

Workday Adaptive Planning: MCA Forecasting

Overview

The annual planning process will begin with the first quarter forecast in October of 2023. The standard planning cycle calls for two forecasts within a fiscal year: quarter one in October and quarter two in January. The need for additional forecasts throughout the year will be evaluated quarterly. Forecasts inform the Medical Center about how future operations will perform. In Workday Adaptive Planning, these forecasts include projecting future volumes, personnel/FTE's, revenues, and expenses, and will often begin with a rolling twelve-month average as the baseline. Then, adjustments can be entered as needed. Forecasts will provide a comparison of expected performance as compared to the BOD approved annual budget.

After the first quarter forecast is completed, it becomes the base year for the draft Long Range Plan (LRP) which typically extends for five additional years. The LRP is developed in a similar fashion as the forecast, with additional data gathered from the Operating Divisions and published metrics to provide growth estimates. The second quarter forecast will replace the first quarter as the base year in the draft LRP when it becomes available and this version of the draft LRP produces the budget targets for the next fiscal year's annual budget.

Whatever adjustments you put in the tool right now will stay as the projection, and your override will stay in the future months until it's replaced with actuals.

The first quarter is the biggest forecast with nine months of forecast, whereas the second quarter will have six months (including prepopulated with your Q1 forecast results).

Gather Reports (outside of the Adaptive tool)

Run reports to reference budget data and FTE information	
➤	<p>Run the CR Fin Department Fiscal Year Budget Trend report in Workday</p> <ul style="list-style-type: none"> ▪ Used to get the FY24 monthly budgeted amounts (including FTE stats) for your Group or cost center(s). ▪ The organization prompt will allow you enter select a 'cost center hierarchy' CCH (e.g. HR Shared group), or you can select cost center(s). ▪ To get the data for all twelve months of FY24, you'll need to run the report with a period of FY24 – Jun.
➤	<p>Run CR Fin MCA Departmental Statement</p> <ul style="list-style-type: none"> ▪ Will give a full year's budget in income statement format. ▪ The organization prompt will allow you to select a 'cost center hierarchy' CCH (e.g. HR Shared group), or you can select cost center(s). ▪ Run for June of 24. ▪ Pulls shared offset to bottom of statement so you can see your total expenses.
➤	<p>(Optional) eBudget can still be accessed for historical FTE data</p> <ul style="list-style-type: none"> ▪ Note: accounts will not align 1:1 with Workday

Accessing Adaptive Planning

Login to Adaptive	
	➤ Access Adaptive <ul style="list-style-type: none"> ○ https://login.adaptiveinsights.com/app
	➤ Select the hamburger (top-left corner) then Dashboards
	➤ Select the Monthly Forecast – Expense and Labor Dashboard

Monthly Forecast – Expense and Labor Dashboard

Set your filters and open the Labor AE/MCA sheet

	➤ Set your filters first: <ul style="list-style-type: none"> ▪ Time: leave as is ▪ Level: Top Level (Only) ▪ Currency: \$USD ▪ Operating Entity: OEMCA Medical Center Administration ▪ Department Group: select your group (e.g. Health IT MCA Shared, Ctr Hlth Infor Mgmt MCA Shared, Office of Finance MCA Shared)
	➤ Click on the Labor AE/MCA sheet

Labor AE/MCA Sheet

	➤ Review instructions at the top
	➤ Select the expand icon in the top-right corner to open up scrolling to forecast FY24 <ul style="list-style-type: none"> ○ Note: this tool is <u>not</u> pre-populated with your FY24 budget. It displays a rolling 12-month history. Anything from your budget that is expected to happen in FY24 is not going to appear in the rolling forecast.
	➤ On this sheet, adjust Staff FTEs, Faculty FTEs, Temp FTEs as needed <ul style="list-style-type: none"> ○ Green numbers are historical numbers and will be pre-populated ○ Black numbers are forecasted numbers (based on a rolling 12-month average) ○ Blue numbers are changes you have been made that have not been saved in the tool yet; they turn black once you click the save icon ○ FTEs - Personnel change – FTE (+) = add any FTEs <ul style="list-style-type: none"> ▪ Use Historical Salary Expense per FTE to adjust Personnel Change Salaries (+) according to FTE adjustment ▪ Right click in cell and copy to end ○ FTEs – Personnel change – FTE (-) = subtract any FTEs <ul style="list-style-type: none"> ▪ Note: when subtracting, you must enter a minus (-) in front of the number ▪ Use Historical Salary Expense per FTE to adjust Personnel Change Salaries (-) according to FTE adjustment ▪ Right click in cell and copy to end
	➤ Repeat process for Faculty FTEs and Temp FTEs
	➤ Bonus/Additional Pay <ul style="list-style-type: none"> ○ Used primarily in clinical areas for sign-on bonuses, blitz pay, double-incentive pay, referral bonuses
	➤ Market Increases <ul style="list-style-type: none"> ○ Even if you have budgeted for market increases, they are not in the tool. Add to forecast if appropriate.
	➤ Other increases <ul style="list-style-type: none"> ○ Used for merit increases. Calculate at 3.75% of wages beginning January 2024.
	➤ Check Total Labor Expense for FY2024 amount. This total will appear on the Consolidated Expense Sheet under the 5000 Staff Salaries: Exempt account.

Fringe Benefits Sheet	
	➤ After completing forecasting of FTE wages, open the Fringe Benefits Sheet to complete a rough estimate of fringe using the net increase or decrease in wages. Estimate at a rate of 28.8% of wages added in the Labor sheet.
	➤ Enter dollar amount estimate of fringe in the Adjustments row, then right-click and copy to end.
Non-Labor Expenses Sheet	
	➤ Open the Non-Labor Expenses sheet.
	➤ Review instructions at the top of the sheet.
	➤ Only white cells can be edited. <ul style="list-style-type: none"> ○ Note: display options can be changed using the Sheet Options button in the top-right corner.
	➤ Note the Calculated amounts in each account. <ul style="list-style-type: none"> ○ These are rolling averages. The tool is adding a month of actuals, then dropping a month to create this amount.
	➤ Use the override row to replace the projection in the tool for each non-labor account (as needed). <ul style="list-style-type: none"> ○ Note: the override row is replacing a number. This is different than an adjustment. ○ Add notes on a cell to add context for an amount by right-clicking on a cell, then selecting Add Note.
	➤ Confirm totals of each account on the Consolidated Expense Sheet.

Revenue Dashboard (only for MCA areas with revenue)

Open the Monthly Forecast - Revenue Dashboard	
	➤ Set your filters first: <ul style="list-style-type: none"> ○ Time: leave as is ○ Level: Top Level (Only) ○ Currency: \$USD ○ Operating Entity: OEMCA Medical Center Administration ○ Department Group: select your group (e.g. Health IT MCA Shared, Ctr Hlth Infor Mgmt MCA Shared, Office of Finance MCA Shared)
	➤ Click on the Academic, Research, and Other sheet
Academic, Research, and Other sheet	
	➤ Review instructions at the top of the sheet
	➤ Use the override row to replace the projection in the tool for each revenue account (as needed). <ul style="list-style-type: none"> ○ Note: the override row is replacing a number. This is different than an adjustment.
	➤ Add notes on a cell to add context for an amount by right-clicking on a cell, then selecting Add Note .

Adaptive Reports

Report Name	Description
FCST.01 - VUMC Monthly Forecast (FY)	Shows monthly forecast based on Operating Entity and Department Group selected. This report is an income statement similar to CR FIN MCA Department Statement in Workday.
FCST08 - Statement of Operations by Division no PY (000's)	Shows a Statement of Operations by Division, including Forecast, Budget, PY actuals, and Variances.