

RCM

Responsibility Centered Management Guiding Principles

1. **Strategic Plan.** RCM should support behavior, strategies, and initiatives that are consistent with the mission and goals established in the University's Strategic Plan.
2. **Incentives.** Beyond what currently exists, RCM should provide appropriate and logical budgetary incentives to enhance revenues and to control costs. Incentives should be clear, intuitive, and direct.
3. **Negative Outcomes.** Guided by the Strategic Plan, RCM should anticipate and avoid negative outcomes. Sufficient funding and agreements need to be provided to support valued higher cost efforts, including where the RCM model fails to provide appropriate incentives or is in danger of producing unintended outcomes.
4. **Balance.** Constant attention should be paid to the balance between incentives and control provided to responsibility centered units by RCM and the "common good" of the larger University community.
5. **Transparency.** RCM should be implemented and maintained in a manner that is clear, consistent and transparent.
6. **Matching.** Revenue streams should be matched with the associated costs, where appropriate.
7. **Simplicity.** RCM should be kept simple even though the many details of University costs and revenues can be complex.
8. **Predictability.** RCM should have rules that are clear and consistently applied, resulting in predictable outcomes that enable effective planning throughout the campus.
9. **Adaptability.** RCM should be adaptable to changing circumstances and be regularly reviewed and revised as the University community learns more about the process and outcomes.
10. **Central Funds Investment.** A central pool of investment funds should be maintained to ensure that the strategic plan of the University is adequately addressed.
11. **Data.** RCM requires a rich data environment for its implementation, operation and ancillary analysis.
12. **Risk.** RCM should be implemented and maintained in a manner that incentivizes appropriate risk, either at the University or responsibility centered unit levels.
13. **Communication.** Constant and direct communication should occur to assure that all campus stakeholders are thoroughly informed about the RCM elements, issues, and processes.
14. **Leadership.** Responsibility Centered Unit leaders must ensure that their budget processes and resource allocations align with RCM guiding principles.
15. **Governance.** Shared governance and technical expertise will provide appropriate oversight of RCM.