

CU Medicine
Assessments and
Allocations

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1. **PURPOSE**

This policy is intended for use as an explanation of assessments and allocations.

2. **TYPES OF ASSESSMENTS**

• **2.01 SOM Dean Academic Enrichment Fund Assessment**

Academic Enrichment Fund (AEF) assessment rates vary by the type of income collected. For clinical collections the AEF rate is 10%, for joint venture or other external investments the rate is 5%. Note that for technical income, there is no AEF assessment.

Funds in the Dean's AEF are limited for use in supporting one or more of the following objectives:

- a. to finance new academic programs in the School of Medicine;
- b. to strengthen existing academic programs in the School of Medicine;
- c. to assist in the recruitment of new faculty members, Directors of Centers, Division Heads or Department Chairs;
- d. to cover departmental operating deficits through loans; and
- e. to support program development at affiliated institutions.

AEF expenditures must be consistent with CU Medicine's charitable purpose and the University's mission.

• **2.02 CU Medicine Administrative Assessment**

CU Medicine Administration assesses a fee to cover the costs associated with CU Medicine's coding, billing, IT, finance and other management and administrative services provided to clinical departments and required to support an organization of CU Medicine's size and complexity. Fees vary by the type of income collected; please refer to the [CU Medicine Assessment Schedule](#) on the Finance page under Official Documents on the CU Medicine intranet to determine the fee.

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All assessment methodologies are approved by CU Medicine's Board of Directors. CU Medicine assessments support CU Medicine operations and activities including:

- a. patient billing and collection
- b. fee coordination and member education
- c. health plan development
- d. marketing and contracting
- e. human resources
- f. information systems
- g. financial and accounting services

3. EXPLANATION OF ALLOCATIONS

Allocations are income or expenses that are directly related to CU Medicine clinical department operations.

The methodology of an allocation is dependent upon the type of income or expense in question; please refer to the [CU Medicine Allocation Methodology](#) chart on the Finance page under Official Documents on the CU Medicine intranet.

All allocation methodologies are approved by CU Medicine's Board of Directors.