

## **BUDGETING BOOT CAMP**

### **For – Profit Budgeting Spreadsheet – How to Use**

#### **General Comments**

As a reminder, this template is designed for Oxygen Media's specific usage. Therefore, the account codes, listed in the left hand column, will NOT match up with the account codes in your Company. You'll need to verify with your Finance/Accounting folks your specific Account Codes (aka Natural Accounts) and update this spreadsheet.

In addition, the Subtotal groupings (Salary & Wages, Non-Staff Personnel, T&E, G&A and Other Overhead) are also specific to Oxygen. You may wish to tailor the groupings to either fit your Finance department's requirements and/or your own needs.

#### **The Excel File**

There are two sheets in the attached Excel file. Open the file and look in the lower left hand corner. You'll see the two sheets, labeled:

- ROLLED UP BUDGET
- DETAILED BUDGET

They are not capitalized in the Excel Spreadsheet. I did that in this document only as I refer to each of the sheets individually at various points in this document. Thus, you'll know I'm talking about a specific sheet when it's in all capital letters as shown above. Hopefully that will help you navigate between this Word document and the Excel spreadsheet.

So, into the nitty gritty of how to use the file: the two sheets are interlinked such that you only put #'s in the DETAILED BUDGET sheet and it will automatically populate the ROLLED UP BUDGET sheet. There is one exception to this rule and that is the 2009 Budget Total figures for each Account Code. I have the spreadsheet set-up so that you enter it in the ROLLED UP BUDGET column and that # then automatically populates the DETAILED BUDGET. More detail on this later.

You can also change the Descriptions field in the DETAILED BUDGET sheet and it will automatically populate the ROLLED UP BUDGET sheet. NOT true with the account codes – those are hard coded to each spreadsheet and if you update them, you'll need to do so manually on each page.

Just as the name implies, the DETAILED BUDGET allows you to add more information about the specific costs. The ROLLED UP BUDGET is probably what you would turn in to Finance although I actually turn them both in so they understand why I'm asking for money! I don't put anything secret on my DETAILED BUDGET sheet, thus it's OK for me to share. Your call of course on how you will proceed.

#### **Entering Costs in the DETAILED BUDGET Sheet**

I suggest you open up the DETAILED BUDGET sheet as I would like to start there in walking you through how to enter #'s. There are two "types" of entries that can be made on this sheet. Let's look at specific account codes to discuss the difference.

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Find Account Code 504010 close to the top of the 1<sup>st</sup> page of the DETAILED BUDGET sheet. It will read:

504010 Airfare Expense

I've put in an example under the Airfare Account Code and Hotel Account Code (504020) to aid us in walking through How To Use this sheet. You obviously want to delete my example so it doesn't mess up your figures!!! Or you can pick up my expenses! NEVER enough budget money! Ha, ha. Girl's gotta try!

Anyway, under the Airfare Expense Account Code, you'll see in the first detail line item: "Val Grubb – SHRM Conference". If you look across that line item (meaning look to the right in the same row), you'll notice that I put \$400 for my airfare in June. You should also notice that above it, on the same line as 504010 Airfare Expense – it lists \$400 there as well! Now, follow that Airfare Expense Account code all the way to the right (meaning stay in the same row) and you'll see that \$400 also shows up in the 2010 Budget Total cell as well (the 3<sup>rd</sup> column from the right)! Ah!!! Now you see how this works! NOW – click over to the ROLLED UP BUDGET Sheet and you'll see that under 504010 Airfare – that same \$400 shows up in June as well!!!

Back to our Airfare Expense example, I've set it up such that you can enter up to 10 trips – meaning the 10 rows below the actual Account Code line, you put in the Trip Name/Employee, enter their associated costs in the January – December row corresponding to that trip and it will automatically sum up into the Account Code line item which then feeds in to the 2010 Budget Total column (3<sup>rd</sup> from the right)! That is the same for Hotels and Rental Cars as well – you'll notice there are 10 lines that read: Add employee name or trip here. They will do the same in that when you enter the costs in the January through December row, it will first add up to the same row where it says 504020-Hotel, then sum up in the 2010 Budget Total column (3<sup>rd</sup> from the right). I've put in the Hotel Account Code (504020) an example of that same SHRM conference - \$750 in June for hotel for that conference.

As you scroll through the Account Codes, you'll see several places where I have listed to add in your details for that specific Code. Where that occurs, when you enter dollar figures in those rows, it will total up to the line where the Account Code is listed as well as sum up in the 2010 Budget Total column as well (again, it's to the right, 3<sup>rd</sup> column from the end).

If you know Excel, you can add similar detail lines (or more detail lines) with ANY account code – you just have to add in the formula to sum up the detail in the Monthly Total line for that Account code – it's already set to add up to the 2010 Budget Total column on the right. Let me say that another way – each Account Code is automatically set-up to sum in the 2010 Budget Total column. Hence why this spreadsheet is a great start for you building your own budget because it can be tailored to meet your own needs! (Note: Sorry if this is repetitive. I'm trying to say things in a couple different ways, hoping that somewhere in between, it all becomes clear how this spreadsheet works!! Sorry if it's annoying!)

Please note that on the Account Codes where it sums up the detail, if you put a figure directly in the Monthly Total line (the same row as the Account Code appears on), you'll delete the formula. Not a big deal as you can recreate it of course. Just worth noting.

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One Account Code to note: 504120 – Cellular Phones. I have detail lines that say: Add name here. This is NOT one that sums up figures into the Account Code Monthly Total cell. In this account code, you put in a total cost in each month and it will total in the 2010 Budget column to the right. I just like to have the names there as a reminder on who has cell or blackberries. See below for more detail on this type of entry.

Now, the 2<sup>nd</sup> type of cost entry is where you actually enter it on the same line (or row) where the Account Code is listed. I use this when I have a yearly total dollar amount for a certain line item - I just divide the total yearly spend by 12 months and put that # in each Month. Not always the case as I may/can add in more money in certain months, but these Accounts can be less project specific. Thus I just “straight line it” as it’s called in the Finance world (meaning take the total budget and divide by 12 months – thus it is 12 equal payments each month).

Anyway, let’s look at an example I’ve included in the DETAILED BUDGET sheet to illustrate. Find this Account Code:

504040 Meals and Entertainment

With this code (and others like it where there are no detail lines below), you’ll see that you enter the \$ figures in the actual Monthly Total line item (or row); however, the program will still add up those Monthly figures in the 2010 Budget Total column (3<sup>rd</sup> from the right). I’ve put in an example in the DETAILED BUDGET sheet – see how I entered \$500 per month in 504040 – it automatically is summed up in the 2010 Budget column. Note it also appears in the ROLLED UP BUDGET sheet in the same account code (obviously!).

Having explained all this, from my perspective, the Cellular Phone Account Code I noted above falls into the straight-line entry category. Especially since it’s typically the same every month for all 6 cell phone and bberries I have in my department.

### **2009 Budget Total Column & Variance Column**

I mentioned in the opening section that the 2009 Budget # automatically populates from the ROLLED UP BUDGET sheet to the DETAILED BUDGET sheet. Meaning that you put in the #'s in the ROLLED UP BUDGET, under the 2006 Budget column, and they will automatically appear in the DETAILED BUDGET. I set it up that way because when I look for variances, I like to use the less cluttered, shorter ROLLED UP BUDGET version. It’s just easier for me, but again, use this as a template and change as you see fit. It’s all about what works best for you!!!!

Please note, there are #'s in each Account Code now under 2009 Budget. I left #'s in there to be used as a guide for when you enter your own. Before you would turn this document in (or really even use it), you want to input your own #'s in the cell associated with each Account Code so that you get an accurate Variance (more on this below).

Let’s go back to the DETAILED BUDGET sheet – look at the 2<sup>nd</sup> column from the right, entitled 2009 Budget. When you enter a # in the 2009 Budget column on the ROLLED UP BUDGET sheet (as we discussed above), THIS is where it’s going to appear on the DETAILED BUDGET sheet.

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Meanwhile, the last column is the Variance to '09 Budget Column (in both the DETAILED and ROLLED UP BUDGET sheets). This column automatically subtracts the 2009 Budget # from the 2010 Budget # to show you how much you are (over) or under from the previous year. You'll note that negative #'s (meaning you spent MORE in the present year than you did in the previous year) will appear in a parenthesis (). This is a typical accounting type of formatting. When you spend more than budgeted, it shows up as such.

#### **2010 Budget Column**

This appears in both the DETAILED BUDGET and the ROLLED UP BUDGET sheets. The #'s however come from the DETAILED BUDGET sheet. As you enter figures in each Account Code in the DETAILED BUDGET sheet, it automatically sums up in the 2010 Budget Column (right hand side, 3<sup>rd</sup> column from the right) which in turn automatically populates in the ROLLED UP BUDGET. Kinda snazzy, eh??? That said, if you're a bit confused, it's best to save two copies of this budget spreadsheet and then play around with it a bit. Put #'s in it and see where they come up. That's really the best way to become comfortable with this tool.

#### **Val's Final Thoughts**

If you are not that familiar with Excel and/or you have not really handled budgets before, I'm sure this was pretty darn confusing. Give yourself time. That is the best remedy. Start reviewing this NOW and playing with the spreadsheets so that when it comes time to actually build your budget, this file will be of some use.

Thank you again for attending my session and I sincerely hope that this will be useful. Good luck.

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