



Discretionary Spending Guidelines – Frequently Asked Questions (FAQ)

Developed from SOM Open Office Hour sessions and various inquiries from stakeholders.

General Budgeting and Policy Rationale

Q: Why are these discretionary spending guidelines being implemented?

A: Due to a significant decline in federal funding and anticipated reductions in clinical revenue, the guidelines aim to ensure departments conserve funds to aid in sustaining faculty and staff salaries and operations to the extent possible.

Travel and International Travel

Q: Do international travel requests for faculty fully funded by sponsored research still require department director approval?

A: If the travel is fully funded by a sponsored grant, it is generally acceptable without additional approval. However, if the travel is related to the grant but not funded entirely by the grant, approval and budget alignment are necessary for any spend. All non-sponsored funded international travel must be approved by the department director. All international travel for faculty and staff (as well as domestic) must meet established budgetary guidelines and associated budget reductions.

Q: Are faculty required to book travel through the university's travel management company, even if prices seem higher?

A: Yes, faculty (and staff) should follow university policy and book through the designated travel management system (e.g., Concur). However, price matching is possible.

Q: Can faculty (and staff) book hotels above GSA rates if attending a conference?

A: Yes, if the hotel is part of the official conference room block. Otherwise, GSA rates should be followed, especially for non-conference travel. Published conference rates should guide funding, and GSA guidelines should be used for separate travel and per diem food reimbursement. It is important to adhere to per diem limits to avoid excessive meal costs.

Parking and Cell Phones

Q: Are parking expenses for fellows allowed under the new guidelines?

A: The guidelines focus on faculty and staff. Learners, including fellows, are generally excluded as their benefits are governed differently. For example, ACGME clinical fellows may now receive a stipend for parking.

Q: What are the guidelines for faculty cell phone expenses?

A: Only service phones should be maintained. Personal use phones should be transitioned off from institutional plans and personal expenses should not be reimbursed. This includes expenses related to device hot spots.

Licensure and Membership Fees

Q: Are board certification fees and medical licensure included in the \$2000 discretionary spending cap?

A: Licensure and required certifications are not considered discretionary and may be excluded from the \$2000 cap. Memberships and optional certifications should be included.

Resident and Fellow Graduation Events

Q: Can departments still host graduation events for residents and fellows?

A: Yes, but they should be scaled appropriately and aligned with budget constraints. Extravagant events should be avoided, and departments are encouraged to share typical costs to help establish reasonable guidelines.

Hosted Receptions, Ceremonies, and Events

Q: Are hosted receptions at conferences allowed in FY26?

A: No new hosted receptions should be planned or contracted for FY26. Existing contracts signed before July 1 may proceed. Departments should work with Development on events related to philanthropy or new endowed professorship. Spend must be within the department budget and funding source should adhere to the first dollar principle.

Q: Can departments still pay for or reimburse alcohol expenses at events?

A: No, alcohol cannot be funded or reimbursed under the new guidelines, including for happy hours or celebratory events.

Q: Can departments continue to fund visiting professorships, including honorariums and travel?

A: Yes, but these expenses fall under departmental affordability. Given current budget constraints, departments may need to reduce spending in this area. If the lecture is funded by an endowment or gift funds, we must follow the first dollar principle.

Q: Is it appropriate to attend philanthropy events like the Leukemia & Lymphoma Society ball using departmental funds?

A: Attendance should be strategic and offer a clear return on investment (ROI). Departments are encouraged to coordinate with development teams to assess the value of participation and funded within budget constraints.

Q: Are holiday parties still allowed under the discretionary spending guidelines?

A: Yes, but they must be modest and align with departmental budgets.

Technology and Telecom Cost Savings

Q: How can departments reduce telecom expenses?

A: Departments are encouraged to audit landlines, fax machines, and managed devices. Disconnected unused lines can result in significant savings. Departments can reference the JHU and JHM IT site for points of contact at: <https://it.johnshopkins.edu/it-services/network-getting-connected/telecommunications/>