



North Carolina Department of Health and Human Services  
**Division of Budget and Analysis**  
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Beverly Eaves Perdue, Governor  
Lanier Cansler, Secretary

James B. Slate, Jr., Director

July 31, 2009

**MEMORANDUM #2009-09**

TO: Division Directors  
Office Directors  
Budget Officers

FROM: Jim Slate 

RE: Guidance Regarding SFY 09-10 Budget Management Restrictions  
Purchase and Travel Restrictions

In connection with Executive Order Number 20 issued by the Governor on July 24, 2009, a memorandum from OSBM titled "Fiscal Year 2009-10 Budget Management Restrictions" was sent to your agency detailing restrictions that have been put into place for SFY 09-10. We are writing to provide additional guidance as it relates to travel, purchasing. Personnel and hiring limitations under these policies will be sent under a separate memorandum.

**Note: All of the following policies as detailed below apply only to the expenditure of General Fund appropriations and all other non-Federal funds.**

**I. TRAVEL**

Under the OSBM guidelines travel will fall into three broad categories; travel which is essential to position responsibilities, limited travel which may be approved by the DHHS Secretary and all other travel.

**Travel Essential to Position Responsibilities.** To the extent that staff incurs travel directly related to the care and well-being of individuals served by the State, this travel should continue. To the extent that travel is an absolute necessity in order to carry out the primary responsibilities of a position (e.g. monitoring, licensing), this travel should also continue. Even for these staff, travel should be minimized to the greatest degree possible. For positions that fall under this category, we will need for you to provide a memorandum detailing these staff by areas of responsibility including an FTE count as

well as a brief description of their travel needs. This memorandum should be submitted to your respective Assistant/Deputy Secretary with a copy to your Analyst in the Division of Budget and Analysis no later than Friday, August 7th.

**Travel Approved by the DHHS Secretary.** Travel associated with instances involving public safety, public health, classroom instruction, economic development and situations related to individuals who are in the care or custody of the state may be allowed, but this must be preapproved by the Secretary and reported to OSBM one week prior to the travel taking place. The process for receiving Agency approval is detailed below (**III. Agency Approval Process**).

**All Other Travel.** No other travel will be eligible for reimbursement unless an exception to this policy is granted by the Office of State Budget and Management. A form to request an OSBM exception to these travel policies is attached (*OSBM Form-Agency Head Requested Exceptions*). OSBM travel exceptions should be requested through your respective Assistant/Deputy Secretary using this form and should be copied to your respective Analyst in the Division of Budget and Analysis. The Assistant/Deputy Secretary will notify the Division if the Department will be going forward to OSBM to request an exception. The Division of Budget and Analysis will forward the request to OSBM and notify the Division of the decision.

## **II. PURCHASING**

All purchases must receive prior approval from the Department and must be reported to OSBM one week prior to obligation. This includes purchases made with procurement cards (P-cards) or any new or amended purchase orders or contracts including any contract renewals. The only exceptions to this policy include the following:

- Contracts in place prior to July 24, 2009 are not covered by this directive and may remain executed.
- Purchase orders for food, drugs and other supplies necessary to operate state facilities may also be issued without prior approval; however minimum inventories should be maintained for these items.
- Purchases for supplies, equipment and materials required for direct classroom instruction may also be made without prior approval.

## **III. AGENCY APPROVAL PROCESS.**

Requests for purchases and travel should be sent via e-mail to your respective Assistant/Deputy Secretary with a copy to your Analyst in the Division of Budget and Analysis on a weekly basis. Requests should be submitted on Wednesday of each week by completing the *OSBM Form - Agency Head Report of Approved Travel and Purchases*. Please note that purchase requests do not need to be detailed by individual purchase order. A Division level summary by account with a narrative description is

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adequate (e.g. Office Supplies for the Contracts Unit). Travel requests should be itemized for each unique travel request, however a single request may cover multiple individuals traveling for the same purpose. The Assistant/Deputy Secretary will notify your analyst in this office which of your requests have been approved by the Friday immediately following your Wednesday submission. Your analyst in this office will forward approved items to the Office of State Budget with copies to your Division prior to noon on the following Monday. Absent any objections from the Office of State Budget you may execute the obligation\purchase or travel one week following this submission to OSBM.

We would like to thank you once again for your continued efforts in managing your Divisions and programs. The Division of Budget and Analysis will be available to answer any additional questions that you might have as it relates to these policies.

Attachments

Cc: Lanier Cansler  
Maria Spaulding  
Allen Feezor  
Jennifer Hoffman, OSBM  
Pam Kilpatrick