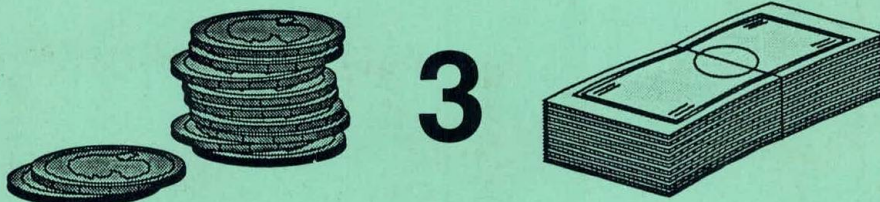


Training for Health Committees and Health Staff at Health Unit Level

ESTABLISH A BUDGET

Financial Management



PARTICIPANT GUIDE

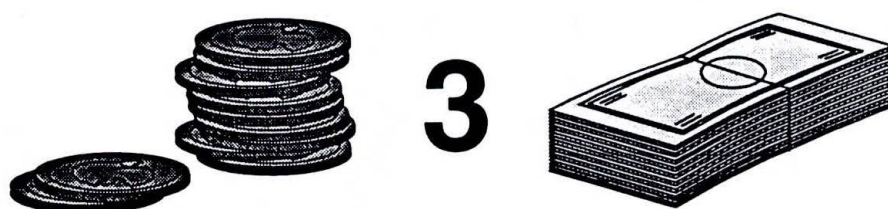


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Training for Health Committees and Health Staff at Health Unit Level

ESTABLISH A BUDGET

Financial Management



PARTICIPANT GUIDE

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The purpose of this training course is to improve the management of resources at health unit level and to build the capacity of health committee members and health staff to work with communities.

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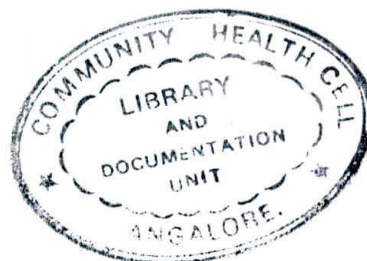
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FINANCIAL MANAGEMENT: ESTABLISH A BUDGET

Introduction

A budget helps the health unit effectively manage revenue and expenditures.

Establishing a budget is part of the participatory planning process.

After you have estimated the costs for your workplan activities, include them in your budget.

In this module, you will learn how to develop a budget for your health unit. You will learn when to budget, what to budget, and how to determine budgeted amounts for different cost categories.

Overview of Revenue and Expenditures

- Revenue is money received from patients, donors, or the government.
- Expenditures are expenses or payments.

Overview of Budgeting Process

- A budget is a financial plan for revenue and expenditures for a given period.
- A budget is the amount of revenue allocated to cover estimated costs of health unit activities.
- A budget helps the health unit effectively manage revenue and expenditures.
- The budget enables the health unit and health committee to plan how it will spend its money.

(continued)

Participant Notes



- A budget helps the health unit and health committee make sure that money is available for the most important expenses, such as drugs and supplies.
- **The budgeting period should correspond to the planning period.** For example, if the health unit is planning activities for 1 July 1997 through 31 December 1997, the budgeting period should be for the same six-month period.
- **Budgeting should take place during the last month of the current budgeting period.** For example, you may develop a budget in June for the July through December budgeting period.
- There are two approaches for establishing a budget: provisional budgeting and forecast budgeting.
- **Provisional budgeting is based on available revenue.**
- **Forecast budgeting is based on both available revenue and expected revenue.**
- When reviewing this Participant Guide, refer to the sections and sample budget forms that are appropriate to the type of budgeting your health unit is doing.
- Use a budget:
 - **to monitor expenses and make sure the health unit does not spend more money than it has**
 - **to approve expenditures**
- Steps for Establishing Budget:
 1. Determine the total amount of money to be budgeted.
 2. Determine reserve funds.
 3. Identify high and low priority costs.

(continued)

Participant Notes



4. Determine amount to budget for high priority costs.
 5. Determine amount to budget for low priority costs.
 6. Check the budget.
 7. Determine whether money remains after budgeting (*provisional budgeting only*).
 8. Make sure the budget is approved and signed.
 9. Display and present the budget to the community.
 10. Monitor the budget.
- The first step of budgeting is to determine the total amount of money to be budgeted.
 - The second step is to determine reserve funds. This is the amount of money to set aside for unforeseen events, such as an increase in prices.
 - In the third step, you will identify the types of high priority and low priority costs to include in the budget.
 - High priority costs are expenditures that are absolutely necessary for the health unit to function properly; for example, essential drugs.
 - Low priority costs are costs that are not absolutely necessary for the health unit to function; for example, incentive payments.
 - For steps four and five, you will determine the amount of money to budget for the high and low priority costs.
 - In step six, you will calculate the total costs. You will make sure that the total costs do not exceed the total amount to be budgeted minus reserve funds.

(continued)

Participant Notes



- For provisional budgeting only, you will determine whether money remains after budgeting during step seven.
- In step eight, the health committee decides who will review and sign the budget.
- In step nine, you will display and present the budget to the community.
- In step ten, you will use the budget item expenditure forms to approve expenses and to make sure that the expenses do not exceed the amount budgeted.
- If you are doing forecast budgeting, you will also use budget item revenue forms to regularly monitor revenue collected.

The Budget Form

Refer to the appropriate budget form on the following page.

Participant Notes



BUDGET FORM *(Provisional Budgeting Example)*

Health Unit: Koulouro District: LRD

Budget for the Period: 01 /Jan /97 To: 30 /June /97

1) Total Amount to be Budgeted

Cash and Bank Book \$4,500 Date 15 Dec 96
 Expected Revenue _____
 Total \$4,500

2) Reserve funds \$225

3) High priority costs

3.1 <i>Essential Drugs/Supplies (D)</i>	<u>\$2,000</u>
3.2 <i>Information Tools (I)</i>	<u>\$60</u>
3.3 <i>Fuel for cold-chain and sterilization (F)</i>	<u>\$100</u>
3.4 <i>Fuel for outreach activities (FO)</i>	<u>\$80</u>
3.5 Workplan activities	<u>\$78</u>
3.5.1 <i>Storage of drugs</i>	<u>\$30</u>
3.5.2 <i>Outreach</i>	<u>\$48</u>
3.5.3	<u> </u>
3.6 <i>Electricity (E)</i>	<u>\$30</u>
3.7 <i>Water (W)</i>	<u>\$25</u>
3.8 <i>Salaries (S)</i>	<u>\$120</u>
Total high priority costs	<u>\$2,493</u>

4) Low priority costs

4.1 Workplan activities	<u>\$45</u>
4.1.1 <i>Repair a ward</i>	<u>\$45</u>
4.1.2	<u> </u>
4.2 <i>Allowances (A)</i>	<u>\$720</u>
4.3 <i>Office supplies (O)</i>	<u>\$45</u>
4.4 <i>Vehicle maintenance (V)</i>	<u>\$30</u>
4.5 <i>Building maintenance (B)</i>	<u>\$25</u>
4.6 <i>Cleaning supplies (C)</i>	<u>\$25</u>
4.7 <i>Replacement cost (R)</i>	<u>\$30</u>
4.8	<u> </u>
Total low priority costs	<u>\$920</u>

5) Total high plus low priority costs \$3,413

Signature Health Unit Head	Signature Committee Chairperson	Signature Committee Treasurer	Signature District Medical Officer
<u>Panala</u>	<u>Conchetta</u>	<u>Mkamwe</u>	<u>Taluli</u>

Date Budget Approved: 18 /January /97

BUDGET FORM (*Forecast Budgeting Example*)

Health Unit: Yangul District: URD

Budget for the Period: 01 /Jan /97 To: 30 /June /97

1) Total Amount to be Budgeted

Cash and Bank Book \$300 Date 15 Dec 96
 Expected Revenue \$4,920
 Total \$5,220

2) Reserve funds \$255

3) High priority costs

3.1	<i>Essential Drugs/Supplies (D)</i>	<u>\$2,000</u>
3.2	<i>Information Tools (I)</i>	<u>\$60</u>
3.3	<i>Fuel for cold-chain and sterilization (F)</i>	<u>\$100</u>
3.4	<i>Fuel for outreach activities (FO)</i>	<u>\$80</u>
3.5	Workplan activities	<u>\$78</u>
3.5.1	<i>Storage of drugs</i>	<u>\$30</u>
3.5.2	<i>Outreach</i>	<u>\$48</u>
3.5.3		<u> </u>
3.6	<i>Electricity (E)</i>	<u>\$30</u>
3.7	<i>Water (W)</i>	<u>\$25</u>
3.8	<i>Salaries (S)</i>	<u>\$120</u>
	Total high priority costs <u>\$2,493</u>

4) Low priority costs

4.1	Workplan activities	<u>\$45</u>
4.1.1	<i>Repair a ward</i>	<u>\$45</u>
4.1.2		<u> </u>
4.2	<i>Allowances (A)</i>	<u>\$720</u>
4.3	<i>Office supplies (O)</i>	<u>\$45</u>
4.4	<i>Vehicle maintenance (V)</i>	<u>\$30</u>
4.5	<i>Building maintenance (B)</i>	<u>\$25</u>
4.6	<i>Cleaning supplies (C)</i>	<u>\$25</u>
4.7	<i>Replacement cost (R)</i>	<u>\$30</u>
4.8		<u> </u>
	Total low priority costs <u>\$920</u>

5) Total high plus low priority costs \$3,413

Signature Health Unit Head	Signature Committee Chairperson	Signature Committee Treasurer	Signature District Medical Officer
<u>Panala</u>	<u>Conchetta</u>	<u>Mkamwe</u>	<u>Taluli</u>

Date Budget Approved: 18 /January /97

Step 1- Total Amount to be Budgeted

(for Provisional Budgeting)

- To determine the **Total Amount to be Budgeted**, determine the available revenue (amount of money remaining in the health unit and in the bank).
- Use the current total balance of the cash and bank book to determine the available revenue.
- Write the amount in the **Cash and Bank Book** line and in the **Total** line on the budget form.
- Indicate the date of the last cash and bank book entry on the budget form.

Refer to the appropriate sample cash and bank book on the following page.

Step 1 - Total Amount to be Budgeted

(for Forecast Budgeting)

- To determine the **Total Amount to be Budgeted**:
 - a. Determine **available** revenue (amount of money remaining in the health unit and in the bank).
 - b. Determine **expected** revenue.

A. Determine Available Revenue

- Use the current total balance of the cash and bank book to determine the available revenue.
- Write the amount in the **Cash and Bank Book** line on the budget form.
- Indicate the date of the last cash and bank book entry on the budget form.

Participant Notes



B. Determine Expected Revenue

- There are two ways to estimate how much revenue your health unit might collect during the upcoming budgeting period:
 1. Use information about average attendance and user fees to calculate expected revenue.
 2. Use information about total revenue collected in the past.
- Use the first method because it shows which services are generating the most revenue. It also helps you identify where improvements may be needed.
- Use the second method if you are unable to obtain accurate information about patients' attendance because:
 - Patient registers are not available.
 - Health workers do not differentiate between new cases and reattendances.
 - Health workers do not record which patients are exempt from paying for services.
- Add to the expected revenue any type of development funds (e.g., donations from organizations) expected during the budgeting period.

Method 1 - Calculate Expected Revenue Using Information About Average Attendance and User Fees

- Use a **Total Expected Revenue Calculation Sheet** to estimate expected revenue. (*See sample on page 14.*)

Participant Notes



- You can attach the worksheet to your budget to justify the estimated expected revenue.

1. For each health unit service that generates revenue:

a. Determine the **average expected attendance** on a daily or weekly or monthly basis.

- Refer to patient registers (e.g., from OPD ward, maternity ward, inpatient ward, laboratory) over a period of time to get information about attendance.
- For example, to obtain information about the *average* monthly number of deliveries, look at the patient register for the maternity ward over a 12-month period. Total up the number of deliveries and then divide the result by 12.

b. Determine the **user fees** for that service.

c. Determine the number of working days (or weeks or months) in the new **budgeting period**.

d. Use the following calculation to determine the expected revenue for that particular service:

<p>average daily (or weekly or monthly) attendance X user fees for that service X number of working days (or weeks or months) in the new budgeting period</p>
--

2. Add the expected revenues for all individual services to obtain the total expected revenue for the health unit.

Participant Notes



Total Expected Revenue Calculation Sheet

Health Unit Service	Average Daily Attendance	User Fee	Number of Working Days in Budgeting Period	Expected Revenue
	(A)	(B)	(C)	(A) x (B) x (C)
<i>OPD</i>	<i>30 new cases/ working day</i>	<i>\$1/ consultation</i>	<i>154 working days</i>	<i>\$4,620</i>
<i>Deliveries</i>	<i>5/month</i>	<i>\$10/delivery</i>	<i>6 months</i>	<i>\$300</i>
Total expected revenue				\$4,920

Example: A health unit that is budgeting for a six-month period:

- 1a. The health unit receives on average:
 - 25 new cases per working day for OPD
 - 5 deliveries per month
 - 30 mothers for prenatal visits per week
 - 50 children per week for immunizations

- 1b. User fees for OPD is \$1 per consultation.
Delivery fees are \$10.
Prenatal visits and immunizations are free.

- 1c. 154 working days (or 6 months) in the budgeting period.

- 1d. Expected revenue for OPD = 30 cases/day x \$1
= \$30/day.

 $\$30/\text{day} \times 154 \text{ working days of budgeting period} = \$4,620.$

 Expected revenue for deliveries = 5
 deliveries/month x \$10 = \$50/month.

 $\$50/\text{month} \times 6 \text{ months} = \$300.$

2. Total expected revenue = \$4,920 (\$4,620 + \$300).

Method 2 - Calculate Expected Revenue Using Information About Total Revenue Collected in the Past

1. Determine average daily revenue:
 - a. Determine the total revenue collected during the preceding budgeting period. **Refer to the cash and bank book for this information.**

 - b. Divide the total revenue by the total number of working days in the previous budgeting period.

(continued)

Participant Notes



Step 4 - Determine Amount to Budget for High Priority Costs

- Determine the amount to budget for the high priority costs which are absolutely necessary for the health unit to function properly and for each high priority workplan activity.
- Follow these steps whenever you are determining the amount to budget for high priority costs:
 1. **Determine how much of the item is needed during the budgeting period.**
 2. **Determine the unit cost of the item.**
 3. **Multiply the quantity needed by the unit cost to calculate the total cost.**
- You may use worksheets to help calculate the amount to budget.

Refer to the sample calculation sheets that follow the workplan.

- After you complete the worksheets, record the total cost for each high priority cost in section 3 of the budget.

Participant Notes



WORKPLAN ACTIVITIES

PLANNING PERIOD: 01 January 97 - 30 June 97

<i>Total Cost</i>	What needs to be done	With what resources?	By which date should it be completed?	Who should be the person responsible?
<i>1. Repair storage room = \$50</i>	<i>Clean out storage room.</i>	<i>cleaning supplies - available</i>	<i>1 February 1997</i>	<i>Malcom Unanyo</i>
	<i>Paint storage room.</i>	<i>2 cans of white paint \$4 2 brushes \$2</i>	<i>15 March 1997</i>	<i>John Mashuka</i>
	<i>Buy and install shelves for drugs.</i>	<i>2 shelving units \$10 box of 50 nails - available 2 hammers - available</i>	<i>15 April 1997</i>	<i>John Mashuka</i>
	<i>Buy and install lighting fixture.</i>	<i>1 light fixture and bulbs \$10</i>	<i>30 April 1997</i>	<i>Malcom Unanyo</i>
	<i>Install lock on storage room door.</i>	<i>1 lock with two sets of keys \$4</i>	<i>15 May 1997</i>	<i>John Mashuka</i>
	<i>Store drugs in new stock room according to expiration dates.</i>		<i>1 June 1997</i>	<i>Malcom Unanyo</i>
<i>2. Outreach = \$88 (\$40 is for fuel)</i>	<i>Prepare materials and supplies for prenatal care for outreach.</i>	<i>materials/drugs/ supplies - available</i>	<i>6 January 1997</i>	<i>Anna Maltubo</i>
	<i>Nurse begins outreach once a week</i>	<i>Travel allowances for 24 weeks \$2/week = \$48 Fuel cost \$40</i>	<i>13 January 1997</i>	<i>Jacob Kneyo</i>
<i>3. Repair a ward = \$45</i>	<i>Paint ward.</i>	<i>10 cans of white paint \$20 2 brushes - available</i>	<i>15 March 1997</i>	<i>Sebo Emoli</i>
	<i>Purchase 2 beds.</i>	<i>Beds \$12.50/bed = \$25</i>	<i>15 April 1997</i>	<i>Sebo Emoli</i>

Resupply of Essential Drugs and Supplies Calculation Sheet

Item	Consumption/ Budgeting Period	Unit Cost	*Total Cost
<i>Chloroquine</i>	<i>30 tins</i>	<i>\$5.00</i>	<i>\$150</i>
<i>Bandages</i>	<i>100 boxes</i>	<i>\$0.50</i>	<i>\$50</i>
<i>Folic acid tablets, 5 mg</i>	<i>25 tins</i>	<i>\$4.00</i>	<i>\$100</i>
<i>Acetyl salicylic acid tablets, 300 mg</i>	<i>20 tins</i>	<i>\$2.50</i>	<i>\$50</i>
Total Cost of All Essential Drugs and Supplies			\$350

*Total Cost = Consumption/budgeting period x recent unit cost

Resupply of Information Tools Calculation Sheet

Item	Consumption/ Budgeting Period	Unit Cost	Total Cost
<i>Prenatal cards</i>	<i>250 cards</i>	<i>\$0.10</i>	<i>\$25</i>
<i>Under-five cards</i>	<i>200 boxes</i>	<i>\$0.10</i>	<i>\$20</i>
<i>Stock inventory cards</i>	<i>200 cards</i>	<i>\$0.05</i>	<i>\$10</i>
<i>Receipt books</i>	<i>10 books</i>	<i>\$0.50</i>	<i>\$5</i>
Total Cost of All Information Tools			\$60

Total Cost of Fuel for Cold-Chain, Sterilization, and Outreach Activities Calculation Sheet

1) Cold-chain and Sterilization:

Fuel	Number of Liters Consumed During Previous Budget Period (a)	Price Per Liter of Fuel (b)	Total Cost (a) x (b)
Cold-Chain	<i>150 liters</i>	<i>\$0.50</i>	<i>\$75</i>
Sterilization	<i>50 liters</i>	<i>\$0.50</i>	<i>\$25</i>
Total Cost of Fuel for Cold-Chain and Sterilization			<i>\$100</i>

2) Outreach activities:

Number of Kilometer to be Covered During Budgeting Period (a)	Number of Kilometers Vehicle Can Travel for Every 1 Liter of Fuel (b)	Price Per Liter of Fuel (c)	Total Cost ((a) ÷ (b)) x (c)
<i>2,000 kilometers - immunization</i>	<i>motorbike can travel 25 kilometers for every 1 liter of fuel</i>	<i>\$0.50</i>	<i>\$40</i>
<i>2,000 kilometers - prenatal care</i>	<i>"</i>	<i>"</i>	<i>\$40</i>
Total Cost of Fuel for Outreach Activities			<i>\$80</i>

Total Cost of Salaries for Health Unit Calculation Sheet

Name	Monthly Salary	Number of Months in Budgeting Period	Total Salary
<i>John Makaji (security guard)</i>	\$20	6	\$120
Total Cost of Salaries			\$120

Step 6 - Check the Budget

- Calculate the total costs by adding the total high priority costs and the total low priority costs.
- Write the total cost on the 5) **Total high plus low priority costs** line of the budget form.
- **Make sure that the total costs do not exceed the total amount to be budgeted less the reserve funds**

$$\text{Total high plus low priority costs} \leq \text{Total amount to be budgeted} - \text{reserve funds}$$

- If your total costs are more than the total amount to be budgeted less reserve funds:
 1. Check your calculations.
 2. Reduce the amount budgeted for some high and low priority costs.
 - Identify alternative sources where you can purchase budgeted items at lower unit costs.
 3. Make sure you have looked at all possible sources of income/revenue.
 4. Investigate possibilities of raising funds.

Step 7 - Determine Whether Money Remains After Budgeting (Provisional Budgeting Only)

- To determine whether money remains after budgeting, make the following calculation:

$$\text{Total amount to be budgeted} - \text{Reserve funds} - \text{Total high plus low priority costs} = \text{remaining money}$$

Participant Notes



- If there is a large amount of money remaining, you may want to deposit it in a **savings account** at the bank during the budgeting period. This is more beneficial than having the money remain in the health unit's checking account.

Step 8 - Make Sure the Budget is Approved and Signed

- **The health committee members should decide who will approve and sign the budget.**
- The budget may be reviewed and signed by the District Medical Officer.
- The budget should be approved during the first month of the budgeting period.

Step 9 - Display and Present the Budget to the Community

- After the budget is approved, display it in a visible area so the community can view it.
- Present the budget to the community during participatory planning meetings.

Step 10 - Monitor the Budget

- **When you implement the budget, use the budget item expenditure forms to approve expenses and to make sure that the expenses do not exceed the amount budgeted.**
- **If you are doing forecast budgeting, you will use budget item revenue forms to regularly monitor revenue collected during the period.**

Refer to the sample Budget Item Expenditure Form and Budget Item Revenue Form on the following page.

Participant Notes



Sample:

Budget Item Expenditure Form				
Category: <u>Vehicle Maintenance</u>		Amount Budgeted: <u>\$30</u>		
Date	Description	Amount Spent	Total Amount Spent to Date	Balance
<i>2 February 97</i>	<i>oil change</i>	<i>\$10</i>	<i>\$10</i>	<i>\$20</i>
<i>10 March 97</i>	<i>spark plugs</i>	<i>\$3</i>	<i>\$13</i>	<i>\$17</i>

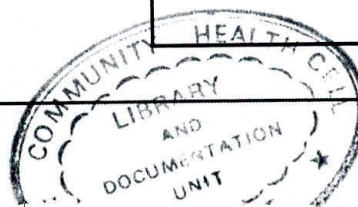
Budget Item Revenue Form				
Category: <u>Deliveries</u>		Expected Revenue for: <u>1 Jan - 30 June 97 is \$300</u>		
Date	Description	Amount Collected	Total Amount Collected to Date	Expected Revenue - Total Amount Collected to Date
<i>2 Feb 97</i>	<i>1 delivery</i>	<i>\$10</i>	<i>\$10</i>	<i>\$290</i>
<i>19 Feb 97</i>	<i>1 delivery</i>	<i>\$10</i>	<i>\$20</i>	<i>\$280</i>
<i>03 Mar 97</i>	<i>1 delivery</i>	<i>\$10</i>	<i>\$30</i>	<i>\$270</i>

- You will create a budget item revenue form for each health unit service that will generate money.
- You will create new forms for each new budgeting period.
- **Use the budget item revenue forms after you establish your budget.**
- The **Category** column corresponds to the type of revenue/user charges for each health unit service (e.g., fees for OPD consultation, fees for deliveries, drug sales).
- The **Expected Revenue** for line corresponds to the budgeting period and the amount of revenue expected for the service.
- **Use this form to determine whether the amount of revenue is progressing as expected.**
- **You can consider how health unit services are being implemented and identify problems with the services if revenue is not progressing as expected.**
- After you establish the budget, use these forms to check your past estimates of expected revenue. Adjust the expected revenue for the upcoming budget, if necessary.
- For example, if you estimated that the health unit expects \$600 in consultation fees for a budgeting period, and they only collected \$200, identify the possible reasons for the discrepancy.
- Determine whether you have made a calculation error when estimating the expected revenue.
- Or, there may have been other reasons for the discrepancy, for example, a decrease in the number of expected patients. This usually happens during planting season when people have less income.

Participant Notes



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PERFORMANCE CHECK



Do not begin the Performance Check until the facilitator has given you the instructions!

You will work in small groups to complete the Performance Check.

1a. Read the following case scenario.

Case Scenario

You are developing a budget for the Buyinga health unit for the period 1 July 1997 to 31 December 1997. The health unit will stay open 154 days during the budgeting period.

For forecast budgeting only:

In patient registers, you have identified that Buyinga receives on average 40 new cases per working day for OPD, 8 deliveries per month, 40 mothers for prenatal visits per month, and 80 children per week for immunizations.

User charges for OPD is \$.50 per consultation (flat fee per visit). Delivery fees are \$10. Immunizations and prenatal visits are free.

The health unit receives one kit of drugs and vaccines from the Essential Drug Programme, but they need to buy extra drugs and supplies each month for the approximative amount of \$60 per month.

You review the health unit's stock of information tools, and determine that they will need 100 prenatal cards (\$0.10/card) and 200 stock inventory cards (\$0.05/card) during a 6 month period.

Buyinga has 6 full-time health workers on staff. Their salaries are provided by the government. The cash and bank book indicates that each health worker receives monthly incentive payments of \$10.

While reviewing the cash and bank book, you also notice that each month, 20 liters of fuel is used for the cold-chain and 10 liters of fuel is used for sterilization. The cost for 1 liter of fuel is \$.30. You also notice in the cash and bank book that each month, about \$5 is spent on electricity and about \$4 is spent on water.

(continued on following page)

Case Scenario (continued)

During the last 6 months, the health unit spent on: office supplies (\$30), cleaning supplies (\$18), vehicle maintenance (\$18), building maintenance (\$24), as indicated in the cash and bank book.

During the last 6 months, 1,000 kilometers was covered during current outreach activities for immunization using a motorbike. No additional outreach activities are planned for the upcoming budgeting period. Vehicle log books show that the motorbike travels 25 kilometers for every 1 liter of fuel. The cost of 1 liter of fuel is \$.50.

During recent participatory planning meetings, it was decided to restore the OPD waiting area of the health unit by the end of April (cost = \$50) and to build a latrine for the health unit by the end of May (cost = \$30).

- 1b. Use the case scenario information, sample budget form, cash and bank book, and calculation sheets on the following pages to develop a budget for Buyinga health unit. To help you develop a budget, complete the following steps.

Step 1 - Determine the total amount to be budgeted:

Cash and bank book _____
 Expected revenue (*forecast budgeting only - use Total Expected Revenue Calculation Sheet*) _____
 Total _____

Step 2 - Determine reserve funds:

Total amount budgeted _____ x 5% = _____

Step 3 - Identify high and low priority costs:

High Priority Costs	Low Priority Costs

(continued)

Step 4 - Determine amount to budget for high priority costs:

Use the calculation sheets on the pages following the Total Expected Revenue Calculation Sheet and complete the table below:

High Priority Costs	Amount to Budget
Total high priority costs	

Step 5 - Determine amount to budget for low priority costs:

Use the Calculation Sheet for Low Priority Costs.

Step 6 - Check the budget:

Total high priority costs _____ + Total low priority costs _____ = Total high plus low priority costs _____

Total high plus low priority costs _____ ≤ (Total amount to be budgeted _____ - reserve funds _____)

Now, complete the budget form on the following page.

BUDGET FORM

Health Unit: _____ District: _____

Budget for the Period: / / To: / /

1) Total Amount to be Budgeted

Cash and Bank Book _____ Date _____

Expected Revenue _____

Total _____

2) Reserve funds _____

3) High priority costs

3.1 _____

3.2 _____

3.3 _____

3.4 _____

3.5 Workplan activities _____

3.5.1 _____

3.5.2 _____

3.5.3 _____

3.6 _____

3.7 _____

3.8 _____

Total high priority costs _____

4) Low priority costs

4.1 Workplan activities _____

4.1.1 _____

4.1.2 _____

4.2 _____

4.3 _____

4.4 _____

4.5 _____

4.6 _____

4.7 _____

4.8 _____

Total low priority costs _____

5) Total high plus low priority costs _____

Signature
Health Unit Head

Signature
Committee Chairperson

Signature
Committee Treasurer

Signature
District Medical Officer

Date Budget Approved: / /

Total Expected Revenue Calculation Sheet

Health Unit Service	Average Daily/Weekly/ Monthly Attendance	User Fee	Number of Working Days/Weeks/Months in Budgeting Period	Expected Revenue
Total expected revenue				

Resupply of Essential Drugs and Supplies Calculation Sheet

Item	Consumption/ Budgeting Period	Unit Cost	*Total Cost
Total Cost of All Essential Drugs and Supplies			

***Total Cost = Consumption/budgeting period x recent unit cost**

Resupply of Information Tools Calculation Sheet

Item	Consumption/ Budgeting Period	Unit Cost	*Total Cost
Total Cost of All Information Tools			

***Total Cost = Consumption/budgeting period x recent unit cost**

Total Cost of Fuel for Cold-Chain, Sterilization, and Outreach Activities Calculation Sheet

1) Cold-chain and Sterilization:

Fuel	Number of Liters Consumed During Previous Budget Period (a)	Price Per Liter of Fuel (b)	Total Cost (a) x (b)
Cold-Chain			
Sterilization			
Total Cost of Fuel for Cold-Chain and Sterilization			

2) Outreach Activities:

Number of Kilometer to be Covered During Budgeting Period (a)	Number of Kilometers Vehicle Can Travel for Every 1 Liter of Fuel (b)	Price Per Liter of Fuel (c)	Total Cost ((a) ÷ (b)) x (c)
Total Cost of Fuel for Outreach Activities			

Total Cost of Incentive Payments for Health Unit

Name	Monthly Incentive	Number of Months in Budgeting Period	*Total Incentive
Total Cost of Incentives			

***Total Incentive Payments = Monthly incentive payment x number of months in budgeting period**

Calculation Sheet for Low Priority Costs

Item	Consumption/ Budgeting Period	Unit Cost	Total Cost
Total low priority costs			

2. Answer the following questions about the completed budget:

a. Does money remain after budgeting? If so, what should Buyinga do with the money?
(Only answer if doing provisional budgeting.)

b. How should Buyinga monitor the budget after it is established?

3. Ask a facilitator to review and approve your budget.

PLENARY DISCUSSION

While you are waiting for the plenary discussion, think about the following questions:

- Which sections of the budget form were the most difficult to complete?
- What can help you identifying high and low priority costs?
- Why is it important to include reserve funds in the budget?
- How will you monitor your health unit's budget?

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Community participation

1. Apply basic communication skills
2. Conduct community diagnosis
3. Organize and support health committee
4. Establish relationships with community leaders, local organizations, and authorities
5. Conduct participatory planning

Monitoring and service delivery

1. Monitor and evaluate at the health unit level
2. Monitor and evaluate at the community level
3. Organize delivery of services

Management of staff and equipment

1. Hire and manage support staff
2. Ensure training of health unit personnel
3. Maintain equipment and health unit facility

Drug/supply management

1. Store supply and establish inventory procedures
2. Order and procure
3. Receive and inspect
4. Monitor daily and monthly inventory

Financial management

1. Establish prices and exemptions systems
 2. Manage revenue and expenditures
 3. Establish a budget
 4. Audit health unit financial records
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