

# BUDGETS MADE EASY

**Premium**

Planning Workbook

INCLUDES EXCEL TEMPLATE



Calendar Year:



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## Introduction

Congratulations! You've just taken an important step in taking control of the financial results of your business and your own pay. This workbook provides step-by-step guidelines to help you create annual budgets for your business.

Keep in mind that your budget is a tool and your financial road map. The time you invest in planning now provides a GPS-guided operating plan to your success, instead of meandering down the first road you see. When you encounter an unexpected event that changes your planned route, just stop and plan a detour. Make revisions to your budget and keep driving forward!

**Tip:** Remember to get help in completing your budget. As the owner you need to set the direction and make operational final decisions, but let your bookkeeper help you gather your input documents and review your budgets for accuracy once completed.

SAMPLE



# How to Use Your Workbook

The workbook will guide you to financial success by helping you create a budget.

**Here is the path:**

- 1. Gather last year's financial information**
- 2. In light of the prior year, analyze business revenue and expenses by category**
- 3. Make adjustments and decide the coming year's budget**

It's not rocket science, but it will take some time to make sense of the coming year.

**First, you need to get organized and answer some questions about your finances.**

1. Use the **Checklist** to gather all the necessary documents and information for your budget – and keep them in one convenient place.
2. Answer each question in the **Questionnaire**. Invest the time to be thorough. The more details you provide, the more accurate your budget will be.
3. Use your data from the questionnaire to complete your new budget in the included Excel spreadsheet. The **Budget Template Instructions** will explain where each piece of information goes. The spreadsheet will perform calculations for you.
4. **Tip:** Once you've completed your budget, refer to it at least once a month.

**The budget is your tool, but not a crystal ball. Remember:**

- Your budget serves as an important input to business decisions when you compare your actual financial results to your plan. This should be done monthly and no later than the 10<sup>th</sup> of the following month.
  - **Example:** Compare January's actual financial results to January's budget by February 10<sup>th</sup>.
- Spend time each quarter adjusting budget numbers for the remainder of the year as you learn that your initial assumptions have changed.
- **Tip:** Decide on a minimum cash balance and keep it in savings for unexpected events and opportunities.
- **Tip:** Cash means options. Don't spend all your profits!



## Projected Revenue – Questionnaire

*Adjusting your projections for revenue for the coming year*

REV #1. Are there any **service areas** you plan to eliminate or decrease significantly in volume from the prior year? If yes, list them below.

REV #2. If these services are eliminated or decreased are **there supply or expense savings**? If yes, list each item and the expense account (or expense category) name.

REV #3. Do you plan to **add new service areas** this year? Do you plan to grow any secondary service areas into key service areas? List your plans below.



REV #4. Do you **expect sales volumes to increase, stay the same, or decrease** for your service areas? By how much do you think it will change?

- Analyze your market conditions and make reasonable estimates. Be conservative in your initial estimates and grow slowly.
- **Example:** If a new apartment complex opens up nearby, you might expect more dogs at your facility. Or if a big company moves to another city many families might move away. In that case you might expect fewer dogs at your facility.

Service Area	Increase/Same/Decrease	Estimated Percentage



## Projected Expenses – Questionnaire

EXP #1. Did you list **new service areas** in REV #3? If so, you will probably incur **additional expenses** for that service area. List all expenses that will be added or increased as a result.

EXP #2. Will the number of **staff change**? If yes, complete the chart below with planned staff changes. Note if it is more or less than before.

- **Examples:** More for your busy season; less due to improved efficiency

Month	Change in Number of Full-time Staff	Change in Number of Part-time Staff	More or Less than Prior Year

EXP #3. How much do you plan to **increase wages** for existing staff? List your average percentage raise you have planned.



## Template G: Facility Costs

**Property** – Refer to EXP #5 and EXP #6. Enter anticipated property amounts.

**Rent OR Mortgage Interest** – Refer to EXP #5. Note: enter your mortgage interest amount (do not include mortgage principle here).

**Property Taxes**

**Property Insurance**

**Utilities** – Refer to EXP #7 and enter your anticipated utility costs:

**Electric**

**Gas**

**Water**

**Telephone & Internet**

**Other**

**Maintenance** – Refer to PLAN #2, PLAN #3, EXP #14, and EXP #15. Enter anticipated maintenance amounts.

**Facility**

**Equipment**

**Other**

**Total Facility Costs** (Automatically calculated) – The total of all Facility Costs

<a href="#">Back to Menu</a>		<b>G: Facility Costs</b>		
<b>2015</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	
<b>Property</b>				
Rent OR Mortgage Interest	\$ 8,000	\$ 8,000	\$ 8,000	
Property Taxes				
Property Insurance	\$ 750	\$ 750	\$ 750	
<b>Utilities</b>				
Electric	\$ 925	\$ 800	\$ 1,050	
Gas	\$ 425	\$ 350	\$ 250	
Water	\$ 200	\$ 200	\$ 200	
Telephone & Internet	\$ 150	\$ 150	\$ 150	
Other	\$ 100	\$ 100	\$ 100	
<b>Maintenance</b>				
Facility	\$ 500	\$ 500	\$ 500	
Equipment	\$ 400	\$ 400	\$ 400	
Other	\$ 100	\$ 100	\$ 100	
<b>Total Facility Costs</b>				
	\$ 11,550	\$ 11,350	\$ 11,500	





## Template K: Cash Flow Budget

Using information from the Questionnaire and the Budget Templates you will create your Cash Flow Budget. Profitable businesses can struggle as a result of a cash shortage. Loan principal and revolving debt payments are not part of your profit & loss statement so they need to be considered in your Cash Flow Budget. Planning your cash needs now provides insight on months when cash may be short so you can plan ways to save or raise more cash.

**Beginning Cash Balance** – For the January field, enter your estimated beginning cash balance at the beginning of next year (From the Checklist, you gathered your Ending Cash Balance projected for December 31 of this year. Use this figure here).

**Note:** From February onward, the next month's Beginning Cash Balance will automatically fill from the prior month's Ending Cash Balance.

**Net Profit or Loss** – This is automatically filled from Template J

<a href="#">Back to Menu</a>		<b>K: Cash Flow</b>		
2015	Jan	Feb	Mar	
<b>Note:</b> "Beginning Cash Balance" will au				
Beginning Cash Balance	\$ 45,000	\$ 40,803	\$ 40,888	
Net Profit or Loss	\$ 5,103	\$ 4,285	\$ -1,625	
<b>Add</b>				
Loan Receipts		\$ 2,000		
Line of Credit Draw		\$ 700		
<b>Subtotal</b>	\$ 50,103	\$ 47,788	\$ 39,263	
<b>Note:</b> Enter all values as positive numb				
<b>Deduct</b>				
Mortgage Principal Payment	\$ 4,500	\$ 4,500	\$ 4,500	
Loan Principal Payments	\$ 400	\$ 400	\$ 400	
Debt Payments	\$ 2,000	\$ 2,000	\$ 2,700	
Major Maintenance	\$ 1,500	\$ -	\$ 600	
Furniture & Equipment	\$ 900	\$ -	\$ -	
<b>Ending Cash Balance</b>	\$ 40,803	\$ 40,888	\$ 31,063	

Refer to PLAN #4. Enter anticipated amounts for the following additions to cash balance:

**Loan Receipts**

**Line of Credit Draw**



	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<a href="#">Back to Menu</a>	<b>A1: Key Service Revenue</b>												
2		Notes												
3	Key Service Area													
4	Rate Per Unit													
5	Planned % Change (+ OR -)													
6														
7	<b>2017</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
8	Prior Year Units													0
9	Anomaly Units													0
10	More or Less than Normal													
11	<b>Calculation Details</b>	Note: Edit white fields if mid-year changes occur. Gray fields auto-calculate and cannot be changed.												
12	Adjusted Prior Year Units	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Planned % Change (+ OR -)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Planned Units for Next Year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
15	Effective Rate (per unit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
16														
17	<b>Planned Revenue</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Cost of Goods Sold (optional)													\$ -
19	<b>Net Planned Revenue</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20														

SAMPLE

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<a href="#">Back to Menu</a>	<b>E: Total Payroll</b>												
2		Note: Enter all values as positive numbers												
3	Payroll Increase %													
4														
5	<b>2017</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
6	Payroll - prior year total													\$ -
7	Payroll Increase %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
8	Planned Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9														
10	Total wages for new staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Total Staff Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12														
13	Owner Base Pay													\$ -
14	Owner Bonus													\$ -
15														
16	<b>Total Planned Payroll Wages</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17														

SAMPLE

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<a href="#">Back to Menu</a>	<b>J: Profit and Loss</b>												
2														
3	<b>2017</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
4	Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	<b>Net Profit or Loss</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
8														