

Budgeting Training: Budgeting Basics (2 Day)

COURSE OVERVIEW

In this budgeting training course, students learn to create, review, and manage budgets. Virtually every aspect of budgeting is covered, from preparing revenue and expense forecasts to developing your own personal plan.

Students learn about different types of budgets and the elements of a successful budget. Students also learn how to analyze and compare budgets, and create operating and manufacturing budgets. Course activities also cover the basics of capital budgeting, discounting cash flow methods, determining discount rates, assembling a capital budget, and justifying a capital budget.

COURSE OUTLINE

1. Basic Information

- A. Why Bother? Reasons Companies Plan
- B. The Planning Cycle
- C. The Basic Equation
- D. Four Necessary Ways to Present Every Plan
- E. Planning Philosophies

2. Effective Planning in Your Organization

- . A Plan is a Social Document
 - A. Standards of Precision
 - B. Line and Level of Control
 - C. The Information Frontier
 - D. Rules for Jungle Fighters

3. How to Build Plans Efficiently

- . Work Plans, Deliverables and Resources
 - A. The Secret of the Five-Minute Budget
 - B. A Resource Checklist

4. How to Build a Strategic Plan

- . How Long and Who Does It?
 - A. The Mission Statement
 - B. Analyzing the External Environment
 - C. Analyzing Internal Capabilities
 - D. Putting It All Together
 - E. Example of a Strategic Plan

5. Annual Operating Plan Preliminaries

- . Drafting Annual Goals
 - A. Organizational Planning
 - B. Creating a Fiscal Calendar
 - C. Fiscal Managers
 - D. Accounting System Tune-Up

6. How to Budget Sales

- . A Five-Step Approach to Sales History
 - A. Assumptions: Improving Your Vision of the Future
 - B. Projections: Building a Chain of Inference
 - C. Example of Sales Budget from Market Share
 - D. Example of a Sales Budget from History

7. How to Budget Cost of Sales

- . Different Approaches
 - A. Examples of an Analytical Approach

8. How to Budget Labor Expense

- . Policy Before Planning
 - A. Appropriate Levels of Detail
 - B. Payroll Calculations
 - C. Handling Increases
 - D. Labor Planning Tips
 - E. Example of a Labor Budget

9. How to Budget Other Expenses

- . Typical Approaches
 - A. Examples of Budgets

10. How to Budget Depreciation Expense

- . Depreciation Expense Is Complex
 - A. Minimum Information You Will Need
 - B. Quick Estimates of Depreciation Expense
 - C. Example of a Depreciation Budget

11. Balance Sheet and Cash Plans

- . Balance Sheet and Cash Flow Overview
 - A. An Aside to Computer Users
 - B. Example of a Balance Sheet Budget

12. Budget Reviews (from Both Sides)

- . How to Conduct Budget Reviews
 - A. How to Participate in a Budget Review

13. Planning and Executing a Budget Process

- . General Advice

14. How to Create an Adjusted Plan

- . What Is an Adjusted Plan?
 - A. Adjusted Plans and Wiggle Room
 - B. Managing Adjusted Plans

- 15. Forecasting and Controlling Results**
- . Creating Forecasts
 - A. Using Plans to Improve Business Control
- 16. Budgeting fundamentals**
- . Overview
 - A. Cash and master budgets
- 17. Reviewing budgets**
- . Analyzing budgets
 - A. Justification and approval
- 18. Operating budgets**
- . Operating budget basics
 - A. Operating budget terminology
 - B. Operating budget methods
- 19. Manufacturing budgets**
- . Manufacturing budget basics
 - A. Interpretation
- 20. Variance, forecasts, and action plans**
- . Variance and forecasts
 - A. Action plans
- 21. Capital budgets**
- . Capital budget basics
 - A. Discounted cash flow method
- 22. Capital budget analysis**
- . The capital budgeting process
 - A. Capital budget evaluation

CLASS MATERIALS

Each student in our Live Online and our Onsite classes receives a comprehensive set of materials, including course notes and all the class examples.