to meet academic, research and outreach requirements of the university and any university contractual agreements. Travel related to normal operation of the university such as admissions, athletics and research are considered allowable expenses. Business travel to conferences, seminars and association meetings should be delayed for this fiscal year. Travel funded through third-party sources shall be honored. TARs must be accompanied by "Critical Request Form" from the authorizing individual (dean, director and VP).

We know that this process adds extra burdens on those originating and those facilitating procurement transactions, but it is reflective of the serious state fiscal challenges. Compliance with these guidelines shall be the financial responsibility of the authorizing individual (administrative department director, college dean or vice president). Any questions regarding these requirements should be forwarded to Betty Gil, Director of Purchases, 874-2310, betty@uri.edu.

Bob.



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
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Memorandum

To: Department Directors and Agency Heads
Chief Financial Officers

From: Jerome F. Williams, Director
Department of Administration

Rosemary Booth Gallogly
Executive Director/State Budget Officer

Date: May 15, 2008

Subject: Restricted Spending

The Third Quarter Report released today reveals that the State is facing a \$32.8 million deficit in the current fiscal year. Given our projected statewide deficit, you should not spend up to your enacted appropriation, contained in H-7204, and instead should make every effort to produce a surplus balance. We must constrain spending in every area to ensure statewide balance. The Governor has instructed the Department of Administration to take any and all necessary actions to ensure that the State does not close the fiscal year in a deficit.

In order to achieve this fiscal balance, all agencies must immediately constrain spending to only those expenditures which are critical. There will be controls instituted in the RIFANS system to prevent new spending in certain natural accounts. Additionally, the Department of Administration will be liquidating all purchase orders currently outstanding unless the agency can document a need to keep a portion of the purchase order outstanding through June 30, 2008. Agencies should also identify those purchase orders that need to be brought forward into FY 2009 to cover any remaining contractual obligations.

Agencies will be provided with an electronic file displaying the balance of outstanding purchase orders. Agencies should provide information concerning the estimated amounts to be paid for the remainder of May and June by May 20, 2008 to the Division of Purchases

Agencies should not circumvent these controls by using incorrect natural accounts to process payments or by submitting direct pays or batches. Directors, program managers, and chief financial officers will be held accountable for actions taken during this critical time.

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There will be a meeting held in Conference Room A, 2nd Floor, in the Department of Administration Building on Friday, May 16th at 11:30 a.m. Chief Financial Officers should attend.

RBG:JM:sm08-113

cc: Quarterly Report
Letter from J. Williams on Discretionary Spending