

NEW FINANCIAL MODEL STEERING COMMITTEE – Dec. 19, 2012

INTRODUCTION

Colette Sheehy announced that the NIFM Project Director has been hired and will be starting in early February. Many will know the candidate, Chip German, who is currently the Vice President for Information Resources at Millersville University of Pennsylvania and previously, worked as VP for Information Resources at University of Mary Washington. He served in a variety of capacities at UVa, including Chief of Staff to President Casteen prior to going to Mary Washington in 2002. Additionally, Caroline Beeman in Financial Administration will assume the lead role in refining the financial modeling for the project.

Colette announced to the team that the Steering Committee recommendation for attributing costs on utilities by using actual usage data could be in place by July 1, 2013. A small group has been identified to go ahead and implement this cost recommendation.

NEXT STEPS

Pat Hogan stated that there has been a tremendous effort in the last two years in developing recommendations for the new financial model with valuable input from the Steering Committee.

For the Fiscal Year 2014, the plan is to run the current budget system side by side with the new financial model which will provide reports demonstrating how the “sources and uses” will look and feel using the new financial model.

The Board of Visitors has requested the University prepare three major deliverables that have taken our immediate focus away from the new financial model:

1. Prepare the Fiscal Year 2014 budget
2. Develop the strategic plan – seven strategic work groups have been directed to provide opportunities for strategic initiatives
3. Outline a four year financial plan to address immediate priorities (e.g. faculty salaries) understanding that the plan will need to be updated once the strategic plan is complete.

Pat and John will begin using the Dean’s Meetings to keep the deans updated on the progress of the new financial model rather than meeting as the NIFM Steering Committee. December 19th will be the last Steering Committee meeting.

In the new financial model, new programs with new incentives will be decided through discussions between deans and administration. There is no reason to wait for the new model to start behaving in a new way.

John and Pat will update the University community on the NIFM going forward. Regular updates will continue to be provided to the Board of Visitors.

President Sullivan will be sent the revenue attribution and cost allocation recommendations from the Steering Committee and she will make the key decisions. The modeling will continue from January to June to understand how the decisions made by the President reflect in the financial model. In July, the two budget models will run side by side.

The project will target December 2013 to complete a NIFM model review to understand how incentives and decisions are performing in the new model. The review will allow time to make corrections in time for the Fiscal Year 2015 transition to the new model.