

**HÔPITAL GLENGARRY MEMORIAL HOSPITAL
GLOSSARY OF FINANCIAL TERMS**

HOSPITAL TERMINOLOGY	
FINANCIAL TERM	EXPLANATION
Accrual Accounting	Recognition and reporting of the effects of transactions on the assets and liabilities of the hospital in the time period in which they relate rather than only when cash is received or paid
Amortization	The spreading of an intangible asset cost over that asset's useful life.
Capital Assets (Tangible)	Items acquired by the Hospital that have economic lives extending beyond the accounting period. The assets are recorded at historical costs. Such assets are available for use, may require operating and maintenance expenses and may need to be replaced in the future. Includes land, buildings, equipment, information technology systems, machinery etc...
Census	The number of inpatients present at the specific time each day, usually midnight
Current Assets	Is any asset which can reasonably be expected to be converted to cash within one year. Includes, cash, accounts receivable, inventories etc..
Current Liabilities	Is any liability/debt that is due within one year. Includes accounts payable, accrual liabilities, short term debts.
Current Ratio	<p>Is the ratio of current assets to current liabilities. Measures whether or not the Hospital has enough resources to meet its short-term obligations.</p> $\frac{\text{Current assets}}{\text{Current liabilities}}$ <p>If current liabilities exceed the current assets, the ratio will be less than 1 and indicate a cash flow problem.</p>
Deferred Capital Contribution	Monies received to acquire a capital asset or intangible asset. Capital contribution is recorded in revenues over the estimated useful life of the related assets
Depreciation	Every fixed asset purchased will depreciate over its useful life, reflecting the concept that fixed assets lose value over time. By definition, fixed assets are capitalized (i.e.: appear on the balance sheet) and are depreciated on the income statement as a non-cash expense. This basically for the hospital to set aside the cash for replacement purposes. Accountants use pre-determined useful life data for various types of fixed assets as per the OHRS guidelines

HOSPITAL TERMINOLOGY

FINANCIAL TERM	EXPLANATION
Full Time Equivalent (FTE)	<p>A measurement of the personnel employed in term of a full-time labor capability.</p> <p>1 FTE = 1950 hours/year or 37.50 hours/week</p> <p>i.e.: Part-time employee working 22.50 hours a week</p> <p>$22.50 / 37.50 = .60$ FTE</p>
Functional Center	<p>A division, department or unit performing an activity within the Hospital (i.e.: Administration, Finance, Medicine unit, Radiology, Physiotherapy)</p>
Intangible Asset	<p>A capital asset having no physical existence. Such as software licenses</p>
Internal Control	<p>Is defined in accounting and auditing, as a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. A broad concept, internal control involves everything that controls risks to an organization.</p>
Management and Operation Support (MOS)	<p>Are the personnel whose primary function is the management or support of the operation of the functional center i.e.: managers, administration assistants, senior managers</p>
Materiality	<p>Relative importance, when measured against a standard of comparison.</p>
Occupancy Rate	<p>The occupancy rate compares the actual inpatient utilization to the maximum possible utilization if every bed was full every day.</p> <p>i.e. Medicine Occupancy rate:</p> <p>17 patients / 22 beds = 77 %</p>
Post-retirement benefits	<p>Dental, supplementary health and hospital benefits supplied to retired employees</p>
Public Sector Accounting Board (PSAB)	<p>Independent body with the authority to set accounting principles and standards for the public sector, which includes hospitals.</p>
Purchased/Contracted Services	<p>Contractual services provided by outside contractors or a third party Purchased services from a third party due to lack of internal resources</p>
Straight-line basis of amortization/depreciation	<p>Method which the annual amortization/depreciation expense is calculate by dividing the historical cost of the asset by the number of years of expected use</p>
Total Margin	<p>Excess of revenue over expenses generated from operations</p>

HOSPITAL TERMINOLOGY	
FINANCIAL TERM	EXPLANATION
Unit Producing Personnel (UPP)	Staff whose primary function is to carry out the activities that contribute directly to the mandate of the functional centre i.e.: nurse, physiotherapist, clerk

HOSPITAL TERMINOLOGY	
HUMAN RESOURCES	EXPLANATION
Casual Employee	Casual employees are part-time employees that make no commitment to be available to work. They are offered work once all regular part-time nurses have been given the opportunity to work up to their availability.
Purchased Services	When the hospital hires individuals to perform tasks, which are normally provided by hospital staff.
Regular Full-Time	A regular full time employee is one who is scheduled 37.50 hours a week.
Regular Part-Time	A regular part-time employee for ONA regularly works less than 37.50 hours per week and offers to make a commitment to be available to work on a predetermined basis. A regular part-time employee for CUPE is one who is scheduled to work up to 24 hours and offers to make a commitment to be available to work on a predetermined basis.
Temporary Full-Time	Employees that are hired for a specific term not to exceed 6 months, to replace an employee who will be on approved leave of absence. The term may be extended a further six months, if mutually agreed. The employee, if part-time, will still be considered part-time but be working full time hours (37.50)
Temporary Part-time	Employees that are hired for a specific term not to exceed 6 months, to replace an employee who will be on approved leave of absence. The term may be extended a further six months,, if mutually agreed. Scheduling rules, less than 37.50 for ONA and up to 24 hours for CUPE are applied.