Department of Pediatrics
Budget Planning

April 30, 2014
Planning Summary

Goal

Prepare Fiscal Year budget proposal which meets the assigned Target

Departments will receive a letter from the Dean with the all funds operating margin target

Departments are expected to meet or exceed their targets
Budget Process Timeline

- Department financial model updated October
- Division targets provided ~ November
## Budget Planning

### Budget Modeling

| Washington University School of Medicine  
| Department of Pediatrics |

<table>
<thead>
<tr>
<th></th>
<th>FY11 Actual</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Original Budget</th>
<th>Rolling 12 Months</th>
<th>FY15 Projection</th>
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</thead>
</table>

**Charges:**

**Revenue:**
- FFS Revenue
- Sales & Service Revenue
- Other Revenue
- **Total Revenue**

**Expenses:**
- Personnel Costs
- Other Direct Expenses
- Malpractice
- Bad Debt
- Indirect Expenses
- **Total Expenses**

**Income/(Loss)**
Budget Planning

Budget Modeling – Revenue Assumptions

- FFS Revenue
- Volume
- Physician recruitments
- Payment escalators
- Sales & Service Revenue per contract terms
- Other Revenue
Budget Planning

Budget Modeling – Expenses Projections

- Personnel Costs
- Other Direct Expenses
- Malpractice
- Bad Debt
- FPP Allocation & Clinical Space Allocation
- Dean’s Overhead
Budget Process Timeline

- Finance Department loads RAPS with historical Revenue and Expense
- Webinars for RAPs budget review for Administrative team
- Department Budget Guidelines are revised for new fiscal year
- Pre-budget meetings with Dr. Schwartz (November – Early December). Topics of discussion include proposed faculty salaries, new recruits, programmatic changes, and other major funding issues.
- One week prior to each Division meeting the faculty salary planning sheet should be submitted to Dr. Schwartz
Budget Planning

Budget Process Timeline

- Budget assumptions from Finance are received between November and December (i.e. medical liability expense, staff and faculty salary targeted increases, social security estimates, benefits estimates, etc.)

- Detailed due dates are provided on the Budget Meeting Schedule

- All initial Division budget due dates are staggered, with the last one being due by the end of the third week of December
### Planning Summary Example

<table>
<thead>
<tr>
<th>Division</th>
<th>DCO Ext</th>
<th>RA Ext</th>
<th>RA to RA Completion (for Pre-Chair Mtg)</th>
<th>Pre-Chair Mtg (RA, DCO, DD)</th>
<th>Meeting w/ ALS, RM, JA, DD, RA, and DCO</th>
<th>Time</th>
<th>RA to RA Completion</th>
<th>RA to DCO completion</th>
<th>Budget Due</th>
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<td>Nephrology</td>
<td>TCC 2-2292</td>
<td>HR 6-2766</td>
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Budget Planning

Budget Process Timeline

- Initial budget submissions are reviewed. Revisions requested.
- Budgets updated
- Initial results are reviewed by Dr. Schwartz
- Budgets revised
- Complete/Approved budget by end of January
- Final Budget due to Office of Resource Planning and Analysis February 10th
- TEAM budget meetings every other week
Final budget is submitted using the RAPs Budget system to the Office of Resource Planning and Analysis on February 10th.

Budgets are reviewed and challenged by the Office of Resource Planning and Analysis, George Andersson, Rick Stanton, and the Dean.

Department responds to questions. Budget adjustments are made, if necessary.

Final decision regarding staff and faculty increases are given by Finance with the approval of the Dean.

Process may continue until the end of June.