

BUDGETING BOOT CAMP

Non – Profit Budgeting Spreadsheet – How to Use

General Comments

There are five sheets in the attached Excel file. Open the file and look in the lower left hand corner. You'll see the five sheets, labeled as follows (left to right):

1. Full Year Actual vs. Bdgt
2. Jan – June Actual vs Bdgt
3. July – Dec Actual vs. Bdgt
4. Monthly Budget
5. Detailed Budget

The Monthly Budget and Detailed Budget sheets are designed to help you determine your 2009 budget. Meanwhile, once you've established your budget, you'll use sheets 1-3 above to track your actuals throughout the year (to see if you're on target or not).

We're going to work from right to left in reviewing each of these sheets. We'll spend the most time on the Detailed Budget Sheet as it is where you will input most of your #'s and it forms the basis for all the other sheets. Here we go.

Detailed Budget Sheet

You will ONLY input #'s (and titles) in the Detailed Budget sheet as well as parts of Jan-June Actual vs Bdgt and July-Dec Actual vs Bdgt sheets. To try to make it easier to follow, I've highlighted in purple the cells in each Excel sheet where you can input #'s and not affect a formula!

All the sheets are interlinked such that when you input #'s in the Detailed Budget sheet, it will automatically populate the other 4 sheets where applicable. Just as the name implies, the Detailed Budget sheet allows you to add more information about the specific costs.

Click on the Detailed Budget sheet in the Excel file. Notice that the sheet allows you to input the various projects under most of the major Income/Expense headers along with the cost for that item in the associated month. Not ALL allow you to input detail; there are a few that you just enter the costs (although if you know Excel, you can easily add rows for detail information and then sum it up in the header line).

The beauty of this spreadsheet is that the detail lines total up automatically in the major Section headings! So under Training Classes, you can put in several different sessions and the expected income for that particular month. All the individual training classes will then add up in the Training Class Header which then populates throughout the other 4 sheets!!!

Another cool thing about the Detailed Budget Sheet is that you can change the Headings so that they match your income or expense items. So, as an example, if you don't have Salaries (the first line item header under the Expense section), you can change the Header and it will also automatically populate throughout all the other sheets (which is why the Headers are shown in purple).

So we've talked about how to input your various projects and how you can change the titles, let's talk now about how you enter actual #'s in the spreadsheet. Two "types" of \$ entries that can be made on this sheet. Let's look at specific account codes to discuss the difference.

There are two sections: Income and Expense. Find the following line items/major headers under the Expense section in the Detailed Budget sheet:

- Airfare
- Hotel
- Rental Car

These are the only sections where I've put in an example under each line item to show you how this spreadsheet works. You obviously want to delete my example so it doesn't mess up your figures!!!

Anyway, under these three items, I've listed the SHRM Leadership Conference (president) to show that you've budgeted for your Chapter President to attend this conference in November of 2009. Find the Airfare item and if you look across that line item (meaning look to the right in the same row), you'll notice I put \$600 for airfare in November. You should also notice that above it, in the Airfare Header – it lists \$600 there as well! Now, follow that Airfare header line all the way to the right (stay in the same row) and you'll see that \$600 also shows up in the 2009 Budget Total cell as well. Did you find it? Good.

Now, click on the July–Dec Actual vs. Bdgt sheet (next to the Detailed Budget sheet) and you should see that that same \$600 shows up in November as well!!! Finally, click on the Full Year Actual vs Bdgt sheet and voile', the \$600 shows up there as well. See how they are interconnected? Put #'s in the Detailed Budget sheet and they will automatically show up in the other sheets where applicable.

Now, go back to the Detailed Budget sheet and look at the Hotel and Rental Car sections. I've put examples in here also in Nov so you could follow along. In the first detail line, it lists associated costs with the President attending that same Leadership Conference. And once again, they show up in the rolled up Header section, in the 2009 Total Budget column to the right on the Detailed Budget sheet and then it auto-populates all the other instances of the 2009 Airfare Budget in the other 4 sheets.

Back to our Airfare example, I've set it up such that you can enter up to 3 trips – meaning the 3 rows below the actual Airfare Header 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 Header Code line item which then feeds in to the 2009 Budget Total column (3rd from the right). That is the same for Hotels and Rental Cars as well.

As I mentioned previously, you can add more detail lines under ANY major section – 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 2009 Budget Total column on the right. Let me say that another way – each Major Heading (such as Airfare, Hotels, Rental Cars) is automatically set-up to sum in the 2009 Budget Total column to the right. 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!)

Now, the 2nd type of cost entry is where you actually enter it on the same line (or row) where the Heading is listed. I talked about this above, but just to repeat myself, there are line items where I didn't set it up for you to enter details. Examples of this type include Telephone or Utilities. You'll notice that there is no place to put in details below and you just enter the monthly figures in the Header line and it will sum up to the 2009 Total Budget column (3rd from right on the Detailed Budget sheet).

In that same Detailed Budget sheet, next to the Total 2009 Budget column, there is a column labeled 2008 Actual. It's always best to compare your current year's budget to your previous year's budget. The 2008 Actual column is where you input your final '08 actuals (meaning the final monies you took in or spent in CY2008). You can enter it either in the detail lines (below the header) and it will auto add up to the Header line or you can put it in the Header line directly.

Now look at the last column to the right labeled Variance to '08 Budget. This is where it auto-calculates the difference between in 2008 income/expense vs what you are budgeting in 2009. Note that the Total 2008 Budget ONLY shows up again in the Monthly Total sheet. Let me repeat that, your 2008 total budget only shows up in 4) Monthly Budget sheet (click on that sheet and make sure you can find it on that sheet).

When you are tracking your costs throughout the year, you'll be using sheets 1-3 and you'll be putting monthly actuals in the appropriate columns (they do not auto-feed from sheets 4 or 5). Just wanted to point that out. Again, sheets 4 and 5 are meant for budgeting purposes while sheets 1-3 are for tracking purposes throughout the year. Take a look now and see the differences in the spreadsheets.

One final note on the Variance to '08 Budget Column (in both the 5) Detailed and 4) Monthly Budget sheets): the point of this column is to show you how much you are (over) or under from the previous year. You'll note that negative #'s are listed in parenthesis (those crazy accountants!). When you look at your Income column, budgeting to take in less money in 2009 vs. what you actually brought in in 2008 will result in a negative # because your income is going down. On the flipside, if you look at your expense line, if you're planning to spend more in 2009 than you spent in 2008, it will be a negative # because your expenses are going in the wrong direction (up).

OK, hopefully you have a pretty good understanding of how the Detailed Budget sheet works and it's interconnectivity with the other sheets. Let's get in a little more detail on the other sheets.

Monthly Budget sheet

Alright, let's take a look at this sheet next. Notice that you enter NOTHING in this sheet. Each Monthly Budget Total comes from the Detailed Budget Sheet automatically. Meanwhile, the 2008 Actual figure also comes from the Detailed Budget sheet. This is basically a quick snapshot of where you expect to be for the year on a monthly basis without all the clutter of the detail.

Jan-June Actual vs Bdgt AND July-Dec Actual vs Bdgt sheets

To reiterate, these are for TRACKING YOUR BUDGET on a monthly basis throughout 2009. However, your Budget #'s feed from the Monthly Budget sheet which in turn feeds from the Detailed Budget sheet. Hence you don't make adjustments to Budget #'s in this sheet. You only input your Monthly Actual from 2008 in the appropriate cell.

This will then calculate how you're doing on a monthly and 6 month basis. Always good to know how you're doing midyear so you can make adjustments. Speaking of adjustments. At any point, if you want to make changes to your budget, merely save this whole file under another name and then update the Detailed Spreadsheet for the months remaining. Always be sure to put the Updated Date at the top of the page, under the sheet name, so you always know you're working off the most updated budget.

You'll notice that I've broken this monthly tracker in to 6 month increments (separate sheets for January – June and July – December) for ease of printing. I cannot print it on one legal size sheet if I put all the months together. Well, I can, I just can't read it! Hence why it's broken in to two separate sheets for each six month period.

And finally, our last sheet to review.

Full Year Actual vs. Budget Sheet

Take a look at this sheet and you'll notice that the two previous sheets: Jan-June Actual vs Bdgt and July-Dec Actual vs Bdgt automatically populate this spreadsheet! In fact, you don't have to input ANYTHING into this sheet as it will automatically update as you track your expenses throughout the year.

The point of this sheet is to give you a one-page snapshot of how you're doing. This will be the most useful sheet as you proceed throughout the year!

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. And because it's all interlinked, I suggest you copy this spreadsheet twice and use one of the instances to play around and see how the auto-population in the other spreadsheets occur.

Finally, I would be remiss if I did not caution each user to CHECK THE FORMULAS IN EACH AND EVERY SPREADSHEET. I have tested this ad nauseam, but that does not mean that I missed one small error. AS pathetic as this sounds, when I was with Oxygen and NBC, when I used any sort of spreadsheet, I always ALWAYS checked the formulas with a handy dandy calculator to make sure that nothing had happened to the formulas from year to year. I would suggest you do the same just to make sure I didn't miss anything.

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