Health Centre Management (HCM 00/01)

Introduction to the Health Centre Management Training Course (HCM 00)

PHC Fund Management (HCM 01)

The ACT PRIME Study
Infectious Disease Research Collaboration, Uganda.
ACT Consortium, London School of Hygiene & Tropical Medicine, UK.
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- How to use this manual
- What are you going to learn

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2. Training rationale & learning outcomes

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1. Introduction to the topic
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3. Principles

## BUDGETING
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2. Practice

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## ANNEX
Welcome to the Learners Manual for the module entitled – Introduction to the Health Centre Management Training Course (HCM 00) and PHC Fund Management (HCM 01).

We are very glad to have you as one of the first set of health workers to participate in this important training.

Everything you will need during the course and as a reference is included in this manual. In addition, there are notes and explanations included in the manual for you to refer back to at a later point.

The trainer will guide you on when to use the manual. Please focus on the trainer when she is talking and focus on the manual exercises when the trainer has guided you to a specific page, which needs your attention. The additional resources in the manuals are for your future reference.

Thank you for participating fully in this training and for respecting your fellow colleagues. Each one of you is unique and each one of you learns at a different pace. The trainer will take great care to cater to all your needs in order to make the training a success. Thank you in advance for doing your part to make it a valuable learning experience.
How to use this manual…

Throughout this manual, you will come across certain re-occurring symbols and boxes. These highlight certain key aspects for learning or contain information, which will help you during or after the training. The following is an explanation of these symbols.

**Icons & symbols**

**PURPOSE & LEARNING OUTCOMES**
This coloured box can be found at the start of each main topic section. In this box you will find the PURPOSE of the Topic and the key learning outcomes for that Topic.

**KEY QUESTION**
This symbol can be found when a KEY QUESTION is being asked.

**DEFINITION OR KEY LEARNING POINT**
This symbol represents a DEFINITION or a KEY LEARNING POINT to be remembered.

**GROUP WORK**
This symbol represents GROUP WORK. The training is interactive and a significant amount of your time will be spent in GROUP WORK. This symbol indicates that the activity will be done in a group. This means that you need to be a team player and allow all members of your group to participate equally.

**WORK IN PAIRS**
This symbol represents WORK IN PAIRS. This will be an opportunity for you to work one to one with a colleague. Pair work could mean buzzing or role playing, interviewing or problem solving. Be sure that each person in the pair gets a chance.

**SUMMARY**
This symbol will be shown where you can find a SUMMARY box – you can review these summary points at home or before the next training and in the future.

**SELF-OBSERVATION ACTIVITY**
This mascot symbol will be shown where there is a SELF-OBSERVATION ACTIVITY and some guidelines for you to follow.

**NOTES**
This represents a space for your NOTES. Feel free to write your comments and questions and anything that you do not understand in these spaces and discuss it with your trainer before, during or after a training.
Introduction to the Manual

What are you going to learn…

From October 2009 until February 2010, the Uganda Malaria Surveillance Project / Infectious Disease Research Collaboration conducted research activities in Tororo District. A research team surveyed households, health workers and community medicine distributors, and talked to groups of community members and health workers to learn more about how health care is provided to sick children in this area, especially at health centres.

HCM 00

The health workers, community medicine distributors, and community members described ‘poor health centre management’ as a barrier to delivering good quality health care at health centres. This included drug stock-outs, lack of equipment, poor management skills of in-charges, and inadequate funding for operational costs at the health centre. Underlying these barriers was a lack of trust of health workers by the community and politicians. Through the health centre management modules, you will build your skills, confidence and accountability as in-charges in areas of health centre management including PHC Fund management, drug supply management, and information management.

HCM 01

During the discussions with health workers they acknowledged that insufficient PHC Funds made management of their health centres almost impossible. At the health centre level, the PHC Funds are meant to pay for: support staff; cleaning materials; transportation of drugs and photocopying documents. Health centres are allocated an amount set by the district and expenditure appears to vary depending on the individual needs of the centres. The PHC Funds are insufficient and fail to arrive on time, so members of the support staff go unpaid and maintenance to the facility is neglected.

We also learned from the District Health Office that more accountability and documentation of the PHC Fund is required. When health facilities collect their quarterly PHC Fund instalment, the District would like to see documentation of how the anticipated funds were budgeted and how the funds received were spent. This budgeting and accounting documentation will help the District to understand the needs of health centres and the actions of in-charges to use the PHC Fund appropriately.

We are introducing the PHC Fund Management Tool to assist you as health workers with the quantification and prioritization of the PHC Funds, as well as to help you to account for your PHC Funds. This tool is designed to help you, as in-charges, with both your budgeting and accounting of PHC Funds on a monthly and/or quarterly basis. The tool will also help you, as in-charges, to build accountability and communicate with the District and the MOH about the need and viability of continued and increased PHC Funding for health centres.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Learning outcomes: By the end of this training module, you will...</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HCM 00</strong></td>
<td></td>
</tr>
<tr>
<td>Thinking about Accountability in HCM</td>
<td>• Understand the meaning and role of accountability for in-charges.</td>
</tr>
<tr>
<td></td>
<td>• Recognize how being accountable impacts on others’ perception of in-charges.</td>
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<td></td>
<td>• Describe the role of accountability in good health centre management.</td>
</tr>
<tr>
<td><strong>HCM 01</strong></td>
<td></td>
</tr>
<tr>
<td>The PHC Fund Management</td>
<td>• Describe the Ministry of Health policy for PHC Funds for HC II/IIIs.</td>
</tr>
<tr>
<td></td>
<td>• Understand the rationale for training in budgeting, accounting, and PHC Fund management.</td>
</tr>
<tr>
<td></td>
<td>• Describe how the health centre uses its PHC Funds.</td>
</tr>
<tr>
<td></td>
<td>• Recognize how as in-charges you can build trust and accountability in your roles through good PHC Fund management.</td>
</tr>
<tr>
<td><strong>Budgeting</strong></td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td>• Describe the principles of budgeting and accounting.</td>
</tr>
<tr>
<td></td>
<td>• Develop and apply budgeting and accounting skills using the PHC Fund Management Tool.</td>
</tr>
<tr>
<td><strong>Budgeting and Accounting – Putting it all together</strong></td>
<td>• Describe the importance and benefit of budgeting and accounting for the PHC Fund.</td>
</tr>
<tr>
<td></td>
<td>• Understand how budgeting and accounting contributes to showing accountability and your skill as an in-charge.</td>
</tr>
<tr>
<td></td>
<td>• Plan and commit to completing the PHC Fund Management tool regularly at your health centres.</td>
</tr>
</tbody>
</table>
TRAINING AGENDA

HCM 00 & HCM 01 will last 3 hours & 20 minutes from start to finish.

<table>
<thead>
<tr>
<th>Topics</th>
<th>Total Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction to the module</td>
<td></td>
</tr>
<tr>
<td>- Greetings</td>
<td>15 minutes</td>
</tr>
<tr>
<td>- Training rationale &amp; Learning outcomes</td>
<td></td>
</tr>
<tr>
<td>HCM 00 Introduction to the HCM training course</td>
<td>10 minutes</td>
</tr>
<tr>
<td>- Thinking about accountability in health care management</td>
<td></td>
</tr>
<tr>
<td>HCM 01 PHC Fund Management</td>
<td></td>
</tr>
<tr>
<td>- Introduction to the topic</td>
<td>25 minutes</td>
</tr>
<tr>
<td>- Thinking about the topic</td>
<td></td>
</tr>
<tr>
<td>- Principles</td>
<td></td>
</tr>
<tr>
<td>Break</td>
<td>30 minutes</td>
</tr>
<tr>
<td>Budgeting</td>
<td></td>
</tr>
<tr>
<td>- Thinking about the topic</td>
<td>50 minutes</td>
</tr>
<tr>
<td>- Principles</td>
<td></td>
</tr>
<tr>
<td>- Practice</td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td></td>
</tr>
<tr>
<td>- Principles</td>
<td>40 minutes</td>
</tr>
<tr>
<td>- Practice</td>
<td></td>
</tr>
<tr>
<td>Budgeting &amp; Accounting – putting it altogether</td>
<td>25 minutes</td>
</tr>
<tr>
<td>- Discussion</td>
<td></td>
</tr>
<tr>
<td>- Planning</td>
<td></td>
</tr>
<tr>
<td>Conclusion</td>
<td>5 minutes</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3 hours &amp; 20 minutes = 200 minutes</td>
</tr>
</tbody>
</table>
INTRODUCTION TO THE MODULE

Purpose: To welcome and orient you to the training and help you to understand what you can expect of the training and what will be expected of you as participants.

Learning Outcomes: By the end of this session you will:

1) Know the names of co-participants.
2) Know the name of the training leader.
3) Review a set of ground rules for the training.
4) Know the learning outcomes and purpose of the module.

1. Greetings

Name of Trainer: ________________________________

Names of co-participants: complete if you wish

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Ground Rules: that will support the learning of all participants

Please write the ground rules agreed on by the group below:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
### 2. Training rationale and learning outcomes

The learning outcomes for the module are as follows:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Learning outcomes: By the end of this training module, you will...</th>
</tr>
</thead>
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<td>• Develop and apply budgeting and accounting skills using the PHC Fund Management Tool.</td>
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<tr>
<td></td>
<td>• Understand how budgeting and accounting contributes to showing accountability and your skill as an in-charge.</td>
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<tr>
<td></td>
<td>• Plan and commit to completing the PHC Fund Management tool regularly at your health centres.</td>
</tr>
</tbody>
</table>
HCM 00: INTRODUCTION TO THE HCM TRAINING COURSE

**Purpose:** To introduce you to the Health Centre Management training course and to help you to start thinking about your role as an in-charge.

**Learning Outcomes:** By the end of this session you will:
1. Understand the meaning and role of accountability for in-charges.
2. Recognize how being accountable impacts on others’ perception of in-charges.
3. Describe the role of accountability in good health centre management.

1. Thinking about accountability in health centre management

- In the introduction to the Patient Centred Services training course, you reviewed the qualities of a good health worker. Some of these qualities include being a good listener, giving good advice, being a good communicator, being compassionate and showing empathy.
- Showing these characteristics helps us to become better health workers and helps us to provide patient centred services.
- This module will address what it means to be a good in-charge and the qualities you need in order to help you manage your health centres especially related to PHC Fund Management, Drug Supply Management and Information Management. You will learn the skills and characteristics needed to become better in-charges and help you to improve the management of your health centres.

**ACTIVITY A – Qualities of a good in-charge**

*What are the qualities of a good in-charge?*

**Guide:** At the end of each ‘spoke’ or line please write the qualities you think a good in-charge should have!
Box 2: Qualities of a good in-charge.

Learning Point

- Each of these qualities is important and contributes to making a good in-charge.
- When you combine some or all of these characteristics into one health worker, you can create the picture of an in-charge who is ‘accountable’ or shows accountability.
Learning Point

- Accountability means acting with responsibility and transparency in everything you do including what you say and how you do your daily tasks as manager of the health centre.
- As in-charges, having accountability means providing more than just health care for your patients, it means supporting an environment where health workers have the skills, tools, and support needed to do their job. And where patients feel they are treated well and want to return to the health centre.
- Being a good in-charge means being accountable for things such as:
  - Health centre finances like the PHC Fund;
  - Management of drugs and supplies;
  - Patients and how they are treated;
  - Your staff and their actions;
  - General operations of the health centre.

Box 3: The agenda for the whole HCM training course

<table>
<thead>
<tr>
<th>HCM 01</th>
<th>PHC Fund Management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budgeting, Accounting, and the PHC Fund Management Tool</td>
</tr>
<tr>
<td>HCM 02</td>
<td>Drug Supply Management</td>
</tr>
<tr>
<td></td>
<td>Drug Distribution System, Stock Card, Order Form and the ADDAT</td>
</tr>
<tr>
<td>HCM 03</td>
<td>Information Management</td>
</tr>
<tr>
<td></td>
<td>Using and communicating patient information</td>
</tr>
</tbody>
</table>

In these modules, you will be discussing and learning how you can build skills, confidence and accountability as in-charges in these three areas of health centre management.
Accountability means acting with responsibility and transparency in everything you do including what you say and how you complete your daily tasks.

The qualities of a good in-charge may include:
- good leader
- honest and trustworthy
- organised
- compassionate & kind
- dependable/reliable
- knowledgeable/up to date on clinical practice
- sets a good example to colleagues
- good communicator
- fair

When you combine some or all of these characteristics into one health worker, you create the picture of an in-charge who is ‘accountable’ or shows accountability.

Being a good in-charge means being accountable for many parts of the health centre including:
- Health centre finances like the PHC Fund;
- Management of drugs and supplies;
- Patients and how they are treated;
- Your staff and their actions;
- General operations of the health centre.
HCM 01: PHC FUND MANAGEMENT

Purpose: To introduce the basic concepts underlying PHC Fund Management.

Learning Outcomes: By the end of this session you will:
1) Describe the Ministry of Health policy for PHC Funds for HC II/IIIs.
2) Understand the rationale for training in budgeting, accounting, and PHC Fund management.

1. Introduction to the topic

- This module will address the PHC Fund and the skills you need as in-charges to manage the PHC Fund at your health centres.
- You will learn about PHC Fund Management in the context of ‘accountability.’
- The focus will be on the management of the PHC Fund because the District Health Office requires more accountability and documentation of the PHC Fund.
- When health facilities collect their quarterly PHC Fund installment, the District would like to see documentation of how the anticipated funds were budgeted and how the funds received were spent.
- This budgeting and accounting documentation will help the District to understand the needs of health centres and the actions of in-charges to use the PHC Fund appropriately.
- The PHC Fund is a manageable amount of money that is used every day at your health centres, so it is important that it is well managed.
- The skills of budgeting and accounting for a small amount of money can be applied to bigger budgets and other activities.

2. Thinking about the topic

ACTIVITY B – Reflection
Think about a time when you had to use your money for something like a trip to the health centre, paying school fees, buying or maintaining your bicycle or anything else.

a) What did you do?

Your Notes
**Box 4: A budgeting experience**

At Christmas time I knew that I wanted to buy a small gift for my children. I decided how much I wanted to spend. Then I thought about my pay check and decided how much I could afford to spend and still have money left for my other regular purchases. I went to the shop and looked for something that fitted the amount of money I had to spend. So, I was able to buy something for my children and still have money for my regular purchases – I didn’t have to buy on credit or borrow money. Thinking ahead prevented me from going to the shop and buying something I couldn’t afford.

**Learning Point**

The bases of budgeting and accounting involves thinking about how you will use the money and then taking actions to be responsible for what and how the money will be spent.
3. Principles

Understanding how the PHC fund is administered

- The system used to allocate PHC Funds was designed by the Ministry of Health.
- In the system, 10% of the funds are allocated to the DHO’s office for management of support supervision, transportation and monitoring activities.
- The remaining 90% is divided equally among the Health Sub-Districts.
- From the portion allocated to the Health Sub-District, a certain percentage is set aside for the Health Sub-District management and the remainder is divided based on the population capacity and function of the different levels of health centres.
- From what is allocated to the health facility, 50% is designated for drug procurement and remains at the Health Sub-District.
- The other 50% is given to health centres for ongoing operational requirements.
- Health facility management and administrative activities, including:
  - Outreach, payment of support staff, maintenance of facility premises, purchase of sundries and infection prevention materials, volunteers.
The PHC Fund is a manageable amount of money that is used every day at your health centres, so it is important that you manage it well.

More documentation of how the PHC Fund is budgeted and accounted for at health centres is required to show accountability.

At the health facility, the PHC Fund should be used for health facility management and administrative activities.

The PHC Fund can be used for: outreach, payment of support staff, maintenance of facility premises, purchase of sundries and infection prevention materials, and support for volunteers.
BUDGETING

**Purpose:** To understand the purpose of the PHC funds and the relevance of budgeting.

**Learning Outcomes:** By the end of this session you will:
1) Describe how the health centre uses its PHC Funds.
2) Recognize you as in-charges can build trust and accountability in your roles through good PHC Fund management.
3) Describe the principles of budgeting.
4) Develop and apply budgeting skills using the PHC Fund Management Tool.

1. Thinking about the topic

**ACTIVITY C – How health centres decide when to spend money**

*How do health centres decide when to spend the PHC fund?*

**Guide:** At the end of each ‘spoke’/ line please write how your health centre decides to spend the PHC funds.

*How do you decide when to spend the PHC fund?*
ACTIVITY D – The challenges health centres face with the PHC fund

What challenges does the health centre face with the PHC fund?

Guide: At the end of each ‘spoke’/line please write the challenges you face with the PHC funds.

- These are very real and frustrating challenges. Many of these challenges are out of your control.
- You cannot predict what will happen at the Ministry of Health, District or Health Sub-District level. But some of the challenges have solutions at the health centre level.
- This training intends to equip you as in-charges with skills to build accountability and trust in your roles.
- This training is not addressing the issues of lack of, or insufficient PHC Funds with the District or Ministry of Health.

Learning Point

- There is a lot that you in-charges can do to address the challenges faced at the health centre.
- As in-charges you can make sure that you are planning and prioritizing, spending the PHC Fund appropriately, accounting for how you have sent the PHC Fund and communicating your actions.
- By doing this you are building accountability and trust in your role as in-charge.
- This is a very important first step and helps to communicate the need for continued and increased PHC Funding for health centres.
2. Principles

You can follow the simple principles of budgeting and accounting to help you with your PHC Fund management by using a simple diagram which shows the entire financial management cycle.

Figure 1: Financial Management Cycle – focus on budgeting process.

FINANCIAL MANAGEMENT CYCLE

Communication
- show accountability
- communicate your budgeting & accounting activities

Monitoring
- compare budget to actual spending
- investigate differences
- determine used and remaining stocks

Planning
- determine requirements for using the PHC Fund
- prioritize requirements

Implementation
- record actual expenses as they occur using a receipt system

Development
- estimate cost of each item required
- plan for revenues (e.g. PHC Fund)
Why do we budget?

- In order to commit to managing the money instead of letting the money manage us.

Learning Point

- Budgeting involves 3 steps: planning, prioritization and development of your budget.

  - Planning: is collecting information on costs and amounts of items you want to spend your money on. For most items purchased with the PHC Fund, you can easily find out the cost of items from previous purchases or general knowledge.

  - Prioritization: is identifying the needs of your health centre and determining what to spend the PHC Fund on. This is different than prioritizing based on pressure from others. Prioritization can seem difficult when there is limited money, but it is an important exercise to make sure you are spending money on items that are the most required.

  - Development of a budget: is identifying how much of each item you can afford and appropriately allocating available funds to the most required areas and/or items.

What do you need to know in order to develop a budget?

- How much money is available to spend (starting balance)
- Each item that will be bought
- Cost of each item
- How much of each item will be needed every month or quarter
- Cost to purchase each item every month or quarter

Guide: The sample PHC fund management tool illustrates how you can develop a budget. With arrows it shows the different parts of the ‘Budgeting’ section of the PHC Fund Management Tool including starting balance, item, cost, amount required, total budget.
### Budgeting

#### PRIMARY HEALTH CARE (PHC) FUND MANAGEMENT TOOL

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost for item</th>
<th>Number of items needed</th>
<th>Total cost for items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soap - bar</td>
<td>2,500</td>
<td>3</td>
<td>7,500</td>
</tr>
<tr>
<td>Jik - bottle</td>
<td>3,500</td>
<td>5</td>
<td>17,500</td>
</tr>
<tr>
<td>Water - jerrycan</td>
<td>100</td>
<td>10</td>
<td>1,000</td>
</tr>
</tbody>
</table>

**TOTAL BUDGET**: 26,000

#### ACCOUNTING

<table>
<thead>
<tr>
<th>Item</th>
<th>Actual cost for item</th>
<th>Number of items purchased</th>
<th>Total amount spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soap - bar</td>
<td>2,500</td>
<td>4</td>
<td>10,000</td>
</tr>
<tr>
<td>Jik - bottle</td>
<td>3,500</td>
<td>4</td>
<td>14,000</td>
</tr>
<tr>
<td>Water - jerrycan</td>
<td>100</td>
<td>10</td>
<td>1,000</td>
</tr>
<tr>
<td>Pasta - blue</td>
<td>500</td>
<td>1</td>
<td>500</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT SPENT**: 27,500

**Remaining Balance**: (Starting balance - Total Amount Spent) 2,500

---

Did you have enough money to pay for all items and services budgeted for this quarter?  
☐ Yes  ☐ No  ☐ I don’t know  ☐ Refuse to answer

If ‘no’, what items or services were you not able to pay for?  
List all that apply.
**STEP 1:**
- Decide what item/service you will spend money on
- Identify how much it costs
- Calculate how much you will spend for that item for the whole month or quarter

For example:
Soap costs 2500 a bar, you want to buy 3 bars of soap. 2500 shillings x 3 bars = 7,500/= 

<table>
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<td>100</td>
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<td>1,000</td>
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</table>

For example:
Jik costs 3,500 per bottle, you need 5 bottles. 3,500 shillings x 5 bottles = 17,500/= 

For example:
Water costs 100 shillings per jerrycan, you need 10 jerry cans. 
100 shillings x 10 jerry cans = 1000 shillings

**STEP 2:**
- Add up how much you will spend on all the items in a month or quarter.

<table>
<thead>
<tr>
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<th>Number of items needed</th>
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<td>10</td>
<td>1,000</td>
</tr>
</tbody>
</table>

**TOTAL BUDGET**
26,000

Add up how much you will spend on all the items needed for the quarter.
**STEP 3:**
- Deduct that from the balance to be sure you have enough to cover your estimated expenses.

![Image showing budget calculations]

**Any questions?**

*Your Notes*

______________________
______________________
______________________
______________________
______________________
# Budgeting

## 3. Practice

### ACTIVITY E – Developing a budget

**Guide:** In pairs, with someone from the same level health centre, prepare a budget.

**STEP 1**

**LIST YOUR REQUIREMENTS:** If there are other items not on the wall that you would like to budget for, please include them in your budget.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost per Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>10,000 shillings/ream</td>
</tr>
<tr>
<td>Soap</td>
<td>2,500 shillings/bar</td>
</tr>
<tr>
<td>Petrol</td>
<td>3000 shillings/litre</td>
</tr>
<tr>
<td>Outreach Allowance</td>
<td>5000 shillings/person</td>
</tr>
<tr>
<td>Maintenance</td>
<td>30,000 shillings/month</td>
</tr>
<tr>
<td>Water</td>
<td>100 shillings/jerry can</td>
</tr>
<tr>
<td>Pens</td>
<td>10,000 shillings/packet</td>
</tr>
<tr>
<td>Bicycle Repair</td>
<td>5000 shillings/month</td>
</tr>
<tr>
<td>Photocopying</td>
<td>100 shillings/page</td>
</tr>
<tr>
<td>Jik</td>
<td>3500 shillings/bottle</td>
</tr>
<tr>
<td>Volunteer</td>
<td>15000 shillings/month</td>
</tr>
</tbody>
</table>

**STEP 2**

**KNOW your STARTING BALANCE:**

**STARTING BALANCE:** 200,000/=
Budgeting

*If anyone went over the allocated budget of 200,000/= - what were the reasons?*

Your Notes


**Learning Point**

When developing a budget, it is also important to reserve some money, about 10% of your budget for unexpected or emergency expenses. This is called 'contingency' and you should include it in your budget. If your starting balance is 200,000/=, 10% of this would be 20,000=.

**Summary Box – Budgeting**

For reference and learners

- In-charges must budget in order to commit themselves to managing the money instead of letting the money manage them.
- Budgeting includes Planning, Prioritisation and Development.
- Health workers must build accountability and trust in their roles as in-charges. This is a very important first step and helps you to communicate about the need for continued and increased PHC Funding for health centres.
- Simple principles of budgeting and accounting can be used to help with PHC Fund management.
Accounting

ACCOUNTING

Purpose: To introduce the concept of accounting and to build your accounting skills.

Learning Outcomes: By the end of this session participants will:

1) Describe the principles of accounting.
2) Develop and apply accounting skills using the PHC Fund Management Tool.

1. Principles

- Keeping track of what you are spending and adjusting your spending for future months is called ‘accounting’.

FINANCIAL MANAGEMENT CYCLE

Communication
- show accountability
- communicate your budgeting & accounting activities

Planning
- determine requirements for using the PHC Fund
- prioritize requirements

Monitoring
- compare budget to actual spending
- investigate differences
- determine used and remaining stocks

Implementation
- record actual expenses as they occur using a receipt system

Development
- estimate cost of each item required
- plan for revenues (e.g. PHC Fund)
Accounting

Why do accounting?

- Accounting involves implementing your budget, monitoring your spending, and communicating your planned and actual spending for accountability.

  - **Implementation**: is recording expenses as they occur or at a specific time so that you are able to monitor your budget. This helps to check if you are over spending or under spending and not meeting the priorities in your budget.

  - **Monitoring**: is comparing your actual expenditures with the planned expenditures in your budget to determine if you are spending as planned.

  - **Communication**: is keeping your PHC Fund Management Tool up to date and taking action to communicate your planned and actual spending to the District or Health Sub-District. Communication shows accountability.

What do you need to know each month to help complete these accounting activities?

Your Notes

What is the best way to keep track of each thing you buy or spend money on?

Your Notes

Learning Point

- It is very good practice and a very good way to show accountability by using a receipt for each item you spend money on using a receipt or receipt book.

- You should keep your receipts in a safe place in the health centre, such as a folder or box file.

- Sometimes there are items you can not get a receipt for, such as a boda-boda ride or an item purchased at a local shop or stand that does not give a receipt. Create your own receipt in your receipt book and ask the person to sign the receipt and provide their contact information.
Guide: As a group review the steps needed to do the accounting.
**STEP 1:**
Gather your original receipts and invoices together, so that you can get the cost for everything you’ve purchased.

**Togoro Health Suppliers**

**SALES RECEIPT**

Date: 01/04/2011

<table>
<thead>
<tr>
<th>Qty.</th>
<th>Description</th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Soap bars</td>
<td>25.00</td>
<td>100.00</td>
</tr>
<tr>
<td>5</td>
<td>Jik bottle</td>
<td>35.00</td>
<td>175.00</td>
</tr>
</tbody>
</table>

Subtotal: 175.00
Tax: 0.00
Total: 175.00

Sale Made with:
[ ] Cash
[ ] Credit Card
[ ] Check, No. ____________
[ ] Other ____________

**Pump Water Suppliers**

**SALES RECEIPT**

Date: 10/04/2011

<table>
<thead>
<tr>
<th>Qty.</th>
<th>Description</th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Jemps Water</td>
<td>100.00</td>
<td>1000.00</td>
</tr>
</tbody>
</table>

Subtotal: 1000.00
Tax: N/A
Total: 1000.00

Sale Made with:
[ ] Cash
[ ] Credit Card
[ ] Check, No. ____________
[ ] Other ____________
**STEP 2:**
Calculate total amount of money you have spent on each type of item. You may need to do this on a separate sheet of paper. Record the total amount of money spent on each item.


**STEP 3:**
Add up all monthly costs to determine the total amount of money spent for the month.

For example, look at photocopying, you did 10 copies at 100 shillings totalling 1000; or you bought 5 bottles of jik at 3500, totalling 17500.
STEP 4: **Record** the total amount of money spent on each item and then add up all monthly costs to determine the total amount of money spent for the month.

STEP 5: **Compare** your actual expenditures from the ‘Accounting’ section of the tool with the ‘Budgeting’ section. You can determine if you have over or under spent on any item, and if you have spent money on something that was not in your original budget.

STEP 6: **RECONCILE** your budget with your actual spending

Maybe your budget was not very accurate and not very realistic based on the needs of your health centre. If so, you should think back to your budgeting process and see where you maybe went wrong. You should make a note of this on the PHC Fund Management Tool. Maybe something happened that you had not anticipated and it required a good portion of your PHC Fund. For example, perhaps something like a repair to the health centre took place after a storm. You should make a note of this on the PHC Fund Management Tool as an unexpected expense.
ACTIVITY F – When the budget and actual costs don’t add up

Can you think about reasons (cause) why the Budget and the Actual Expenditure don’t equal each other or match up and what you as in-charges could do about that (action)?

Guide: In pairs, think through the following questions focusing on cause and actions.

1) You forgot to add jik to the budget and ended up spending 30,000/= of your PHC Fund on jik instead of another item.

CAUSE: 


ACTION:


2) There was a storm causing damage to the roof of the health centre that you had to repair.

CAUSE:


ACTION:


Accounting

3) Soap increased to 5,000/= per bar.

CAUSE: 

ACTION:

4) The in-charge made a mistake in her calculations.

CAUSE: 

ACTION:

Learning Point

- You can use the information from your accounting activities to help you make your next budget. You may need to budget more or less money on different items, or budget for new items.

STEP 7: Communicate your experience to your District or Health Sub-District

The documentation will help the District and Ministry of Health understand what the PHC Fund is used for and why. This information will help the District and Ministry of Health plan for appropriate allocation and distribution of the PHC Fund. The information you provide will be very useful for any revision and decision making activities regarding the PHC Fund.
2. Practice

ACTIVITY G – Accounting

**Guide:** In pairs, with someone from the same level health centre, complete this accounting activity using the blank PHC form at the back of your manual on page 49.

1) Gather the receipts

**Receipt 1:**
- Date: 21/04/2011
- Amount Received: 10,000
- For: window repair
- Money Received by: Ali John Repairman

**Receipt 2:**
- Date: 30/04/2011
- Amount Received: 30,000
- For: Volunteer payment for 2 volunteers, @ 15,000 each
- Money Received by: Flora Jackson and Mercy Owar

**Receipt 3:**
- Date: 05/04/2011
- Amount Received: 4,000
- For: Boda Boda ride to collect drugs
- Money Received by: Charles K. - Boda Boda driver

**Receipt 4:**
- Date: 05/04/2011
- Amount Received: 4,000
- For: Boda Boda ride to collect drugs
- Money Received by: Charles K. - Boda Boda driver
### Sale Receipts

**Toronto Health Suppliers**

**SALES RECEIPT**

**Date:** 01/04/2011

<table>
<thead>
<tr>
<th>Qty.</th>
<th>Description</th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Soap bars</td>
<td>25.00</td>
<td>100.00</td>
</tr>
<tr>
<td>5</td>
<td>J.K bottle</td>
<td>35.00</td>
<td>175.00</td>
</tr>
</tbody>
</table>

Subtotal: 175.00
Tax: 175.00
Total: 175.00

Sale Made with:
- [x] Cash
- [ ] Credit Card
- [ ] Check, No. ____________
- [ ] Other ________________

---

**Pump Water Suppliers**

**SALES RECEIPT**

**Date:** 10/04/2011

<table>
<thead>
<tr>
<th>Qty.</th>
<th>Description</th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Jermans Water</td>
<td>1.00</td>
<td>10.00</td>
</tr>
</tbody>
</table>

Subtotal: 10.00
Tax: N/A
Total: 10.00

Sale Made with:
- [x] Cash
- [ ] Credit Card
- [ ] Check, No. ____________
- [ ] Other ________________
2) Calculate total amount spent on each item

Complete this section using your receipts on the blank PHC Fund Management tool at the end of this manual.

3) Add up all monthly costs.

4) Compare actual expenditure with budget.

5) Reconcile your budget with expenditure

6) Communicate your results to the group.
Accounting

1) How much money did you spend this month?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

2) Did you stay within your budget?

YES  NO  (circle the one that applies to you)

3) When you look at the ‘Budgeting’ side of the PHC Fund Management Tool. What differences do you notice?

   a) Did you spend more on some items than you budgeted for?

      YES  NO   (circle the correct one)

   b) If yes, on which items did you spend more than budgeted?

________________________________________________________________________

c) Did you buy everything you budgeted for?

________________________________________________________________________

d) If not, why not?

________________________________________________________________________

4) If you checked your stocks and found that you now have a surplus of 12 bars of soap, but no disinfectant - How would you adjust your budget for the coming month?

________________________________________________________________________
5) If you have any money left over after buying or acquiring all of your budgeted items, you can ‘carry over’ this money to your next budget. You include this amount on the line in your budget called ‘starting balance.’

6) There is one additional section on the PHC Fund Management Tool that you likely have not seen on any other budgeting or accounting form. It is the section at the bottom with two additional questions.

- These questions can help you to determine what items you may need to budget for in the next quarter.
- It also helps to communicate to the District and Ministry of Health about the use and necessity of the PHC Fund for paying for key items and services at the health centre.
- As part of our research study, we will be collecting your answers to these questions to help us determine the needs and priorities of selected health centres that are participating in the study.
Accounting

Summary Box – Accounting
For reference for learners

- Accounting is a way to keep track of what you are spending and to adjust your spending for future months.
- Accounting allows you to see if you are meeting the plans made in the budget.
- It includes: Implementation; Monitoring and Communication.
- Showing accountability by using a receipt for each expense is essential.
Purpose: To understand the benefit of good budgeting and accounting and to make a plan for completing the PHC Fund Management Tool regularly.

Learning Outcomes: By the end of this session you will:

1) Describe the importance and benefit of budgeting and accounting for the PHC Fund.
2) Understand how budgeting and accounting contributes to showing accountability and skill as an in-charge.
3) Plan and commit to completing the PHC Fund Management tool regularly at their health centres.

1. Discussion

Guide: In pairs, buzz around the following question.

How would completing a similar activity in your own health centre every month be beneficial to you as an in-charge?

Your Notes

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________
2. Planning

When do you think it would be the most useful to complete and communicate the PHC Fund Management Tool?

Your Notes

Which timeframe is the most useful and realistic considering all of the other work we do as in-charges.

Your Notes

Can you agree to commit to each other here today that you will complete and communicate the PHC Fund Management Tool every ____________ (complete the agreed time frame).

A checklist to help you remember how to complete the PHC Fund Management Tool. An additional one can be found at the end of this manual that you can use in your health centre.

PHC FUND MANAGEMENT CHECKLIST

- Keep receipts and invoices in an organized way.
- Use a receipt book and get a signature & contact information for payments where a receipt is not usually issued.
- Update and communicate the PHC Fund Management Tool every ___________ (complete as decided).
- Only use the PHC Fund for health centre expenses.
- Communicate your completed PHC Fund Management Tool with the District or Health Sub-District each time you collect your PHC Fund (quarterly).
Conclusion

CONCLUSION

**Purpose:** To close the HCM 00/01 training and receive any questions or address any questions in the parking lot.

Any comments or questions you may have about what was covered today?

Your Notes

Answers to parking lot questions

Thank you for participating today!

Sharing your experience and insight has been very helpful and informative.

Please use the Learner’s Manual regularly to review what you have learned.

Discuss any challenges with your colleagues; they will be most helpful for finding solutions to problems and challenges at your health centre.

Goodbye.
Annex

Annex 1  - Blank PHC FUND MANAGEMENT TOOL (1 to 3)       49
Annex 2  - Duplicate Blank PHC Fund Management Tool         51
Annex 3  - Checklist                                         53
## Annex 1 - Blank PHC FUND MANAGEMENT TOOL

### The ACT PRIME Study

#### PRIMARY HEALTH CARE (PHC) FUND MANAGEMENT TOOL

<table>
<thead>
<tr>
<th>Health worker ID</th>
<th>Health centre code</th>
<th>Reporting Month / Year</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Actual cost Item</th>
<th>Total amount spent</th>
</tr>
</thead>
</table>

**ACCOUNTING**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number of items purchased</th>
<th>Remaining Balance (Starting balance - Total Amount Spent)</th>
</tr>
</thead>
</table>

**BUDGETING**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost for item</th>
<th>Total cost for items</th>
</tr>
</thead>
</table>

**TOTAL BUDGET**

Did you have enough money to pay for all items and services budgeted for this quarter?  
[ ] Yes  [ ] No  [ ] I don’t know  [ ] I refuse to answer  
If ‘no’, what items or services were you not able to pay for? List all that apply.
### Annex 2 - Duplicate Blank PHC FUND MANAGEMENT TOOL

**The ACT PRIME Study**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number of items purchased</th>
<th>Actual cost for item</th>
<th>Total amount spent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Accounting**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number of items purchased</th>
<th>Actual cost for item</th>
<th>Total amount spent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Budgeting**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number of items needed</th>
<th>Total cost for items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Budget**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number of items needed</th>
<th>Total cost for items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Remaining Balance**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number of items purchased</th>
<th>Actual cost for item</th>
<th>Total amount spent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Amount Spent**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number of items purchased</th>
<th>Actual cost for item</th>
<th>Total amount spent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Did you have enough money to pay for all items and services budgeted for this quarter?**

- **Yes**
- **No**
- **I don’t know**
- **Refuse to answer**

If ‘No’, what items or services were you not able to pay for? List all that apply.
ANNEX 3 - Duplicate copy of PHC Fund Management Checklist

PHC FUND MANAGEMENT CHECKLIST

- Keep receipts and invoices in an organized way.
- Use a receipt book and get a signature & contact information for payments where a receipt is not usually issued.
- Update and communicate the PHC Fund Management Tool every __________ (complete as decided).
- Only use the PHC Fund for health centre expenses.
- Communicate your completed PHC Fund Management Tool with the District or Health Sub-District each time you collect your PHC Fund (quarterly).