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Health & Medicine, Nursing



Major Differences in Recording Transactions for a For-profit Organization versus a Not-for-profit Organization All forms of organizations including those that are not profit oriented record their transactions so as to work out and monitor their financial conditions (Cut & Ritter, 1984). In as much as not-for-profit organizations and profit oriented organizations apply the same accounting principles, the former are biased more toward the management of funds as opposed to engaging in commercial type documentation (Articlesbase, n. d.). Non-profit organizations document their transactions differently from their profit making counterparts in certain respects as discussed hereunder.

One major difference in the recording of transactions that exists between the two types of organizations is the fact that profit based organizations maintain only one general ledger whereas non-profit organizations maintain several ledgers depending on the number of projects being funded (Articlesbase, n. d.). Another main difference in the recording of transactions between the two types of organizations is in respect of recording equity. In Non-profit organizations, transactions are recorded under net assets while in the profit oriented organizations, owner's equity applies.

With the fund management recording system characteristically applied by non-profit organizations, each donation is classified and utilized with respect to the limitations set by specific donors or group of donors. This is, however, not the case for profit oriented organizations where funds are used and classified without such limitations (Articlesbase, n. d.).

In conclusion, the main difference in the recording of information in profit oriented and non-profit oriented organization relates to the maintenance of

ledgers, recording of equity, and limitations regarding the use of funds.

References

Articlesbase (n. d.) For-profit Vs. Non-profit: The Difference in the Accounting System. Retrieved from [http://www. articlesbase.](http://www.articlesbase.com/software-articles/forprofit-vs-nonprofit-the-difference-in-the-accounting-system-1548973.html)

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Cut S. & Ritter, R. (1984) Public Non-Profit Budgeting: The Evolution and Application of Zero-Base. Institute of Public Administration. Canada.

Importance of Medical Records Department

Medical records management is vital for every healthcare organization. As the name suggests, the medical records department deals with the recording of patients' medical records. A patient's medical record includes details of bio-data, diagnosis, medical history, treatments, examinations and tests (Beck, 1989). The department helps in the efficient running of the hospital as well as in the proper care of patients. For example, medical coding and documentation helps provide quality services through the sharing information of patients' records appropriately.

The medical records department is important in that it helps in systematically keeping vital records, data, relevant documents and information regarding patients and transactions thereby making it easier to retrieve information whenever there is need (Beck, 1989). These records may be helpful for legal purposes, billing, to establish medical histories and for follow-up activities.

All the components of the revenue cycle play an important role in managing the hospital's accounts. The revenue cycle management includes the whole

medical billing process from start to end. The main role of the medical records department in the revenue cycle management involves processing bills and forwarding medical complaints to insurance companies so as to get payments in time (Beck, 1989). The records department of a health facility captures, enters and codes the information that is needed to create medical billing claims, for example. The department edits and makes sure all records and transactions are accurate. In addition, the department updates patients records in relation to payments and third party transactions. All medical records if not taken care of can impact the financial performance of a hospital in many ways.

References

Beck, D. (1989) Basic Hospital Financial Management. Aspen Publishers. University of Michigan.