

  
**CHANCELLOR'S OFFICE**  
University of Alaska Fairbanks

Daniel M. White, Chancellor  
P.O. Box 757500  
Fairbanks, Alaska 99775-7500  
907-474-7112  
uaf.chancellor@alaska.edu  
www.uaf.edu/chancellor/

July 2, 2019

To: Provost and Vice Chancellors  
From: Daniel M. White, Chancellor  
Re: Procurement and Travel Approval Process



Please forward the following information to your deans, directors and fiscal professionals. Due to Governor Dunleavy's veto of a significant portion of the university's FY20 state appropriations, the UA system is restricting procurement and travel on all unrestricted funds (see attached). These restrictions apply if any portion of the cost, however nominal, is covered by unrestricted funds.

Exceptions will be considered for items that meet immediate and critical functions:

- A "must have" to deliver instruction and research;
- A direct bearing on the safety, health and well-being of humans and animals;
- To facilitate compliance with a law or regulation;
- To facilitate basic operating functions, e.g., utilities, IT network; or
- A critical item for which a delay in replacement or renewal could incur a significant downstream cost (it is recommended that the user contact the vendor to determine if there is a grace period or alternative method that could be used to postpone the purchase while limiting the downstream risk).

Until further notice, the following additional approvals apply:

**Procurement:** Procurements for non-essential goods and services on unrestricted funds are not authorized until further notice. Please route requisitions that may meet exception criteria through normal processes. John Hebard, director of Procurement and Contract Services and UA chief procurement officer, will route requisitions to Julie Queen, interim vice chancellor for administrative services, for final review and approval.

Review will also apply to procurement card (ProCard) purchases on unrestricted funds. For ProCard purchases, deans and directors are authorized to determine which purchases are deemed essential. The authorized approvers are expected to exercise professional judgement and be as conservative as possible when determining which purchases are essential. The authorized approvers shall ensure that purchasers are notified that an unrestricted fund purchase has been

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*Naturally Inspiring.*

deemed essential and is approved for encumbrance. A copy of the approval shall be placed in the ProCard purchase file.

Essential procurements may be authorized/renewed immediately.

**Travel:** The provost and vice chancellors have the final authority to approve essential travel on unrestricted funds within their units. Please route travel requests through the Concur system. The routing will be updated in Concur to route to the vice chancellors after supervisor approval. Deans and directors may implement their own internal controls on travel, for example, requiring internal approval before requests are routed for final approval. FY20 travel that was previously approved will need re-approval through this process.

Additional information from UA Statewide is available online on the chancellor communication page ([link](#)).

Thank you all for your understanding and cooperation during these uncertain times.

DMW:jdp

/Attachments

James R. Johnsen, Ed.D.  
President  
Butrovich Building, Suite 202, 2025 Yukon Drive  
P.O. Box 755000, Fairbanks, AK 99775-5000  
Phone: (907) 450-8009; Fax: (907) 450-8012  
Email: ua.president@alaska.edu  
www.alaska.edu



July 1, 2019

TO: Chancellors, Chief Finance Officer

FROM: James R. Johnsen

A handwritten signature in blue ink that reads 'James R. Johnsen'.

SUBJECT: Procurement Restrictions

Due to the current uncertainty around the fiscal year 2020 budget, effective immediately, all procurements/contracts for goods and services on unrestricted funds (including Procard purchases) are subject to review and approval prior to encumbrance. The purpose of this review is to ensure that only essential goods and services, those that are necessary to meet immediate, critical missions and functions, are purchased until there is more certainty surrounding the FY20 budget. Procurements for non-essential goods and services are not authorized until further notice.

The Chancellor at each university, and the Chief Finance Officer at statewide (or their delegates) are authorized to determine which purchases are deemed essential.

Due to the grave financial situation, the authorized officers are expected to exercise professional judgement and to be as conservative as possible when determining which purchases are essential.

Among the factors to be considered when determining what is essential:

1. A "must have" to deliver instruction and research.
2. A direct bearing on the safety, health, and well-being of humans and animals.

3. To facilitate compliance with a law, regulation, or covenant, e.g. external audit.
4. To facilitate basic operating functions, e.g., utilities, IT Network.
5. A critical item for which a delay in replacement or renewal could incur a significant downstream cost. (It is recommended that the user or procurement officer contact the vendor to determine if there is a grace period or alternative method that could be used to postpone the purchase while limiting the downstream risk.)

The approving officers in the system office and at each campus shall ensure that their cognizant procurement offices are notified that an unrestricted fund purchase has been deemed essential and is approved for encumbrance.

As noted above this guidance is applicable to procurements for unrestricted funds only.

Essential procurements may be authorized/renewed immediately.

James R. Johnsen, Ed.D.  
President  
Butrovich Building, Suite 202, 2025 Yukon Drive  
P.O. Box 755000, Fairbanks, AK 99775-5000  
Phone: (907) 450-8009; Fax: (907) 450-8012  
Email: ua.president@alaska.edu  
www.alaska.edu

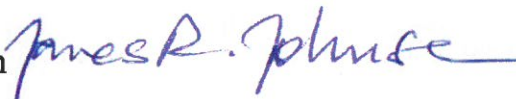


July 1, 2019

TO: Chancellors, Chief Finance Officer

FROM:

James R. Johnsen



SUBJECT: Travel Restrictions

Due to the current uncertainty around the fiscal year 2020 budget, all travel on unrestricted funds is subject to review and approval by designated university officers. The purpose of this review is to ensure that only essential travel that is necessary to meet immediate, critical missions and functions is purchased until there is more certainty surrounding the FY20 budget. Non-essential travel is not authorized until further notice.

### **FAQs for Travel Restrictions**

#### **1. Why are we restricting travel?**

The Governor vetoed \$130 million from the University's FY20 budget (on top of \$5 million cut by the Legislature). As an override by the Legislature is uncertain, it is necessary and prudent to reduce discretionary expenditures immediately to accommodate the reduction.

#### **2. Who will determine if travel is essential?**

At each university, approval by the Chancellor, and at Statewide, the Chief Finance Officer, or delegates (the "authorized officers") will be required to approve all travel for their employees.

#### **3. When are the travel restrictions effective?**

July 1, 2019, regardless of when reservations were made.

**4. Who is affected?**

All University employees traveling on unrestricted funds.

**5. Who is not affected?**

Employees traveling on restricted funds or on travel paid entirely by external funding. Restricted fund travel (Fund 2 or 3) should proceed as normal.

**6. Is the restriction for out-of-state travel only?**

No, the restriction is for in-state, out-of-state, and international travel.

**7. What is “essential travel?”**

Essential travel will be determined by the authorized officer. Examples of essential travel include travel on official business related to obtaining new grant funding, travel associated with fundraising, student recruitment and enrollment activities, and outreach.

Travel by regular faculty directly associated with instructional responsibilities and/or participation in professional conferences/workshops fulfilling requirements for promotion and tenure may be deemed essential.

Among the factors to be considered when determining what is essential:

- A “must do” to deliver instruction and research.
- A direct bearing on the safety, health, and well-being of humans and animals.
- To facilitate compliance with a law, regulation, or covenant.
- To facilitate basic operating functions, e.g., utilities, IT Network.

**8. What if out-of-state travel is mostly paid for by an organization (e.g., 90 percent) but the university is required to pay a conference entry fee or a hotel room? Would that be allowed?**

All costs associated with travel are included. As such, hotel or conference fees are included under the travel restriction.

**9. May I travel out-of-state to get continuing education credits to maintain credentials for my job?**

Obtaining continuing education credits will be an important consideration by the authorized officers in their determination if the travel is essential. Their determination will likely depend on whether such credits are available in-state or on-line.

**10. How will new travel approvals be accommodated through Concur Travel?**

Before entering the travel authorization into Concur, contact the respective authorized officer to determine if the travel will be approved.

In Concur, the Travel Authorization should be routed to the respective authorized officers for approval.

**11. What if my travel has already been approved and costs such as airfare and conference fees have already been paid?**

The travel should be re-approved in light of these restrictions and FAQ. In many, if not most cases, the airfare costs may be retained as a credit and re-used at a future date. Similarly, some conference fees may be refunded.

