For Consultants:  BUDGET GENERATION

The process for generating the budget for this year allows you to use your Quickbooks data that you and your comangers carefully entered in last year. (Now you will understand and be able to explain to your bookkeepers, cashout, etc how important data entry is!) Read the Consultant Manual before you begin this process. (If you notice any ways the manual should be adjusted, please let us know.)

To start your process, use Quickbooks software to load your actual figures from last year. Now you must think about how this year is different from last year. You start with the monthly figures from last year. Combine July, August and September; January and February; May and June. As you go through your numbers, you are thinking about what is different this year from last year.

• You will also have data and analysis from your reconciliation. What worked, what didn’t work? How much variance exists between the budget you designed and what actually occurred?
• CSB tax should be in December and May to get it in the correct semesters.
• Make sure all your items entered into Quickbooks have account codes and that they are appropriate.
• Did revenues meet their target? If not, is the reason relevant to this year? Will those revenues need to be revised?
• Did all your planned expenses occur? Do some have to be transferred to this year? Are there new expenses for this year?
• Were some expenses estimated incorrectly? You will need to adjust those from the data in last year’s budget. For instance, how did actual payroll match the budget? Will you need to readjust your figures for this year? Will you need to use the budget payroll to help comangers be more careful in payroll costs? And don’t forget that the number of payroll periods will affect how the payroll is included in each month’s totals.
• Do new expenses have to be added? If you add new expenses, what is the effect on the relationship between revenues and expenses? Will you have to eliminate some expenses in order for the revenues to cover the expenses?

After we discuss it and either Rosemary or the Business Development Coordinator has approved it, enter the changes in your budget for the first and second semester into the Quickbooks budget.

Don’t forget to enter the negative sign.