Prepare an 4-5 page capital budget for a major capital acquisition.

Introduction

Note: Complete the assessments in this course in the order in which they are presented.

In today's health care environment, the focus on major purchases, as part of the capital budget, has emphasized the

need for newer and better technology. Although the need to invest in capital equipment and technology has been

ongoing, the nursing workforce must also have a safe and pleasant work environment.

This assessment provides an opportunity for you develop a capital budget for a major facility improvement that will

benefit patients, nurses, and the organization.

Most nurse leaders work with operating budgets, but will also have input into capital budgets. A capital budget is

typically developed separately from the operating budget and is usually developed to purchase items that are often

referred to as big-ticket items that will enhance the capacity or services of an organization. For example, capital

budgets may cover land purchase for the future site of a new outpatient surgical center, construction of a new

building or build-out for renovation of an already existing building, or replacement of old equipment.

It is important to remember that health care is also a major business. While for health care providers, patient care

and safety are priorities, health care institutions must operate from a business model in order to survive financially.

As nurse leaders or executives, you often have a role to play in developing a capital budget to improve care at some

level. In addition, a rapidly changing health care environment requires nurse leaders who have the financial

management and budgeting skills to ensure that large capital expenditures further the mission and goals of the

organization.

Note: Complete the assessments in this course in the order in which they are presented.

Preparation

You are the unit manager of a 50-bed, step-down unit, and it is time for you to prepare your annual capital budget.

You have seen a significant turnover in your nursing staff in the past three years; a review of exit interviews and

patient surveys indicates low nurse satisfaction, poor morale, and complaints of an antiquated and depressing work

environment. You have researched the impact of a positive working environment on staff productivity and morale and

decided to request a renovation of the nurses' lounge as the main purchase in your capital budget. You will present

your request as a quality improvement investment.

Note: Remember that you can submit all of, or a portion of, your draft to Smarthinking for feedback, before you

submit the final version for this assessment. However, be mindful of the turnaround time of 24–48 hours for receiving

feedback, if you plan on using this free service.

As you prepare to complete this assessment, you may want to think about other related issues to deepen your

understanding or broaden your viewpoint. You are encouraged to consider the questions below and discuss them

with a fellow learner, a work associate, an interested friend, or a member of your professional community. Note that

these questions are for your own development and exploration and do not need to be completed or submitted as part

of your assessment.

How would you approach the process of designing a capital budget? For example:

What steps would you need to take?

What resources would you access?

Will you collaborate with other executives or staff?

How will you tie the vision for the capital expenditure to the organization's mission and goals?

What challenges do you anticipate in justifying a capital budget to administrative leaders in an organization?

What criteria might a particular health care organization or service provider apply to evaluate the return on a capital

investment?

MSN PROGRAM JOURNEY

Please review this guide for your degree program. It can help you stay on track for your practicum experience, so

you may wish to bookmark it for later reference.

MSN Program Journey.

The following resources are required to complete the assessment.

4/23/2021 Order 343206058

https://admin.writerbay.com/orders\_available?subcom=detailed&id=343206058 2/2

APA Style Paper Tutorial [DOCX]. Use this tutorial for the written portion of your capital budget.

Requirements

Note: The requirements outlined below correspond to the grading criteria in the assessment scoring guide. Be sure

that your budget addresses each point, at a minimum. You may also want to read the Guiding Questions: Preparing

and Managing a Capital Budget [DOCX] to better understand how each criterion will be assessed.

Prepare a capital budget for a facility renovation. Assemble your budget figures in a table, using a format of your

choice. You may use either Microsoft Word or Excel to create your budget table.

Note: You may use the budget in the Vila Health: Preparing a Capital Budget multimedia exercise as an example of

how you might format your table. You may also use a budget format used in your organization or a format you find in

any of the course resources or on the Internet.

Describe the capital acquisition.

Justify the need for the capital acquisition.

Prepare the capital budget.

Describe the process for calculating costs.

Present a plan for budget management.

Explain how the capital acquisition will affect the financial health of the organization.

Present budget data and information clearly and accurately.

Integrate relevant and credible sources of evidence to support your budget data and information, correctly formatting

citations and references using current APA style.

Additional Requirements

If you used Microsoft Excel to create your budget table, submit the Excel file along with your budget narrative. You

may also add the Excel file to your Word document as an embedded object.

Format your budget using APA style.

Use the APA Style Paper Template [DOCX], linked above, to help you in writing and formatting your budget. Be sure

to include:

An APA-formatted title page and reference page. An abstract is not required.

A minimum of five properly formatted citations and references.

Your budget should be 4–5 pages in length, not including the title page and reference page.

Portfolio Prompt: You may choose to save this learning activity to your ePortfolio.

Competencies Measured

By successfully completing this assessment, you will demonstrate your proficiency in the following course

competencies and assessment criteria:

Competency 3: Develop a capital budget.

Describe a capital acquisition.

Prepare a capital budget.

Describe the process for calculating costs.

Competency 4: Determine the equipment and services needed to maintain seamless patient or client care.

Justify the need for a capital acquisition.

Competency 5: Apply financial principles to a strategic plan for achieving organizational goals and fiscal success.

Present a plan for budget management.

Explain how a capital acquisition will affect the financial health of the organization.

Competency 6: Communicate effectively with diverse audiences, in an appropriate form and style, consistent with

applicable organizational, professional, and scholarly standards.

Present budget data and information clearly and accurately.

Integrate relevant and credible sources of evidence to support your budget data and information, correctly formatting

citations and references using APA style