

## POLICY

### BUDGETARY PLANNING & CONTROL

4004


#### A. Operating Budget

1. The operating budget derives from and includes:
  - a. Patient Service Revenue – An estimation of the number of encounters and average charges from each of the Center’s Services broken down by payor mix ( Medicaid, Medicare, Private Insurance and Private Pay) to reflect anticipated collectable net revenue from all patient services.
  - b. Governmental Income – HRSA’s Services Area Competitions grant is expected to be drawn down in equal portions throughout the grant year. Prior Board approval must be attained if management desires to deviate from this practice. All other Federal, State and Local grants and contracts anticipated income disbursements are individually determined by their associated contracts, memorandum of agreements or outlays pertinent to their explicit purposes.
  - c. Additional Revenue:
    - 1) Fundraising
    - 2) Donations
    - 3) Space rentals
    - 4) Sale of equipment
    - 5) Other miscellaneous income
  - d. Expenses – Based on historical data and anticipated requirements from Department heads for the upcoming fiscal year, annual expenditures are estimated into Payroll, Clinical Services, Board of Directors, Facilities, Training and Operation expense categories.
2. Board approval is required for the Center’s fiscal operating budget.

#### B. Budget Revisions

1. It is recognized that goals and objectives change within the budget year. The budget is modified to reflect conditions which have developed since its original preparation.
2. If a revision represents a significant change in activity and more than a 25% change of an income or expense category it requires prior Board approval before submission to the Office of Grants Management for approval. Some examples of a need to revise the budget are major changes in assumptions concerning the following:
  - a. Funding level or other sources of revenue
  - b. Programs or activities
  - c. On-going expense items, such as increased cost of contractual services or insurance
  - d. Staffing

3. All revisions will be clearly documented as to the reason (i.e. change assumption)

  
 \_\_\_\_\_ DATE 2-16-17  
 CHIEF EXECUTIVE OFFICER

  
 \_\_\_\_\_ DATE 2-13-17  
 CHAIR, BOARD OF DIRECTORS

Date first adopted	01/14/2008
Date Revised/QI Board approval	01/14/2008, 12/08/2012, 01/25/2017
New date adopted/Board of Directors approval	01/14/2008, 12/19/2012, 02/13/2017