



UNIVERSITY OF NOTRE DAME

March 25, 2009

Dear Colleagues:

Before the semester break, we met with faculty and staff to discuss how the current economic climate is affecting the University. During these sessions, we elaborated on Fr. Jenkins's recent letter to the campus community about Notre Dame's fiscal status, described the impact of the current fiscal crisis on higher education generally and on Notre Dame specifically, and outlined the plans at Notre Dame to use our comparative financial strength to protect and invest further in our core priorities.

Since those meetings, the economic climate has not improved. The stock market is near a 10-year low, unemployment rates continue to rise, and the prospects for the local, national, and global economies seem ever more dire. While Notre Dame remains well positioned compared to many other research universities and local employers, these circumstances make it even more important and urgent that we all engage in cost reduction strategies in areas of lower priority. These efforts will assist in protecting the priorities most central to Notre Dame's mission. The purpose of this memorandum is to describe the cost-cutting strategies we ask the entire University community to implement immediately.

The areas for cost savings resulted from consultation with many members of the University community, and we believe they can have a significant impact if adhered to across the entire campus community. Not every strategy will be relevant to each office or individual, and many require elaboration. We defer to and depend upon the good judgment of officers, deans and department chairs, CAP members, supervisors, managers, and others in positions of responsibility for setting appropriate guidelines and implementing the principles set forth in this memo.

We recognize that some units will need to take cost-cutting steps beyond those specified in this memo because they will be hit harder by certain economic factors, while other units may elect to do more because they can and because their efforts will help the entire University. It is appropriate, for example, that some administrative units cut back further to protect core academic priorities such as student financial aid and library acquisitions.

The offices of the President, Provost, and Executive Vice President have implemented all the actions outlined in this memorandum and several others. We also recognize, as we discussed with the faculty and staff, that if economic conditions continue to deteriorate or if it becomes apparent that the downturn will extend for multiple years, we will all have to take steps beyond those described in this memo. The administration continues to closely monitor the University's financial position and is constantly evaluating necessary contingency measures. If it is necessary to implement such measures, we will communicate with you again, most likely to implement

additional income-enhancing or cost-reducing actions along the lines we described during our meetings.

The response we have received thus far about the fiscal management of Notre Dame from the University community has been positive and supportive, with some individuals going an extra mile to sacrifice voluntarily for the good of the institution. We are grateful to all of you for your understanding and support. We welcome any comments or suggestions you might have on additional ways to conserve resources or respond to the current financial climate. Please send your comments to either of us at provost@nd.edu or execvp@nd.edu.

In Notre Dame,



Thomas G. Burish,
Provost



John Affleck-Graves,
Executive Vice President

Strategies for Reducing Nonessential Expenses

The *Travel, Entertainment, and Business Expense Policies and Procedures*¹ guide provides a convenient source of information regarding the reimbursement of expenses incurred by individuals for University-related travel and entertainment, and other University business. The policies and procedures contained in the guide will be rigorously followed. The guidance set forth here suggests strategies for reducing costs associated with some of these activities.

Travel: Nonessential business travel, regardless of funding sources, should be eliminated. All University-reimbursed travel should have an unambiguous business purpose and should clearly benefit the University and her mission. Teleconferencing and video-conferencing should be utilized whenever possible to minimize the need for air travel. When there is a clear need for air travel, flight arrangements should be made *at least* two weeks in advance to lock in favorable rates. In general, booking airfare at least two weeks in advance can save approximately thirty percent of the fare compared to trips booked one week in advance and roughly sixty percent compared to trips booked for next day travel. All requests for reimbursement for air travel booked within two weeks of departure must be supported by a suitable explanation. In addition, the choice of hotel accommodations should reflect a sense of stewardship of the University's resources. Only in rare cases should reimbursement for hotel expenses exceed the generally recognized lodging per diem² for the location of travel. In cases where multiple University employees make the same trip, the business purpose and necessity of multiple travelers should be clear. Finally, the University's Transportation Motor Pool is available for rent to Notre Dame departments, employees, and students traveling and carrying out University business. Information regarding the motor pool is located at <http://www.nd.edu/~undtrans/>.

Entertainment: A characteristic of the Notre Dame family is hospitality, and we should continue to offer gracious hospitality to guests of the University. Nonetheless, entertainment of guests, regardless of funding source, should have an unambiguous business purpose and should clearly benefit the University and her mission. This purpose and benefit should be clearly articulated in any request for reimbursement. Entertainment expenses that are primarily directed at University colleagues and employees should be avoided, unless such expenses are part of a reward program or employee recognition program. As always, entertainment expenses that would be deemed by a prudent observer to be lavish or extravagant are to be avoided and will not be reimbursed. When hosting University guests, including at meals, the number of Notre Dame representatives in attendance should be kept to a minimum. To provide guidance to those incurring such expenses as well as those approving payment or reimbursement of the expenses, please review the University's entertainment guidelines attached hereto and located at the following link: http://controller.nd.edu/policies-and-procedures/guidelines_business_meals_business_entertainment_expenses.pdf.

¹ <http://controller.nd.edu/documents/travelpolicy2008.pdf>

² http://www.gsa.gov/HP_01_Requested_perdiem

Meetings and Meals: Faculty and administrators should avoid scheduling meetings that include the providing of a meal except when no other meeting time would be available, the length of the meeting requires providing a meal, or providing a meal is essential to the purpose of the meeting. If providing a meal during a meeting is judged to be necessary, the use of on-campus facilities and food providers is encouraged. In addition, faculty and administrators should not seek reimbursement or charge their department for dining with University colleagues, unless the meal is for a strategic business purpose. Meals where the conversation may encompass some business topics but the primary purpose of the meal is social do not qualify for reimbursement.

Retreats and Off-site meetings: As always, the business necessity of an off-site meeting or retreat should be clearly articulated and cost avoidance strategies should be employed. When possible, on-campus facilities and services should be used. Off-site meetings where expenses will be incurred, including team dinners, require the approval of an officer or dean.

Office Furnishings: The University has an extensive store of office furniture that can be accessed through NDSurplus.³ This supply of stored furniture should be used before new furniture is purchased. In some cases, new furniture may be more cost effective by enabling an existing office space to be used more efficiently, *i.e.*, modular furniture enabling a space to be shared by two or more employees. In addition, certain public spaces play a role as a “front room” for the University. These public spaces may necessarily require that furniture be replaced on a more frequent refreshment schedule than applicable to other spaces. All requests for furniture should be directed to the Office of the University Architect (631-4200), which will assist with identifying appropriate solutions to address all needs.

Computing Equipment: Computing equipment using non-sponsored institutional funds should be refreshed on the schedule conforming to the Campus Workstation Program (CWP). In addition, computer purchases should be made in compliance with the recently-announced *Computer Purchase Policy*.⁴ In some areas, cost savings may be achieved by utilizing centralized networked printers and duplex printing. For information on the potential cost savings of using networked versus local printers, please contact Procurement Services (631-4289 or buy@nd.edu).

Procurement Services: Most University purchasing needs can be facilitated through Procurement Services, the University’s centralized purchasing administrator. The University has a number of preferred relationships with suppliers that offer discounted pricing and beneficial terms. The use of Procurement Services⁵ is strongly advised.

³ <http://www.nd.edu/~receive/surplus.shtml>

⁴ http://policy.nd.edu/policy_files/ComputerPurchasePolicy.pdf

⁵ <http://buy.nd.edu>

Charitable Contributions: As a citizen of the Michiana region, Notre Dame appropriately contributes to numerous charitable organizations. However, such contributions should be made as part of an institutional program of engagement with the local community rather than as commitments of institutional funds by individuals on an *ad hoc* basis. Until further notice, charitable contributions using University funds may be made only by a dean or an officer of the University. Modest charitable donations made in recognition of the death of an employee or a member of an employee's family may continue.

Open Positions: In order to preserve budget flexibility, the business need for filling any staff or faculty position (except pooled positions) must be made and reviewed with University senior leadership (President, Provost, or Executive Vice President). Although the current budget does not call for eliminating open positions, delaying filling some positions may provide needed budget flexibility for the future. Positions necessary to maintain business continuity or critical services should be reviewed with senior leadership to obtain approval for filling this position in order to maintain core operations. Hiring managers will receive additional information regarding the process for obtaining approval to fill an open position.

Consultants: The use of consultants should be carefully considered and avoided when possible. An effort should be made to use existing talent on the Notre Dame campus for projects or studies that would otherwise make use of consultants. When the needed talent is not available on campus, the engagement of an outside consultant should be managed to minimize cost to the University and should conform to the University policy on consultants and independent contractors.⁶

Honoraria and Additional Compensation: The existence and level of honoraria and additional compensation should be carefully scrutinized, especially for Notre Dame faculty and staff. Honoraria for external speakers and guests should reflect prevailing practices at peer institutions. Gifts for employees outside of formal University recognition programs must be approved by the Provost or Executive Vice President. Furthermore, no merit based or seasonal bonuses outside of the salary setting process are permitted until June 30, 2010 unless required by a formal agreement or approved by the President, Provost, or Executive Vice President. If you have questions about whether a payment is precluded by these instructions, please contact your respective officer or dean.

Print Communications: Each of us has likely felt overwhelmed by the large amount of print material arriving in our offices that is not read or is quickly discarded. When such material has its origins at Notre Dame, it represents a potential waste of financial and of natural resources. We ask each unit on campus that produces materials such as annual reports, catalogues, *ad hoc*

⁶ <http://hr.nd.edu/policy/manual/Compensation/cic.shtml>

reports, or event announcements in a printed format to reconsider the purpose of such materials, their audience, and their impact. If a website or electronic communication can effectively disseminate the information, units are encouraged to embrace a web-based communication or ND Works in consideration of cost-effectiveness and sustainability.

Energy Usage: The goals of sustainability and cost containment both are furthered by a reduction of energy consumption. Simple actions such as turning off lights in empty rooms, turning off electronic equipment over weekends or holiday periods, turning down the thermostat in the winter or turning it up in the summer can have a substantial impact on energy utilization on campus. Additionally, such simple acts of stewardship remind each of us that we have a role to play in conserving financial and natural resources. Additional ideas for participating in creating a more sustainable campus can be found on the website of the Office of Sustainability.⁷

Individual Gifts: We have recently been approached by several faculty and administrators who are interested in contributing all or a portion of the salary increase they might receive for the next year to the University for use toward critical priorities (e.g., financial aid, employee assistance). The University has a mechanism in place to allow interested faculty and staff to make contributions to Notre Dame and will provide further information on how to make such a contribution in the coming months.

⁷ <http://green.nd.edu/sustainability-in-action>