



EXECUTIVE VICE PRESIDENT AND PROVOST

Date: March 4, 2011

To: College Deans, Senior Vice Presidents and Vice Presidents of Support Areas, and Senior Fiscal Officers

From: Joseph A. Alutto, Executive Vice President and Provost
Geoffrey S. Chatas, Senior Vice President and Chief Financial Officer
Jeff Kaplan, Senior Vice President, Administration and Planning
Steven G. Gabbe, Senior Vice President for Health Sciences, CEO OSU Medical Center

Re: Managing Consulting Services and Capital Expenditures

In light of the current economic environment, it is important that we conserve and limit expenditures wherever possible. As part of this, each of us should be evaluating current spending levels and making necessary reductions. This memo addresses two specific areas of spending requiring your attention.

We should be cautious in employing consultants and consulting costs should be reduced. As part of this effort, we will review university wide use of consultants to manage total spend. Effective immediately, any new engagement of a consultant costing more than \$50,000 will require approval from the Integrated Financial Planning ("IFP") Group. Examples of some, but not all, consultant arrangements to be approved by IFP include services to explore or develop new initiatives or programs, to develop an opinion for the design or implementation of new processes or facilities or to perform assessments and reviews related to initiatives, programs or processes. Approvals from IFP in this context do not relate to services that are provided on a continuing basis for research or other ongoing activities. Similarly, once construction work has been approved via a Facilities Improvement Project Approval (FIPA) form or Board of Trustees' approval, additional individual approvals of consultants related to the approved project are not necessary.

Also, projects involving capital expenditures greater than \$500,000, including equipment, that have not been approved by the Board of Trustees, must be approved by IFP. Projects approved as part of the five year capital plan are considered to have been approved by the Board of Trustees.

The attached form should be used to submit approval requests for consultants costing more than \$50,000 and capital expenditure projects valued at over \$500,000, including equipment, not already approved by the Board of Trustees. Requests to IFP for these two areas should be submitted by the responsible Dean or Vice President. The IFP generally meets on a weekly basis.

We are asking the vice president in each support area, as well as the dean and the senior fiscal officer in each support/college unit to ensure that the above process is implemented within each of their organizations.

Thank you for your assistance with these efforts.