



WEST ASCENSION PARISH HOSPITAL		
Policy Name: BUDGETING POLICY		Policy Number:
Department: ACCOUNTING	Effective Date: 1/1/2025	Page: Page 1 of 3

BUDGETING POLICY

I. PURPOSE

The purpose of this Budgeting Policy is to establish clear guidelines for the preparation, approval, implementation, and monitoring of the annual budget at West Ascension Parish Hospital (WAPH). This policy ensures that financial planning aligns with the hospital's strategic goals, operational needs, and regulatory requirements.

II. SCOPE

This policy applies to all hospital departments and entities responsible for financial planning and budget execution. It encompasses:

1. Annual Operating Budget
2. Capital Budget
3. Departmental Budgets
4. Revenue and Expense Projections
5. Budget Monitoring and Adjustments

III. FISCAL YEAR

The hospital's fiscal year runs from September 1st to August 31st.

IV. BUDGET PREPARATION PROCESS

1. Departmental Budget Submissions
 - Each department head must submit a detailed budget request by May 31st.
 - Requests should include projected revenue, operating expenses, capital expenditures, and justification for variances from the prior year.
2. Consolidation and Initial Review
 - The Finance Department consolidates all departmental submissions by June 15th.
 - Revenue projections are reviewed based on historical data, market trends, and reimbursement rates.
 - Expense estimates are assessed for feasibility and alignment with the hospital's strategic plan.
3. Preliminary Budget Draft
 - The Chief Financial Officer (CFO) reviews the consolidated budget and prepares an initial draft by July 1st.
 - Budget projections are compared against prior years, industry benchmarks, and financial objectives.
4. Internal Review and Adjustments
 - The CFO presents the preliminary budget to the CEO for review and discussion.

- Adjustments are made based on operational priorities, anticipated changes in healthcare regulations, and organizational goals.

V. BUDGET APPROVAL PROCESS

1. Submission to the CEO
 - The finalized draft budget is submitted to the CEO by July 15th.
 - The CEO reviews and may request further revisions to ensure alignment with strategic objectives.
2. Review by Ascension Parish Board of Directors
 - The budget may be submitted for review by the Ascension Parish Board of Directors upon request during a specified meeting.
 - The board may provide recommendations or request clarifications before final approval.
3. Final Approval by the Board of Commissioners
 - The budget is presented to the Board of Commissioners for final approval on the third Thursday of August during the Board meeting.
 - Upon approval, the budget becomes the official financial plan for the upcoming fiscal year.

VI. BUDGET IMPLEMENTATION AND MONITORING

1. Budget Execution
 - All hospital departments are required to operate within the approved budget.
 - Capital expenditures exceeding the approved budget require additional approval from the CFO and CEO.
2. Monthly Financial Reviews
 - The Finance Department conducts monthly financial performance reviews.
 - Variances of more than 5% from budgeted amounts require explanation and corrective action plans.
3. Quarterly Reports
 - The CFO submits quarterly financial reports to the CEO and Board of Commissioners.
 - Reports include revenue performance, expense management, and key financial indicators.
4. Budget Adjustments
 - Mid-year budget adjustments may be made in response to significant financial changes, unexpected expenses, or new funding opportunities.
 - Any budget modification exceeding \$250,000 must be approved by the Board of Commissioners.

VII. NON-COMPLIANCE AND ACCOUNTABILITY

1. Departmental Accountability
 - Department heads are responsible for adhering to budget guidelines and controlling expenditures.
 - Non-compliance may result in budget restrictions or disciplinary action.
2. Audit and Compliance

- The hospital undergoes annual financial audits to ensure budget integrity and compliance with legal and regulatory requirements.
- Any significant financial discrepancies must be reported to the CEO and Board of Commissioners immediately.

VIII. POLICY REVIEW AND REVISION

- This policy shall be reviewed annually by the CFO and updated as necessary to reflect regulatory changes and best financial practices.
- Any modifications must be approved by the CEO and Board of Commissioners.