

FY25 Academic Enterprise & VMG Budget



Please mute your phones as this presentation will be recorded.
We will take questions at the end of the presentation.



FY25 Budget Kick-off Agenda

1. Tom's Introduction
2. Budget Calendar, Assumptions, Parameters
3. VU Grants and Gifts
4. Workday Adaptive Planning
5. Professional Revenue
6. Personnel
7. Gifts and Grants
8. Non-Labor Expenses and Other Revenue
9. Allocations
10. Submissions
11. Resources

Academic Enterprise/VMG Finance – Our Team

Tom Netolicky

Valenica Frierson Scott (Lead Admin Asst)

Tracie Grandy

Amy Ivey

Jake Sawatzky

Jack Bouaphachanh

Charlie Gayle

Anna Jane Ledbetter

Ann Donoghue

Jeannine Ramsey

Melissa Ahler

Rachel Babcock

Norah Morrison



Budget Support Email:

budgetprofinance@vumc.org

AE/VMG Finance Resource Page:

<https://www.vumc.org/finance/academic-enterprise-and-vmg>

Feedback

Success

Progress

Communication

Patience



Performance

Leadership

Goals

Commitment

Focus

Teamwork...

It's not about the pieces but how they work together!

Rating agencies have become increasingly pessimistic during 2022

MOODY'S

Outlook: Negative

December 2021

Mid-Year Update June 2022

FitchRatings

Revised Neutral → Deteriorating

December 2021; August 2022

S&P Global

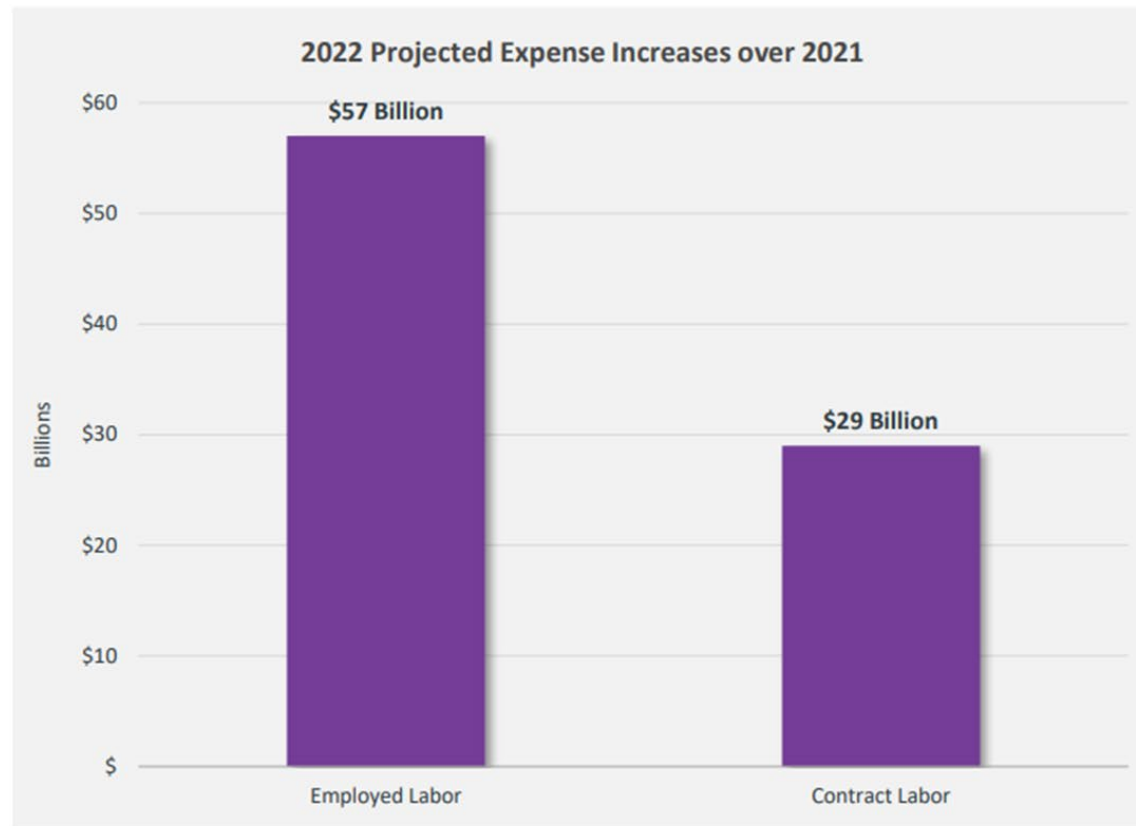
Ratings

Stable, Pressure Mounting → Negative

January 2022

Mid-year Update June 2022

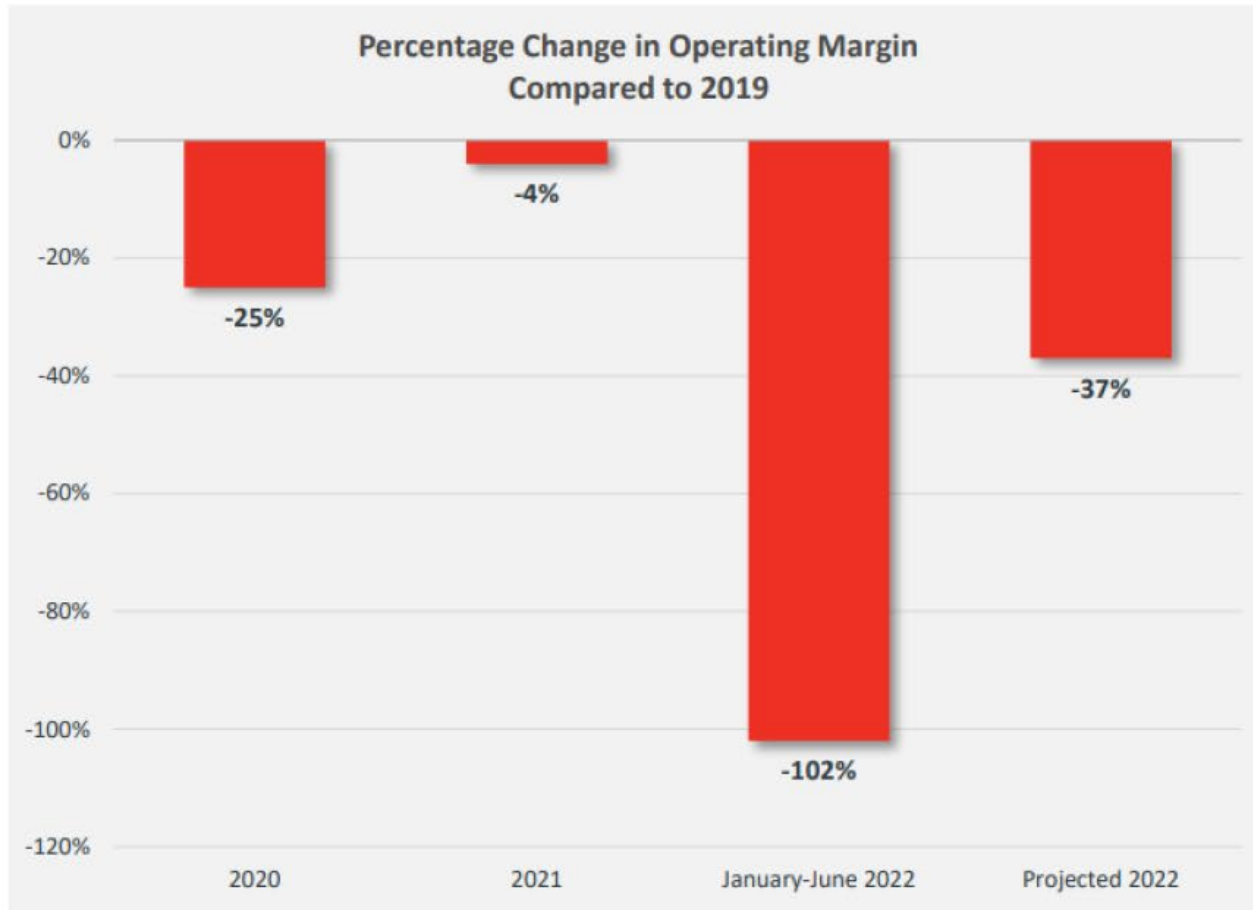
Labor Expense Increases in 2022 Are Driven Primarily by Employed Staff, but Contract Labor Will Continue to Pressure Hospitals



KEY TAKEAWAYS

- Employed labor expenses are projected to exceed 2021 levels by \$57 billion in 2022, with labor costs generally accounting for approximately half of a hospital's total expenses.
- Contract labor expenses—or expenses for temporary, non-staff workers—will continue to pressure hospitals, although the growth rate over 2021 levels is expected to slow through the remainder of 2022.
- Contract labor expenses remain nearly 500% higher than pre-pandemic levels.

Projected Margins Are on Track to Make 2022 the Worst Year for Hospitals Since the Beginning of the Pandemic



KEY TAKEAWAYS

- The first six months of 2022 have been extremely difficult, with the median margin remaining negative.
- Initial results from the beginning of the second half of 2022 indicate continued challenges, with margins remaining firmly negative.
- Optimistic projections for the entirety of 2022 indicate margins will be down 37% relative to pre-pandemic levels.
- Pessimistic projections for 2022 show a possible 133% decline in margins.

NOV 09 | MORE ON REVENUE CYCLE MANAGEMENT

Moody's upgrades healthcare outlook from negative to stable for 2024

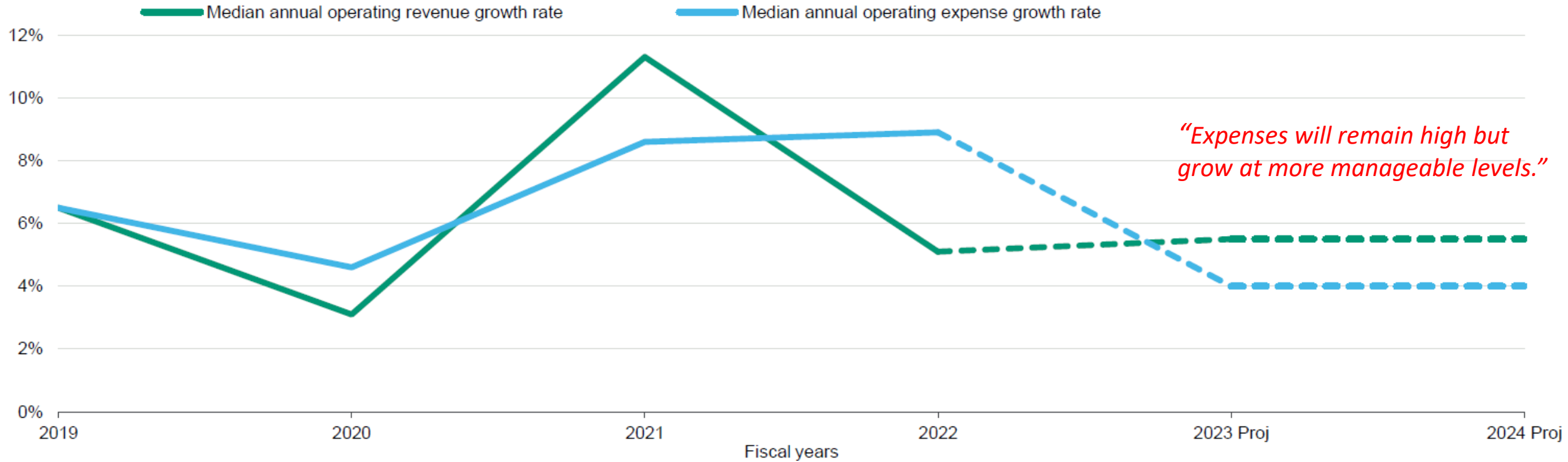
The bottom line is hospitals' operating cash flows and margins will improve and revenue growth will slightly top expenses.

Moody's Investors Service has revised its 2024 outlook for the not-for-profit and public healthcare sector to stable from negative, driven in large part by a decrease in labor costs.

While hospitals will continue to grapple with high expenses because of a shortage of skilled labor, particularly nurses, Moody's predicts that the growth in expenses will slow as hospitals make greater efforts to recruit and retain full-time staff, partly through providing expanded benefit packages. This will reduce reliance on expensive contract labor.

Moody's Calendar Year 2024 Outlook

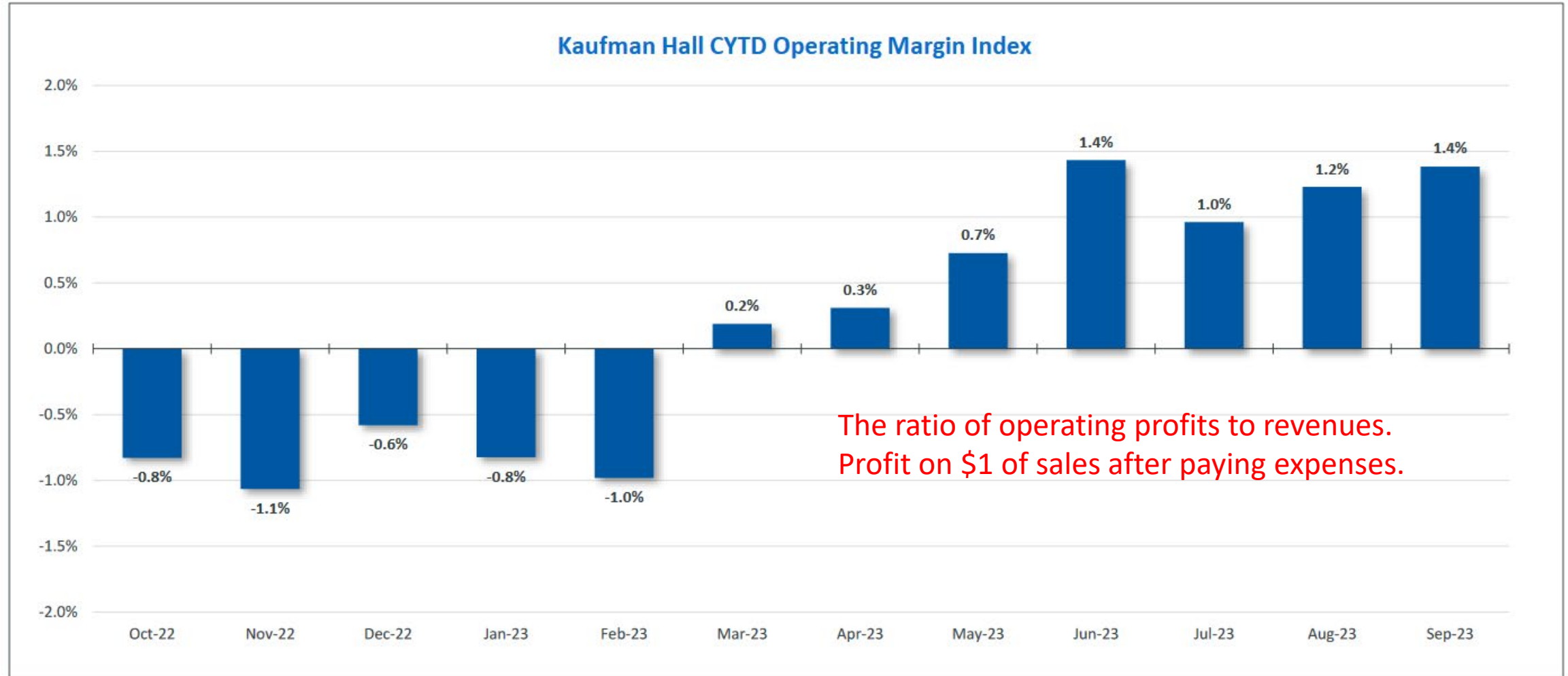
Revenue growth will surpass expense growth as labor costs decelerate, though baseline expenses will remain high



“Expenses will remain high but grow at more manageable levels.”

“Expense growth could pull ahead of revenue without diligent cost controls and efforts to improve operating performance.”

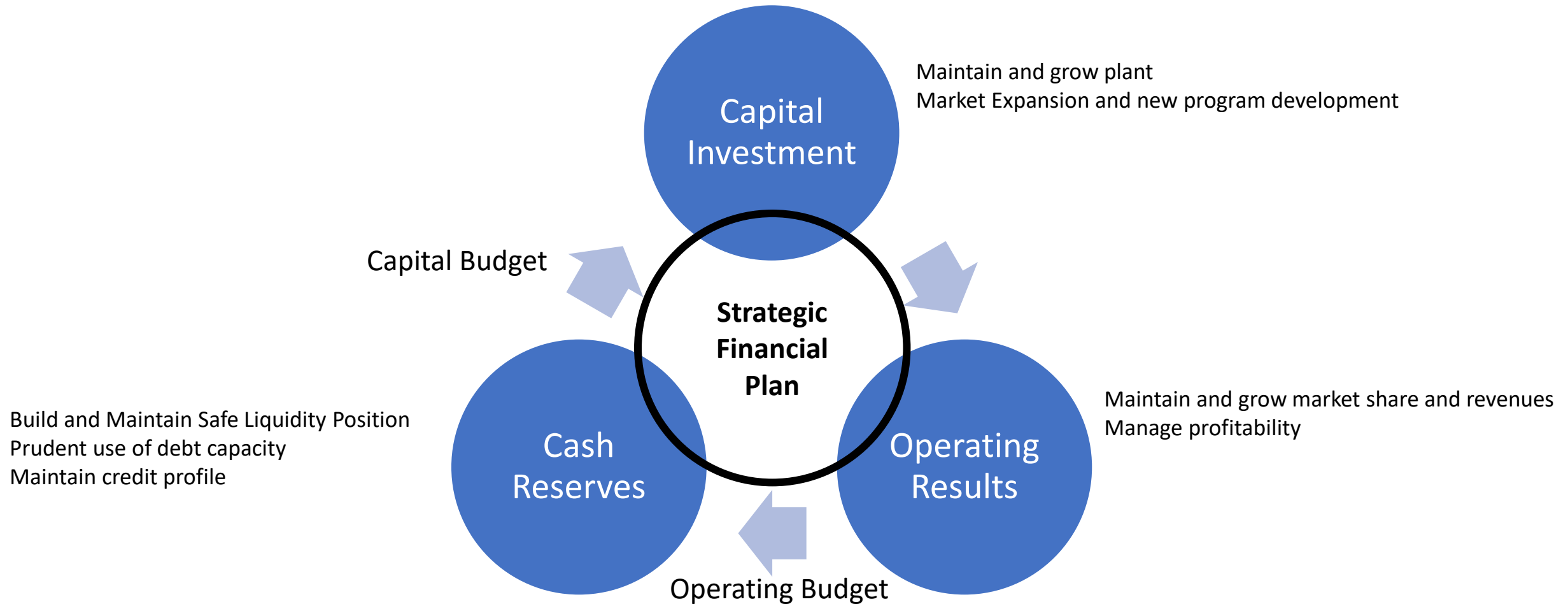
Operating Margin



Kaufman Hall, National Hospital Flash Report (October 2023)

* Note: The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.

Key Stakeholders throughout the Medical Center Contribute Capital, Operating, and Cash Assumptions that are Iterated to a Balanced Plan



FY25 Budget Calendar & Guidelines



Planning Calendar

Fiscal Year 2023			Fiscal Year 2024						
Q1 Forecast				<div style="border: 1px solid blue; padding: 5px;"> <ul style="list-style-type: none"> ✓ Non-Clinical Depts, C&Is: <u>2/1 thru 2/29</u> ✓ Clinical Depts: <u>2/1 thru 3/7</u> ✓ Volumes: <u>2/1 thru 2/16</u> </div>					
Recruitment Plan			Q2 Forecast						
	Q1 Dept Reviews								
	Volume Planning (Targets)		Depts Prepare & Submit Budgets						
			Recruitment Plan	Consolidate Budget & Dept Reviews					
					AE/VMG Exec Review				
						Prepare BOD Materials			
			<div style="border: 1px solid blue; padding: 5px;"> <ul style="list-style-type: none"> ✓ Budget Training: <u>1/29 – 2/5</u> </div>					BOD - Budget Approval	
<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	

FY25 Budget



- Presentations** <https://www.vumc.org/finance/academic-enterprise-and-vmg/financial-planning-analysis-dept-support/budget-forecast-resources>

[FY25 Budget and Q2 Forecast Calendar Presentation](#)

[FY25 Budget and Q2 Forecast Calendar in Excel](#)

Budget Assumptions

Budget Parameters FY 25	Rate	Budget Parameters FY 25	Rate
Preliminary Federal Indirect Cost Recovery for Newly Issued Awards <i>(expected to decrease)</i>	74%	Billing Office Tax <i>(No change)</i>	8.5%
Federal Salary Cap \$ (Executive Level II salaries = \$221,900) [1] <i>(TBD)</i>	\$221,900	Infrastructure Tax <i>(No change)</i>	1.75%
VU Grants – received from VU <i>(10% increase)</i>	\$6.85 per unit	VUMC Overhead Tax <i>(No change)</i>	5%
VUMC Directorships, Program Funds, and Research Endowments <i>(2% increase)</i> [2]	\$5.79 per unit	Unrestricted Overhead <i>(No change)</i>	10%
Indirect Cost Recovery – Gifts, Foundations & Non-Profit Associations [3]	15%	Malpractice <i>(No change)</i>	Varies by Dept.
Salary Pool “as of date” including any base increase and faculty incentive	3.5%		

[1] 2024 New ELII Salary Cap: \$221,900 (represents a 4.7% increase); OSP to provide further guidance.

[2] Investment Policy - Donor Endowment Distributions: The method used to calculate distributions from endowments is approved by the Board and periodically reviewed (at least every three years). Under the current methodology, VUMC will, under normal operating and market conditions, distribute 4% of the moving average of up to three prior calendar year-end unit market values. In other words, an amount equal to 4% of the calculated average price per unit will be used and applied at a per-unit level to each fund for determining an annual budgeted distribution amount.

[3] See policy regarding Non-Federal Indirect Cost Recovery <https://vanderbilt.policyletech.com/dotNet/documents/?docid=21816>

VUMC Research Investment Growth Model

Total Research Expense X Annual % Change in Clinical Operating Margin

Ceiling



Change in Year
over Year Clinical
Operating Margin
capped at positive
10%

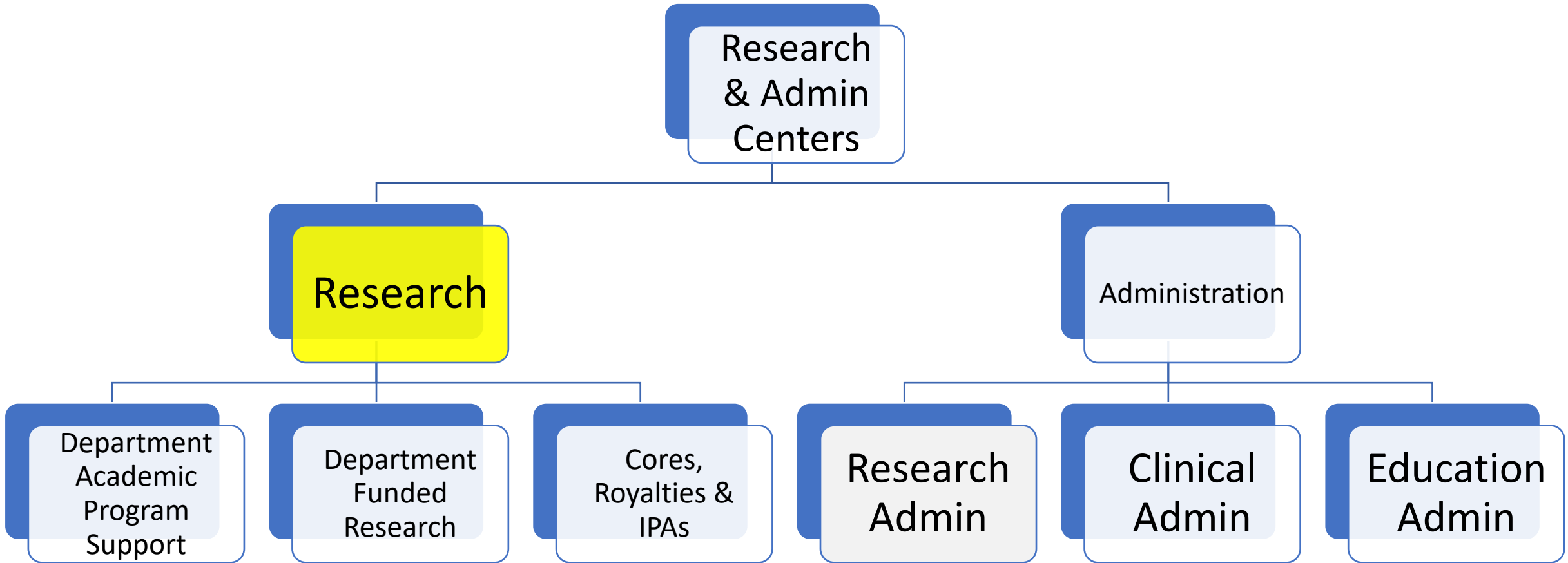
Floor



Annual BRDPI
Growth Rate
capped at
positive 10%

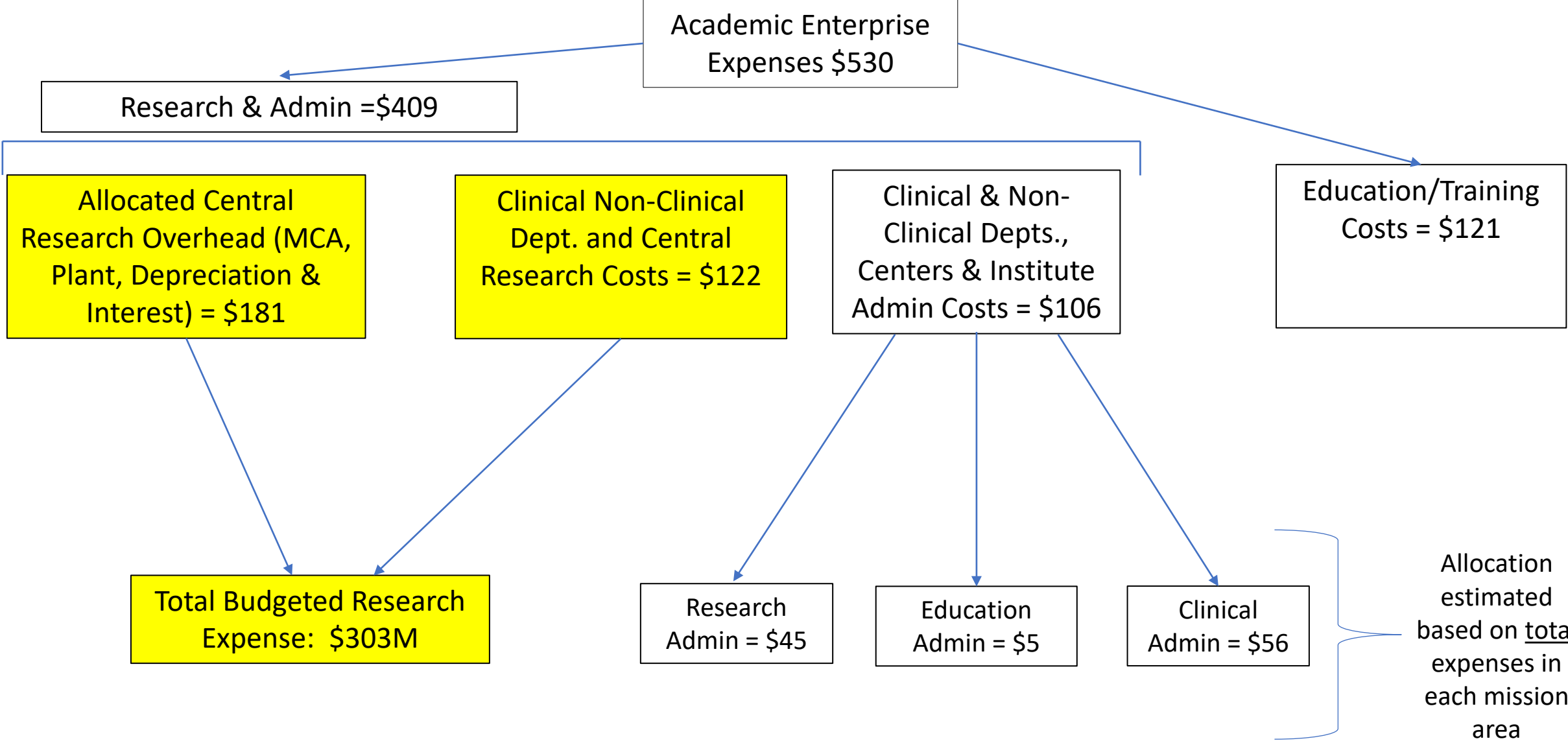
Clinical Departments

Research & Research Administration



- Categorized Research & Administration center activity by main purpose via CARTS type, Research or Administration
- Allocated Administration to Research, Clinical, & Education; determined by % of total expenses in Research & Administration + Gifts and Grants , VMG Clinical, and Education recalculated for each period, i.e., FY24 Budget.
- Applied Research & Administration + Gifts and Grants allocation to “Administration” to determine “Research Administration”

FY 2024 Budgeted Academic Enterprise Institutionally Supported Research, Teaching and Administrative Expenses (\$M)



Clinical Departments - FY25 Budget Parameters

Support	FY24	FY25	Notes
Earnings on Unrestricted Reserves	2%	<u>4.2%</u> (FY 23 investment portfolio net total return rate)	Unrestricted funds (excludes Grants & Gift Cost Centers)
Clinical (Hospital) Support	Support per Financial Partnership model or previously approved support	Support per Financial Partnership model or previously approved support	Financial partnership model calculated support or other support approved via Funds Flow Cte.
Hospital Support - Recruitment	FY24 previously approved amounts, includes remaining commitments	FY25 previously approved amounts, includes remaining commitments	Paid quarterly (Oct, Jan, April and June) based on calculated shortfall.
VMG Clinical Margin	Operating Margin (% of Revenue) (Same as FY23 Budgeted Margin)	Operating Margin (% of Revenue) (Same as FY24 Q2 Forecasted Margin adjusted for any FTEs transferred to VUMC IT)	Adjusted for investments needed for Tower recruiting start-up where salary costs are not supported by revenue
Research & Administration	FY23 Budget less FY23 & FY24 Expense Initiatives i.e., ISE, discretionary, restricted gifts	FY24 Budgeted Investment (Loss) less salaries for FTEs transferred to Office of Sponsored Programs & VUMC IT increased by <u>8.3%</u>	As calculated via research growth model
Education	FY23 Budget less FY23 & FY24 Expense Initiatives i.e., ISE, discretionary, restricted gifts	FY24 Budget Investment (Loss) increased by <u>3.6%</u>	Growth based on 2024 estimated BPRDI + .5%
Clinical and Research Incentives	Financial Partnership Model, Research Incentive Model or other stat based model	Financial Partnership Model, Research Incentive Model or other stat based model	

Non-Clinical Departments & Centers/Institutes - FY25 Budget Parameters

Support	FY24	FY25	Notes
<i>Non-Clinical Departments</i>			
Earnings on Unrestricted Reserves	2%	<u>4.2%</u> (FY 23 investment portfolio net total return rate)	Unrestricted funds (excludes Grants & Gift Cost Centers)
Base & Academic Program Support	FY23 Budget less FY23 & FY24 Expense Initiatives i.e., ISE, discretionary, restricted gifts	FY24 Approved Allocations increased by <u>8.3%</u>	As calculated via research growth model
Special Allocations	Per Commitment	Per Commitment	
Research Incentives	Research Incentive Model	Research Incentive Model	
Support	FY24	FY25	Notes
<i>Centers & Institutes</i>			
Base & Academic Program Support	FY23 Budget less FY23 & FY24 Expense Initiatives i.e., ISE, discretionary, restricted gifts	FY24 Approved Allocations increased by <u>8.3%</u>	As calculated via research growth model
Special Allocations	Per Commitment	Per Commitment	

Funds Flow Support to Clinical Departments

Financial Partnership Model 2.0 – Clinical

Departments Transitioning FY25:

- Dermatology
- Emergency Medicine
- Medicine
- Neurology
- ObGyn
- Ophthalmology
- Orthopaedics
- Otolaryngology
- Pediatrics
- PMR
- Psychiatry
- Radiology
- Surgical Sciences
- Urology

Departments remaining on traditional funds flow FY25:

- Anesthesiology
- Pathology
- Radiation Oncology

Research FPM Calculation

Incentive Pool

- 10% of Prior Fiscal Year's Grant/Contract Direct & Indirect Expenditures

Research Productivity Incentive

Ratio Prior Year to Current Year all direct & indirect expenditures applied to sliding scale

X

Incentive Pool \$'s

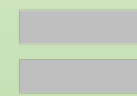


Research Space Cost Management Incentive

Ratio Prior Year to Current Year MTDC per Sq Ft applied to sliding scale

X

Incentive Pool \$'s



Research Financial Partnership Model

"Total FPM"

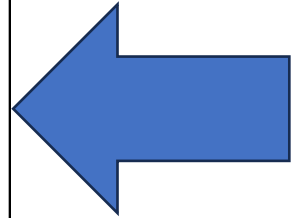
Paid Quarterly

Clinical Department Budget Parameter Rollforward

Include with FY25 Budget Submission

Research & Administration + Education Budget Parameter Summary

Research & Administration + Education	Growth %	Finance FY24 Budget	Finance			Dept Input	
			OSP Transfer	VUMC IT Transfer	FY24 Budget after Transfers	Res & Adm FY25 Budget	Edu FY25 Budget
<i>Research & Admin @ 8.3% Growth</i>						<i>From Financial Statement</i>	
Revenue		\$ 2.50			\$ 2.50	\$ 3.00	
Expense		5.00	(0.20)	(0.10)	4.70	5.50	
Margin \$	8.3%	\$ (2.50)	\$ (0.20)	\$ (0.10)	\$ (2.20)	\$ (2.50)	
<i>Education @ 3.6% Growth</i>						[1]	[2]
Revenue		\$ 1.00			\$ 1.00		\$ 1.10
Expense		3.00			3.00		3.17
Margin \$	3.6%	\$ (2.00)	\$ -	\$ -	\$ (2.00)	\$ -	\$ (2.07)



Research & Administration

FY24 Budget less Transfers	\$ (2.20)	[1]
Growth Target @ 8.3%	(0.18)	
FY25 Target	\$ (2.38)	★
FY25 Prelim Dept Research & Administration Budget	\$ (2.50)	[2]
Dept Planned Growth	(0.30)	[1]-[2]
@ or below Target / (exceeds Target)	\$ (0.12)	←

Example:
Dept Planned Growth to be adjusted to meet Target

Education

FY24 Budget	\$ (2.00)	[3]
Growth Target @ 3.6%	(0.07)	
FY25 Target	\$ (2.07)	★
FY25 Prelim Dept Education Budget	\$ (2.07)	[4]
Dept Planned Growth	(0.07)	
@ or below Target / (exceeds Target)	\$ 0.00	←

Example:
Dept achieved Target

Clinical Department Budget Parameter Rollforward

Include with FY25 Budget Submission

VMG Clinical Margin Budget Parameter Summary							
	Finance			Dept Input	Calc	Dept Input	Calc
Margin	FY24 Q2 Forecast	VUMC IT Transfers	FY24 Q2 Forecast After Transfers	Same Store	FY25 Pre - Recruits	Tower Recruits	FY25 Budget
VMG							
Revenue	\$ 50.00		\$ 50.00	\$ 5.00	\$ 55.00	\$ 1.00	\$ 56.00
Expense	45.00	(0.30)	44.70	4.35	49.15	1.20	50.35
Margin \$	\$ 5.00		\$ 5.30	\$ 0.65	\$ 5.85	\$ (0.20)	\$ 5.65
Margin %	10.0%		10.6%		10.6%		10.1%
			[1]		[1]		

% Margin = **Achieved @ 10.6%**

Clinical Department Budget Parameters

FY25 Budget Department Financial Statement after FPM 2.0					
	Clinical Margin				
Margin	Research & Administration	VMG	Education	Clinical Margin	<i>Gifts & Grants</i>
VMG					
Revenue	\$ 10.00	\$ 55.00	\$ 5.00	\$ 70.00	\$ 75.00
Expense	15.00	45.00	5.50	65.50	75.00
Margin \$	\$ (5.00)	\$ 10.00	\$ (0.50)	\$ 4.50	\$ -
Margin %		18.2%		6.4%	
FPM 2.0 Support	\$ (0.50)	\$ 0.60	\$ (0.10)	\$ -	
FY25 Budget	(4.50)	9.40	(0.40)	4.50	
		17.1%		6.4%	

Unrestricted Reserve Earnings

Reserve Balance
(as of 6/30)

- Research & Administration
- Education
- Clinical



FY23 Investment
Portfolio Net Total
Return Rate = 4.2%

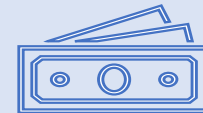
Note:

For Directorships set up during the fiscal year, Reserve Payout will be adjusted for the decrease in Academic Department reserve balance



Reserve Payout

Monthly expense credit to Academic Department



Internally Funded Directorships & Programs

Fiscal Year 2024 :

- ✓ Cap at 1 Day Cash on Hand (DCOH)

\$18M

- ✓ Donor matching prioritized
- ✓ Plan for requests and submit during FY24 Budget process
- ✓ Finance to provide in-take form

Fiscal Year 2025 :

- ✓ Cap at 1 Day Cash on Hand (DCOH)

\$19.1M

- ✓ Donor matching prioritized
- ✓ Plan for requests and submit during FY25 Budget process
- ✓ Finance to provide in-take form

Internally Funded Directorships & Programs

Submission Process

✓ Complete form

(Dr. Pietenpol's and Cecelia Moore's signatures not required with initial submission)

✓ Submit to budgetprofinance@vumc.org email by budget submission due date

✓ Approved Directorships or Funds require the letter to Dr. Balser and signed forms

Directorship or Institutional Investment Fund Establishment Form

1. What is the proposed name of the new Directorship(s) or new Institutional Fund(s)? If re-designating funds from an existing Internal or Quasi fund, go to #5.

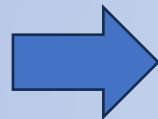
Amount _____

Amount _____
2. If not fully funded, what is the proposed timeline for this Directorship to be fully funded? _____
3. What are your departmental funding sources (centers) to be used for meeting the minimum funding level for this Endowed fund? Finance will verify these centers and amounts. Center _____ Amount \$ _____
Center _____ Amount \$ _____ Center _____ Amount \$ _____
4. What will be the purpose of the fund? _____

VUMC Office of Finance

Home Finance Departments ▾ Delegation of Authority ▾

Other Resources



Directorship & Program Questions, Contact: Jody Johnson & Donna Cox

To access: <https://www.vumc.org/finance/academic-enterprise/other-resources>

Directorship or Internal Fund Establishment Process

[Directorship or Internal Fund Establishment Instructions and Form](#)

Fringe Benefit Rates (No Change from FY24)



FEDERAL

Fringe Rate Group	FY24 Federal Rate	FY25 Federal Rate	Variance (No Change)
Medical Center Faculty 1/Sr Staff	21.80%	21.80%	0.00%
Medical Center Faculty 2	13.20%	13.20%	0.00%
VUMC Staff	27.80%	27.80%	0.00%
VUMC Part-Time/Temp	10.70%	10.70%	0.00%

NON-FEDERAL

Fringe Rate Group	FY24 Federal Rate	FY25 Federal Rate	Variance (No Change)
Medical Center Faculty 1/Sr Staff	24.10%	24.10%	0.00%
Medical Center Faculty 2	13.50%	13.50%	0.00%
VUMC Staff	28.80%	28.80%	0.00%
VUMC Part-Time/Temp	10.70%	10.70%	0.00%

- Medical Center Faculty 1/Sr Staff = Includes Clinical Faculty with annual compensation <\$170,000 and all Medical Center Non-Clinical Staff
- Medical Center Faculty 2 = Includes Clinical Faculty with annual compensation >=\$170,000



REMINDER

VU GRANTS USAGE



VU Grant = VU Endowment Distribution to VUMC

VU Grants MUST be spent in compliance with donor/VU guidelines. Refer to WD for details.

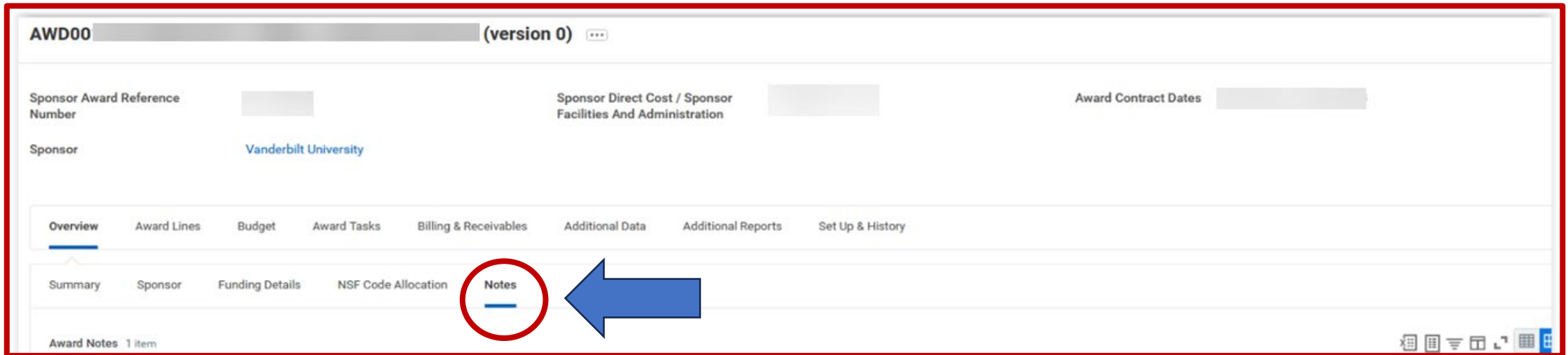
VU Grants, Endowments, Gifts and Departmental funds should be used in place of unrestricted funds.

For VU Grants, budget expected spending; VU only reimburses \$'s spent, up to the awarded amount.

NOTE: VU Grants are expected to be spent 100% in accordance with guidelines by the end of the year. SPEND EARLY and avoid the year-end task of utilizing these funds. For questions about VU Grants, please reach out to Lynn Capps (lynn.capps@vumc.org).

VU GRANTS USAGE

UTILIZATION GUIDELINES can now be found in Workday



Follow All General Guidelines, then refer to permissible expenditures by the Fund Types and Utilization Categories detailed within the guidelines which can be accessed using the following link:

https://www.vumc.org/finance/sites/default/files/public_files/VU%20Utilization%20Guidelines.pdf



Gift Expenditure Process and Budgeting



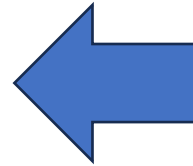
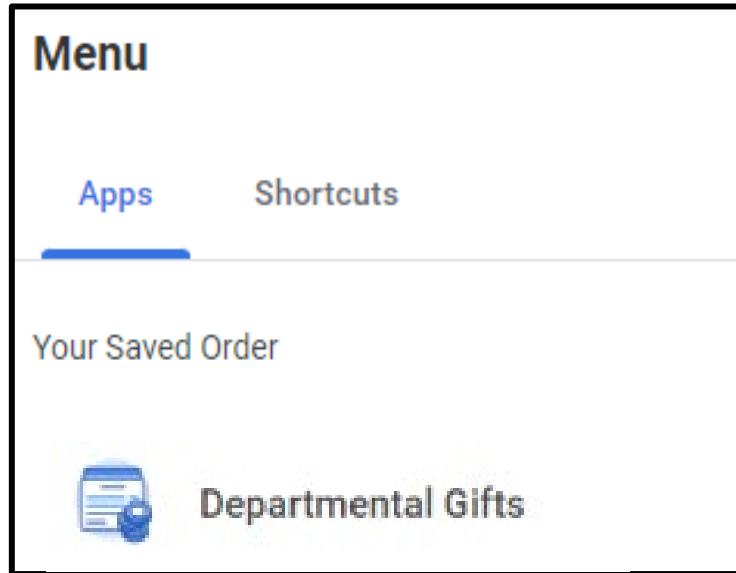
- Gift funds have specific stewardship and auditing requirements
- Gift income for Gifts without Donor Restrictions is recognized when received and may not necessarily match expenses.
- Gifts with Temporary Donor Restrictions are initially placed in net assets. They are then released into gift income when expenses are incurred so that gift income and expenses match.
- Assigned roles for gifts are Gift Financial Analyst and Gift Manager. Users can utilize the Departmental Gifts Dashboard app to view summarized gift activity and gift balances.
- For questions about this process, please reach out to Jody Johnson (jody.johnson@vumc.org)

Gift Spending Plans

- For gift funds received but not spent in the current fiscal year spending plan:
 - Target: expend over 2 - 3 years (donor stewardship)
 - Maximum timeframe: 5 years (audit compliance)
 - Year 1 spending should match budget



VU Grant and Gift & Endowment Reports



The Departmental Gift dashboard can be found in the app listing within Workday.

Gift and Endowment Reporting		Description
CR Fin Endowment Gifts		Used to track remaining balance vs annually budgeted endowment distributions for both donor and internal endowments.
CR Fin Spendable Gifts		Used to track remaining balance vs total contributions of spendable gifts, including those with donor restrictions
VU Grant Reporting		Description
CR RG VU Grant Remaining Balance - Grant Org Level		Used to monitor remaining balances on VU Grants
CR Fin - Budget vs Actual for VU Grant		

Workday – Adaptive Planning

Your Top Apps



Adaptive Planning



What Feeds the Financial Statement?

Personnel Change Forms (BFT):

Forms to be added in Budget:

- New, Replacement, Departing, and Retiring
 - Faculty/Provider (wRVU producing)
 - All Other Staff

Note: There is not an integration from the BFT to Adaptive for salaries/positions.



Labor:

- Roster Edits
- New Positions and Vacancies
- Payroll Allocations
- Fringe

AE Non-Labor Expenses &

Other Revenue:

- Other Operating Revenue
- Services and Other

Adaptive FY25 Budget Financial Statements

BGT.119 –
Clinical Department –
SofOps Version
Comparison YTD

BGT119A –
Non-Clin Department,
SofOps Version
Comparison YTD

Revenue:

- Professional Revenue
 - Collections (based on wRVUs/Charges)
 - Revenue Prorates
- New Providers



Gifts and Grants:

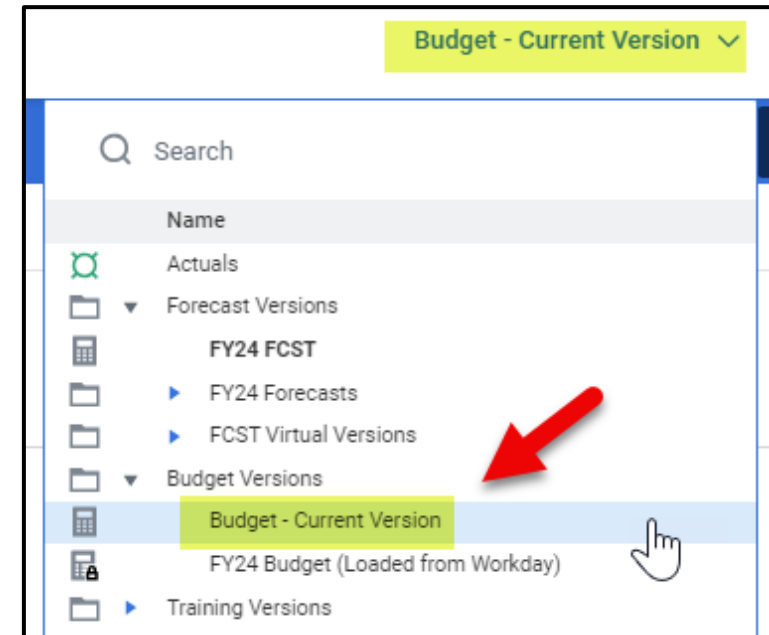
- Endowments
- Gifts
- Grant Residuals
- Sponsored Grants
- VU Grants
(Includes Awarded, Award Pending, and Pending)

Allocations:

- History Based
- Prorates and Rev %

Adaptive: Helpful Things to Remember

1. Before you get started in Adaptive, make sure you are in the correct version. 
2. Filters can be tricky, so be sure to double check them if you aren't seeing input fields or if you're getting a warning message. Refer to the filter guide for assistance.
3. "Top Level Only" is for Forecast and "Top Level" is for Budget.
4. SAVE! Amounts will turn from **blue** to **black** once your changes have been saved.
5. Be sure to expand and review instructions as you go into each tab within a Dashboard. 




[Instructions \(Expand to View\)](#)




Start by Using the FY25 Budget Checklist:

1. Departmental Statistics Dashboard – OR Cases and Visits
2. Professional Revenue Dashboard
 - wRVUs
 - Charges
 - Collections
3. Professional Revenue – New Provider Dashboard
4. Labor Dashboard
 - Roster / Payroll Allocations
 - New Positions and Vacancies
5. Gifts and Grants Dashboards
 - Endowments
 - Gifts
 - Grant Residuals
 - Sponsored Grants
 - VU Grants
6. AE Non-Labor Expenses and Other Revenue Dashboard
7. Allocations Dashboards
 - History Method
 - Prorates and Rev %
8. Submissions



VUMC
BUSINESS
EDUCATION



Adaptive Annual Budget Checklist

Adaptive Planning is the new tool with Workday used for Forecasting, Budgeting, and Long-Range Planning. This checklist contains high-level, step-by-step instructions for completing your forecast in Adaptive.

Getting Started

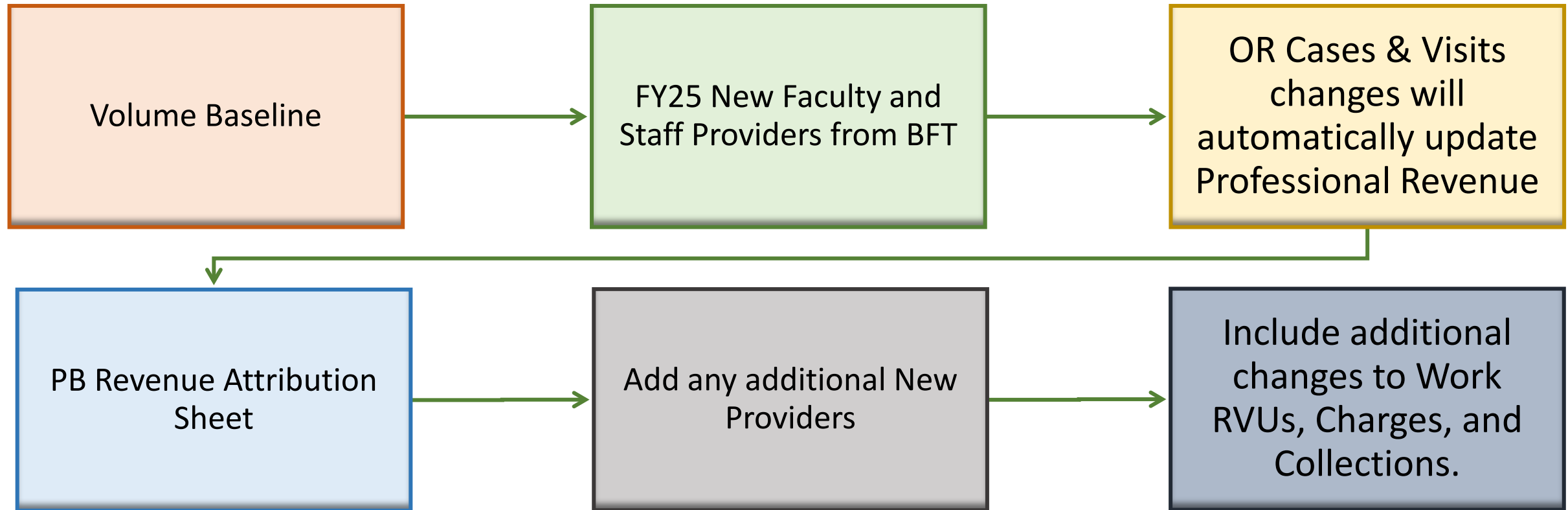
Log in to Adaptive: <https://login.adaptiveinsights.com/app?&msgKey=xsrif>

Volumes and Professional Revenue

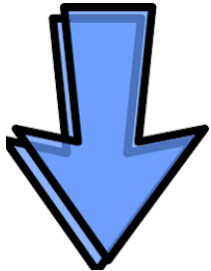
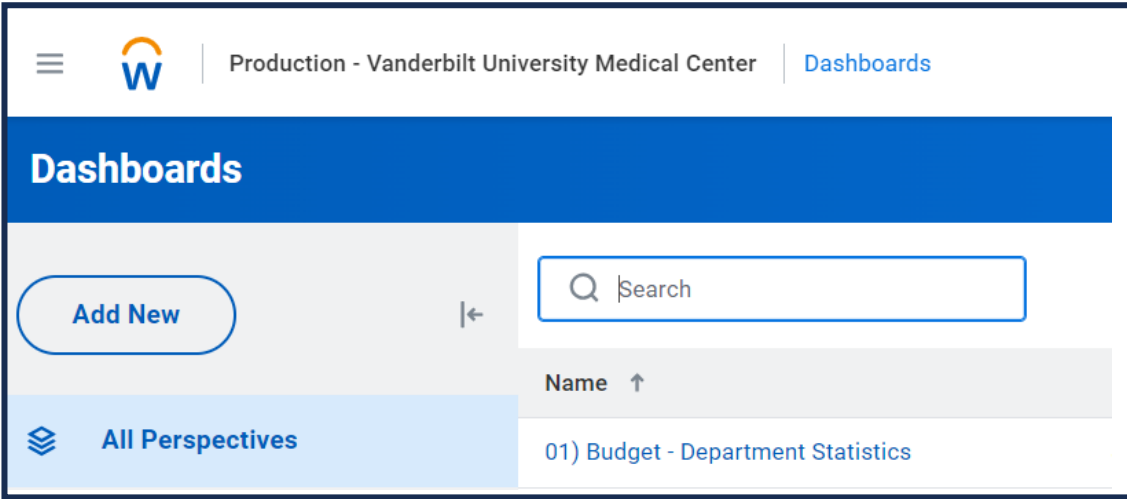




What makes up my PB Revenue?



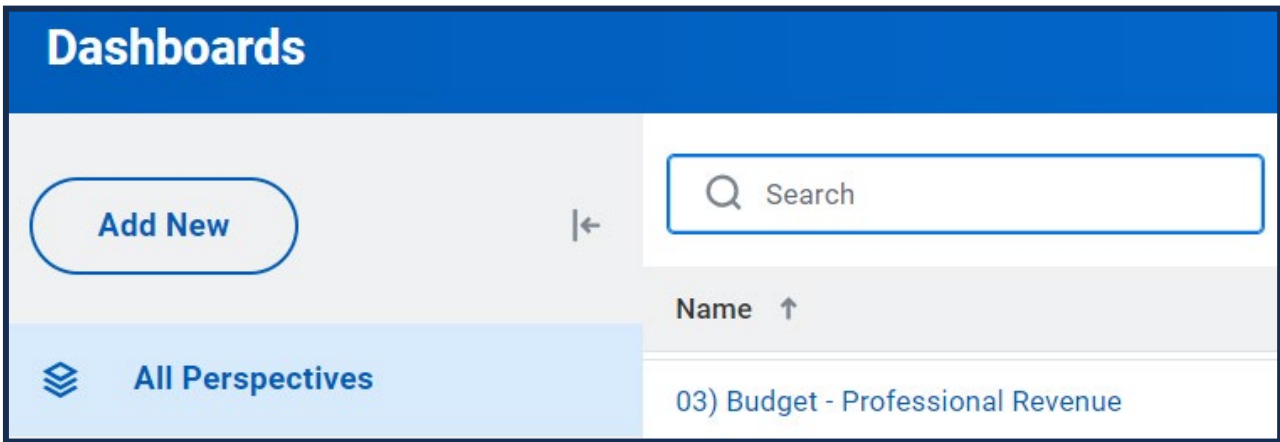
Volumes – OR Cases, Visits & Other Stats



- ✓ Revenue is generated in the Professional Revenue module when OR and Visits are added
- ✓ Manually add Professional Revenue for Key Procedures & ED Visits in “Other” Volume type
- ✓ Volumes will be preloaded for New Personnel entered in BFT
- ✓ Update OR Cases and Visit Spread
- ✓ FY25 Budget volumes (visits, patient days, discharges, surgeries, key procedures) reviewed, edited, and finalized in Adaptive from February 1 – 16th
- ✓ Please coordinate with your PCC manager



Professional Revenue Dashboard



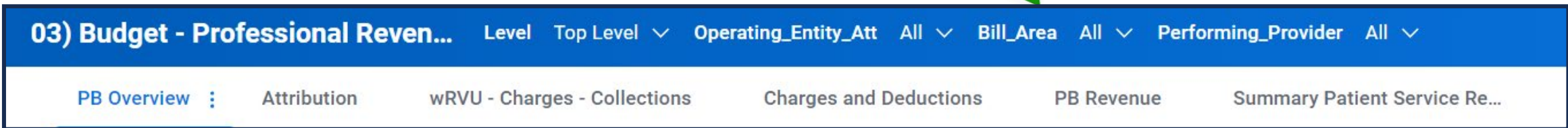
Dashboards

Add New

Search

Name ↑

03) Budget - Professional Revenue



03) Budget - Professional Reven... Level Top Level ▾ Operating_Entity_Att All ▾ Bill_Area All ▾ Performing_Provider All ▾

PB Overview : Attribution wRVU - Charges - Collections Charges and Deductions PB Revenue Summary Patient Service Re...

- Attribution Sheet translates Work RVUs, Charges, and Collections from the Department Statistic Dashboard
- OR Case & Visit changes prompt calculation adjustments to Work RVUs, Charges, and Collections.



- The Medicare Conversion Factor change (\$33.89 CY23 to \$32.74 CY24 of 3.3%) effective 1/1/24 is incorporated into the pre-loaded budgeted revenue.

Professional Revenue – New Providers



Dashboards

[Add New](#) | Search

Name ↑

All Perspectives

03) Budget - Professional Revenue - New Providers



03) Budget - Professional Reven... Level Top Level ▾ Operating_Entity_Att All ▾ Bill_Area All ▾ Performing_Provider All ▾ Edit

PB - New Provider Overview : OR Cases & Visits - New Prov... wRVU - Charges - Collections... Charges and Deductions - Ne... PB Revenue - New Providers Consolidated Patient Service...

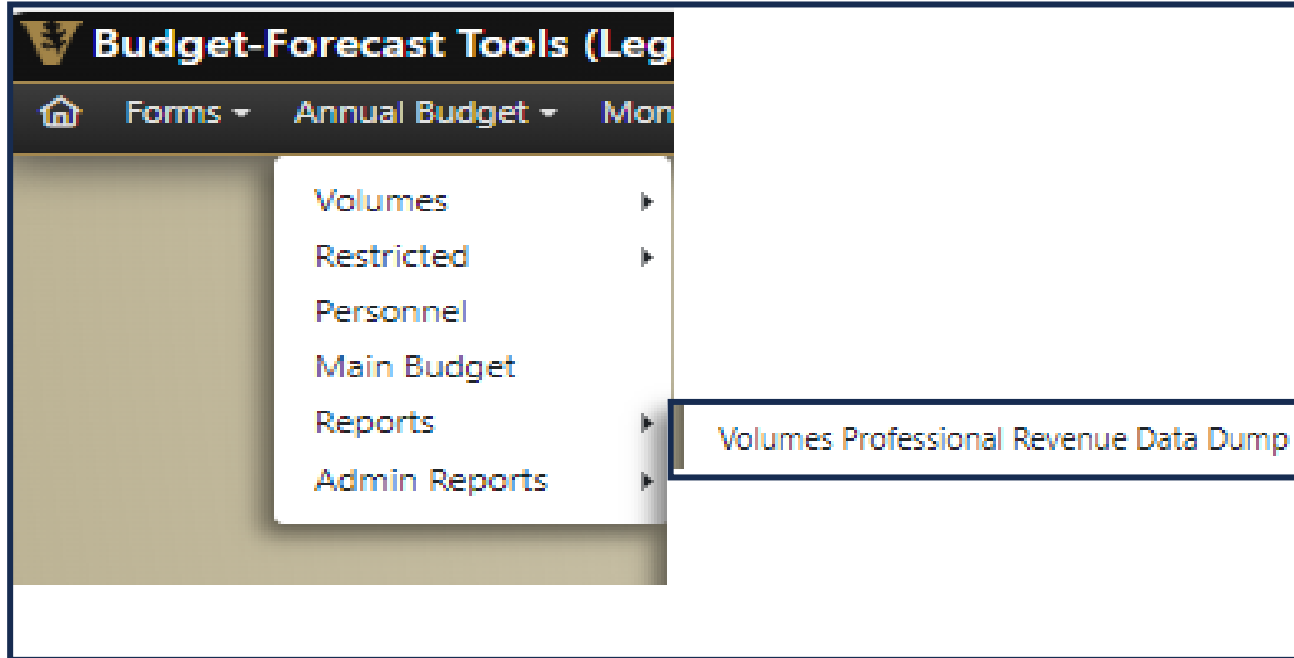
- 1 Add any additional new Faculty or Staff Providers
- 2 Include additional changes to Work RVUs, Charges, & Collections.

Professional Revenue Reports

Legacy BFT Reports

VS.

Adaptive Reports



- ✓ Ability to review by Division, Provider, Bill Area, and Volume Type
- ✓ Provides a crosswalk of baseline, adjustments and final Work RVUs, Charges & Collections
- ✓ Reports combine data from both PB Revenue Dashboards
- ✓ Can download data from any sheet in the dashboard



Personnel



When to Add Positions to BFT?

Guidelines to ensure all forms are included in the BFT & Hiring Plan (36 -60 months):

- Add all planned future hires to the BFT once Department Chair approves recruitment
- Add volumes for all planned future hires to capture visits, OR cases and key procedures

Coordinate Volumes with PCC Finance Directors & Managers

- Professional revenue derived from these volumes will be included in future planning periods
- Volumes and Professional Revenue is summarized on the “Personnel Change Form Monthly Details” report along with the Personnel form information



Personnel Change Forms

BFT: Personnel Change Form

Forms ▾ Reports ▾ Legacy ▾

Personnel Change FY25 Budget / FY24Q2 Forecast

Reason for Change: New Replacement Departing

Form Type: Faculty/Provider (wRVU producing staff) All Other Staff

Create New Form

Load a Saved Form Export

Version: FY25 Budget / FY24Q2 Fo ▾ Status: Show All ▾ Default Center: (Previously Home Dept.) Form ID: Apply Filters

Change Reason: Show All ▾ Fac/Staff: Show All ▾ Employee: Planned/Actual Position Date: Show All ▾ Clear Filters

Reason for Change	When to Use this Reason	Load a New Blank Form or Start with Existing Position
New	Used when your area is adding a new faculty member, and this is a new FTE.	Load a New Blank Form or Start with Existing Position (of a similar position)
Replacement	Used when you are planning on hiring a faculty member to replace a departing or retiring member of your team	Either
Retiring	Used when a faculty member is retiring	Start with Existing Position
Departing	Used when a faculty member is departing your area	Start with Existing Position

➤ Volumes for New hires will be pre-loaded to Adaptive.

Users will need to add Compensation for new hires to Adaptive into the Labor – New Hires and Vacancy Dashboard.



02) Budget - Labor

Level Top Level Operating_Entity_Att All

Labor - Roster

Labor - New Positions & Vac...

Labor - Variable

Fringe & Consolidated Labo

Labor - Roster

- Labor data will be imported from Workday HCM as of 1/31/2024.
- Additional pay, market adjustments, overtime, relocation, sign-on bonus, etc.
- Payroll allocations should be reviewed and edited as needed.
- The Worker Allocation report can be generated by Supervisory Org to produce a roster of employees showing their entire allocation.
- Review Total Employee FTE to ensure no FTEs exceed 1.0.

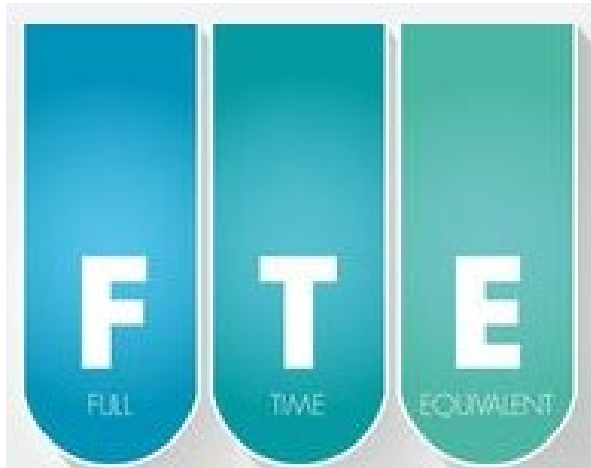
Labor – New Positions and Vacancies

- There is no integration from the BFT with Adaptive for salaries/positions.
- The Personnel Change Forms Effort Data Dump report in the BFT can be used to assist in adding lines on this tab.

Fringe & Consolidated Labor

- Fringe rates should be reviewed for accuracy and updated where appropriate
- The consolidated labor sheet should be reviewed for accuracy.

FTE's, Salaries, Wages and Central Labor Committee (CLC) & PAR



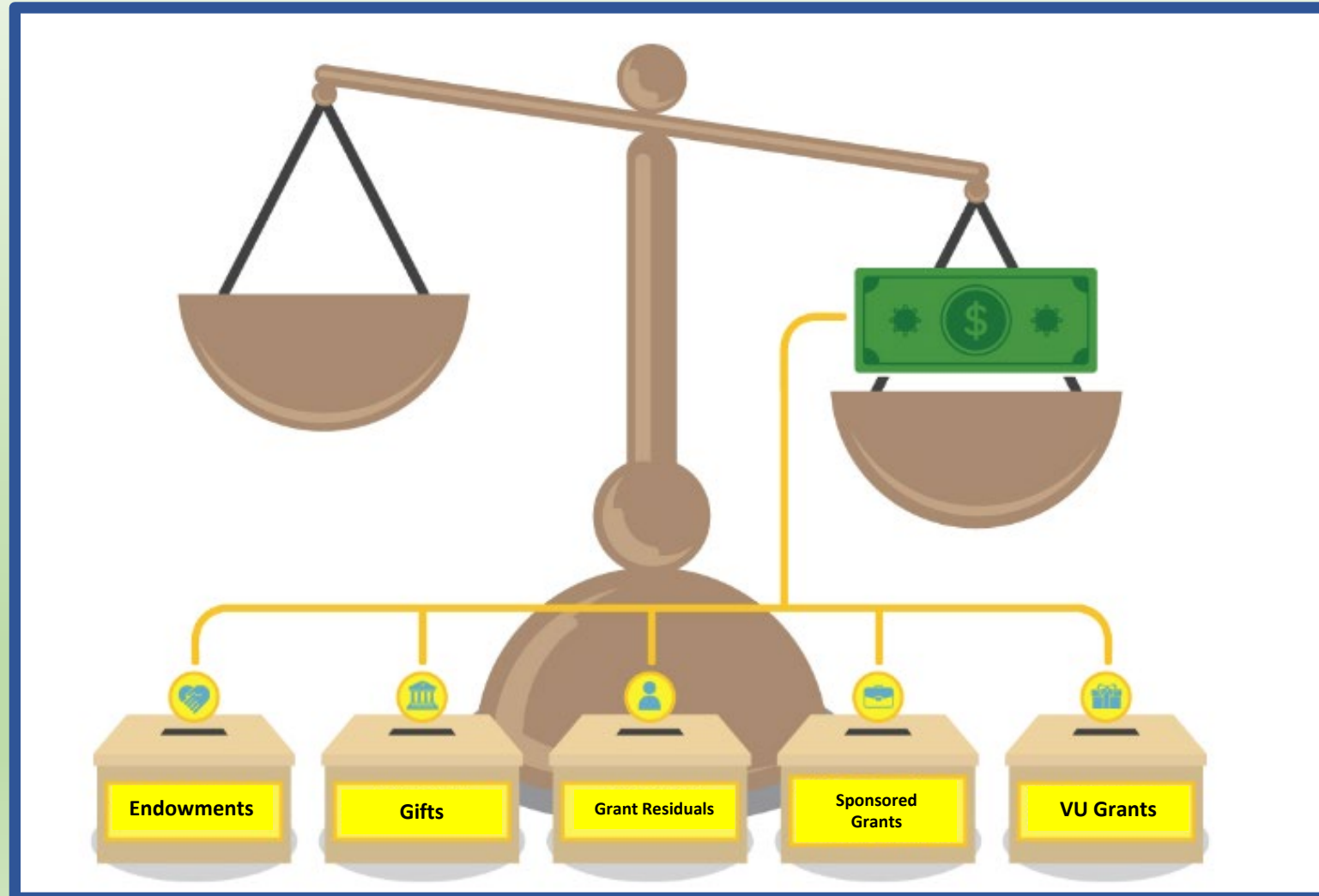
Review all Personnel reports to ensure that your final budgeted FTEs and Salaries represent the appropriate distribution for the FY25 Budget.

When adding new positions to the budget, be mindful of funding sources, Faculty recruitment plans, and any new initiatives. (Ensure that these are planned within the budget guidelines).



Both the budgeted FTEs and Salaries are utilized throughout the year as a comparative measure for the PAR & CLC approval processes.

BUDGETING



Grants and Gifts

Dashboards



Dashboards allow for updating all financial statement line items on a Grant, Gift, Residual/Program

04) Budget - Endowments

04) Budget - Gifts

04) Budget - Grant Residuals

04) Budget - Sponsored Grants

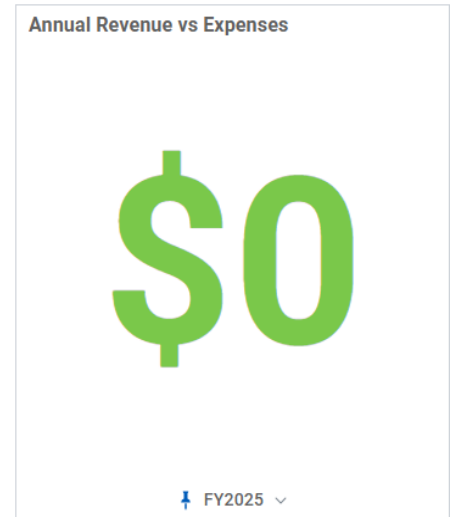
04) Budget - VU Grant



Dashboards include a monthly Financial Summary & widget to show net impact

Summary												
ACCOUNTS	TIME											
	JUL-2024	AUG-2024	SEP-2024	OCT-2024	NOV-2024	DEC-2024	JAN-2025	FEB-2025	MAR-2025	APR-2025	MAY-2025	JUN-2025
Revenue	\$8.2 k	\$8.2 k	\$8.2 k	\$8.2 k	\$8.2 k	\$8.2 k	\$8.3 k	\$8.1 k	\$8.3 k	\$8.2 k	\$8.3 k	\$8.2 k
Indirect Cost Recovery	-\$1.1 k	-\$1.1 k	-\$1.1 k	-\$1.1 k	-\$1.1 k	-\$1.1 k	-\$1.1 k	-\$1.1 k	-\$1.1 k	-\$1.1 k	-\$1.1 k	-\$1.1 k
Net Revenue	\$7.2 k	\$7.2 k	\$7.1 k	\$7.2 k	\$7.1 k	\$7.2 k	\$7.2 k	\$7.1 k	\$7.2 k	\$7.2 k	\$7.2 k	\$7.2 k
Labor (Includes Fringe)	\$2.2 k	\$2.2 k	\$2.1 k	\$2.2 k	\$2.1 k	\$2.2 k	\$2.2 k	\$2.1 k	\$2.2 k	\$2.2 k	\$2.2 k	\$2.2 k
Non Labor Expenses	\$5.0 k	\$5.0 k	\$5.0 k	\$5.0 k	\$5.0 k	\$5.0 k	\$5.0 k	\$5.0 k	\$5.0 k	\$5.0 k	\$5.0 k	\$5.0 k
Allocations												
Total Expenses	\$7.2 k	\$7.2 k	\$7.1 k	\$7.2 k	\$7.1 k	\$7.2 k	\$7.2 k	\$7.1 k	\$7.2 k	\$7.2 k	\$7.2 k	\$7.2 k
Net Impact	\$0	\$0	\$0	-\$0	\$0	-\$0	\$0	\$0	\$0	-\$0	\$0	-\$0

↑ Jul-2024 - Jun-2025 ↓

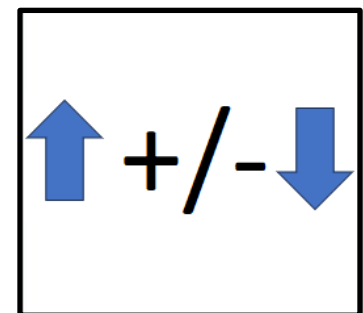


Grants and Gifts

Endowments	Gifts	Sponsored	VU Grants	Grant Residuals
<ul style="list-style-type: none">• Spendable Amount = 3.9% of 12/31/23 Market Value	<ul style="list-style-type: none">• Temporarily Restricted Gifts• Unrestricted Gifts	<ul style="list-style-type: none">• Awarded• Award Pending• Pending	<ul style="list-style-type: none">• Per VU	<ul style="list-style-type: none">• Programs• Pending Gifts• Pending Endowments

For which of the above should revenues and expenses net to zero?

Only applies to
Temporarily
Restricted



Note: Grants and Gifts must be spent in compliance with sponsor and donor guidelines.

Sponsored Award Types

Awarded

- Awarded grants and contracts
- Uploaded at 100% of amount received

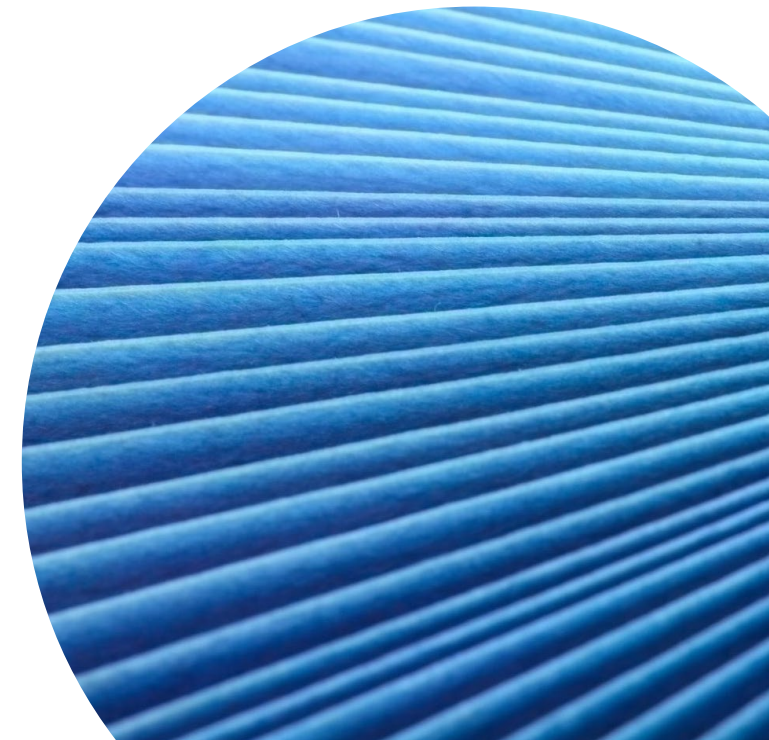
Award Pending

- Represents awards with a NOGA
- Uploaded at a discounted rate of 85%

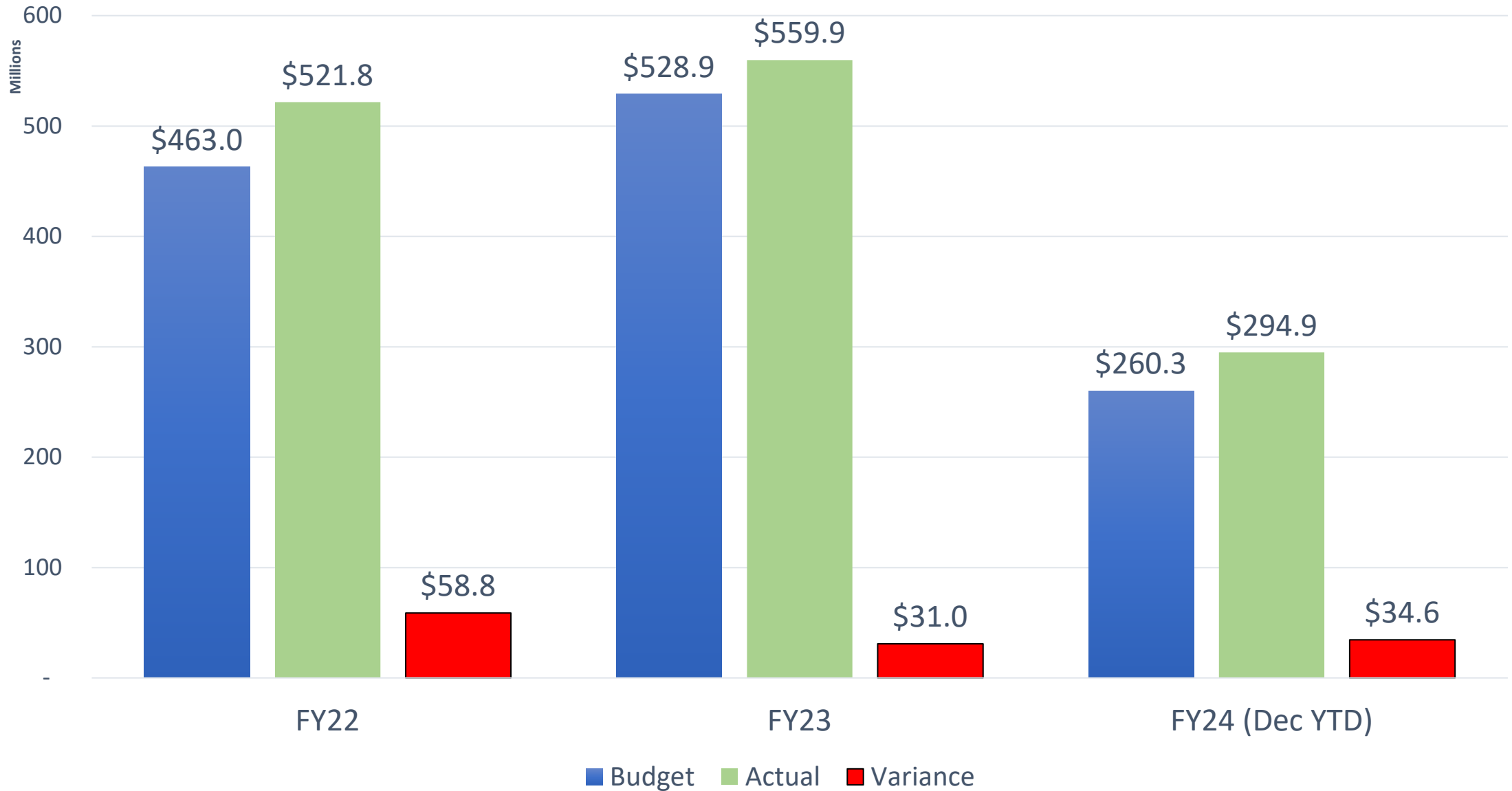
Pending

- Represents submitted awards with no decision from agency
- Uploaded at Department's historical success rate for Federal and Non-Federal awards to "budget" programs

Note: All award activity is uploaded from COEUS.



Grant and Gift Expenditures – Actual vs Budget



Other Revenue and Expense Dashboards

AE/VMG Non-Labor Expenses and Other Revenue

- Budget for Services and Other Expenses (i.e., office supplies, non-medical supplies, drug costs, etc.).
- Budget for Other Operating Revenue (i.e., clinical contracts, VA IPA, VU ESAs/NSBAs, etc.).

Allocations: History Based, Prorates, and % of Revenue

- History Based – Budget for intracompany revenue and expense, hospital support, academic enterprise support, etc.
- Prorates and % of Revenue – Budget for professional revenue and expense prorates (VMG only from the MAC tool) as of January 2024. Adjust for other related amounts for these accounts.

Reporting

The screenshot shows a web application interface for reporting. At the top, there is a navigation bar with a hamburger menu icon, a logo with the letter 'W', and the text "Production - Vanderbilt University Medical Center". To the right of this is a breadcrumb trail: "Reports / Overview".

Below the navigation bar is a blue header section with the word "Reports" in white. A red arrow points to this header.

On the left side, there is a sidebar with a button labeled "Add New" and a list of filter options: "All", "Personal", and "Shared". The "Shared" option is selected and highlighted in light blue. A red arrow points to this "Shared" option.

On the right side, there is a search bar with a magnifying glass icon and the text "Search". Below the search bar, the breadcrumb "Shared / 05. Budget Reports" is displayed. A red arrow points to this breadcrumb.

Below the breadcrumb, there is a table with a header "Name ↑". The table contains two rows, each with a folder icon and text:

- Academic Enterprise & VMG (Central Finance)
- Academic Enterprise & VMG (Clinical and Non-Clinical Depts)

The second row is highlighted in yellow.

BGT119 and BGT119a – Financial Statement Reports

- ✓ The BGT.119 and BGT.119a reports represent financial summaries by Operating Entity and financial statement classification of the department/division's budget.
- ✓ Users should run these reports before and after making adjustments to confirm budget dollars are within targeted clinical margin and results.
- ✓ This report should be used when obtaining/issuing final approval of FY25 budget.
- ✓ The report gives the user the ability to review by Department, Division, Program, Provider, Grant/Gift, and Assignee.
- ✓ This report gives the user the ability to select versions for comparison.



FY25 Budget



Budget Submissions



- Non-Clinical Department budgets should be submitted to Finance before end of business on **February 29, 2024**.
- Clinical Department budgets should be submitted to Finance before end of business on **March 7, 2024**.
- Email Budgets to budgetprofinance@vumc.org.
- Budgets should be approved by Department Chairs, Center & Institute Directors and Chief Business Officers before submission.
- ✓ Please include the signed approval form (on AE/VMG Finance website) with your submission email along with the below reports.
- ✓ Department's financial statement (119 or 119A) from Adaptive.
- ✓ FY24 Q2 Forecast to FY25 Budget Roll Forward along with explanations for material variances.
- ✓ Clinical Department Budget Parameter summaries.

Financial Summary Notes and Explanations

Why does Finance need financial summary notes?!

- Gives finance an overview and presents the department's budget story
- Assists with explaining budget to actual variances each month.
- Prevents Finance from pestering departments for variance explanations.

Explanations should include the following:

- Significant year-over-year fluctuations
- FTE count/position increases
- Material salary distribution changes between funds
- VMG Clinical Margin variance explanations
- Research and Administration variance explanations
- Education variance explanations
- Cores and Contracts variance explanations
- Gifts and Grants variance explanations (sponsored and non-sponsored)
- Specific explanations regarding wRVUs/ASAs, collection rates, and revenue drivers

Please Note: Budgets should reflect parameter guidance.



My Budget is complete....Next up: Budget Review Meetings

Purpose: Review FY25 Budget submission, understand upcoming operational and financial changes and ensure budgeted results are within scope of approved parameters

- Meetings will be scheduled with the Clinical and Non-Clinical Departments (3/18/24 – 4/5/24).
 - ❖ *Review submitted budget with achieved parameters and comprehensive financial summary notes.*
- Centers & Institutes will be scheduled for meetings if there are material changes in finances for FY25.
- Attendees: Finance, Chairs, CBOs, and Budget Administrative Officers, Drs. Pietenpol & Brady, and Cecelia Moore.



The word "RESOURCES" is rendered in a bold, white, sans-serif font with a slight 3D effect. It is centered and surrounded by a vibrant, abstract composition of overlapping, semi-transparent geometric shapes in various colors including blue, green, yellow, orange, pink, and purple. Some of these shapes are outlined with dashed lines in matching colors, creating a sense of movement and connectivity. The overall design is modern and energetic, set against a plain white background.

RESOURCES



Sessions Offered

Clinical:

Monday, January 29th from 1:00-3:30 p.m.

Tuesday, January 30th from 9:30-12:00 p.m.

Wednesday, January 31st from 9:30-12:00 p.m.

Wednesday, January 31st from 1:00-3:30 p.m.

Thursday, February 1st from 9:00-11:30 a.m.

Non-Clinical/Ctrs & Inst/G&A:

Tuesday, January 30th from 1:00-3:30 p.m.

Thursday, February 1st from 12:30-2:00 p.m.

Friday, February 2nd from 12:30-2:00 p.m.

Monday, February 5th from 10:00-12:30 p.m.



Drop-In Q&A Sessions (45 min)

Monday, February 5th from 8:15 – 9:00 a.m.

Tuesday, February 6th from 8:15 – 9:00 a.m.

Wednesday, February 7th from 8:00 – 8:30 a.m.

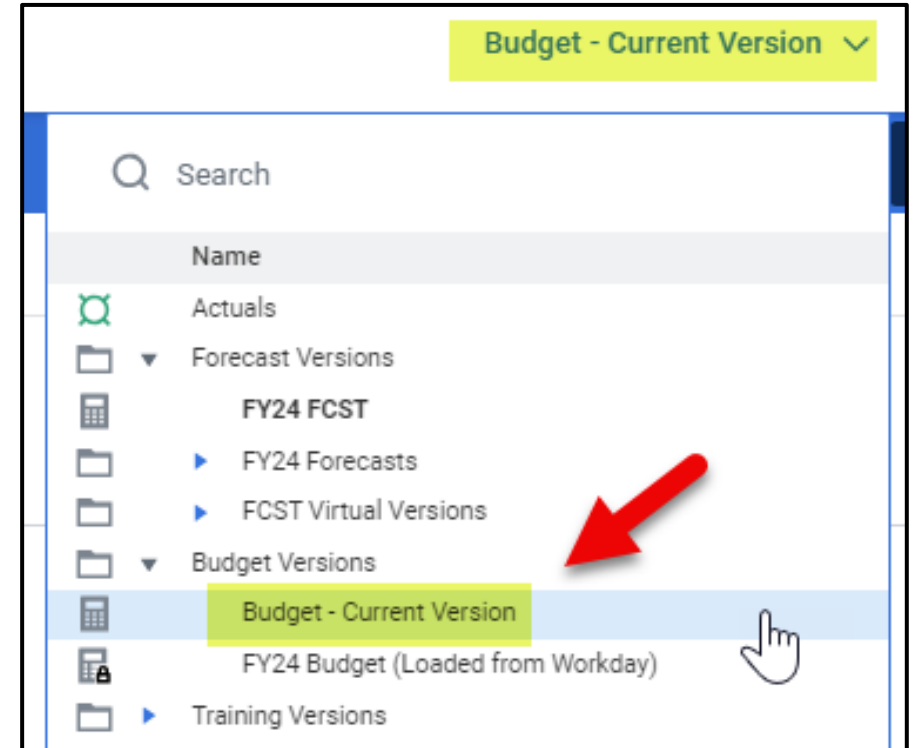
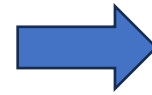
Thursday, February 8th from 1:15 – 2:00 p.m.

Friday, February 9th from 1:15 – 2:00 p.m.

Note: Finance will schedule more of these sessions as needed.

Adaptive: Helpful Things to Remember

1. Before you get started in Adaptive, make sure you are in the correct version.
2. Filters can be tricky, so be sure to double check them if you aren't seeing input fields or if you're getting a warning message. Refer to the filter guide for assistance.
3. "Top Level Only" is for Forecast and "Top Level" is for Budget.
4. SAVE! Amounts will turn from **blue** to **black** once your changes have been saved.
5. Be sure to expand and review instructions as you go into each tab within a Dashboard.



[Instructions \(Expand to View\)](#)



Academic Enterprise/VMG Website:

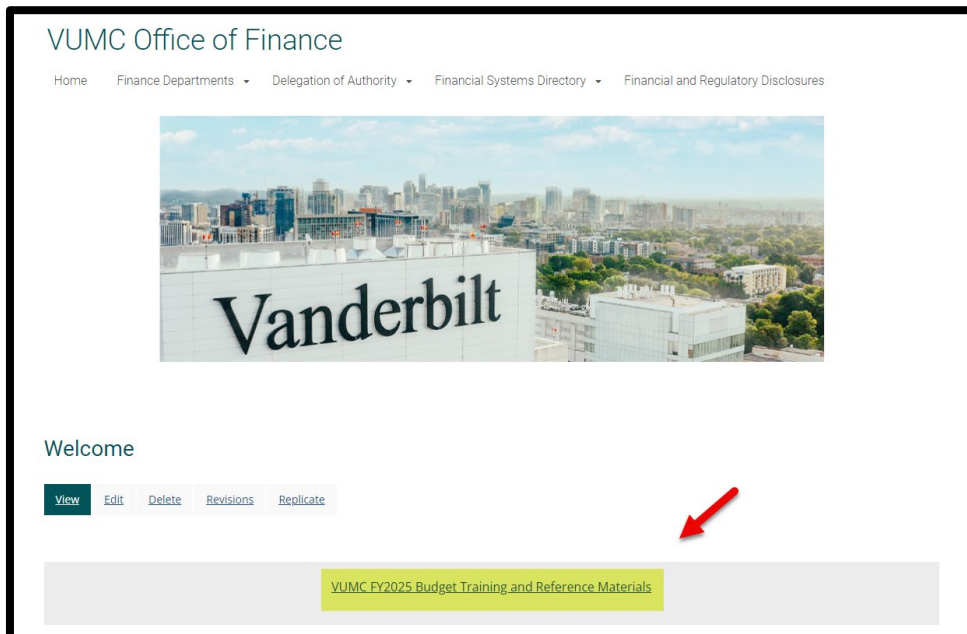
<https://www.vumc.org/finance/academic-enterprise-and-vmg/financial-planning-analysis-dept-support/budget-forecast-resources>

Finance Website:

<https://www.vumc.org/finance>

Business Education Website:

<https://www.vumc.org/myworkday/budget>



Send us a screenshot...



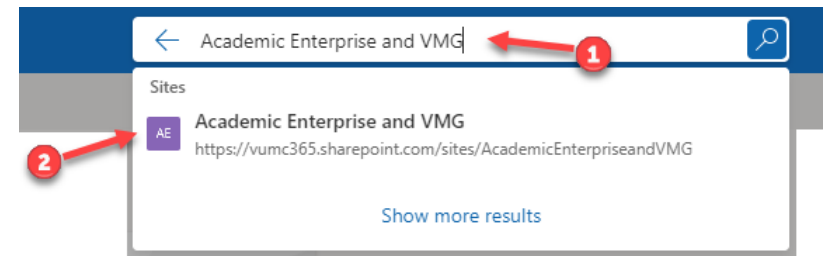
Please e-mail your budget questions to the budgetprofinance@vumc.org inbox.

SharePoint/OneDrive

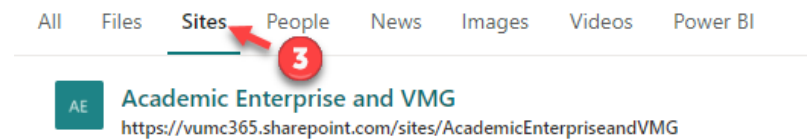
❖ The VUMC IT Team migrated Box content to Microsoft SharePoint / OneDrive.

❖ Access through SharePoint

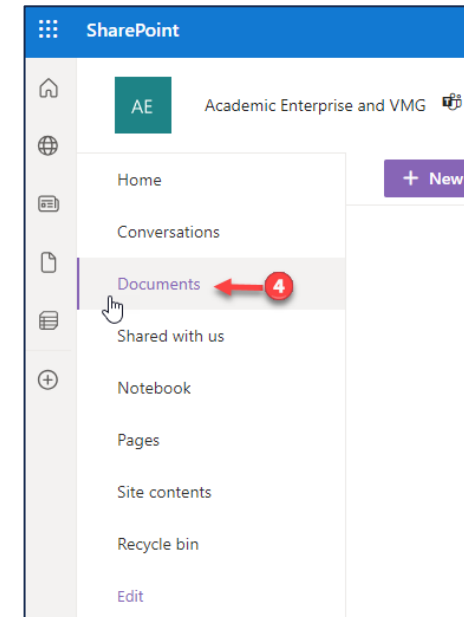
- Type “Academic Enterprise and VMG” in the search box



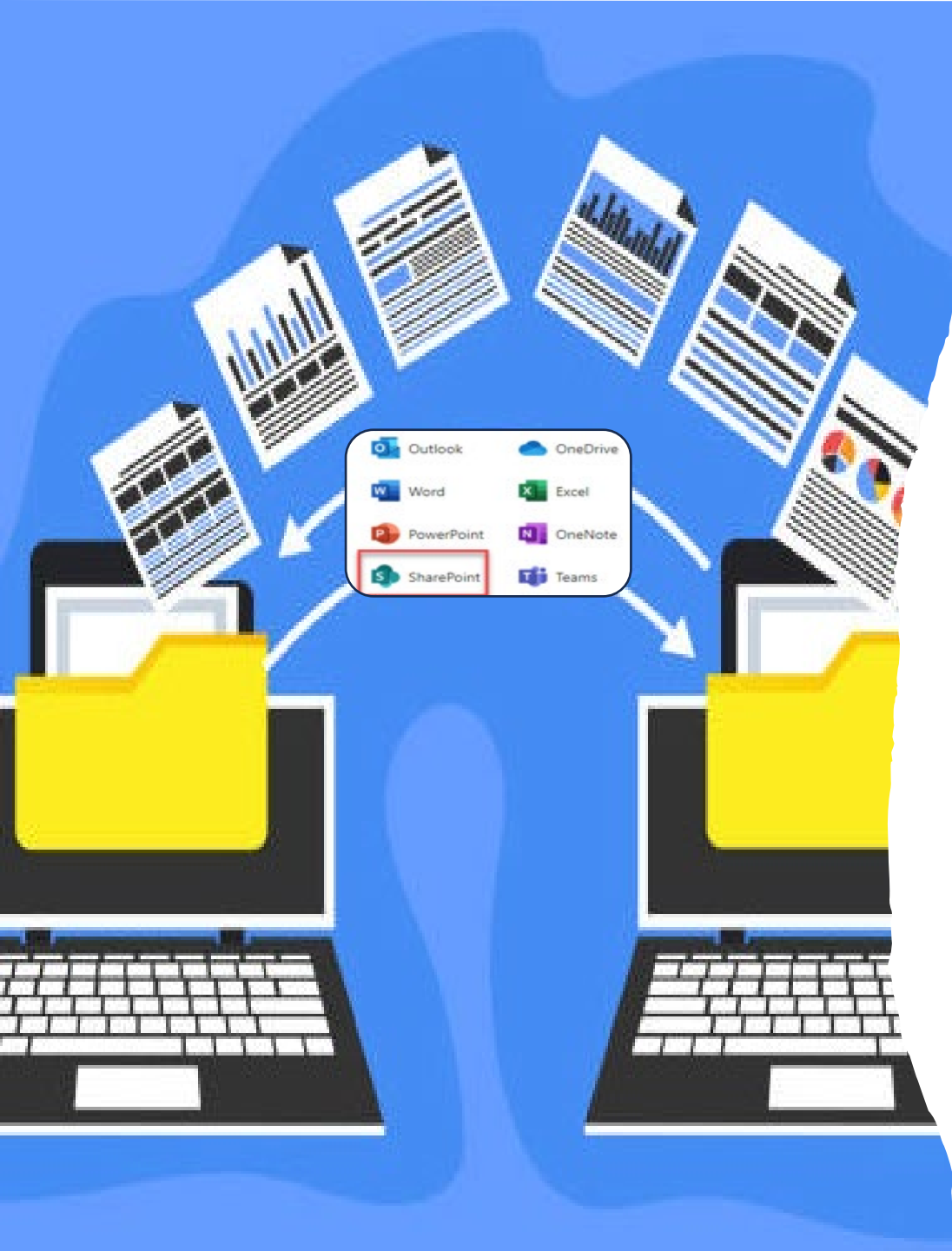
- Filter on “Sites” to narrow the results



- On the left-hand menu, click on Documents. The department folder should be available.



❖ Please contact Charlie Gayle and Jake Sawatzky for access, or security issues.



What will be in my Department Shared folder?

- ✓ **Clinical and Research Incentives**
- ✓ **Clinical (Hospital) Support**
- ✓ **Hospital Support – Recruitment**
- ✓ **Medical Directorships**
- ✓ **VUMC IT & Office of Sponsored Program FTE/Salary Transfers**
- ✓ **Academic Enterprise Support (APS, Base, and Special Allocations)**
- ✓ **VU OHSE Teaching**
- ✓ **Parental Leave**
- ✓ **Earning on Unrestricted Reserves**
- ✓ **List of placeholder Pending Grant and New Gift/Residual Programs**

Legacy vs WorkDay Translator

The Cost Center Translator is a tool that allows users to translate Legacy Cost Center to WorkDay Programs, or Cost Centers.

The Ledger Account Translator is a tool that allows users to translate Legacy Ledger Accounts to WorkDay Revenue/Spend Categories, or Accounts.



- Use the **Legacy cost center search** to identify the appropriate WorkDay Program, or Cost Center number for
- Use the **Legacy account number search** to identify the appropriate WorkDay Revenue/spend category, or ledger account number account number.
- The Translator can be found using the following link:
<https://finweb.app.vumc.org/apps/dofappworkdayconversiontools/>

Academic Research Depreciation Guideline for Budgeting

3 Years	5 Years	7 Years	8 Years	10 Years
Software (inc. upgrades)	Audio Visual Equipment Imaging System Sequencing System Server Storage & Processing Workstation Transfection System Ultrasound System	Cell Counter Centrifuge Cytometer Microtome Stainer Tissue Processor	Analyzer Auto Sampler Dissociator (Tissue) Gel Doc System Liquid Handling System Microplate Reader/Washer Microscope PCR System Pipette Plate Reader Spectrophotometer Thermal Cycler	Animal Transfer Station Biosafety Cabinet Cell Culture Cryotube/Cryogenic Storage Freezer Incubator Refrigerator Shaker

Note: This slide is designed as a guideline. Some make and models may fall to a different life depending on their functionality than what is presented in this slide. If you need assistance with equipment not presented above or have additional questions, please reach out to fixedassets@vumc.org



Stipends and Tuition



Graduate Student Stipends

The stipend rates for graduate students in the School of Medicine for FY25 is not approved yet.

Estimated to be \$38,000.

Tuition and Fees

All tuition/scholarship transactions require a sub-agreement with VU.

A copy of the current tuition rates for all programs can be found at:

<https://www.vanderbilt.edu/stuaccts/fees/>



SCHOLARSHIPS

House Staff Salaries by Level of Training

Stipends		
PGY level	7/1/23 — 12/31/23	Effective as of 1/1/24
1	\$64,025	\$70,000
2	\$65,994	\$72,450
3	\$68,912	\$74,986
4	\$72,014	\$77,610
5	\$75,254	\$80,327
6	\$77,873	\$83,138
7	\$81,377	\$86,048
8	\$85,037	\$89,060
9	\$88,863	\$92,177
10	\$91,529	\$95,403

These are the current stipend levels, effective as of 1/1/24. Please use these rates in your planning.

You can check the following web page for updates using the following link:

- <https://www.vumc.org/gme/stipends>

FY23 Stipend Rates

Years of Experience	Stipend for FY 2021	Stipend for FY 2022	Stipend for FY 2023	Monthly Stipend for FY 2023
0	\$53,760	\$54,840	\$56,484	\$4,707
1	\$54,144	\$55,224	\$56,880	\$4,740
2	\$54,540	\$55,632	\$57,300	\$4,775
3	\$56,712	\$57,852	\$59,592	\$4,966
4	\$58,608	\$59,784	\$61,572	\$5,131
5	\$60,780	\$61,992	\$63,852	\$5,321
6	\$63,036	\$64,296	\$66,228	\$5,519
7	\$65,292	\$66,600	\$68,604	\$5,717

<https://www.vanderbilt.edu/postdoc/stipends-salaries/>

NIH Informational Link: <https://grants.nih.gov/policy/notices.htm>

Animal Pricing



- The following is the current per diem rates for the School of Medicine. You will be notified if these prices change
- A list of rates can be found at <https://www.vumc.org/vumc-acup/rates-billing>



Species	Unit	per diem Rate (as of 7/1/2023)
Dog	Each	\$35.35
Ferret	Each	\$13.27
Frog (Large Tank; Maximum Housing Density: 38/tank)	Tank	\$7.68
Frog (Medium Tank; Maximum Housing Density: 25/tank)	Tank	\$5.50
Frog (Small Tank; Maximum Housing Density: 12/tank)	Tank	\$2.41
Gerbil (Maximum Housing Density: 5 gerbils /cage)	Cage	\$3.85
Guinea Pig (Maximum Housing Density: (< 350gms 10/cage, >350 6/cage)	Cage	\$6.03
Standard Mouse [Max Housing Density: 5 adults (all <40 gms)/cage]	Cage	\$1.24
"MyColony" Mouse Breeding	Cage	\$1.28
NHP – Galago	Each	\$8.46
NHP – Squirrel Monkey	Each	\$13.27
NHP – Owl Monkey	Each	\$8.46
NHP – Macaque	Each	\$15.78
Rabbit	Each	\$6.58
Rat [Max Housing Density: 3 adults (all<400gms)/cage]	Cage	\$3.85
Sheep	Each	\$49.97
Swine	Each	\$53.88
Tree Shrew	Each	\$6.58

**Questions?
Raise your hand...**

