

Management of Nursing Services and Education

UNIT-3 BUDGETING

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Budget is an operational plan for a definite period of time expressed in terms based on expenditure and income.

A **budget** is a tool for planning, quantifying the plans and controlling the cost

Budgeting is the heart of administration, serves positively as a powerful tool for coordination and an effective device for eliminating duplication and wastage



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Nursing budget

Nursing budget is a plan for the allocation of resources based on preconceived needs for a proposed series of programmes to deliver patient care during one fiscal year



PURPOSE OF BUDGETTING

Supplies the mechanism for translating fiscal objective into projected monthly spending pattern.

2. Enhances planning and decision making.
3. Recognizes the controllable area.
4. Allows for the feedback of utilization of the budget.
5. Identify problem areas and facilitate effective usage.
6. Provides means for measuring and recording financial success of the objectives of the organization



CHARACTERISTICS OF BUDGET

Participation

Comprehensiveness

Standards

Flexibility

Feedback

Analysis of cost and revenues



TYPES OF BUDGET

Based on fiscal/non fiscal budget

*Financial

- Capital budget
- Revenue budget
- Operational expenditure

budget

- Zero-based budget
- Performance budget
- Program budget



TYPES OF BUDGET

Based on fiscal/non fiscal budget

Non financial budget

- Direct labour budget
- Material budget
- Production budget
- Advertising budget



ADVANTAGES OF BUDGETTING

Based on fiscal/non fiscal budget

It indicates priorities.

It provides direction and co-ordination.

It assigns responsibility.

It can act as a motivator.

It should improve efficiency



DISADVANTAGES OF BUDGETTING

Training requirement.
Allocation of funds.
Short term Vs long term planning



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