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# SAP Budgeting and Planning for Public Sector: The Future of Public Sector Budgeting

Jim Hyte, SAP  
Andrew Rosenau, Weill Cornell Medical  
Charles Collins, LSI Consulting  
Session ID #82881

# Agenda

- Introductions and Product Review
  - Jim Hyte
- Case Study: How to Calculate ‘Fully Burdened’ Hourly Rates within SBP
  - Charlie Collins
- Weill Cornell Medical - Implementation Report & First Year Lessons Learned
  - Andrew Rosenau
- Q & A

# Speaker Introductions

## Andrew Rosenau

Weill Cornell

Medicine

*Budget Director*



**Weill Cornell**  
**Medicine**

## Charlie Collins

LSI Consulting

*Budgeting Practice*

*Director*



## Jim Hyte

SAP

*PBF & SBP*

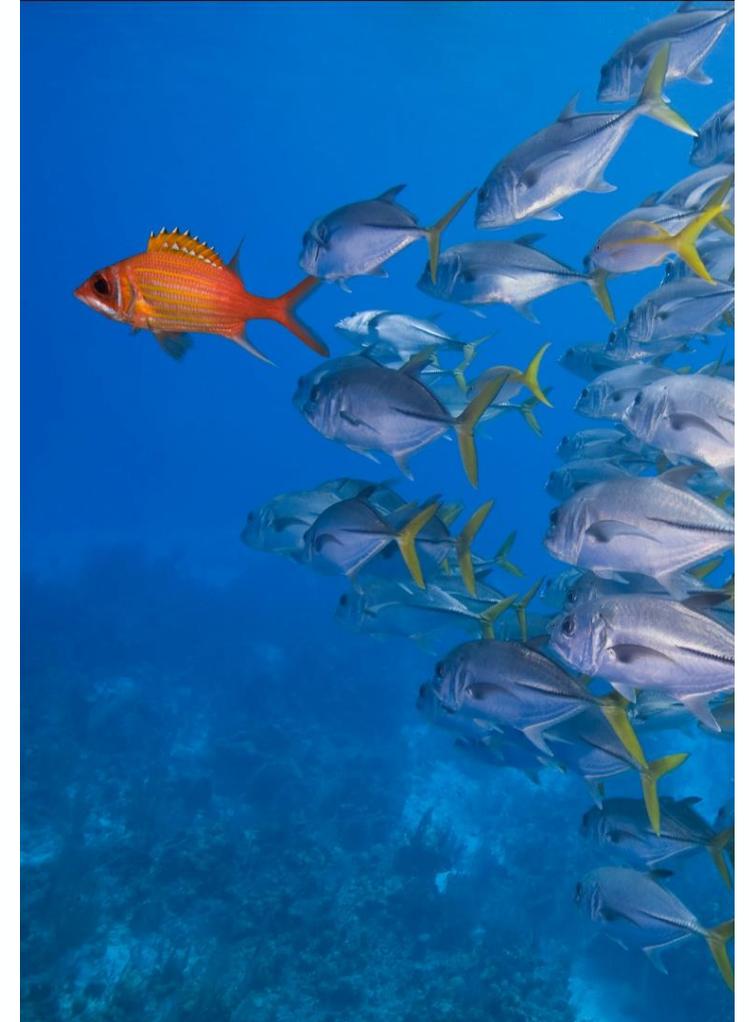
*Product Manager*



# Our Solution: SAP Budgeting and Planning for Public Sector

Powerful end-to-end public sector budgeting solution to support different budget approaches, processes and outputs

- **Budget requests, reviews and adoption**– Manage budgets in a single application
- **Operating, capital and grants budgeting** – A single application for all budget types
- **User configuration** – Tailor budget forms, process controls, reports and analytics to your unique budgeting requirements and adapt them to changing requirements
- **Personnel cost forecasting** – Examine and plan personnel expenditures at a highly granular level to support budgeting, spending plans and collective bargaining
- **Modeling and analytics** – Powerful modeling tools combined with the strength of SAP Business Objects for reporting, dashboards and ad hoc analysis
- **Text handling and automated budget book publishing** – Prepare budget documents that incorporate budgets, text descriptions, graphics and more
- **Integration** – Integration with SAP and non-SAP ERP systems



# Product Roadmap, Cloud Version Update

- Planned release date: End of Q2, 2019
- Will be called 'SAP Public Budget Formulation, cloud edition'
- SAP Cloud Platform (SCP)
  - Full Native Cloud Solution, running on HANA
  - Simple subscription pricing, includes maintenance and support services
- Functionality and Features taken from the current on-premise solution
  - PEP: Personal Expenditure Projections
  - Flexible forms and budget process controls
  - New! Form Designer
- Administration tools, Forms and all Navigation are in app and have modern HTML5 user interfaces

# More Information?

Contact me following the presentation

or

Visit the Public Sector Industry booth on the showroom floor



Charlie Collins

# How to Calculate 'Fully Burdened' Hourly Rates within SBP

# The Client Context

- Capital Construction-Oriented Agency of a State Government
- Multi-Year Project Planning in SAP Portfolio & Project Management (PPM) Application
- Planning Internal Labor Costs (Hours X Hourly Rate)
- Need 'Fully Burdened' Hourly Rate
  - General Management and Line Management Costs Need to be Added to Line Staff Costs by Funds Center
  - Different Management Overhead Percentage for Each Funds Center
  - Output = \$35.43 per hour for a Maintenance Engineer in the Maintenance Branch of the Southern Region

# SBP Solution – Step 1

- General Management and Line Management Budgeting Form
  - Capture Operating Expenses and Equipment
  - Allocate to non-home funding sources for General and Line Management positions

General & Line Management Budget Form

Search | New | Edit | Save | Cancel | Advance Stage | Recent Objects | Help

Budget Year: 2020 Stage: 105 - Branch Office

Form: 302 Southern Region Office- GM/LM costs BY 2020

Header | Cost Center Total | **OE&E** | Permanent Positions | Temporary Help | Overtime | Narrative | Attachments | Audit Trail | Workflow Log

Cost Center - 3860800100 - Southern Region Office

Export | Add | Delete | Line Text | Upload Data | Show Yearly Actuals

Line Item Text	Cost Center	Cost Center Name	Commitment Item	Commitment Item Name	2019 Budget	2020 Budget
<input type="checkbox"/>	3860800100	IRWM Southern Rgn	9033245100	Equipment (Budget On	0	20,000
<input type="checkbox"/>	3860800100	IRWM Southern Rgn	9031527100	Insurance	0	10,000
					0	30,000

# SBP Solution – Step 2

- Run a PEP Projection for All Employees and Vacant Positions

Selection Screen

New Copy Lock Save Delete Calculate Change to HCM Salary Change to SCO Salary Help

Projection ID: 322  
Description: Baseline

Last Run By User: KTHANYAP  
Last Run Date:  
Last Run Time: 12:00:00 AM

Projection Selection Projection Parameters Projection Configuration Benefit Table Pay Table

FM Area: CA00  
Fund:  
Grant:  
Employee Group:  
Personnel Area:  
Class:  
Job:

Fund Center:  
Funded Program:  
Functional Area:  
Employee Sub-group:  
Personnel Sub-area:  
Range:  
Currency: USD

Run PEP Projection for all employees and vacant positions

# SBP Solution – Step 3

- Custom Function Module to calculate 'Line Management' percentage and store in a benefit plan on each employee in a given 'Line Staff' Fund Center
- Triggered in 'Create Labor Rates' form

The screenshot shows the 'Create Labor Rates' form with the following fields and callouts:

- PEP Projection\***: A dropdown menu with the value '322' and a 'Baseline' label. A callout points to this field with the text: "Select the appropriate 'Baseline' PEP Projection".
- Cost Center Hierarchy**: A dropdown menu with the value 'COST CENTER CATEGORY'.
- Calculation type**: Two radio button options: 'Line Mangement Benefit Rates' (selected) and 'Fully Burden LS Hourly Rates'. A callout points to this section with the text: "Select the 'Line Management Benefit Rates' calculation".
- Create Labor Rates**: A yellow button at the bottom of the form.

# SBP Solution – Step 4

- Re-Run the same PEP Projection for All Employees and Vacant Positions

**Selection Screen**

Projection ID:

Description:

Last Run By User:

Last Run Date:

Last Run Time:

**Projection Selection** | Projection Parameters | Projection Configuration | Benefit Table | Pay Table

FM Area:	<input type="text" value="CA00"/>	<div style="border: 2px solid green; padding: 10px; text-align: center;">Run PEP Projection for all employees and vacant positions</div>	Fund Center:	<input type="text"/>
Fund:	<input type="text"/>		Funded Program:	<input type="text"/>
Grant:	<input type="text"/>		Functional Area:	<input type="text"/>
Employee Group:	<input type="text"/>		Employee Sub-group:	<input type="text"/>
Personnel Area:	<input type="text"/>		Personnel Sub-area:	<input type="text"/>
Class:	<input type="text"/>		Range:	<input type="text"/>
Job:	<input type="text"/>		Currency:	<input type="text" value="USD"/>

# SBP Solution – Step 5

- Custom Function Module to calculate 'Fully Burdened' Line Staff Hourly Rates
- Triggered in 'Create Labor Rates' form

**Create Labor Rates**

PEP Projection\* 322

Cost Center Hierarchy COST CENTER CATEGORY

Calculation type  Line Mangement Benefit Rates  
 Fully Burden LS Hourly Rates

Annual Hours\*

Select the same PEP Projection number

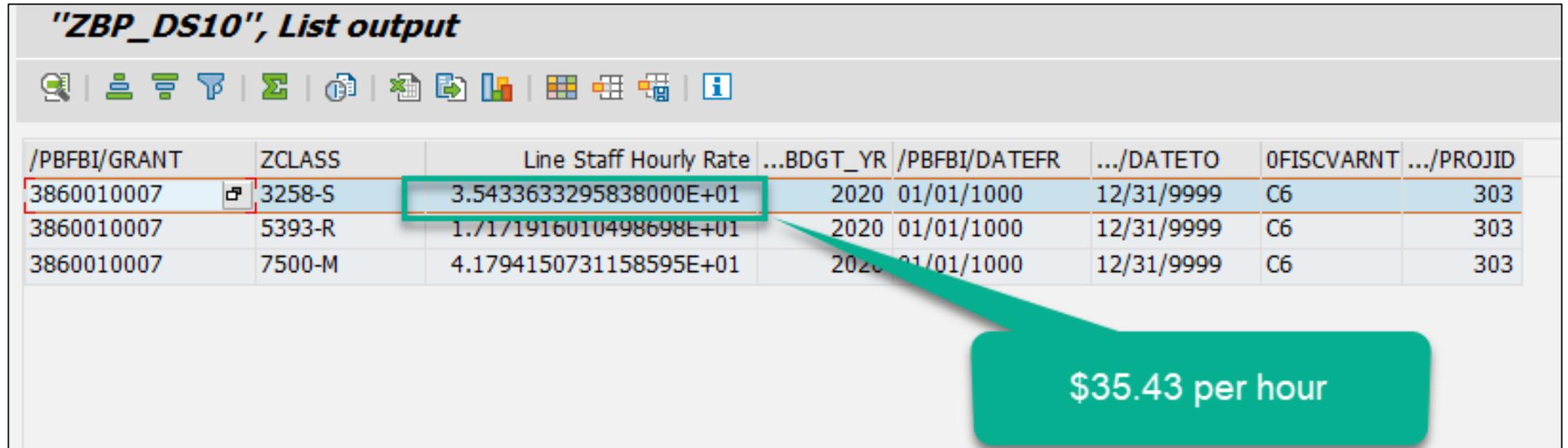
Select the 'Fully Burden LS Hourly Rates' calculation

Option: Change the assumed annual hours

# Output – Table of Hourly Rates

- By Funds Center and Job Classification

**"ZBP\_DS10", List output**



/PBFBI/GRANT	ZCLASS	Line Staff Hourly Rate	...BDGT_YR	/PBFBI/DATEFR	.../DATETO	0FISCVARNT	.../PROJID
3860010007	3258-S	3.5433633295838000E+01	2020	01/01/1000	12/31/9999	C6	303
3860010007	5393-R	1.7171916010498698E+01	2020	01/01/1000	12/31/9999	C6	303
3860010007	7500-M	4.1794150731158595E+01	2020	01/01/1000	12/31/9999	C6	303

\$35.43 per hour



**Weill Cornell**  
**Medicine**

Andrew Rosenau

Implementation Report &  
First Year Lessons Learned

ASUG



# Weill Cornell Medicine

## Overview

### Finances (millions)

Clinical Services	\$1,374
Sponsored Research*	276
Professional Education*	45
WCMC-Q/ Other	373
<b>Total</b>	<b>\$2,068</b>

\* NYC only

### Physical Plant (Usable Square Feet)

Clinical	700,000
Research	467,000
Education/Admin	406,000
Housing	397,000
<b>Total</b>	<b>1,970,000</b>

- Cornell University's Medical School in NYC founded in 1898
- Partners with New York - Presbyterian Hospital
- #9 Medical School in US News

### Faculty & Staff

Faculty (Full-time)	1,730
Non-Professor Academics	750
Admin/Support	4,950
WCMC-Q	400
<b>Total</b>	<b>7,830</b>

### Students (by Program)

Medical	350
Graduate School	430
MD/PhD	140
Other (incl. WCMC-Q)	535
<b>Total</b>	<b>1,455</b>

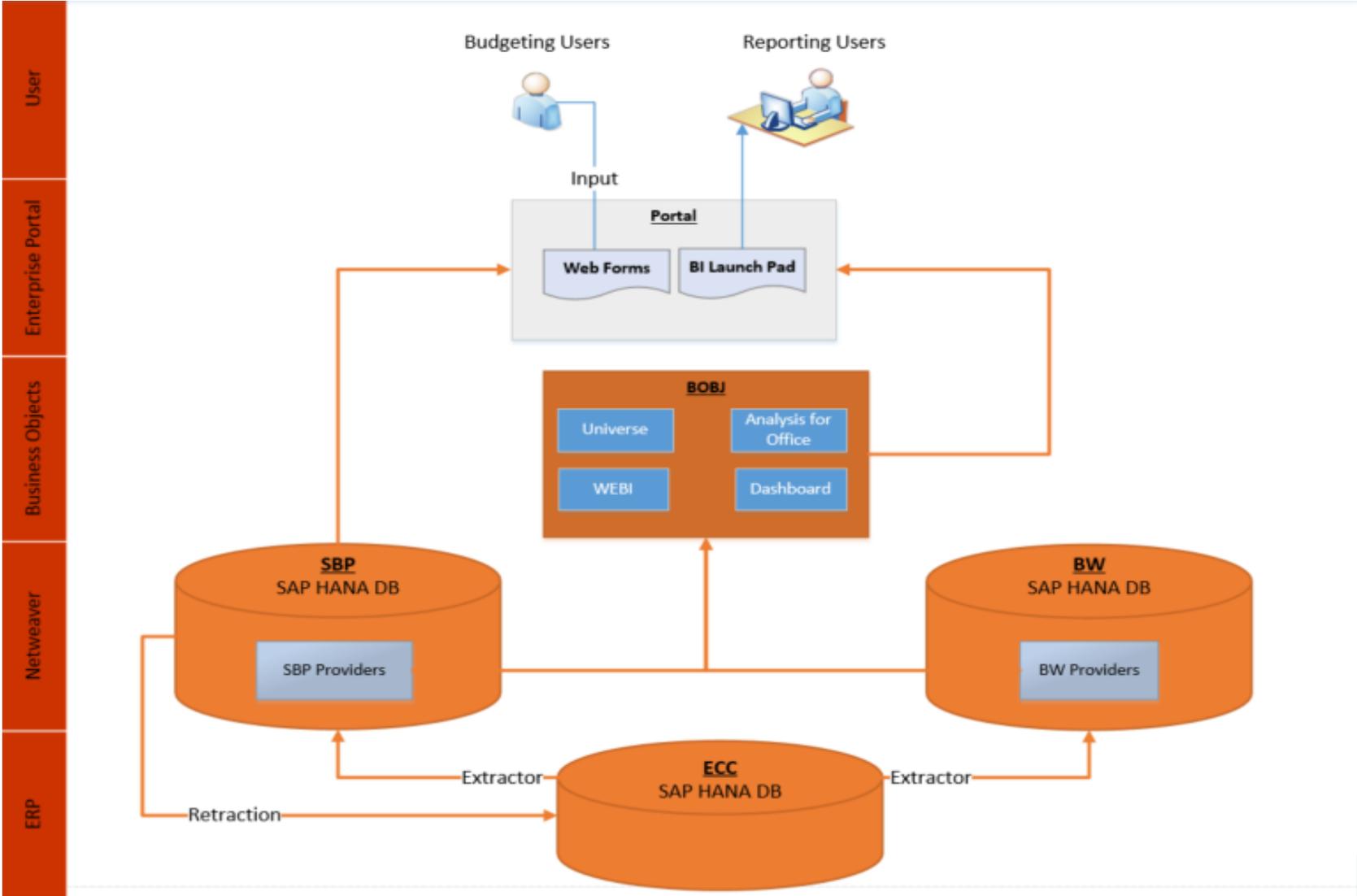
# Pain Points

- Prior to SBP, WCM Budget Office used Excel spreadsheets and Word documents to send budget information out to departments
- Departments would fill out spreadsheets and then email to proper department for approval
- Once approved, spreadsheets emailed back to WCM Budget Office who would then upload budgets to ECC

# SBP Implementation - Scope

- The scope of the project includes implementation of budgeting and Planning functionality for:
  - Salary and Benefit Forecasting;
  - Base Budgeting;
  - Decision Packages;
  - Monthly Budget Spread
  - Workflow, Security and Reporting.

# Our SBP System Landscape



# Business Value Added:

- Systematically track departments budget inputs and report the status at any given time using integrated reports.
- Accurate salary and benefit projection using PEP engine
- Detailed salary allocations of salary components
- Integrated system with SAP ECC, BW to extract HR/Financial data and retract approved budgets back to ECC.
- New functionality for departments to monitor budgets by fund and reforecast periodically.
- Ability to spread budget by month to better align budget with timing of actuals

# PEP: The Secret Sauce

- PEP allows for complex salary & fringe benefit calculations at the EE level
  - Can run projections filtered by job, fund, pay group, etc
  - Can run simulations and populate the version you want
  - Very Stable
- Multiple Pay types: Base, Admin Supplement, Supplemental Compensation combined with multiple fund allocations & specific fringe benefit calculations
- Use “Salary Proposal Form” as data-entry screen for increases/allocations/vacant & new positions

# Salary Proposal Form




Weill Cornell Medicine
Salary Proposal Form 
 

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**Salary Proposal Form**

Organization Unit:   Medicine

Apply Filters  
 Employee Group:  

Employee SubGroup:  

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Direct Filled Positions | Vacant and New Positions

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Employee	Employee Name	Position	Position Title	Org Unit	Start Date	End Date	FTE	Current Annual Base Salary	Merit Adjustment	Other Adjustment	New Annual Base Salary	Current Admin Supp	New Admin Supp	Supp Comp	Total Compensation
20006820	FN_20006820 LN_20006	52141055	STS141055	53053995	1/1/2018	6/30/2018	100	175,000	5,250	0	180,250	0	25,000	5,000,000	5,205,250
20004312	FN_20004312 LN_20004	53024878	STS024878	53053963	7/1/2017	12/31/9999	100	82,772	2,483	0	85,255	0	0	1,000,000	1,085,255
20006662	FN_20006662 LN_20006	53037549	STS037549	53053996	7/1/2017	12/31/9999	100	220,000	6,600	0	226,600	0	80,000	900,000	1,206,600
20000351		52141040	STS141040	53053996	1/1/2018	6/30/2018	100	175,100	5,253	5,000	185,353	0	50,001	100,000	335,354
20005831	FN_20005831 LN_20005	52141719	STS141719	53053865	1/1/2018	6/30/2018	100	206,980	6,209	0	213,189	0	75,000	80,000	368,189
20003484	FN_20003484 LN_20003	53057720	STS057720	53054048	7/1/2017	12/31/9999	100	159,650	4,790	0	164,440	0	0	60,000	224,440
20004046	FN_20004046 LN_20004	53067752	STS067752	53054151	1/1/2018	6/30/2018	100	205,000	6,150	0	211,150	0	25,000	50,000	286,150
20000355	FN_20000355 LN_20000	52141081	STS141081	53054179	1/1/2018	6/30/2018	100	195,782	5,873	0	201,655	0	0	0	201,655
20000429	FN_20000429 LN_20000	52141242	STS141242	53054215	1/1/2018	6/30/2018	100	169,428	5,083	0	174,511	0	0	0	174,511
20000534	FN_20000534 LN_20000	52141071	STS141071	53053728	1/1/2018	6/30/2018	100	180,000	5,400	0	185,400	0	0	0	185,400
20000703	FN_20000703 LN_20000	53057044	STS057044	53054353	11/13/2017	12/31/9999	100	244,887	7,347	0	252,234	0	0	0	252,234
20000712	FN_20000712 LN_20000	52141042	STS141042	51000037	1/1/2018	6/30/2018	100	288,385	8,652	0	297,037	0	0	0	297,037
20000721	FN_20000721 LN_20000	52141544	STS141544	53054196	1/12/2018	12/31/9999	100	175,100	5,253	0	180,353	0	0	0	180,353

# Salary Allocation Screen

**Annual Base Salary Allocations**

**New Funding Salary**

New Annual Salary:

Fund	Fund Name	Sponsored Program	Program Text	Start Date	End Date	Funded Amount	Cash Value	Allocation Percent	Fund Owner	Department
61505030	Benign Hem Clin Tria			7/1/2018	6/30/2019	5,005	5,005	2.777	FN_20006820 L...	Medicine
31814327	Thrombophilia Fund			7/1/2018	6/30/2019	18,742.5	18,742.5	10.398	FN_20006820 L...	Medicine
98563201	1305y-maria Desancho			7/1/2018	6/30/2019	32,427.5	32,427.5	17.99	FN_20006820 L...	Medicine
98563200	Maria Desancho			7/1/2018	6/30/2019	19,337.5	19,337.5	10.728	FN_20006820 L...	Medicine
12330900	Medicine Budget			7/1/2018	6/30/2019	6,405	6,405	3.553	FN_20037231 L...	Medicine
31807306	Joint Budget Bone Ma			7/1/2018	6/30/2019	50,995	50,995	28.291	00000000	Medicine
31813568	Hemophilia Center			7/1/2018	6/30/2019	40,355	40,355	22.388	00000000	Pediatrics
61502940	Medicine Research Re			7/1/2018	6/30/2019	6,982.5	6,982.5	3.874	FN_20037231 L...	Medicine
							• 180,250 •	99.999		

# Reporting: Position Budget Summary/Detail

Position Budget Summary/Detail - Budget Office Only.xlsx - Excel

Praveen Manuka Share

	A	B	C	D	E	F	G	H	I	J	K	L	M
	Employee	Position	Fund		Commitment Item		Current Salary	Current Admin Comp	New Annual Salary (PEP)	New Admin Supp	New Supp Comp	Fringe Benefits	New Total Comp
							\$	\$	\$			\$	\$
3	20001081-Housing Dir	53015819	98400200	Billing Operation	603000	Wages - Exempt Regular Ft & Pt	66,015.00	0.00	66,015.00				66,015.00
4					611000	Fringe Benefits - Academic	66,015.00	0.00				19,144.00	19,144.00
5					611020	Fringe Benefit Surcharge	66,015.00	0.00				2,443.00	2,443.00
6						<b>Result</b>	<b>66,015.00</b>	<b>0.00</b>	<b>66,015.00</b>			<b>21,587.00</b>	<b>87,602.00</b>
7	20042197	53070445	13670012	Hld - Sap App Dev	601000	Academic Salaries	68,000.00	0.00	116,129.00				116,129.00
8					603000	Wages - Exempt Regular Ft & Pt	68,000.00	0.00					
9					611000	Fringe Benefits - Academic	68,000.00	0.00				33,679.00	33,679.00
10					611020	Fringe Benefit Surcharge	68,000.00	0.00				4,301.00	4,301.00
11						<b>Result</b>	<b>68,000.00</b>	<b>0.00</b>	<b>116,129.00</b>			<b>37,980.00</b>	<b>154,109.00</b>
12	20050832	53068565	12314290	Dist Pend Adm	601000	Academic Salaries	74,000.00	0.00	74,000.00				74,000.00
13					603000	Wages - Exempt Regular Ft & Pt	74,000.00	0.00					
14					611000	Fringe Benefits - Academic	74,000.00	0.00				21,460.00	21,460.00
15					611020	Fringe Benefit Surcharge	74,000.00	0.00				2,738.00	2,738.00
16						<b>Result</b>	<b>74,000.00</b>	<b>0.00</b>	<b>74,000.00</b>			<b>24,198.00</b>	<b>98,198.00</b>
17	20050854	53069935	98440000	Gen GI Operating	601000	Academic Salaries	180,000.00	0.00	180,000.00				180,000.00
18					611000	Fringe Benefits - Academic	180,000.00	0.00				52,200.00	52,200.00
19					611020	Fringe Benefit Surcharge	180,000.00	0.00				6,660.00	6,660.00
20						<b>Result</b>	<b>180,000.00</b>	<b>0.00</b>	<b>180,000.00</b>			<b>58,860.00</b>	<b>238,860.00</b>
21	20050864	53068565	12314290	Dist Pend Adm	601000	Academic Salaries	74,000.00	0.00	74,000.00				74,000.00
22					603000	Wages - Exempt Regular Ft & Pt	74,000.00	0.00					
23					611000	Fringe Benefits - Academic	74,000.00	0.00				21,460.00	21,460.00
24					611020	Fringe Benefit Surcharge	74,000.00	0.00				2,738.00	2,738.00
25						<b>Result</b>	<b>74,000.00</b>	<b>0.00</b>	<b>74,000.00</b>			<b>24,198.00</b>	<b>98,198.00</b>
26	20050877	53070014	98440000	Gen GI Operating	601000	Academic Salaries	180,000.00	0.00	180,000.00				180,000.00
27					611000	Fringe Benefits - Academic	180,000.00	0.00				52,200.00	52,200.00
28					611020	Fringe Benefit Surcharge	180,000.00	0.00				6,660.00	6,660.00
29						<b>Result</b>	<b>180,000.00</b>	<b>0.00</b>	<b>180,000.00</b>			<b>58,860.00</b>	<b>238,860.00</b>
30	20050887	53068565	12314290	Dist Pend Adm	601000	Academic Salaries	74,000.00	0.00	74,000.00				74,000.00

Position Budget Summary | Position Budget Detail | **Position Budget Detail w Fund** | Vacant Positions | Information

# So...How did year 1 go?

- Went Live on 4/10/2018
- Over 2,100 Base Request Forms completed
- 200 New Monies Requests/Temporary Funds
- Over 500 PEP projections run
- Successfully automated nightly retraction to ECC from “final” stage

# Improvements for year 2

- Successful rollover from FY19 to FY20 without LSI
- Small functional improvements/fixes to existing forms done in-house
- Development of in-year forecasting functionality (summer 2019)
- Improved Reporting
- Implement Monthly Spread functionality previously developed

# Lessons Learned

- Needs to be a equal partnership between Budget Office, ITS and Implementation Partner
- With SBP, the Budget Office is picking up responsibility for managing an mini-HCM system. Budget office needs to understand how the relationships between Employee, Job, and Position work
- Must have quality data in Development and QA environments. Bad data added time, and frustration to the project
- Budget systems run on a different schedule than other enterprise systems – off cycle updates

# Q&A

For questions after this session, contact us at:

*Jim – [james.hyte@sap.com](mailto:james.hyte@sap.com), Charlie – [ccollins@lsiconsulting.com](mailto:ccollins@lsiconsulting.com),*

*Andrew – [anr2060@med.cornell.edu](mailto:anr2060@med.cornell.edu)*

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# Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>

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