

Budget Template Guide ver 1.0

Introduction:

This document is intended to guide you in the process to complete the new Budget Template.

Steps to complete the Budget:

Below you will find a step-by-step instructions and tips on how to complete the Budget to help you simplify the process. Please note that these steps are not intended to be the only method to be used. You can use any method you feel comfortable in working with.

Step 1 Front Cover

Insert Council's Logo



TIP: To insert the Council's Logo, copy the logo from another location, double click the white box, From the Menu Bar, go to Edit and paste the image. Point in another cell to exit.

Input Council's Name

Input Year of Budget

Step 2 Overview and Summery

In this page, give some detailed explanations on what are the Council's prospects for the new financial year.

Examples:

- Descriptions on the Capital Projects projected for this year;
- Activities
- About the financial situation prospects for the year

Step 3 Budget of Previous Year Column

Input Column A (budget of previous year which should agree with the budget submitted the previous year.*

* This step will be ignored the first year the budget is launched

Step 2 Income & Expenditure and Balance Sheet Forecast Column

Insert Column B - Actual Jan – Sept (pages 7- 10). This column should agree with Quarterly Financial Report (QFR) Quarter ending 31st December.

Forecast for the next 3 months and insert figures in Column C (pages 7 – 10)



TIP: Column D (B +C) in pages 7 -10, must therefore approximate amounts in QFR ending 31 March & also Financial Statements ending 31 March

Step 3 Current Year's Budget Figures Column

Insert Income & Expenditure budgeted amounts (Column E pages 7 - 9).



TIP¹: Figures should be on accrual basis i.e. actual income and expenses to be incurred irrelevant of when received or paid.



TIP²: The Retained earnings figure will be automatically filled in (as it comprises of retained earnings ending 31 March (Forecast Column) + Budgeted Surplus/(Deficit)

Step 4 Depreciation Schedule

Input Depreciation Schedule (note 16 page 11)
 Input additions expected for the budgeted year
 Input disposal expected in the current year
 Calculate depreciation for budgeted year etc etc.....



TIP: Cost, grant/other reimbursements and accumulated depreciation as at 1st April should approximate amounts in QFR ending 31 March and also the Financial Statements as explained in Step 2.

Step 5 Balance Sheet

Insert Balance Sheet budgeted amounts (Column E Page 10).
 Insert figures forecasted at the end of next year.



TIP¹: Start with amounts which are known with a certain amount of certainty like current amount of long term borrowings and long term borrowings.



TIP²: Continue with other items which require more thought:

Note: These figures will obviously have an affect on the Councils cash ie on the cash budget.

Example 1 - Les Receivables:

- At the beginning of the year I had Les Receivables (amounts still not received) amounting to €450,000;
- In the Income and Expenditure Account I budgeted to have LES income amounting to €600,000;
- Next year I budget to have les receivable (amounts still not received) amounting to €460,000;
- Therefore I will have a cash inflow (in the cash budget) of $450,000 + 600,000 - 460,000 = €590,000$.

Example 2 - Payables i.r.o. Operations and Maintenance:

- At the beginning of the year I had Operations & Maintenance Payables (amounts still not paid) amounting to €700,000;
- In the Income and Expenditure Account I budgeted to have Operations and Maintenance expenses amounting to €800,000;
- Next year I budget to have Operations and Maintenance (amounts still not paid)

- amounting to €350,000;
- Therefore I will have a cash outflow (in the cash budget) of $700000+800000-350,000 = €1150,000$.

Step 6 Cash Budget

Input Cash Budget Figures (page 6)



TIP¹: First insert expected cash inflows and outflows which are known with sufficient certainty. Such items will normally include:

Inflows: Government Allocation inflows
 Investment income (interest which will be received)
 Cash received from loan taken (only to be inserted on the year the loan is received)

Outflows Emoluments to be paid
 Loan repayment and interests (Finance)
 Amounts to be paid in respect of capital assets (capital)



TIP²: Insert other inflows and outflows which require more calculations

(as explained in Step 5 - example cash to be actually received from Les, cash to be paid in respect of Operations and Maintenance etc, cash to be paid in respect of Administration etc).



TIP³: The amount of cash at the end of the year (in the left had part of the cash budget) should be inserted in note 13 cash and cash equivalent and will affect the net assets at the end of year.



TIP⁴: Care should be taken when inserting items in the cash budget as the net assets should agree with retained funds.

Step 7 Check the Template

Check that the Net Assets agree with Retained Funds. If these figures do not agree, there is an error somewhere.



TIP: If you inserted all the figures from the Trial Balance and are correct, check the Cash Budget figures that reflect cash that is actually received.

Check The Financial Situation Indicator (FSI). If it is not as expected or is not in conform to the Law, change figures to reflect a positive FSI.