

November 13, 2008

Dear Colleagues:

As you are aware, the State of California and the University of California are facing a very challenging budget for the foreseeable future. President Yudof and EVC Klinger have called on us to eliminate unnecessary travel and entertainment expenses, as one way to reduce our need to take more drastic actions such as program elimination or layoffs.

University policy requires that I "exercise prudent business judgment in reviewing proposed expenditures for meals and light refreshments based on their reasonableness, allowability, benefit to the University, budget, and the availability of funds. In addition, such expenditures should be cost effective and in accordance with the best use of public funds."

Effective immediately, and extending through at least 30 June 2009, I am instructing our divisional resources staff to reduce the per person reimbursement limits to \$45 for dinner and \$30 for lunch. The breakfast limit will remain unchanged at \$26. Note that all limits include tax and tip. My practice of approving requests for reimbursement of alcohol purchased with dinner (up to \$12) will remain unchanged; however, please remember that all reimbursements for purchases of alcohol are exceptional requests that must advance University business interests, and that federal and state funds cannot be used for this purpose.

I understand that there may be circumstances where these limits are too low. Examples might include, for example, official banquets at professional meetings, or certain catered events at which multiple non-campus participants are entertained for development purposes. Such exceptions will be considered on a case-by-case basis. Any requests for exceptional reimbursement above divisional limits must be accompanied by written explanation of why higher costs were unavoidable and necessary to meet a bona fide University business purpose. Unless pre-approved, reimbursement for such expenditures is not guaranteed, and excess costs are incurred at the risk of the official host.

Please note that these limits apply regardless of fund source, including contract and grant funds and gift funds. All funds at the University of California are public funds, which must be managed to advance our institutional mission.

Judging from recent reimbursement requests, I anticipate that the new limits will have little impact on the majority of our faculty, staff, and students. However, the overall savings that can be used for research and education will be substantial.

These changes have been discussed with the Chairs and research unit Directors, who have endorsed the temporary reduction of our spending limits. I very much appreciate your cooperation as we work together to protect and extend our core research and instructional programs during a difficult time.

Sincerely,

Steve Thorsett
Dean