



EXECUTIVE VICE PRESIDENT — CHIEF OPERATING OFFICER

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July 17, 2017

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Subject: New UCOP preapproval process for additional and exceptional approvals and expenditure restrictions on state funds

Colleagues,

The approved State Budget Act of 2017, recently signed by Governor Brown, changes the one of the primary unrestricted funding sources for the Office of the President. In the fiscal 2017-18 budget year, beginning on July 1, 2017, UCOP is no longer funded by unrestricted funds provided through campus assessments. The campus assessment funding has been replaced for FY2017-18 with funds directly appropriated from the State of California. This change requires important reminders on how state funds may be used at UCOP.

Effective July 1, 2017, there are important implications for travel, entertainment, and other types of expenses. Specifically, State funds (19900) may not be used for the following types of expenses:

- Any expenses which require additional or exceptional approval, including the following:
 - Employee morale-building events
 - Expenses exceeding the per-person maximum meal rates

- Entertainment of spouse or domestic partner, or family members
- Tickets to a sporting, theatrical, or musical event
- A cash contribution which includes the cost of a meal or registration fee made to a nonprofit organization in connection with an employee's attendance at a fundraising event
- Travel
 - Exceptional approval for hotel stay within 40 miles of residence/place of business
 - Spouse or domestic partner travel expenses
 - Alcoholic beverages
 - AB 1887 travel restrictions (travel to states listed in AB 1887)
- Alcohol, tobacco
- Sympathy gifts (cash or non-cash)
- Prizes and other gifts (under policy G-41 and G-42) except gifts to students for an academic achievements

Departments funded largely by campus assessment funds (69085) in previous years will see the most impact, as this funding will be replaced with state funds (19900). If you have any questions regarding your department's funding, please contact your UCOP Budget Coordinator. We strongly encourage you to contact your UCOP Budget Coordinator before committing or spending any funding if you have questions about whether an expense is permitted.

New UCOP preapproval process and impact on event planning

To ensure that we are meeting our obligations to oversee the proper use of funds, new preapproval requirements for certain expenditures as noted below are effective immediately.

- *Any expense that requires additional or exceptional approval* regardless of funding source must receive preapproval a minimum of two weeks prior to commitment of funds. This new requirement is due to the various funding restrictions, policy changes, and to protect departments from incurring costs that cannot be reimbursed. Please submit all preapproval requests for additional or exceptional approval to exceptions@ucop.edu. Executive Director UCOP Operations Thera Kalmijn is the approver for all items requiring additional or exceptional approval under this new guidance.
- All events should be planned with a 10% buffer in the cost per person meal budget to ensure that any changes made on the day of the event still allow the event to remain within the per person allowances stated in the policy.

Please submit your request through exceptions@ucop.edu before committing funds. The request must include all available documentation, approval from the department head, and business reason for the request. All after-the-fact requests are unlikely to be approved and will require additional approval by me. See the attached FAQs for additional information.

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If you have questions, please contact Thera Kalmijn, Executive Director of UCOP Operations. Please distribute this notice as warranted throughout your organization.

Thank you for your continued leadership and collaboration.

Rachael Nava

Executive Vice President

Chief Operating Officer

cc: Chief of Staff Grossman
Executive Director Kalmijn
Department Budget Liaisons
Division Chiefs of Staff