

## Financial Management Indicator 4

**FM 4: Proportion of purchase requests processed on time according to established health department policy.**

**Why measure this?**

This indicator will inform health department leaders about the timeliness with which purchase orders are processed. Health department leaders can use this data to determine whether or not purchase orders are processed in a reasonable timeframe and identify areas to improve efficiencies.

**Measurement specifications:** Total number of health department purchase requests processed on time divided by the total number of health department purchase requests.

**Reporting period:** Quarterly

### PHAB Alignment

**11.2.3 A:** Financial management system

This indicator contributes to the PHAB measures by providing health department leadership about the timeliness with which their purchase orders are requested and paid. Health department leaders can use this data to determine whether or not purchase orders are processed and paid in a reasonable timeframe and identify areas to improve efficiencies.

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#### Operational Definition

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**Purchase requests paid on time:** A purchase order is a document issued from a buyer to a seller indicating types, quantities, and agreed upon prices for products or services the seller will provide the buyer. Each quarter, count the number of purchase requests processed on time according to established health department policy.

**Established health department policy:** According to the health department’s predetermined timeframe for processing purchase orders.

**Quarterly:** This indicator should be reported once every 3 months.

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**Possible data sources:** Health department annual budget or financial tracking system.