

Tip For Determining Financial Budget Numbers

Before preparing a Financial Budget for an upcoming year, it can be handy to review historical revenues and expenditures. The General Ledger report that groups numbers by G/L account, and then sums totals by month can be very handy for this review. Open the 'General Ledger Review' window by typing 'GL' in the **Index** field on the Navigation/Home window.

For example, on the General Ledger Review window, select an expense account that you'd like to review. We selected the Telephone expense account.

Then select a range of dates for a year prior to your budget year.

Then select the ledger report '**Grouped By Monthly Totals - No Detail**' from the toolbar at the top of the window.

General Ledger Review (Accounting Transactions)

GL Account: FROM-> 8260 - TELEPHONE-ADMIN OFFICE
 GL Account: TO-> 8260 - TELEPHONE-ADMIN OFFICE

Entry Dates: 01/01/05 To 12/31/05 Cost Code: 0 To 9992

Ledger Reports-BEGIN/End Balances | Ledger Reports-Period Only | Acctg/Financial Stmt | Utilite:

- Ledger With No Running Sum Column
- Ledger With Running Sums
- Ledger With Monthly Totals
- Ledger With Quarterly Totals

Grouped by Month - With Detail
 Grouped By Monthly Totals - No Detail

We can use the General Ledger report with Monthly Totals shown here to calculate a monthly average for Telephone expense. In this case the average would be about \$617.00 per month. (\$7,406.93 divided by 12 mos).

We can tell by looking at the report, however, that our monthly telephone expense has been increasing, however, so we are going to decide to use an average from the last six months, and budget \$675.00 per month for Telephone Expense.

Remember! All reports can be sent to an Excel spreadsheet to aid in calculating averages, etc.

Continue to the next page.

DATES FROM: 01-Jan-05 TO: 31-Dec-05		GL #'S FROM: 8260 TO: 82	
8260	TELEPHONE-ADMIN OFFICE		
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	1/1/2005	Bal Forward	\$0.00
	January 2005		\$312.69
	February 2005		\$302.46
	March 2005		\$285.61
	April 2005		\$449.52
	May 2005		\$933.16
	June 2005		\$1,091.03
	July 2005		\$530.75
	August 2005		\$417.63
	September 2005		\$642.57
	October 2005		\$959.83
	November 2005		\$701.62
	December 2005		\$780.06
		Period Total	\$7,406.93
8260	TELEPHONE-ADMIN OFFICE		ENDING BALANCE
			\$7,406.93
		PERIOD TOTAL	\$7,406.93

Creating a Financial Budget

- 1 - Enter a Budget Year using 4 numbers that represent the year.
- 2 - Select a Department for the Budget. Budgets are prepared by Department so that Income Statements Compared To Budget can be produced for one department. The program will sum department budget totals together on a budget comparison for the entire company.
- 3 - The fields for selecting a range of GL Number are simply there for review of the budget.
- 4 - To Add a New Budget Line, use the button labeled 'Add New Budget Line'. Continue to the next page.

PROFIT AND LOSS BUDGET WORKSHEET (FB in index)													Home	X	
Enter Budget Year	2006		Use 4 numbers that represent a year.										Use Debits and Credits appropriately. Most Revenue accounts should be Credit (negative) amounts, and most Expense accounts should be Debit (positive) amounts.		
Department	OH														
GL Number From:	3050		To:	8990		<-All		Add New Budget Line							
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL			
3400-MISCELLANEOUS INCOME						OH-Overhead		Fill in all months with--->				0	Delete		
-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-30,000			
8260-TELEPHONE-ADMIN OFFICE						OH-Overhead		Fill in all months with--->				0	Delete		
675	675	675	675	675	675	675	675	675	675	675	675	8,100			
						OH-Overhead		Fill in all months with--->				0	Delete		
0	0	0	0	0	0	0	0	0	0	0	0				

Creating a Financial Budget - continued

On a new budget line, **FIRST** select the appropriate G/L Account number. Then fill in the amounts for the months.

NOTE: Since Sales and Revenue accounts normally have “credit” balances in accounting, you will need to use a ‘minus’ sign for Sales and Revenue budget amounts (to mark them as ‘credits’).

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
3120-SALES-SINGLE FAMILY CUSTOM						CH-Custom Homes	Fill in all months with--->					Delete
0	0	0	0	0	0	-600,000	-700,000	0	0	0	0	-1,300,000

NOTE: Since Cost Of Sales and Expense accounts normally have “debit” balance in accounting, enter amounts COGS and Expense accounts as positive numbers.

3620-COST OF SALES-SNGL FAM CUSTOM						CH-Custom Homes	Fill in all months with--->					235	Delete
0	0	0	0	0	0	508,000	594,000	0	0	0	0	1,102,000	

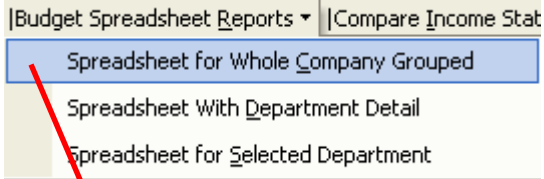
If the budget amount will be the same for each month, type the amount in the field labeled ‘**Fill in all months with-->**’. After typing in the amount, the program will fill that amount into all the months for you!

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
8260-TELEPHONE-ADMIN OFFICE						OH-Overhead	Fill in all months with--->					675	Delete
675	675	675	675	675	675	675	675	675	675	675	675	8,100	

If the GRAND TOTAL of all entries is a negative number, it means that you are budgeting for a PROFIT. If the GRAND TOTAL of all entries is a positive number, it means that you are budgeting for a LOSS. Feels backwards, but that’s how it’s done in the accounting world. Hmmmmmm.

Negative Grand Total indicates a budgeted profit and positive total indicates a budgeted loss!										GRAND TOTAL	(\$454,100)
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Financial Budget Spreadsheet Report For Entire Company



To print a spreadsheet of the Financial Budget that will total all budget numbers for ALL departments into one line for each G/L number for the entire company, use the button on the toolbar labeled 'Budget Spreadsheet Reports'. Then select 'Spreadsheet for Whole Company Grouped'.

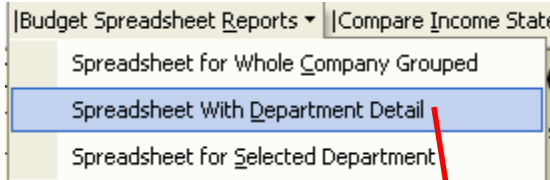
NOTE: We are NOT done with our budget! Also, notice that the report WILL display Sales and Revenues as positive numbers and expenses as negative numbers (rather than as normal debits and credits). This makes the report easier to understand.

Income Statement Budget For the Year 2006 For Entire Company

Use Page Setup to select Legal Paper AND Landscape View.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
SALES-DEVELOPED LOTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$40,000
SALES-SINGLE FAMILY SPECS	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$47,000	\$0	\$0	\$0	\$40,000	\$1,477,000
SALES-SINGLE FAMILY CUSTOM	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$700,000	\$0	\$0	\$0	\$0	\$1,300,000
MISCELLANEOUS INCOME	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$30,000
COST OF SALE-LAND HELD FOR DEV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$30,000)	\$0	\$0	\$0	\$0	(\$30,000)
COST OF SALES-SINGL FAM SPECS	\$0	\$0	(\$500,000)	\$0	\$0	\$0	\$0	(\$550,000)	\$0	\$0	\$0	(\$307,000)	(\$1,445,000)
COST OF SALES-SINGL FAM CUSTOM	\$0	\$0	\$0	\$0	\$0	\$0	(\$500,000)	(\$504,000)	\$0	\$0	\$0	\$0	(\$1,102,000)
WARRANTY EXPENSES	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$7,200)
SERVICE CHARGES-FINANCING	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$2,820)
SUB TOTALS	\$1,415	\$1,415	\$01,415	\$1,415	\$1,415	\$1,415	\$90,415	\$204,415	\$1,415	\$1,415	\$1,415	\$44,415	\$459,300
TELEPHONE ADMIN OFFICE	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$8,100)
SUB TOTALS	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$475)	(\$8,100)
NET BUDGETED INCOME (LOSS)	\$940	\$940	\$00,940	\$940	\$940	\$940	\$92,940	\$205,940	\$940	\$940	\$940	\$43,940	\$451,200

Financial Budget Spreadsheet Report For Entire Company - With Dept. Detail



To print a spreadsheet of the Financial Budget that will budget lines for ALL departments on separate lines, use the button on the toolbar labeled 'Budget Spreadsheet Reports'. Then select 'Spreadsheet With Department Detail'.

Income Statement Budget For the Year 2006

Detail for A

Use Page Setup to select Legal Paper AND Landscape View.

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
SALES-DEVELOPED LOTS	Custom Homes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000	\$0	
SALES-SINGLE FAMILY SPECS	Custom Homes	\$0	\$0	\$580,000	\$0	\$0	\$0	\$0	\$647,000	\$0	
SALES-SINGLE FAMILY CUSTOM	Custom Homes	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000	\$700,000	\$0	
MISCELLANEOUS INCOME	Overhead	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
COST OF SALE-LAND HELD FOR DE	Custom Homes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$30,000)	\$0	
COST OF SALES-SNGL FAM SPECS	Custom Homes	\$0	\$0	(\$500,000)	\$0	\$0	\$0	\$0	(\$558,000)	\$0	
COST OF SALES-SNGL FAM CUSTO	Custom Homes	\$0	\$0	\$0	\$0	\$0	\$0	(\$508,000)	(\$594,000)	\$0	
WARRANTY EXPENSES	Custom Homes	(\$650)	(\$650)	(\$650)	(\$650)	(\$650)	(\$650)	(\$650)	(\$650)	(\$650)	(\$650)
SERVICE CHARGES-FINANCING	Custom Homes	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)
SUB TOTALS		\$1,615	\$1,615	\$81,615	\$1,615	\$1,615	\$1,615	\$93,615	\$206,615	\$1,615	\$1,615
TELEPHONE-ADMIN OFFICE	Overhead	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)
SUB TOTALS		(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)	(\$675)
NET BUDGETED INCOME (LOSS)		\$940	\$940	\$80,940	\$940	\$940	\$940	\$92,940	\$205,940	\$940	\$940

Financial Budget Spreadsheet Report For One Department

- Budget Spreadsheet Reports ▾ | Compare Income Stat
- Spreadsheet for Whole Company Grouped
- Spreadsheet With Department Detail
- Spreadsheet for Selected Department

To print a spreadsheet of the Financial Budget that will show all budget lines for ONLY the department selected on the Worksheet, use the button on the toolbar labeled 'Budget Spreadsheet Reports'. Then select 'Spreadsheet for Selected Department'.

Income Statement Budget For the Year 2006

For Department: CH

Use Page Setup to select Legal Paper AND Landscape View.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
SALES-DEVELOPED LOTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$40,000
SALES-SINGLE FAMILY SPECS	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$47,000	\$0	\$0	\$0	\$40,000	\$1,477,000
SALES-SINGLE FAMILY CUSTOM	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$700,000	\$0	\$0	\$0	\$0	\$1,300,000
COST OF SALE LAND HELD FOR DEV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$30,000)	\$0	\$0	\$0	\$0	(\$30,000)
COST OF SALES-SINGL FAM SPECS	\$0	\$0	(\$500,000)	\$0	\$0	\$0	\$0	(\$550,000)	\$0	\$0	\$0	(\$387,000)	(\$1,447,000)
COST OF SALES-SINGL FAM CUSTOM	\$0	\$0	\$0	\$0	\$0	\$0	(\$500,000)	(\$504,000)	\$0	\$0	\$0	\$0	(\$1,104,000)
WARRANTY EXPENSES	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$450)	(\$7,500)
SERVICE CHARGES-FINANCING	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$235)	(\$2,820)
SUB TOTALS	(\$885)	(\$885)	\$79,115	(\$885)	(\$885)	(\$885)	\$91,115	\$304,115	(\$885)	(\$885)	(\$885)	\$42,115	\$429,380
NET BUDGETED INCOME (LOSS)	(\$885)	(\$885)	\$79,115	(\$885)	(\$885)	(\$885)	\$91,115	\$304,115	(\$885)	(\$885)	(\$885)	\$42,115	\$429,380

Income Statement Compared To Budget - Departments Detail

Compare Income Statements to Budget

To compare Income Statements to Financial Budgets, use the button on the toolbar at the top of the Budget Worksheet window that is labeled 'Compare Income Statements to Budget'.

WORKSHEET (FB in index)

Income Statement Compared to Financial Budget

SELECT PERIOD-> Year
 SELECT BUDGET YEAR-> 2006
 DEPARTMENT FROM: A TO: Z

On the window that opens, select the appropriate month, or the word 'Year' from the drop down list in the 'Select Period' field. Then select the budget year in the 'Select Budget Year' field.

Use the button labeled 'Report With Departments Detail' for the report below.

Report With Departments Detail
 Report for Whole Company
 Month And Year-To-Date (Calendar Year) For Co
 Open Window to Setup Budgets

SELECT PERIOD-> MAR
 SELECT BUDGET YEAR-> 2006
 DEPARTMENT FROM: A TO: Z
 Report With Departments Detail

Income Statement Budget Report For: Year 2006

For Departments From: A To: Z

		ACTUAL	BUDGET	DIFFERENCE
SALES AND REVENUES				
SALES-SINGLE FAMILY SPECS	Custom Homes	\$1,681,024	\$1,677,000	\$4,024
SALES-SINGLE FAMILY CUSTOM	Custom Homes	\$1,249,709	\$1,300,000	(\$50,291)
	Sub Total	\$2,930,733	\$2,977,000	(\$46,267)
LAND DEVELOPMENT REVENUES				
SALES-DEVELOPED LOTS	Custom Homes	\$63,068	\$40,000	\$23,068
	Sub Total	\$63,068	\$40,000	\$23,068
COST OF SALES - HOMES				
COST OF SALES-SNGL FAM SPECS	Custom Homes	(\$1,620,109)	(\$1,445,000)	(\$175,109)
COST OF SALES-SNGL FAM SPECS	Overhead	(\$421)	\$0	(\$421)
COST OF SALES-SNGL FAM CUSTOM	Custom Homes	(\$1,057,142)	(\$1,102,000)	\$44,858

Income Statement Budget Report For: MAR 2006

For Departments From: A To: Z

		ACTUAL	BUDGET	DIFFERENCE
SALES AND REVENUES				
SALES-SINGLE FAMILY SPECS	Custom Homes	\$584,524	\$580,000	\$4,524
	Sub Total	\$584,524	\$580,000	\$4,524
COST OF SALES - HOMES				
COST OF SALES-SNGL FAM SPECS	Custom Homes	(\$584,651)	(\$500,000)	(\$84,651)
	Sub Total	(\$584,651)	(\$500,000)	(\$84,651)
OTHER INCOME/EXP AGP				
OVERHEAD INCOME	Custom Homes	\$27,250	\$0	\$27,250
MISCELLANEOUS INCOME	Overhead	\$0	\$2,500	(\$2,500)

Income Statement Compared To Budget - Month and Year-To-Date

Compare Income Statements to Budget
WORKSHEET (FB in index)

To compare Income Statements to Financial Budgets, use the button on the toolbar at the top of the Financial Budget Worksheet that is labeled 'Compare Income Statements to Budget'.

SELECT PERIOD-> **AUG**

SELECT BUDGET YEAR-> **2006**

DEPARTMENT FROM: **A** TO: **Z**

Report With Departments Detail

Report for Whole Company

Month And Year-To-Date (Calendar Year) For Company

To compare the selected Month AND Year-To-Date numbers, use the button labeled 'Month and Year-to-Date For Company'.

Year-To-Date Income Statement Budget Report

Through the End Of: **AUG 2006**

For Entire Company

	AUG ACTUAL	AUG BUDGET	AUG DIFF	YTD ACTUAL	YTD BUDGET	YTD DIFF
SALES AND REVENUES						
SALES-SINGLE FAMILY SPECS	\$646,500	\$647,000	(\$500)	\$1,231,024	\$1,227,000	\$4,024
SALES-SINGLE FAMILY CUSTOM	\$1,249,709	\$700,000	\$549,709	\$1,249,709	\$1,300,000	(\$50,291)
Sub Total	\$1,896,209	\$1,347,000	\$549,209	\$2,480,733	\$2,527,000	(\$46,267)
LAND DEVELOPMENT REVENUES						
SALES-DEVELOPED LOTS	\$63,068	\$40,000	\$23,068	\$63,068	\$40,000	\$23,068
Sub Total	\$63,068	\$40,000	\$23,068	\$63,068	\$40,000	\$23,068
COST OF SALES - HOMES						
COST OF SALES-SNGL FAM SPECS	(\$607,589)	(\$558,000)	(\$49,589)	(\$1,192,240)	(\$1,058,000)	(\$134,240)
COST OF SALES-SNGL FAM CUSTO	(\$1,057,142)	(\$594,000)	(\$463,142)	(\$1,057,142)	(\$1,102,000)	\$44,858
Sub Total	(\$1,664,730)	(\$1,152,000)	(\$512,730)	(\$2,249,382)	(\$2,160,000)	(\$89,382)
COST OF SALES - LAND DEV						
COST OF SALE-LAND HELD FOR DE	(\$28,356)	(\$30,000)	\$1,644	(\$28,356)	(\$30,000)	\$1,644
Sub Total	(\$28,356)	(\$30,000)	\$1,644	(\$28,356)	(\$30,000)	\$1,644
OTHER INCOME/EXP AGP						
OVERHEAD INCOME	\$0	\$0	\$0	\$37,250	\$0	\$37,250
MISCELLANEOUS INCOME	\$0	\$2,500	(\$2,500)	\$0	\$20,000	(\$20,000)
Sub Total	\$0	\$2,500	(\$2,500)	\$37,250	\$20,000	\$17,250