To: Vice Presidents, Deans, Directors, and Department Chairs

From: Richard H. Cate, Vice President for Finance

Re: Implementation of the UVM Incentive-based Budget Model

I hope that you have had the opportunity to read the IBB Steering Committee’s final report. As noted in his response, President Sullivan has invited the UVM community to offer comments before the report receives final approval. During the comment period, which ends September 12, the planning for a successful July 1, 2015 IBB implementation must begin. Provost Rosowsky has charged me with this implementation. Our initial work will be based on the algorithms contained in the Steering Committee’s final report, and will be adjusted as necessary to reflect the President’s final decisions and/or enhancements recommended by the Steering Committee as it evaluates the model over the next year. I am writing to share additional information about this project, how we are organizing this work, and what to expect over the coming year.

There are a number of operational issues to be addressed in order to implement IBB successfully. Our annual budget process and timeline will need adjustment. We will need to determine the best method of distributing revenues and expenses to responsibility centers based on the IBB algorithms, and provide quarterly budget-to-actual reports in a new format. Campus units will need access to more robust tools for financial analysis, modeling, and projections. We must also continue to accurately reconcile revenue and expense to the general ledger and UVM’s annual audited financial statements under IBB. I have charged a number of Work Groups with these and other tasks, including documenting UVM’s new model in an IBB Operating Manual.

I am committed to ensuring that the campus community is ready for this important change, and that IBB is implemented successfully with minimal disruptions. To that end, I am chairing a Change Management Work Group that will lead the development of communication and professional development plans to support faculty and staff needs associated with the new budget model. I am providing an opportunity for all members of this Work Group, along with other key members of the project team, to complete a three-day change management certification program this fall.

The IBB website contains more information about the implementation effort, including the project’s scope, Work Group charges and membership, and timeline. We will be issuing periodic status updates as the work unfolds over the coming year. The Division of Finance staff and I look forward to engaging with people from across the campus to make the operationalization of IBB as smooth a process as possible. Please contact me if you have any questions.