



Department:	Leadership		
Document:	Administrative Policy and Procedure		
Title:	Hospital Budgeting Process		
Applies To:	All MCH Employees		
Preparation Date:	January 05, 2025	Index No:	LD-APP-007
Approval Date:	January 19, 2025	Version :	2
Effective Date:	February 19, 2025	Replacement No.:	LD-APP-007 (1)
Review Date:	February 19, 2028	No. of Pages:	2

1. PURPOSE:

- 1.1 To prioritize objectives in operational plan according to the needs of organization. Each department head shall provide a yearly report department head shall provide a yearly report of the budgeting requirements of department.
- 1.2 Budgeting for Maternity and Children Hospital, Hafer Al Batin is provided by Ministry of Health. Hospital leadership's primary responsibility is to carry out efficient administration of resources so as to bring about cost cutting effectively.

2. DEFINITIONS:

- 2.1 **Budget** – a statement of future plans described in quantitative and monetary terms, for a specific period of time, which is usually one year in case of financial budgets.

3. POLICY:

- 3.1 Budgeting shall be used by Hospital Leaders for meeting the requirements of expected financial transactions including operational as well as capital budget items.
- 3.2 Hospital leader do the budgeting process for meeting the requirements of expected financial transactions and manpower needs.
- 3.3 Budgeting for Maternity and Children Hospital, Hafer Al Batin is provided by Ministry of Health. Hospital leadership's primary responsibility to carry out efficient administration of resources so as to bring about cost cutting effectively.
- 3.4 The budgeting process allocates the resources to all patient care units based on the scope and complexity of care, aiming to ensure a safe and efficient process.

4. PROCEDURE:

- 4.1 The following items have to be included in the budget:
 - 4.1.1 Operating budget including salaries.
 - 4.1.2 Capital budget information.
 - 4.1.3 Staff development.
 - 4.1.4 Education and Training.
 - 4.1.5 Outside seminars.
 - 4.1.6 Subscription to quality improvement agents, magazines and periodicals.
 - 4.1.7 Staffing requirements.
- 4.2 Cost reducing procedures:
 - 4.2.1 Reviewing staffing plan for physicians, nurses and other hospital care providers.
 - 4.2.2 Auditing the use of medications, laboratory investigations and inpatient admissions for appropriateness.
 - 4.2.3 Implementing the rules of utilization review committee on the use of resources and the patient's length of stay in the hospital.

5. MATERIALS AND EQUIPMENT:

N/A

6. RESPONSIBILITIES:

- 6.1 Self – Resources Director
- 6.2 Finance Director
- 6.3 Human Resources Director
- 6.4 Hospital Director

7. APPENDICES:

N/A

8. REFERENCES:

- 8.1 Ministry of Health Rules and Regulations.
- 8.2 Prince Mutaib Bin Abdulaziz – Al Jouf, October, 2017.
- 8.3 <https://www.slideshare.net/vyhsedhu/health-care-finance-and-budget>.

9. APPROVALS:

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