



# THE ESSENTIALS OF BUDGETING: From Creation through Applications

# Course Introduction:

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**Learn to interpret and analyze financial data and convey credibility!**

With today's income shortfalls and unmet forecasts, correctly interpreting financial information is critical to your success. At this seminar you'll learn how to establish financial policy and report on the performance of your department in financial terms. With companies struggling to make ends meet, every manager must understand budgeting.

Like it or not, the budget is the yardstick that top management uses to measure your actual performance. And in today's tight economy, the manager who knows how to plan and use the budget effectively wins hands down over the one who doesn't. So, if you're a new manager who's "just a little nervous" about budgeting...or an experienced one who wants to smooth out the rough spots and get a lot more out of the yearly chore...or you just want to "hold your own" with financial managers, come to the seminar that can boost your numbers and your career!

## Course Objectives:

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- Examine the purpose and use of a budget
- Learn how to develop a revenue budget
- Be able to translate managerial decisions into dollars
- Set monthly targets and prepare for contingencies
- Get your budget approved

### What You Will Cover:

- Key elements of the budgeting process: Integrating management's goals, working with operating budgets, costs and expenses, controlling cash and structuring a capital budget
- Budgeting administrative expenses
- Capital budgeting: Measuring payback, establishing present value and choosing the right alternative
- Financial planning and the budget process: Choosing profitable objectives, building the balance sheet and budgeting cash requirements Note: Please bring a laptop or calculator to this meeting.

## Who Should Attend?

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Every manager with budget responsibilities

# Course Outline:

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**Note: Please bring your laptop or calculator to this meeting**

## Extended Description

### Learning Objectives

- Define Planning and Its Purpose within Your Organization
- Describe the Planning and Budgeting Cycle
- Explain the Strategic Planning Process
- Perform a Strategic Analysis of Your External and Internal Environment
- Describe the Budgeting Cycle and the Major Elements of the Annual Business Planning
- Explain the Different Types of Budget Preparation Methods and Identify the Most Appropriate One for Your Organization
- Describe and Perform the Basic Steps in Preparing an Operating Budget
- Prepare a Departmental Spending Budget
- Prepare a Capital Budget and Justify Your Capital Expenditures
- Identify Opportunities for Cost Reduction
- Manage the Review and Approval Process More Effectively
- Manage Departmental Performance against Your Budget

### Understanding the Planning and Budgeting Cycle

- Define Planning and Its Relationship to the Budgeting Process
- Explain Why Companies Budget
- Describe the Planning Cycle in a Typical Organization

### Tying Strategic Planning to the Budgeting Process

- Explain the Strategic Planning Process
- Identify the Strategic Decisions That Can Be Made at Your Management Level
- Explain How Strategic Analysis Is Related to the Planning and Budgeting Process
- Perform a Strategic Analysis of the Internal and External Environment

### Understanding the Budget Preparation Process

- Describe the Typical Flow of the Budgeting Cycle in an Organization
- Identify the Major Contents of the Annual Business Plan
- Explain the Different Types of Budgets, Their Purpose, and Limitations
- Explain the Relationship between Budgets and Forecasts
- Identify Ways to Improve the Budgeting Process in Your Organization

### How to Prepare an Operating Budget

- Explain the Sequence of Steps in Preparing an Operating Budget

- Prepare a Sales and Cost-of-Sales Budget
- Calculate Labor Hours Available and Use This Figure to Plan Headcount
- Calculate Budgeted Overhead Rates
- Budget Labor, Materials, and Overhead Costs in Total and Per Unit
- Explain How to Budget Operating Expenses

### **How to Prepare Your Departmental Budget**

- Prepare a Departmental Spending Budget
- Budget Expenses More Accurately
- Prepare a Capital Budget
- Justify Capital Expenditures

### **Getting Your Budget Approved**

- Explain How the Review Process Works
- Manage the Review Process More Effectively
- Prepare Contingency Plans
- Explain Behavioral Consequences of the Budgeting Process
- Identify the "Fat" in Your Budget

### **Measuring Performance against the Budget**

- Identify Significant Variances
- Analyze Budget Variances
- Describe the Characteristics of a Good Budget Reporting System
- Determine When a Budget Should Be Revised during the Year

## **Course Methodology:**

**A variety of methodologies will be used during the course that includes:**

- (30%) Based on Case Studies
- (30%) Techniques
- (30%) Role Play
- (10%) Concepts
- Pre-test and Post-test
- Variety of Learning Methods
- Lectures
- Case Studies and Self Questionnaires
- Group Work
- Discussion
- Presentation

## Course Certificate:

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**International Center for Training & Development (ICTD)** will award an internationally recognized certificate(s) for each delegate on completion of training.

## Course Fees:

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**To be advised as per the course location.** This rate includes participant's manual, and-Outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

## Course Timings:

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### Daily Course Timings:

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|---------------|----------------------------|
| 08:00 - 08:20 | Morning Coffee / Tea       |
| 08:20 - 10:00 | First Session              |
| 10:00 - 10:20 | Coffee / Tea / Snacks      |
| 10:20 - 12:20 | Second Session             |
| 12:20 - 13:30 | Lunch Break & Prayer Break |
| 13:30 - 15:00 | Last Session               |

