

Managing financial resources for human services organizations



Managing Financial resources for Human Service Organization APPENDIX B

Budget matrix Determine which of the budget items listed would be necessary in order to calculate a functional, line-item, and program budget.

Mark an “ X” for each budget item that would be used in each budget type.

Budget items may be used more than once.

Budget Items

Functional Budget to determine Personnel Costs per patient

Line-Item Budget to determine total non-salary costs

Total Program Budget

Physician salary

X

Administrator

X

X

Insurance coordinator

X

X

Nurses

X

X

Front office staff

X

Benefits

X

Rent

X

Malpractice insurance

X

Utilities

X

X

Office supplies

X

X

Equipment/lease

Transportation

X

Training

X

Number of patients seen annually

APPENDIX C

Line item Budget Table showing the Cost for Personnel

\$

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1. Physicians' Salaries \$ 200, 000 X 3 600, 000
2. Administration (Full time) 50, 000
3. Insurance Coordination (Full time) 35, 000
4. Nurses (15, 000 X 3) 45, 000
5. Front office staff 25, 000
6. Benefits: to full time staff:

Administration 10, 500

Insurance costs 7, 350

Nurses 9, 450

Front office staff 5, 250

----- 32, 550

Total estimated budget cost/year 787, 550

Functional budget to calculate Personnel cost/per patient visit

\$

1. Physicians' Salaries \$ 200, 000 X 3 600, 000
2. Administration (Full time) 50, 000
3. Insurance Coordination (Full time) 35, 000
4. Nurses (15, 000 X 3) 45, 000
5. Front office staff 25, 000
6. Benefits: to full time staff:

Administration 10, 500

Insurance costs 7, 350

Nurses 9, 450

Front office staff 5, 250

----- 32, 550

7. Rent (2500 X12) 30, 000

8. Utilities (3000 X 12) 36, 000

9. Office supplies (1500 X 12) 18, 000

10. Equipment leasing (700 X 12) 8, 400

11. Miscellaneous (200 X 12) 2, 400

Total costs incurred on patients for year 882, 350

Total costs apportioned per patient= $882, 350/30, 000 = \$29. 40$

Total Program Budget for providing Healthcare Services for 30, 000 patient visits

\$

1. Physicians' Salaries \$ 200, 000 X 3 600, 000

2. Physicians' malpractices insurance (20000 X3) 60, 000

2. Administration (Full time) 50, 000

3. Insurance Coordination (Full time) 35, 000

4. Nurses (15, 000 X 3) 45, 000

5. Front office staff 25, 000

6. Benefits: to full time staff:

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Administration 10, 500

Insurance costs 7, 350

Nurses 9, 450

Front office staff 5, 250

----- 32, 550

7. Rent (2500 X12) 30, 000

8. Utilities (3000 X 12) 36, 000

9. Office supplies (1500 X 12) 18, 000

10. Equipment leasing (700 X 12) 8, 400

11. Miscellaneous (200 X 12) 2, 400

A total program budget for providing healthcare services

For 30, 000 patients 942, 350

Managing Financial Resources for Human Services Org.

This paper encompasses a detailed examination of the process of managing financial resources for a human services organization. More specifically it examines the purpose of a budget for a human services organization and will differentiate between line-item, functional, and program budgeting.

There are several aspects to the purpose of a budget for a human service organization, They include:

It helps provide health insurance to growing numbers of American families, especially children who do not have it;

It helps families raise strong and healthy children by strengthening our investment in Head Start, teen pregnancy prevention and abstinence education; increasing opportunities for adoption; and bolstering our efforts to reduce tobacco and drug abuse among youth;

It provides assistance and support to States as they assume new

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responsibilities under welfare reform and to families as they make the transition to work;

It creates a strong public health agenda for the next century by sustaining biomedical research at the National Institutes of Health, developing a new food safety initiative, combating infectious diseases and providing life-extending drug therapies to people with AIDS;

It emphasizes tough management strategies that cut costs, ensure program integrity, create technological opportunities, promote effectiveness, respond to our customers and empower our partners.

Additionally, the budget provides funds to allow these organizations the option to extend one year of continuous Medicaid coverage to children, thus increasing continuity and security for children and families and reducing administrative burdens on States, families, and health care plans which now have to determine eligibility on a monthly basis.

“ The definition of a line-item is the classification of expenditures on the basis of categories called objects-of-expenditure (personnel services, contractual services, capital outlay, etc.) and within each category more detailed line-items (salaries, travel, telephones, etc.). This type of budget focuses attention on how much money is spent and for what purpose rather than the activity affected or its outcomes.” (Elsass. Financial Management in Local Government: Frequently used Terms, 2001).

It is easiest to build performance-based budgets on the foundation of a program-based budget system. Under performance, or “ outcome-based budgets”, each major program or function is measured using a set of benchmarks. Benchmarks are snapshots of particular activities or functions at a beginning date and time. These benchmarks are used for comparison <https://assignbuster.com/managing-financial-resources-for-human-services-organizations/>

purposes to measure progress in attaining specific program or functional goals over periods of time (i. e., six months, a year, or several years).

Programs, activities, and functions may also be measured quantitatively and qualitatively against other internal and external comparables. As an example, a county land conservation program's shore land restoration project may be measured against those conducted in another neighboring county or against statewide averages. Criteria might include number of frontage feet of shore land restored to a natural state. (Elsass. Primer on Basic Approaches to County Budgeting, 2003).

“ Program budgeting is the classification of expenditures on the basis of programs, significant problems or policy issues each attempts to deal with, and alternatives for dealing with them.” (Financial Management in Local Government: Frequently used Terms. 2001).

This type of budget focuses attention on the kinds of problems and policy issues chief executive.

References

Elsass, Dan. (2001). Financial Management in Local Government: Frequently used Terms. Dan Elsass: UW Extension Local Government Center: Fact Sheet: No. 17. Retrieved November 2, 2007, from <http://www.uwex.edu/lgc/program/pdf/fact17.pdf>

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