

Good Samaritan Health & Wellness Center
Policies and Procedures

Subject: Annual Operating Budget	Policy #: 3.21
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Approved by:	Effective Date: 7/21/2016

3.21 Annual Operating Budget

Policy: It is GSHWC's policy to prepare an annual operating budget for Board approval. The budget will include the following information:

1. **Statistics**
 - Patient Encounters

2. **Revenue**
 - Patient Revenues
 - Federal Grant Revenues
 - Contract Revenue
 - Other Grant Revenue
 - Private Donations Revenue
 - Other Revenue

3. **Expenses**
 - Salaries
 - Employee Benefits
 - Other Expenses by financial statement categories

Purpose: To provide the Board of Directors with the financial projections for the next fiscal year and establish annual operating expectations.

Procedures:

Under the direction of the CEO, the CFO will prepare the budget for presentation and approval of the Board of Directors.

1. **Statistical Budget** – The CFO, finance department, and department heads prepare a staffing profile for the budget. Based upon projected provider staffing levels, patient encounter projections will be estimated.
2. **Revenue Budget** – From patient visit data, patient services revenue will be projected based upon historical information by payer source, and adjusted by any known issues that might affect reimbursement.

Federal grant funding will be based upon known and projected information relevant to the specific Federal funding sources.

State and other grant funding will be based on known grant opportunities.

3. **Expense Budget** – Using projected staffing levels, salary and employee benefit costs will be estimated. Financial statement expense items will be projected based on historical data, adjusted for patient visits, known or contractual arrangements, and the knowledge of cost issues known by managers in their area of operation.

The initial budget will be reviewed by the CEO, prior to presentation to the Board of Directors for approval.