The Role of Leadership in Resource Decisions

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Embrace Change: Building today’s leaders

Sunday, October 21, 2018
Disclosure of Conflict of Interest

I do not have any relevant financial relationships with any commercial interests.
Learning Objectives

1. Describe how leadership makes decisions related to the purchase or use of resources.

2. Describe the importance of tracking assets.

3. Describe the importance of a physical plant and equipment maintenance program.
What is a Fixed Asset?

»“Long-Term Pieces of Property that will be used in the operation of your hospital and that won’t be converted to cash in less than a year”

~Examples:
• Equipment
• Furniture
• Electronics
• Vehicles
• Buildings
• Land
• Office Equipment
Acquiring a Fixed Asset

» Decision-making Considerations
  ~ Improved patient care
  ~ Reduction in the cost of operation
  ~ Replacement of old or inoperable equipment
  ~ Return on Investment

» Fixed Asset Sources
  ~ Benevolent Donor
  ~ Purchase from a Vendor

» Purchasing Process
Start

Requestor decides there is a need for a fixed asset.

Purchase requisition is created.

Purchase requisition sent to budget officer for review.

Approve

Requisition is approved or denied by budget officer.

Denied

End
What is Fixed Asset Management?

» Specifies the process to
   ~ Track
   ~ Protect
   ~ Value and
   ~ Maintain your investments

» Manual process using a spreadsheet

» Automated process using specialized software
Necessity of Fixed Asset Management

» Volume of Fixed Assets is Massive
» Need to properly maintain is Crucial
» Availability of Assets are Critical
» Financial risks are Daunting
Fixed Access Register (FAR)

» Contains all the Fixed Assets of the Facility

» FAR Contents

~ Asset Tag or Label and Description
  • Unique Number or
  • Bar-coded Label or
  • Radio Frequency Identification (RFID) tag

~ Quantity of the Asset

~ Cost

~ Name of Supplier

~ Physical Location

~ Maintenance Schedule

~ Depreciation Status
Fixed Asset Equipment Maintenance

» Objective: Prevent equipment failure and minimize production loss

» Importance of Maintenance Management

  ~ Improves facility productivity
  ~ Keeps equipment in their optimum operating condition
  ~ Decreases operating costs of the equipment

  ~ Lack of maintenance leads to unscheduled down time
    • Loss of production
    • Causes rescheduling
    • Results in overtime
    • Possible need for contract employees
Maintenance Management Functions

» Develop maintenance policies, procedures, and standards
» Schedule preventive maintenance work
» Complete repairs in a timely manner
» Document and maintain a record of each maintenance activity
» Facilitate periodic inspection of specific equipment
» Prepare and maintain an inventory list of spare parts
» Recruit and train staff to conduct effective maintenance
» Implement necessary safety standards
Fixed Asset Management Best Practices

» Address “ghost” assets
  ~ Remove lost, stolen, or unusable assets from the FAR

» Conduct physical asset inventories
  ~ Performed at regular intervals
  ~ Develop process to add new assets
  ~ Ensure that the FAR is accurate and current

» Tag assets
  ~ Use unique identifiers
  ~ Use of bar-code or RFID will reduce the time to take inventory
More Best Practices

»Migrate from a spread sheet solution to fixed asset management software
  ~Reduces the amount of human error
  ~Includes audit trails and asset tracking history
  ~Provides ease of incorporating and changing depreciation methods
Getting started with your FAR

» Equipment needed:

~ Desktop / Laptop / Cell phone

~ Google Account to setup the form

» Live demo:

~ Browse to: ghcdemo.haitiadventisthospital.org
Getting started with your FAR

ghcdemo.haitiadventisthospital.org
Haiti Adventist Hospital FAR

» Actually done on a spreadsheet
  ~ Distributed using Google Sheets
  ~ Using different tabs for different asset location

» Next step:
  ~ Migration to Fixed Asset Management Software
References

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Questions