About This Document

owner	Finance
access & use	Restricted to Managers & HR
what it is	A guide for managers that outlines the budgeting process and guidelines. Used to ensure that managers fully understand the Company's budget philosophy and the annual budget process.
who uses it	Managers

Overview

Forecasting and budget processes are essential to the effective oversight and management of the Company's revenue and expenses, and fundamental to sound management practices. As such, managers must be familiar with the CUSTOMIZER: Insert Company name budget philosophy and the entire budgeting process.

Please take some time to read this guide and familiarize yourself with our annual budget process.

If you have questions, comments or suggestions regarding this guide, please contact CUSTOMIZER: Position Name (i.e., the Finance Manager).

Accountability

At CUSTOMIZER: Insert Company name, we take the forecasting and budgeting process seriously and hold managers accountable for the accuracy of, and adherence to, the entire process.

To manage our business and to maximize returns for our shareholders, it's essential that we stay on top of the bottom line.

We can increase our profits in one of two ways: by **increasing revenues** or **decreasing expenses**.

Either way, we are all accountable for the budgeting process by doing the following:

- Delivering accurate and defensible budget forecasts up front.
- Meeting and exceeding expectations by ensuring that the variance between 'forecasted' and 'actuals' are in favor of the Company.

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The CFO and CEO have final authority on final budget numbers.

6. By mid-December, budgets are completed for Board of Directors' review and approval.

Budget Management Process

Once proposed budgets have been negotiated and approved, they are used to create the final budget for the next fiscal year.

Here's what Managers can expect during the year:

1. Managers with budget responsibility will receive the following from the Finance team:

    - Monthly reports outlining 'budget' versus 'actual' monthly and year-to-date numbers.

    - Summary expense details. These will be distributed no later than the 15th of the month following the reference month.

2. Year-to-date unfavorable variances in excess of 10% will require a written report:

    - The report must be submitted to the CUSTOMIZER: Example - Corporate Controller by the end of the month in which the reports were received.

    - The report must include the following:

        - A written explanation for the variance.

        - A plan of action and timeline to eliminate the year-to-date accumulated variance. These will answer the question, "What is the plan to get to a balanced budget by the end of the fiscal period?"

3. Managers will be required to submit a forecast on a CUSTOMIZER: insert time period here; i.e., quarterly basis) basis.

    Any forecasted variances +/- $5,000 must be accompanied by a detailed explanation.

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