

**Duke University**  
**Trinity College of Arts & Sciences**  
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Memorandum

To: Trinity College of Arts & Sciences' Department Chairs, Program Directors, and Business Managers

From: Sandy Connolly



Re: Expenditure Controls

As you are all aware, due to the global economic slowdown, Duke is being faced with reducing the University's operating budget by approximately \$125 million over 3 years. In response to this, the University's senior leadership has appointed the Duke Administrative Reform Team (DART), a group of administrators, faculty, and staff to review ways to reduce costs and improve efficiency. As part of this process, we recently received a memo from the Provost that outlines a subset of expenses that have been identified as requiring the Provost's Office approval or are unallowable altogether. In addition, Deans have been asked to develop internal guidelines and approval procedures for faculty and staff on other specific expense categories. These expenses and the approval process are described in detail below.

All the policies are effective July 1, 2009 and unless otherwise noted, the guidelines identified below apply to all funds (unrestricted, endowments, and discretionary funds). Expenditures related to sponsored research projects should be governed by the contractual agreement with the respective agency and the approved budget.

**Expenditures Requiring Provost Office Approval**

The outlined expenses listed below require Provost Office approval. Please note that the Finance and Administration Office has reviewed and identified these expense items that were included your FY09/10 budget proposal. We will submit a detailed report to the Provost Office listing these budgeted expense items to obtain his "blanket" approval. We will notify you when the Provost has approved these budgeted expenditures. Any expense items that meet the criteria below and were NOT included in the FY09/10 budget will require a request from you with justification to be submitted to

the Finance and Administration Office. After our review, we will submit the request to the Provost Office for final approval.

1. Use of outside consultants or service providers requiring commitments of \$25,000 or more.
2. Purchase of equipment and/or furnishings costing \$10,000 or more, except as provided by a sponsored award.
3. Renovations over \$50,000.
4. Leasing or purchase of any motor vehicle.
5. Use of university funds for parking expense – including visitor parking, shared permits, or payments on behalf of individual employees. Payments for individual employees are generally not allowed.
6. Payments for subscriptions, professional memberships, and licensure. Payments for individual professional memberships and subscriptions are allowable from individual faculty discretionary research accounts but should not be paid from general university funds, except when individual memberships at the dean, chair, or director's level is the mechanism for institutional affiliation. Licensure expenses for administrative staff are generally not allowed.

As a further step to control expenses, Deans have been asked to establish written guidelines and approval procedures for their respective schools addressing the expenditure categories listed below.

### **Trinity College of Arts & Sciences' Internal Guidelines**

1. Overtime and the use of temporary employees: Overtime expenses should occur only when necessary to meet essential business objectives or academic outcomes. All such expenses must be approved in advance by the employee's supervisor and compensation for overtime work will be calculated according to option 3, 40 only on [Overtime Eligibility Table for Hourly-Paid Staff](#) . Note that it is entirely appropriate to modify an employee's work schedule to prevent overtime. For example, if more than 8 hours of work is required on Monday to complete a specific project, then a supervisor and employee may agree to shorten a work day in that same week to offset the extra time worked on Monday so that no overtime is accrued in that work week.

Temporary employment is defined as staff hired to fill short-term assignments for a defined period. Note that this policy does not preclude the use of student workers. Temporary employee expenses should occur only when necessary to meet essential business objectives and only after all other staffing options

have been exhausted. Effective July 1, 2009, any hiring of temporary employment (except students) will require a written request to be submitted to [Susan Davis](#) in the Finance & Administration Office. Requests must include an explanation of the essential business function that the temporary employee would fulfill, documentation that no other staffing option is acceptable, and a financial analysis demonstrating that funds exist in the Department, Center or Unit budget to support the expense.

2. Business lunches and entertainment costs: This is an area where we need to raise consciousness and make some cultural changes. It is not appropriate for members of the University community to charge two or three person meals to the university even if university business is discussed. A business meeting is defined as a non-routine meeting of four or more faculty or staff for which there is an agenda. It is appropriate to provide modest meals, generally onsite, to facilitate larger group meetings like these. Appropriate expenses can be charged when hosting a non-Duke visitor such as a donor, speaker, or candidate. Even when hosting non-Duke visitors, care should be given to reasonably priced venues.

We still encourage faculty to meet with students, and if they wish to have meetings which include a meal, these should be held at a modestly priced venue. We also still support a modest meal for occasions when groups of faculty or staff need to meet during the lunch or dinner hour, though every effort to schedule meetings at other times should be considered.

When recruiting faculty, we want to be able to work within our budget and yet retain as flexible a policy as possible. The venue as well as the number of faculty members that should participate in the meal should be carefully considered.

As a reminder, all business meal expenses require a receipt, a meeting agenda, and a list of those who attended. Alcohol should be invoiced separately from the meal and must be coded as a public relations/social expenses.

3. Administrative and staff development travel: Travel costs should be minimized wherever possible by limiting the number of people attending professional meetings or by conducting business via tele- or video conference. In addition, Duke training and development resources should be considered before requesting travel funds to conferences outside of Duke.
4. Computer purchase and replacements: The Computer Purchase Program in Arts & Sciences (CPPAS) program is designed to provide a streamlined process for purchasing computers for Trinity College faculty and staff. The

primary goals of the program are to provide a regular replacement cycle for faculty and staff computers, and to ease the support burden on Trinity Technology Services (TTS) staff associated with troubleshooting and maintaining outdated or out-of-warranty equipment and non-standard hardware. Briefly, program highlights are:

- a. Each faculty and staff member who is eligible for the program will be able to purchase one CPPAS computer every 4 years (for laptops) or 4 1/2 years (for desktops).
  - b. These computers will be paid for from TTS funds.
  - c. Current CPPAS computers are property of TTS, and so must be turned in to TTS when a new CPPAS computer is issued.
  - d. A few specific configurations of selected computer models will be chosen as the standard CPPAS configurations.
  - e. Models and configurations will be chosen based on consultation with users across Trinity College and will be reviewed and updated on a regular basis.
  - f. Where possible, special (discounted) pricing will be negotiated for these configurations.
  - g. Pricing on these standard configurations will determine the amount of TTS funding available to each user when making their CPPAS purchase.
  - h. Non-standard configurations of the CPPAS models can be ordered, but the user must pay the cost difference between the selected configuration and the CPPAS configuration.
  - i. Non-CPPAS purchases (e.g., from startup or grant funds) of the specially-priced CPPAS configurations can be made if users wish to take advantage of these negotiated prices.
5. Gifts: Gifts, rewards, or awards may be provided to Duke staff members for work-related achievements such as reaching major milestones in years of service, promotion, departure or retirement and/or recognition for making special contributions. The expense for such gifts or awards must follow prescribed accounting and procurement procedures (see [GAP 200.400](#)). Gifts for speakers and/or students should be limited to \$50 and under.

In addition to the expense items outlined above, please note that new university-wide guidelines will be forthcoming regarding home internet, cell phones, and data services (Blackberry, etc.). Effective July 1, 2009 university funds may no longer be used to purchase home internet services. Cell phone and data services will be restricted and require a co-payment from recipients to ensure compliance with IRS code requirements. Further details about internet, cell and data services will be announced within the next several weeks and will include specific instructions for transitioning services to the new payment basis.

If you have any questions or need any additional information, please contact me at [sandy.connolly@duke.edu](mailto:sandy.connolly@duke.edu) or 660-5264.

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