

## Overview

- The FY24 budget process encompasses ALL funds and will be entered in Strata.
- The timeline is as follows. See second timeline with the dates FRB will be open/closed.
- Please contact your FP analyst if you have any questions.
- See attached PowerPoint, and the Zoom training link for instructions on completing your budgets in Strata. Please note, the Zoom training link is a recording from last year. The process will be very similar, but please disregard where we discuss FY's.

## Forthcoming Information

Materials and/or communications to be sent out individually to each Clinical department are as follows. This information could come from your FP Analyst, FP/FBO Finance leadership, or Lauren Gardner.

- FP Targets related to volumes, compensation, and operating income
- Excel files, some with multiple tabs to include:
  - HCS Job Codes & HCS Salaries
  - Rev Cycle Summary
  - Benchmark data
- If applicable, State allocations for LSI will be communicated when known
- Items determined centrally (e.g., UPL) – see complete list below under “UNCFP Funds General Guidelines”
- A summary file from our Revenue Cycle partners to help understand the impacts of upcoming CMS changes, payor rate changes and any potential pricing changes by department
- Updates to hospital contracts including medical directors
- GME Contract worksheet

## Budget Timeline



## FRB Open/Close Dates

Wed, 2/12, 8am • FRB Reopens	Thurs, 2/16, 2pm • FRB Closes; Data available to review in Strata on Friday
Mon, 2/20, 8am • FRB Reopens	Thurs, 2/23, 2pm • FRB Closes; Data available to review in Strata on Friday
Mon, 2/27, 8am • FRB Reopens	Thurs, 3/2, 2pm • FRB Closes; Data available to review in Strata on Friday
Mon, 3/6, 8am • FRB Reopens	Thurs, 3/9, 2pm • FRB Closes; Data available to review in Strata on Friday

## Departmental Contacts

Department	UNCFP Contact	Department	UNCFP Contact
Health Sciences	Shawn White	Ophthalmology	Marisa Anthony
Anesthesiology	Shawn White	Orthopaedics	Shawn White
CIDD	Zach Carter	Pathology	Zach Carter
Dermatology	Zach Carter	Pediatrics	Suzanne Scott
Emergency Medicine	Shawn White	PM&R	Zach Carter
ENT	Marisa Anthony	Psychiatry	Zach Carter
Family Medicine	Zach Carter	Radiation Oncology	Marisa Anthony
Medicine	Suzanne Scott	Radiology	Zach Carter
Neurology	Shawn White	Surgery	Marisa Anthony
Neurosurgery	Marisa Anthony	TEACCH	Zach Carter
OBGYN	Marisa Anthony	Urology	Shawn White

## Budget Assumptions

- The model currently assumes that there will be a 2.5% increase for HCS employees (effective February 2023). The model also assumes that there will be a 2.5% increase for University staff (effective July 2023).
- For faculty, incentive payments (511340) and additional duty/ECC agreement payments (511330) are to be budgeted in Faculty Roster Budgeting (FRB) per faculty member. If this was overlooked initially, you will have another opportunity to update FRB weekly. See schedule above.
- For Chairs, please budget for the full incentive within FRB. This includes the Chair incentive determined by the Dean's Office (please assume \$75,000). If this incentive was not budgeted for in the first round of Faculty Roster Budgeting (FRB) you will have an opportunity to enter these weekly.
- For ACA's, please budget for the full incentive within Strata. Please assume 20% of ACA median benchmark as a placeholder.
- The IT bill rates will be sent out in January 2023. Please budget using these rates for IT. For HR and Finance Service Center rates please budget similar to what you budgeted in FY23. If you have specific questions, please contact Tara Coble-Herring ([tara\\_coble-herring@med.unc.edu](mailto:tara_coble-herring@med.unc.edu)) for the HR service center, and Tamala Gray ([tamala\\_gray@med.unc.edu](mailto:tamala_gray@med.unc.edu)) for the Finance service center.
- Enter budget utilizing net patient revenue assumptions – not funds flow!
- Projection methods are as follows:

Universal
<ul style="list-style-type: none"> <li>• Staffing: Annualized</li> <li>• Benefits: Practice Plan benefit spread (based on historicals)</li> <li>• Non-Staffing: Even</li> </ul>

UNCFP Entities
<ul style="list-style-type: none"> <li>• Provider Volume <ul style="list-style-type: none"> <li>• FY22 Projection: Rolling 12</li> <li>• FY23 Budget: Practice Plan charge spread (based on historicals)</li> </ul> </li> <li>• Other Revenue: Even</li> </ul>

SOM Entities
<ul style="list-style-type: none"> <li>• Other Revenue: Rolling 12</li> </ul>

## UNCFP Funds General Guidelines

- You should budget your CIC amount based on the letter you received from the CIC committee. Winter session of CIC Is frozen so there is no new actions to consider during budget season
- Communicate all large initiatives to FP Admin prior to Strata opening. These will not be included in our HCS targets and we must be prepared to summarize them with already approved proforma backup
- The below items are determined centrally. Please do not edit the calculated budget until it is communicated to you.
  - Professional Liability (LITF)
  - UPL
  - Gain Share and Gain Share Incentives
  - Investment Income
  - Tax and vacancy factors will be zero'd out and will not automatically calculate. Both are still a work in progress and the FP Admin team will calculate these after the fact for departments

### *UNCFP Other Considerations*

- CMS changes will be modeled by revenue cycle and reviewed by departments to determine if they should be included in Strata. These will be spelled out in the Assumptions documents
- If any new MD faculty providers are missing other position metrics (e.g., CPSC/AAMC specialty, FTE, cFTE), then we will be reaching out to your department for this information to be added before the last FRB upload.
- Account 441640 which includes GME reimbursement and GME contracts will be budgeted centrally after the FY24 budget submission. If you have current contracts that involve GME residents, you will receive a GME Contract worksheet.
- If you have any new contracts that involve GME residents, please reach out to Brittney Kass.

### *SOM Funds General Guidelines*

See the [FY24 SOM Funds Budget Report Utilization](#) instructions for a helpful report to review SOM funds.

- **Auxiliary/Recharge Core Facilities** – anticipate the revenue you expect to bring in for FY24 only. It is recommended to use the Recharge/Cores Report in School Reports to see your current FY23 revenues and expenses.
- **Contracts and Grants** – forecast based on existing funds and known awards for FY24. As a reminder, we force revenue to equal our expense. Awards issued **on/after** January 1, 2023 are subject to the exec level II salary cap of \$212,100. Should the cap change during the budget process please use the new salary cap.
- **Endowment Income (Restricted & Unrestricted)** – endowment income (account code 433110) is distributed once a year and is calculated on the May balance. Please do not include carry-forward amounts in the FY24 budget.
- **Gifts, Endowment Income, and Other** – please do not include carry-forward amounts in the FY24 budget
- **Overhead** – include any known commitments **and** formula allocation. It is recommended to use the Indirect Cost report in School Reports to see your estimated FY24 Indirects (Dept 15.6% column). It is highly recommended to plan for zero carry-forward. If requesting commitment funds, enter this amount on a separate row within Strata.
- **State** – your UME dollar amount has already been entered into Strata in your “admin” department (01 department ID). This also includes fringe benefits (at a rate of 23%). To see what was input, double click on the “Projected 2023 Detail Adj” cell. To enter additional State funds, enter this on a separate row within Strata. If applicable, State allocations for LSI will be communicated when known.

## FAQ's

**Q: Should I include carry forward in any of my fund types?**

**A:** No, please do not include carry forward in any of your fund types, unless where specified in the SOM General Fund Guidelines above.

**Q: Is CHMED data included in the FY24 SOM budget process?**

**A:** No, we have not included any CHMED data in our historic data, and we are not requesting that you include it in your FY23 projections or your FY24 budget. However, if you have a source where funds were transferred from the CHMED business unit to the UNCCH business unit this information will be included in the historic data, and you will need to budget for this in FY23 projections and FY24 budget (if applicable).