Costing and Pricing Guide

Version 1, March 16

Introduction

The *BudgetLink Community* Software suite has been developed to assist community organisations in undertaking their financial management in three primary ways:

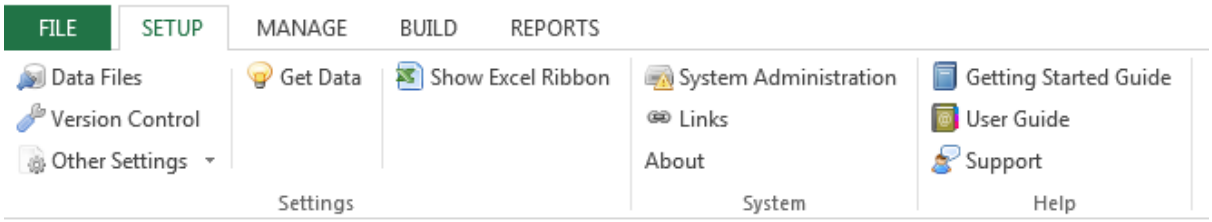
- ✓ Create activity-based financial models, from a single activity to full organisational budgets
- ✓ Allocate service units against financial models to ascertain unit costs
- ✓ Automate reporting of financial performance

This *Costing and Pricing Guide* steps through the functionality of the software focusing on the first two of these features, that is, this document provides a step-through explanation of the costing (expenditure) and pricing (income) functionality, including associating Budget Models with service units. The basics of the reporting functionality is also discussed.

For those users who wish to utilise the software primarily as a reporting tool, the software also allows for manual budget entry, where budgets are simply entered via a template in a traditional spreadsheet format. There is also the capacity to copy actuals from a prior period to construct a future budget if the software is connected to your accounting system's data file. These features are also covered in this guide.

However you choose to use the software, *BudgetLink Community* is designed to reduce reliance on standalone spreadsheets and to provide an all-in-one budgeting and reporting tool that is flexible and scalable; offering an efficient and effective financial management solution for the small-to-medium sized community organisation.

Section 1 SETUP



The "Setup" main menu item provides the basis for the user to setup the structures of the software together with administration tools and help guides. The individual menu item functionality is as followings:

Data Files

Allows the user to set-up a data file which provides the account and activity structures that software requires to operate. It is not possible to use the software in any way without connecting to a data file, however you can use the sample data file that loads with the software if you wish to trial the software. This sample data file is based on the National Standard Chart of Accounts (with added header accounts) together with a series of 15 Activity codes grouped within 3 activity headers. IF you choose to use your own data file, the software currently connects to the following accounting software: MYOB, Acclivity, Xero, Reckon/Quickbooks and Sage.

Version Control

The software is both a financial modelling tool and a reporting tool. The mechanism for allowing reports to call different budgets at any time is via the use of "Versions". A Version is a distinct budget build. You can build as many budget versions as you wish. This menu item allows the user to create, edit and delete budget versions. You do not need to create a version before building a budget from logic, the software will guide you through this process when required.

Other Settings

This menu item is used for more complex setup procedures and should only be used once the user has a full understanding of the software. This item is unlikely to be used by most users, as the default settings are generally appropriate.

Get Data

As mentioned above, the software requires a data file connection to operate. When connected to a live accounting data file, such as MYOB, the *Get Data* feature allows you to update the actual data from that file at any time. The *Get Data* window also is enacted each time you open the software. There are two options in the *Get Data* functionality: *Quick Get Data* simply brings back into the software's memory the information you were previously using when last operating the software, the *Full Get Data* refreshes all data from the data file you are connected to. For example, if you recently added an account or activity to your accounting file or wish to include actuals recently posted, you would undertake a *Full Get Data*. If no changes were made to your file, or you did not require updated actuals, you would choose the *Quick Get Data* option.

Show Excel Ribbon

As is obvious when you first load the software, the main ribbon menu of Excel has been replaced by one specific to the software. If you require access to the full Excel ribbon; for example, you may wish to manually alter screen formatting or do a quick print of a screen area, you can show the main excel ribbon via this option which gives you all the normal options within Excel.

System Administration/Links

This section is generally used only under direction from support personnel and will not be required by most users.

About

Brings up a summary screen showing the software's version number, which may be required by support personnel.

Help

This section provides for access to the *BudgetLink* online User Guide, which is based on the primary *BudgetLink* software platform used in *BudgetLink Community*, covering all the areas of the software other than costing and pricing. The other menu items provide access to this guide and support links.

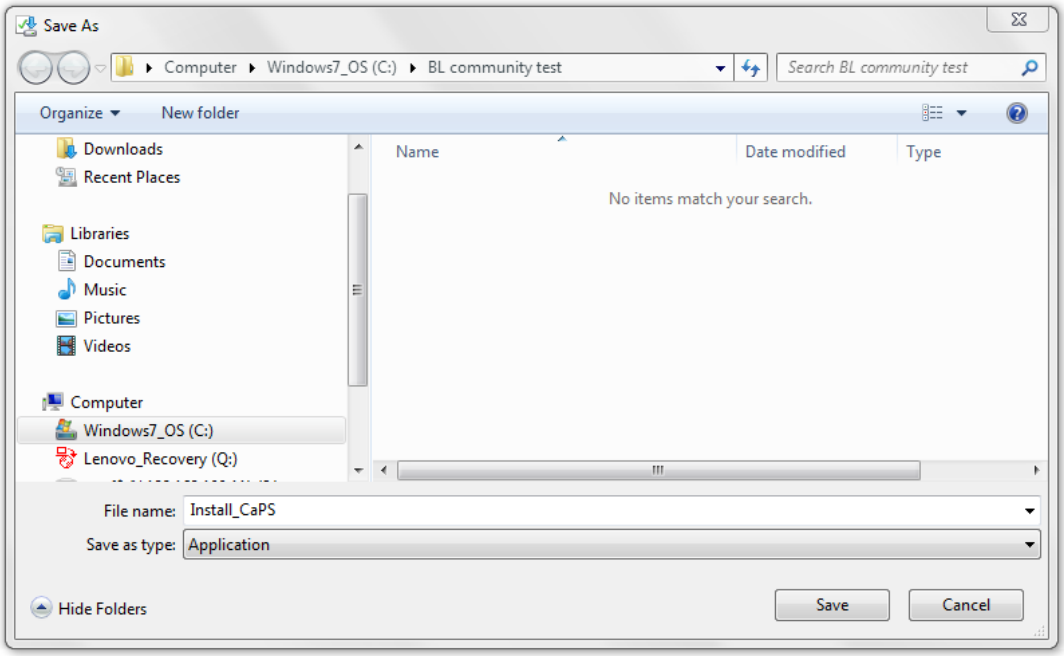
Install and Data File Set-Up

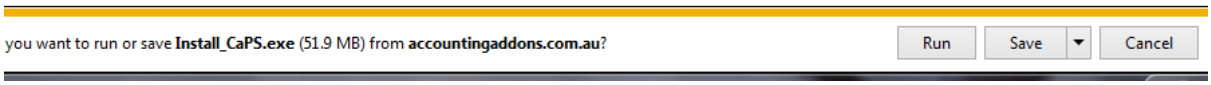
This section is an extraction from the "Software Install Guide" that exists as a separate document. It explains the software install process as well as connecting to either a sample data file or an accounting system data file. If your software is already installed and connected successfully, there is no need to read this section. The Examples shown here refer to a MYOB data file but the process is the same for other accounting software.

The BudgetLink Community software is available via download link. Once you have clicked on the download link you will see something similar to the following, depending on your version of windows

- Click the arrow next to the 'save' button, select 'save as'

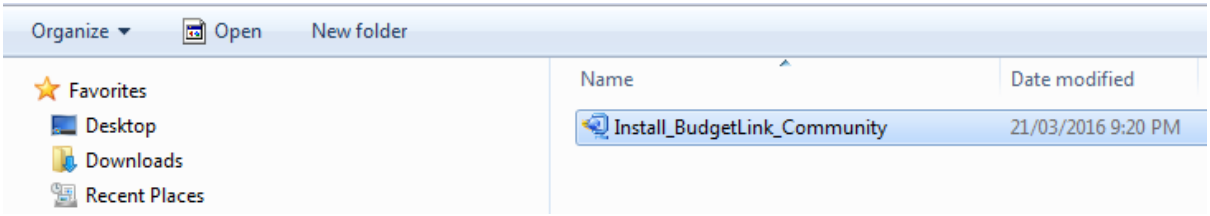
The 'Save As' window will appear





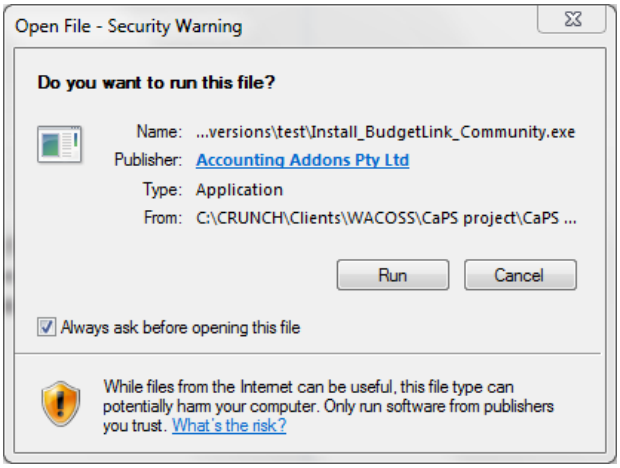
- Click the 'New folder' menu item and set-up a new folder in any part of your computer you choose, we recommend you use your local drive for the trial. In this example we've set up a folder called Computer > C: > BL Community Test
- Click the 'Save' button

An install file will appear in the 'Save As' window



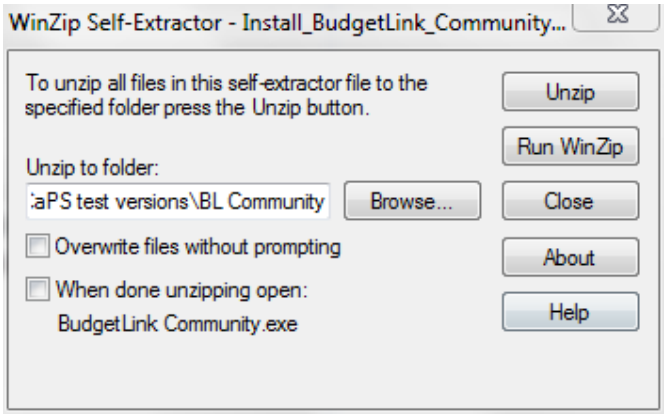
- Double click the install file

A security warning window may appear



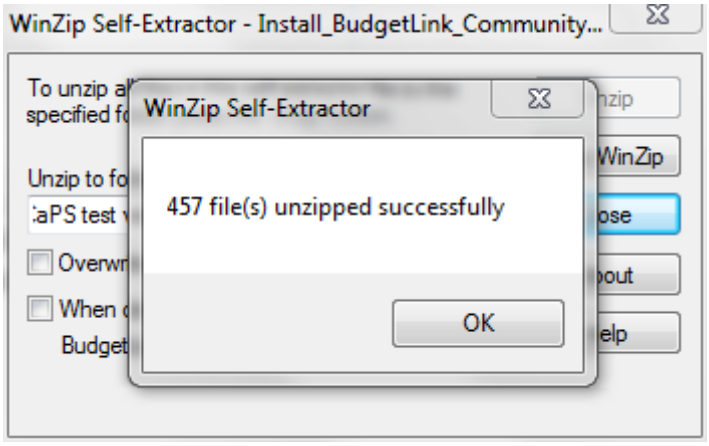
- Click the 'Run' button

The WinZip window will appear



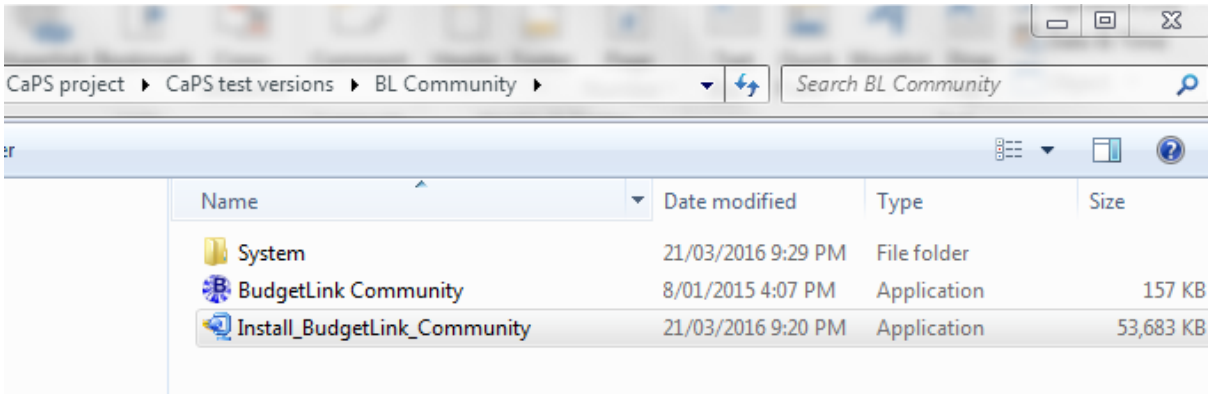
- 'Browse' to the same folder into which you installed the software
- 'Untick' the box "When done unzipping open: BudgetLink Community.exe"
- Click the 'Unzip' button

A message will appear to show the process is complete



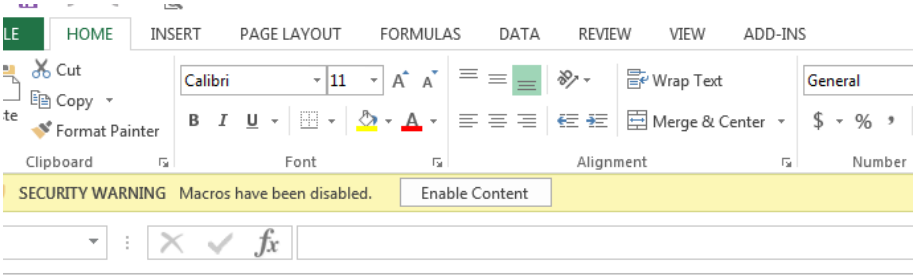
- Click 'Ok'
- Click 'Close' on the Win Zip window

The install folder will now show a "System" folder and application icon



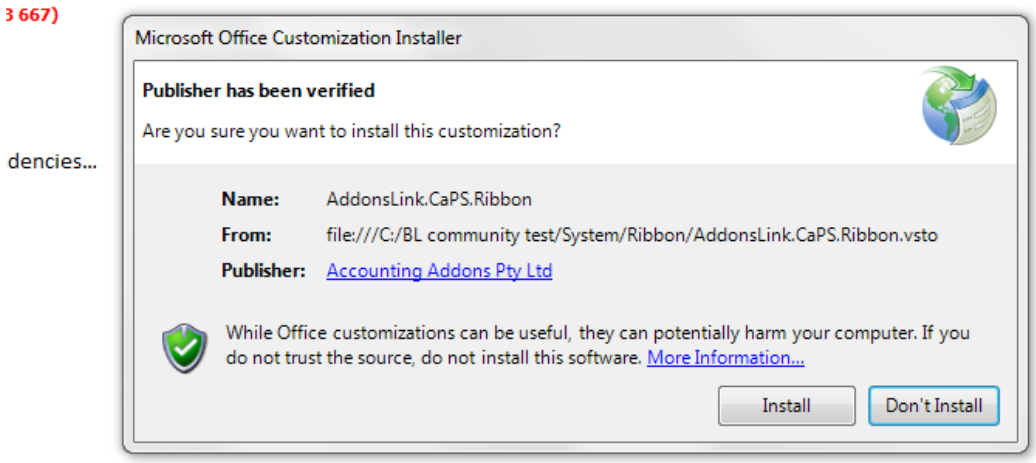
- Double click the "BudgetLink Community" application icon

You may see a security warning with an 'Enable Content' button



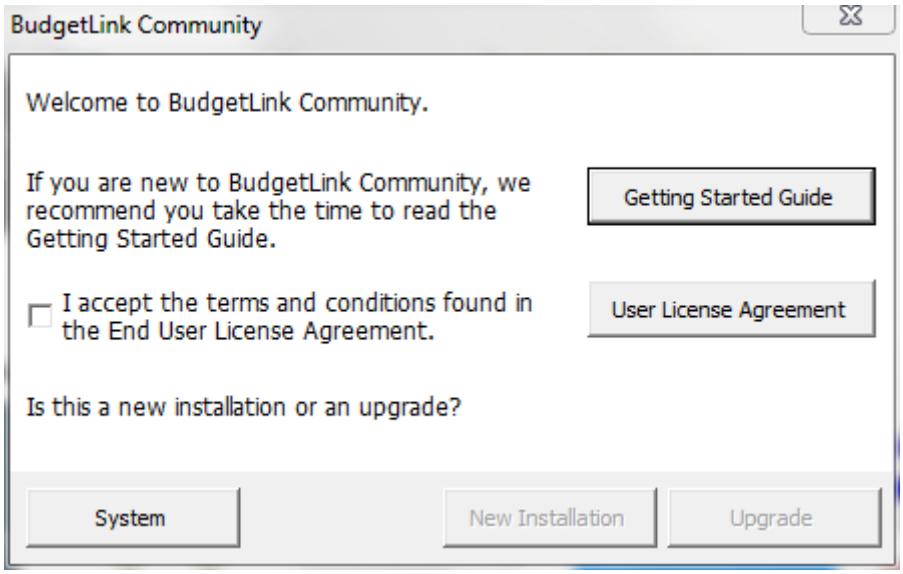
- Click 'Enable Content'

You may see a “Customisation Installer” warning



- Click ‘Install’

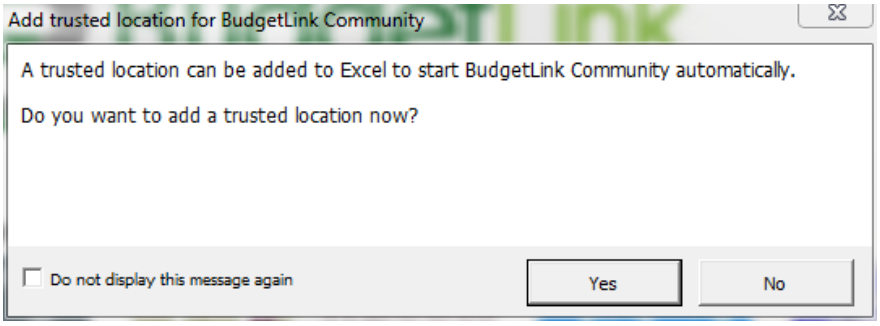
A welcome window will appear



- Tick the “I accept the terms and conditions…” box (or read the licence agreement)
- Click the ‘New Installation’ button

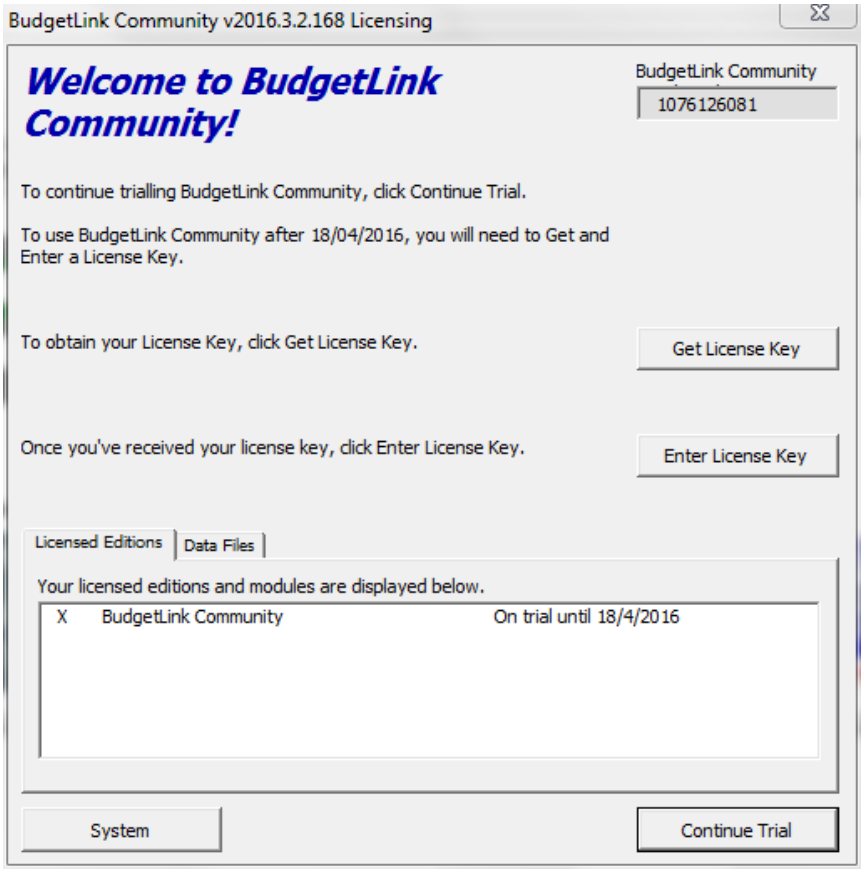
Clicking the “getting started guide” button will open a link the Accounting Addons general “BudgetLink” help site, which can be useful but will include functionality you will not yet be familiar with unless you have used BudgetLink previously.

A “Add trusted location’ window will appear



- Click the ‘No’ button

A Trial window will appear



- Click the ‘Continue Trial’ button to continue on a trial licence (available until the date shown)

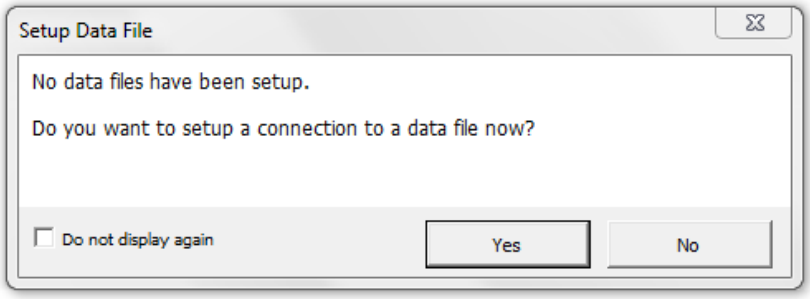
Or…

- Enter a licence key via the Enter Licence Key” button if you have received a key

Or…

- Request a licence key and continue using the trial version

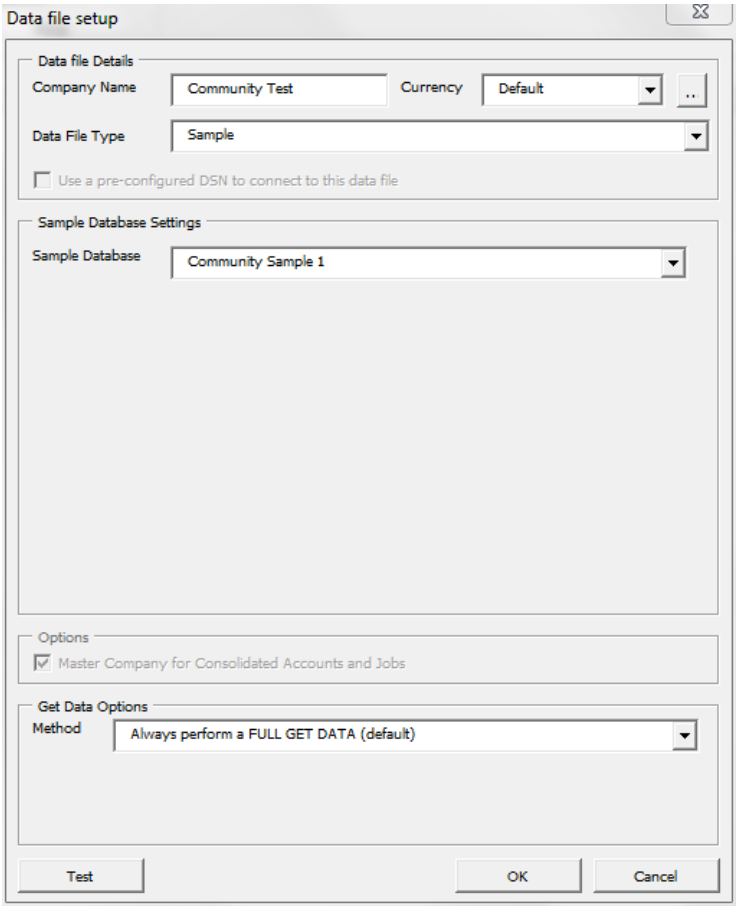
A ‘Setup Data File’ window will appear



- Click the ‘Yes’ button

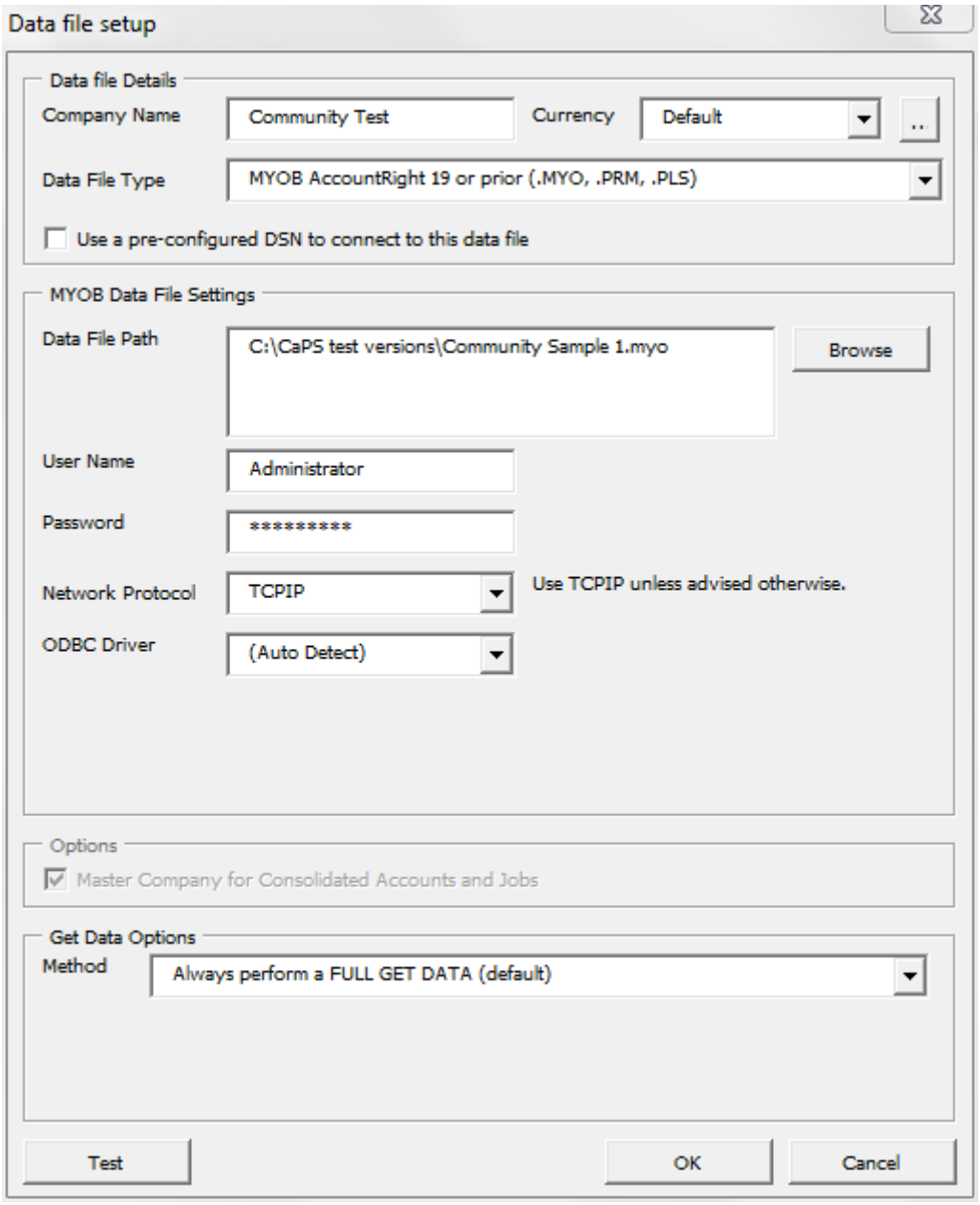
The ‘Data file setup’ window will appear

The following window refers to use of the sample data file, which is recommended for trialling the software. (If you wish to connect to your own software data file, move to the next step)



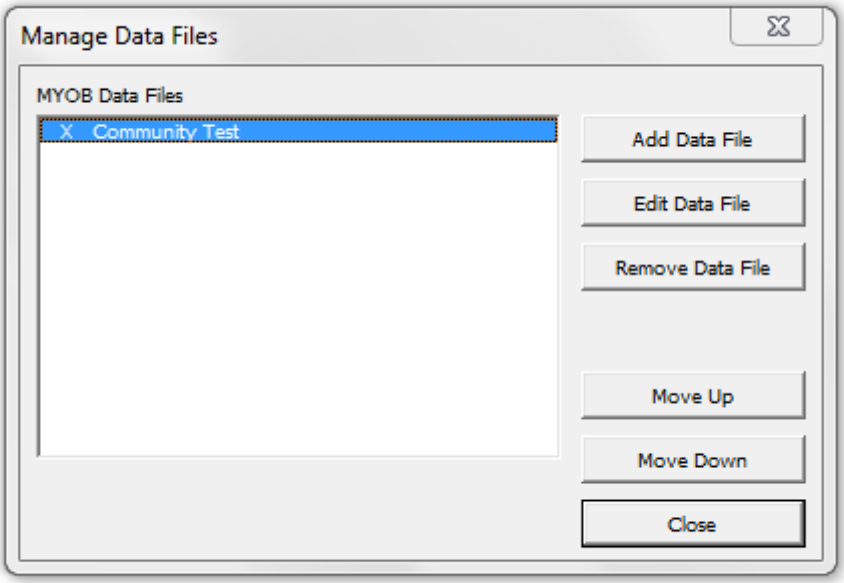
- Type any name you choose for the file in the ‘Company Name’ box
- Select ‘Sample’ from the ‘Data file type’ drop down box
- Select ‘Community Sample 1’ from the ‘Sample database’ drop down box
- Click the ‘Ok’ button

If you choose to use your own accounting software file…



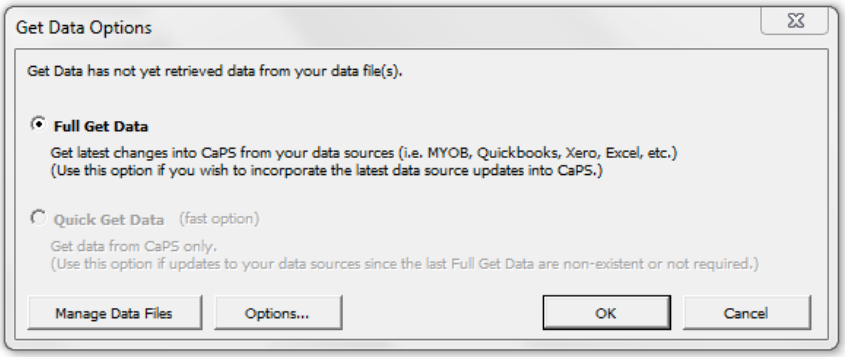
- Type your Organisation's name in a form you'd like to appear on reports in the 'Company Name' box
- Select your software type from the 'Data file type' drop down box
- Browse to your file location from the "Data File Path" box
- Set the user name and password used in your software
- You can choose to test the connection by clicking the "Test" button
- Click the "Ok" button

The ‘Manage Data Files’ window will appear, with your file name on the list



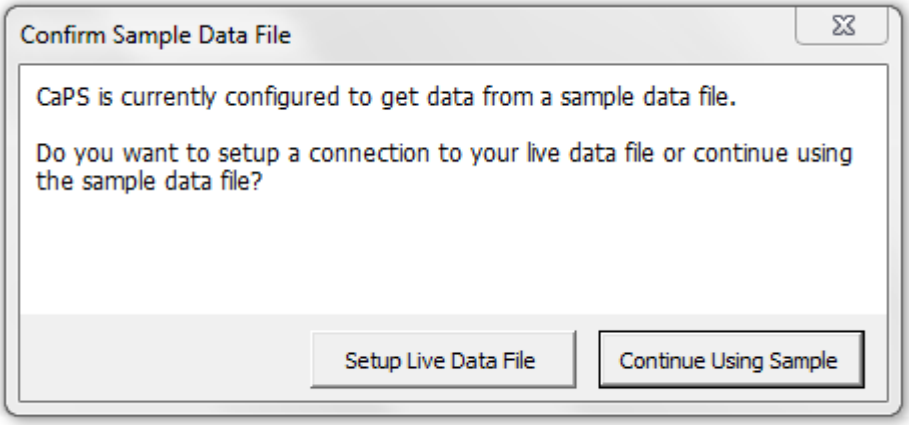
- Click the ‘Close’ button

The ‘Get Data Options’ window will appear, with the ‘Full Get Data’ radio button highlighted



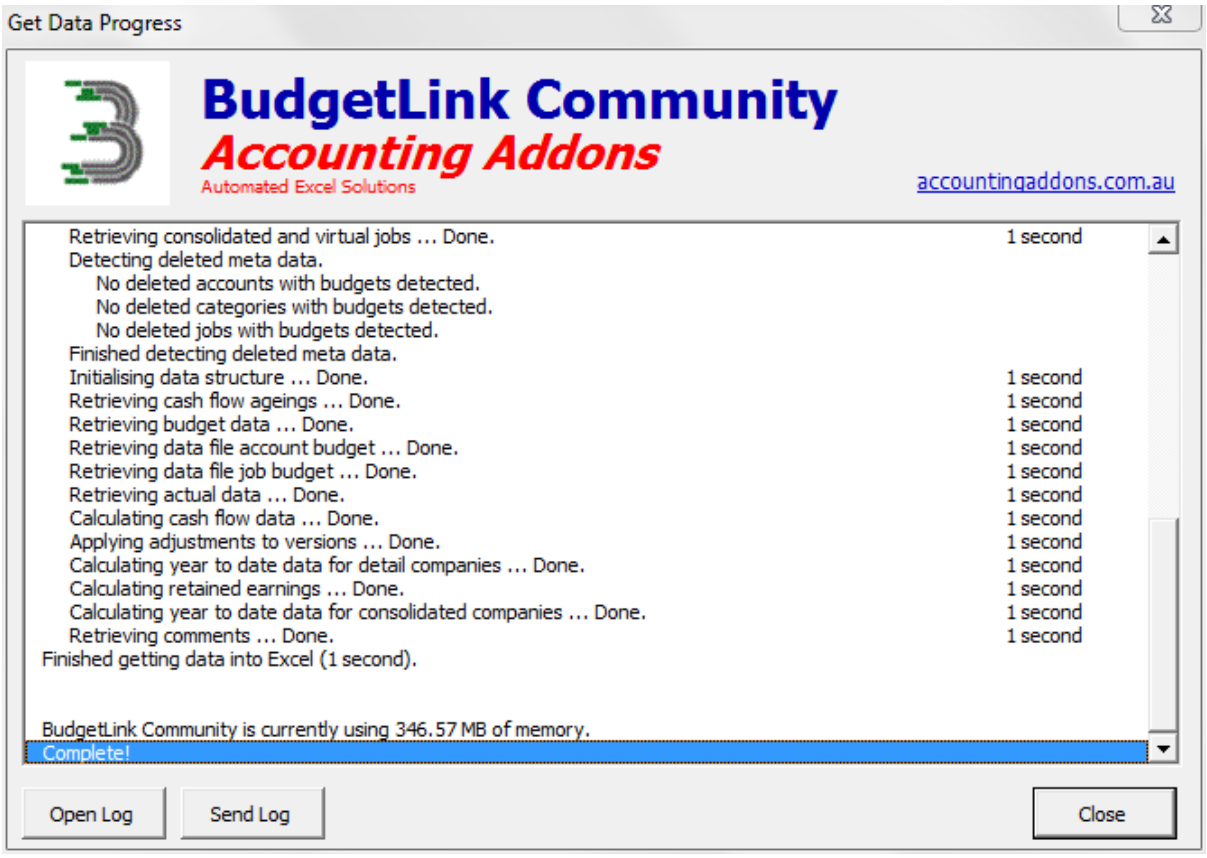
-
- Click the ‘Ok’ button

If you are using the sample file you may see a 'Confirm Sample Data File' window



- Click 'Continue using Sample' button

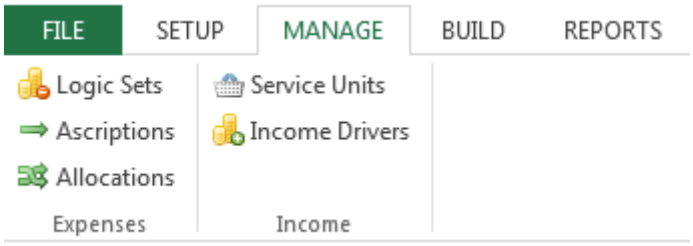
A "Get Data Progress" window will appear



- After you see the "complete!" message as above, click the 'Close' button

The software should now be ready for use.

Section 2 MANAGE



This section of the main menu ribbon allows the user to input logic that will form the basis of any budget build. The software enables the user to input and retain an unlimited amount of logic, in defined groups, that can then be used in building a budget. The individual menu item functionality is as followings:

Logic Sets

Financial models are started by using expense logic. This area allows the user to build expense (often called 'costing') logic in defined "logic sets" that can then be made available to the budget builder. Logic sets are made up of an unlimited series of "cost drivers".

Ascriptions

Ascriptions are used to define what Activity budget is calling the logic set. To "ascribe" a logic set is to provide its logic to a particular activity and then use it in the budget build. It is in this section that the user also defines the dates to which a logic set will be called by the budget builder for a particular Activity. A logic set can be ascribed to any number of activities or can split across any number of activities at any proportion.

Allocations

When the user wishes to move amounts between Activities, the software defines this as an "Allocation". Allocating amounts requires the user to define both sides of the transfer. Allocations are generally used when one activity is seen to be supporting another such that the internal movement of amounts between activities might represent such transactions as overhead allocations, management fees or regular internal recoupment.

Service Units

If a user wishes to review costing (and pricing) models by services or other defined outputs, they can be defined in this section. Define a service units also makes that unit available for income logic in the next section.

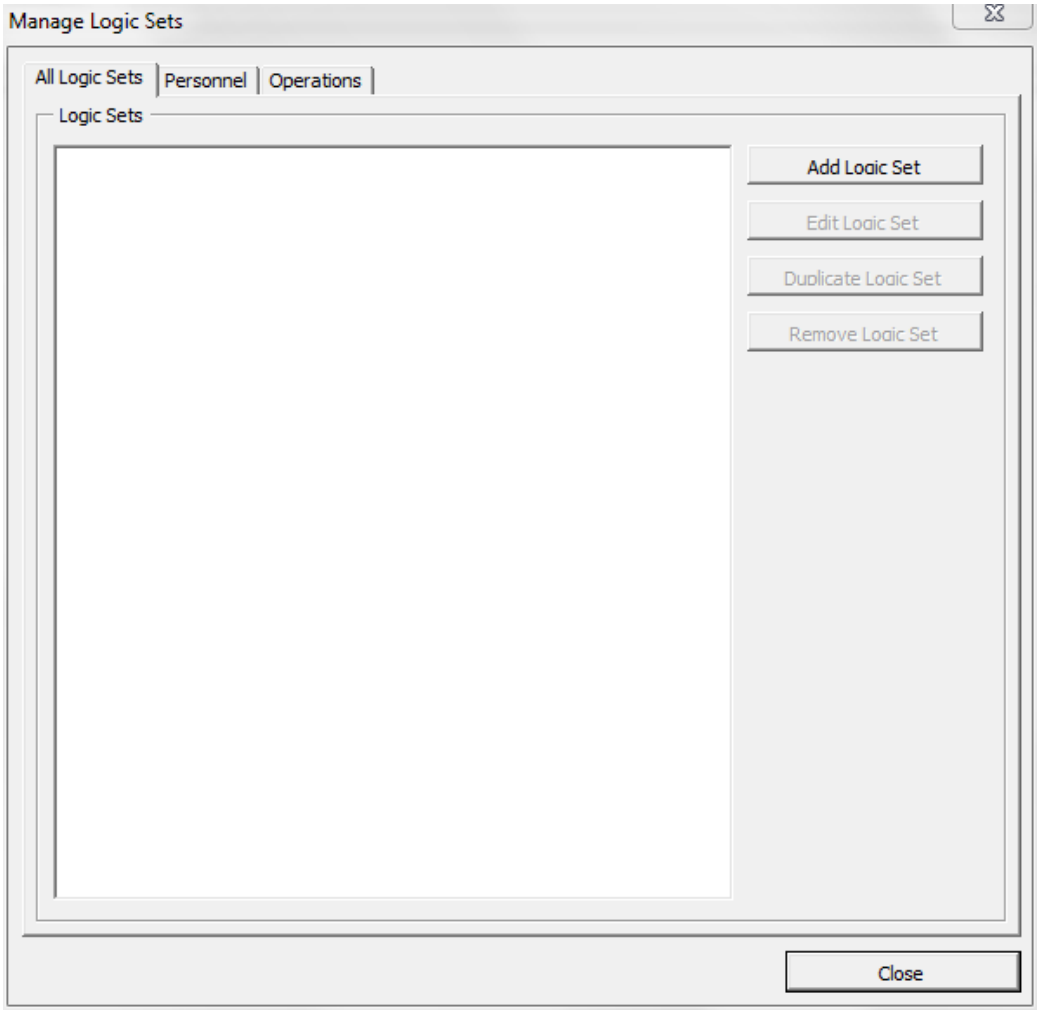
Income drivers

This functionality provides a mechanism for the user to define income logic that is then used in the budget build process. Income logic can be entered in a series of ways including using the costs of an activity or service unit as the basis for the calculation. Income drivers differ from “logic sets” as that are activity specific.

Logic Sets

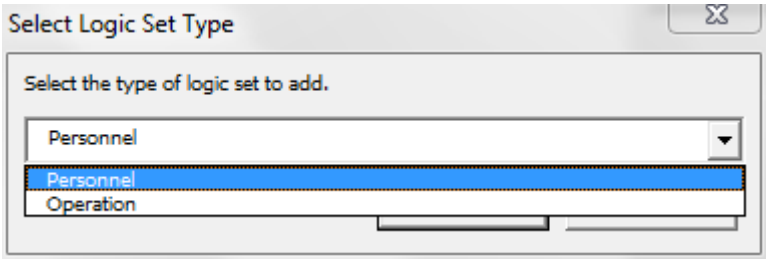
Logic sets form the very basis of the cost modelling functionality in the software. Whilst budgets can also be entered in a traditional manual way, directly into the reporting area of the software, it is these logic sets that provide the engine from which budgets can be built and rebuilt from the ground-up. This “bottom-up” approach to budgeting allows the user to establish and then fine-tune a cost model or full organisational budget by continually refining the cost drivers in a logic set, to whatever level of detail and sophistication they require.

Clicking the “Logic Sets” menu item will bring up the “Manage Logic Sets” window

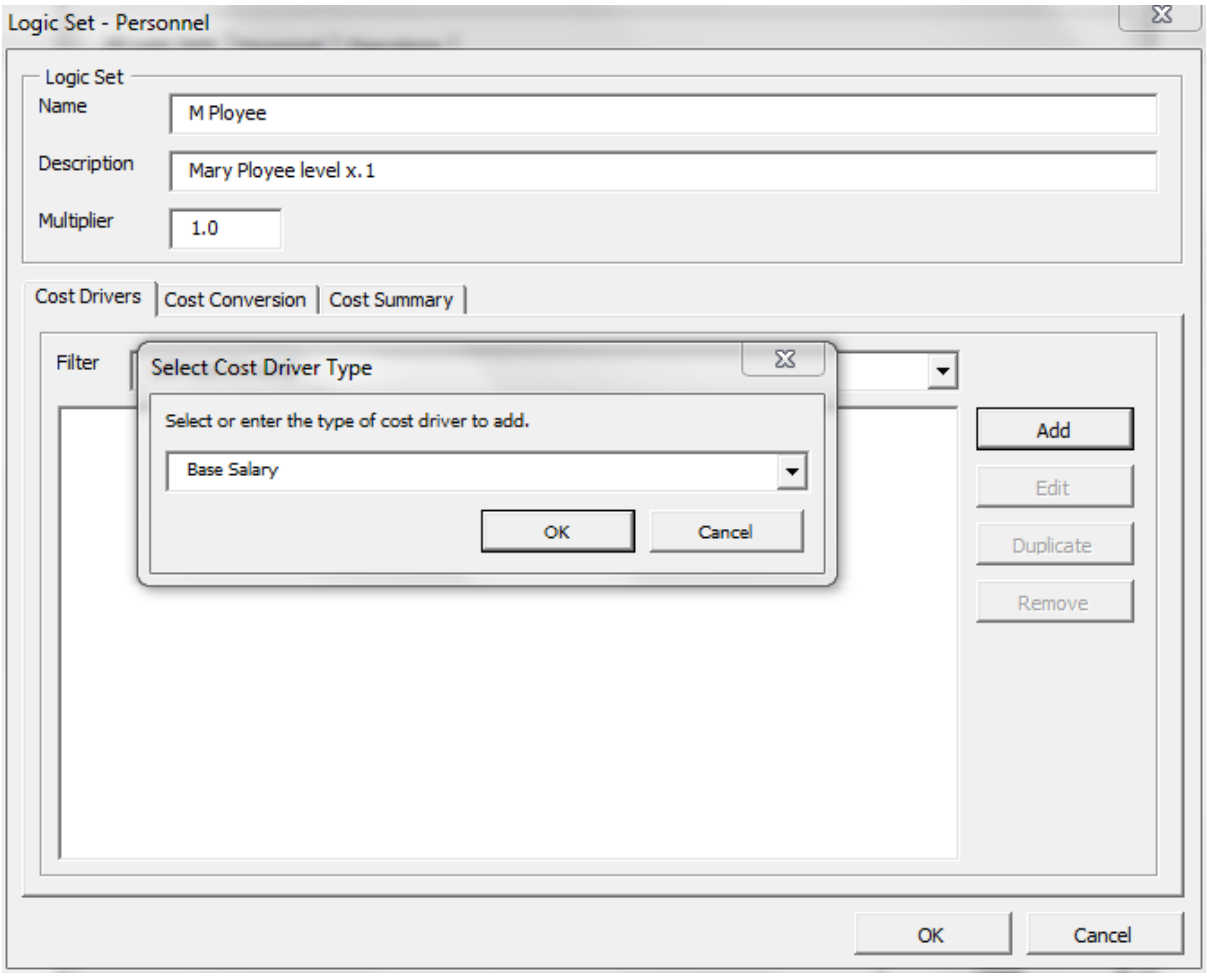


From within this window the user can “Add”, “Edit”, “Duplicate” or “Remove” logic sets. To start the process click the “Add” button, the “Select Logic Set Type” window appears…

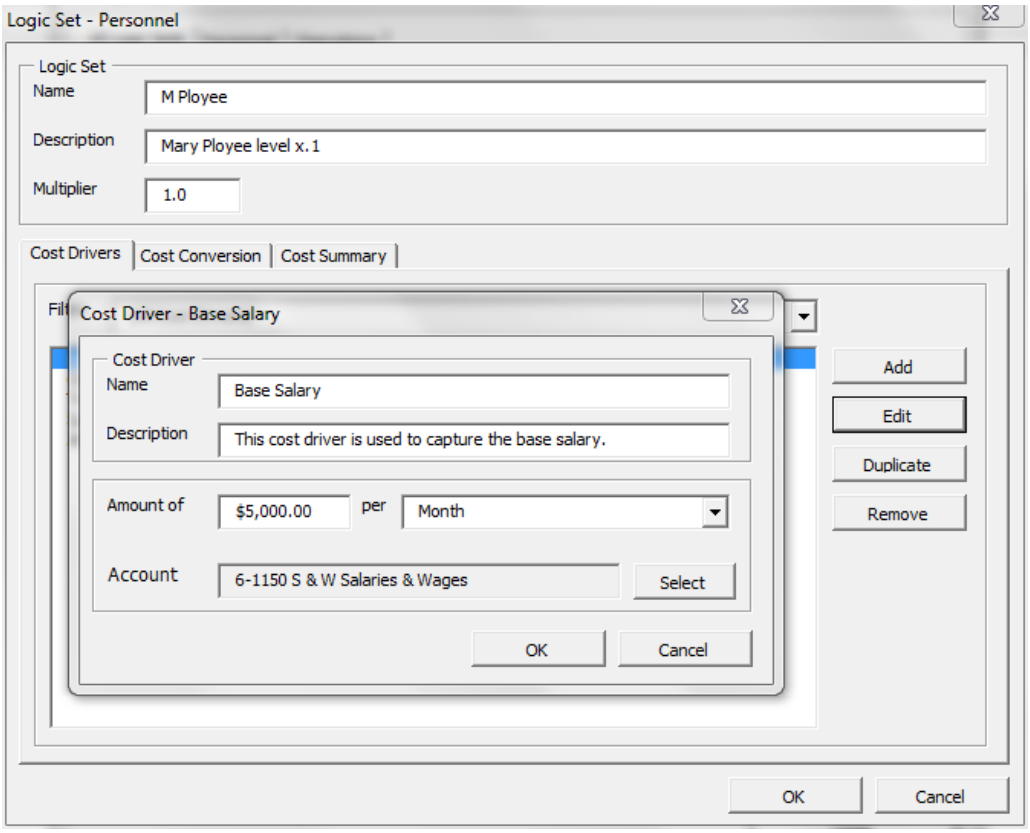
Personnel Logic Sets



There are two types of Logic Sets, “Personnel” and “Operations”. In this first example, the “Personnel” logic set has been selected. Once selected the “Logic Set – Personnel” window appears. A name should be given to each logic set and a description if further detail is required, in this example the user has included the pay scale in the description.

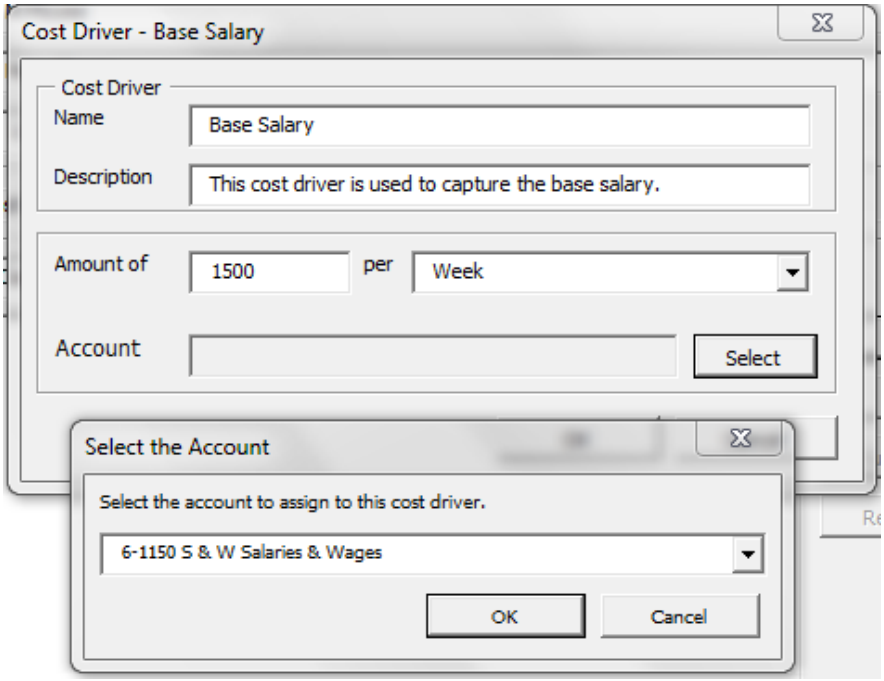


After clicking the “Add” button, the “Select Cost Driver Type” window appears. Logic sets are a collection of cost drivers. A logic set cannot exist without at least one cost driver and can have an unlimited amount of cost drivers. Cost drivers are the way the user creates the base logic of an expense (costing) model. In a “Personnel” logic set, the cost driver types are pre-defined as “Base Salary”, “Overtime”, “Allowance”, “Oncost” and “Entitlement”. Each cost driver type has a different calculation mechanism, as shown in the following screen shots:



The “Base Salary” cost driver window allows the user to provide a name and description if the user requires (in the example above the defaults have been left in place), an amount for a particular time period (in this example $5,000 per month) and an account in which to tag the cost.

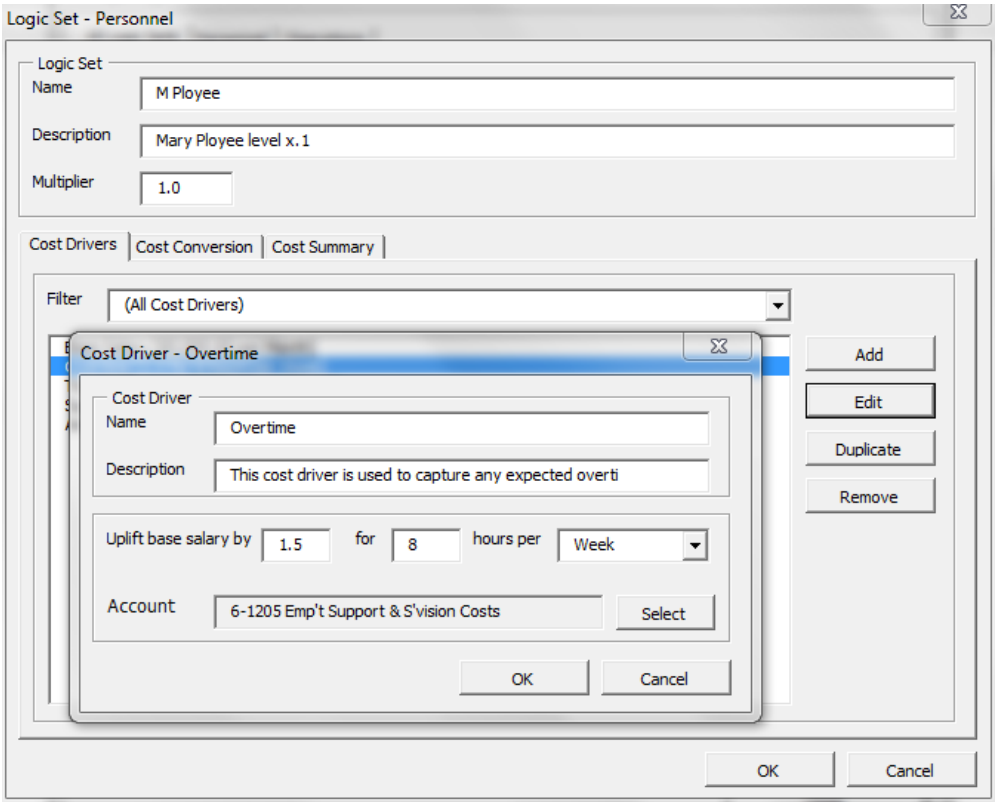
The accounts made available to the user will be those in the data file connected, either the sample data file, as in the examples in this guide, or the user’s own data file. After the data is provided, click the “Ok” button.



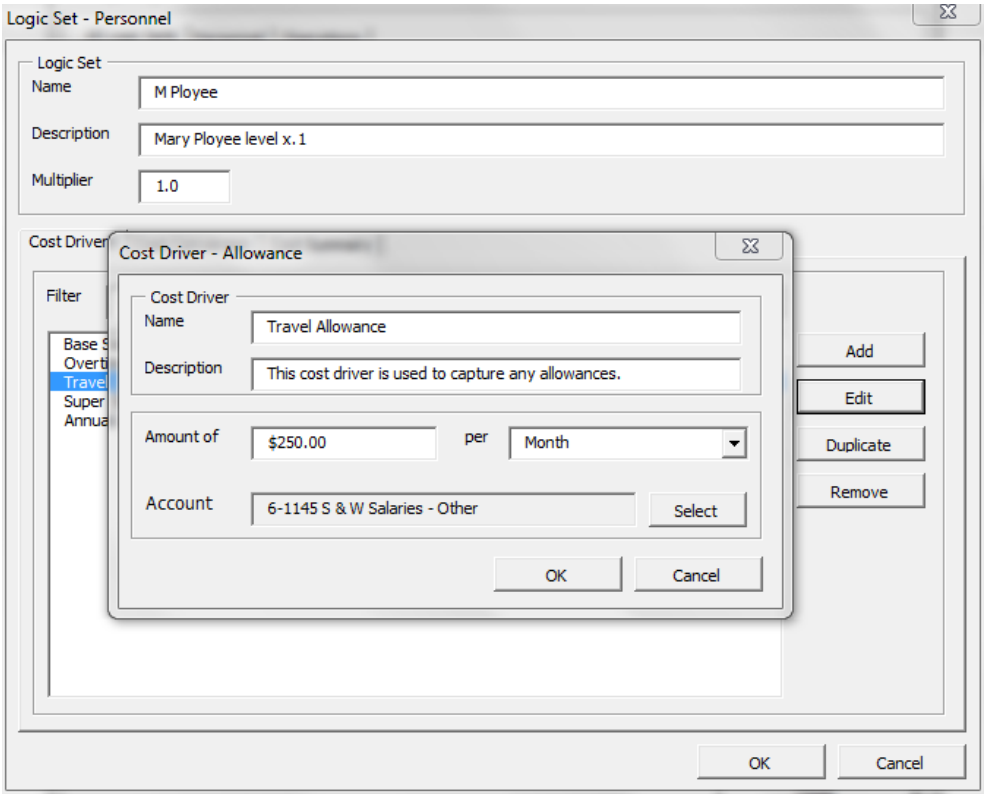
The user can jump to sections of the chart of accounts by entering the first number of the account if know, otherwise a scroll mechanism is available, or both. For example, entering "6" in the drop down box will take the user the first expense account in the data file from where they could scroll through the expense accounts to find the desired account.

Each cost driver type is built in a similar way, as per the following screen shots:

The "Overtime" cost driver type…

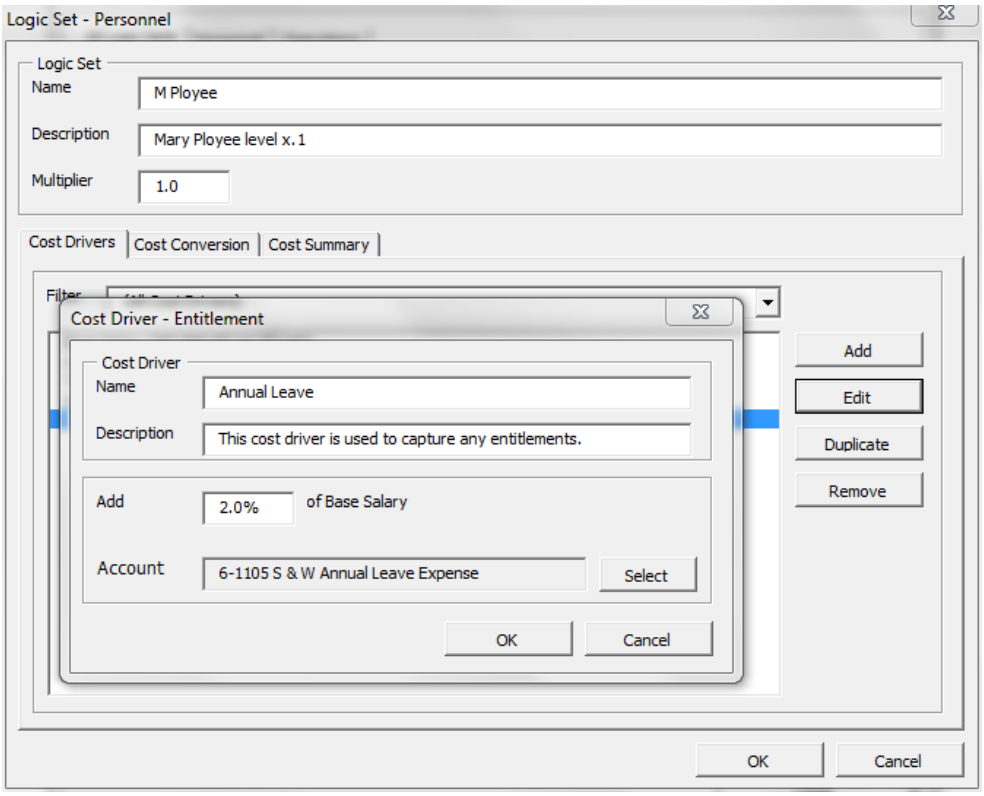


The “Allowance” cost driver type…

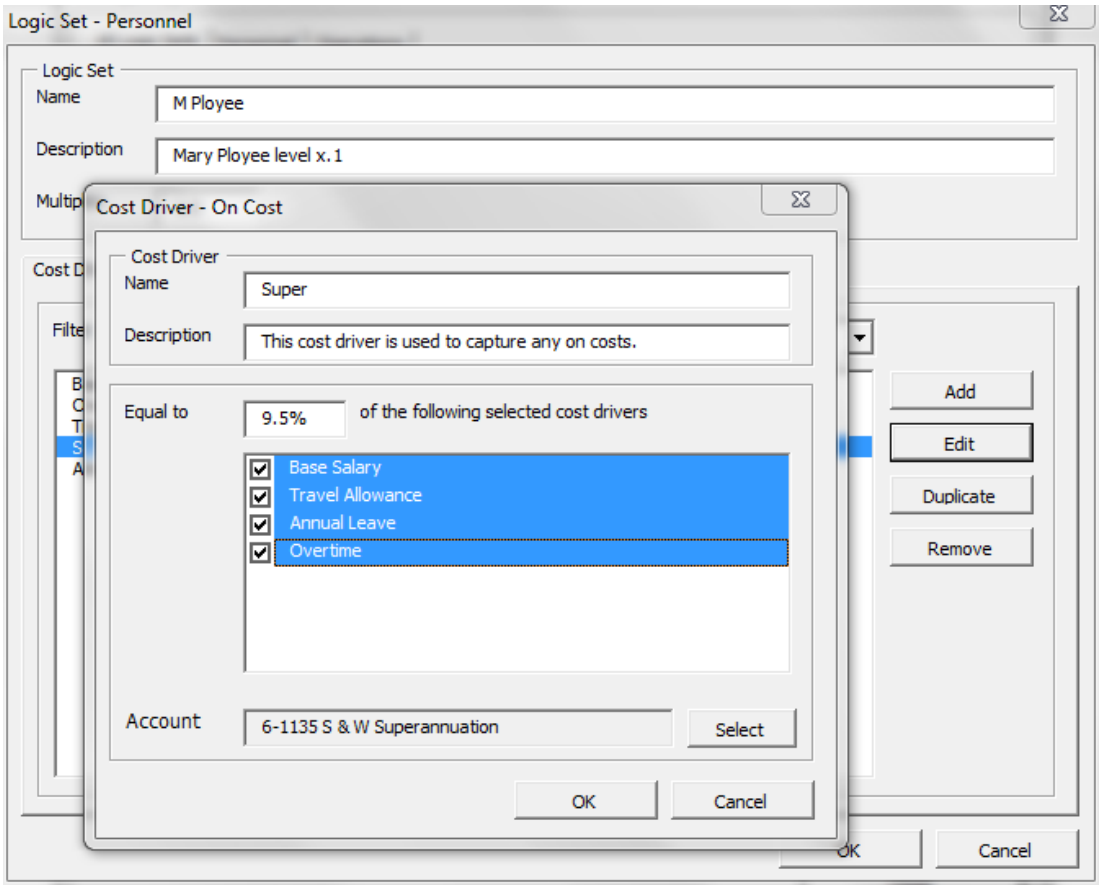


Note the default name has been changed to define the specific allowance

The “Entitlement” cost driver type…

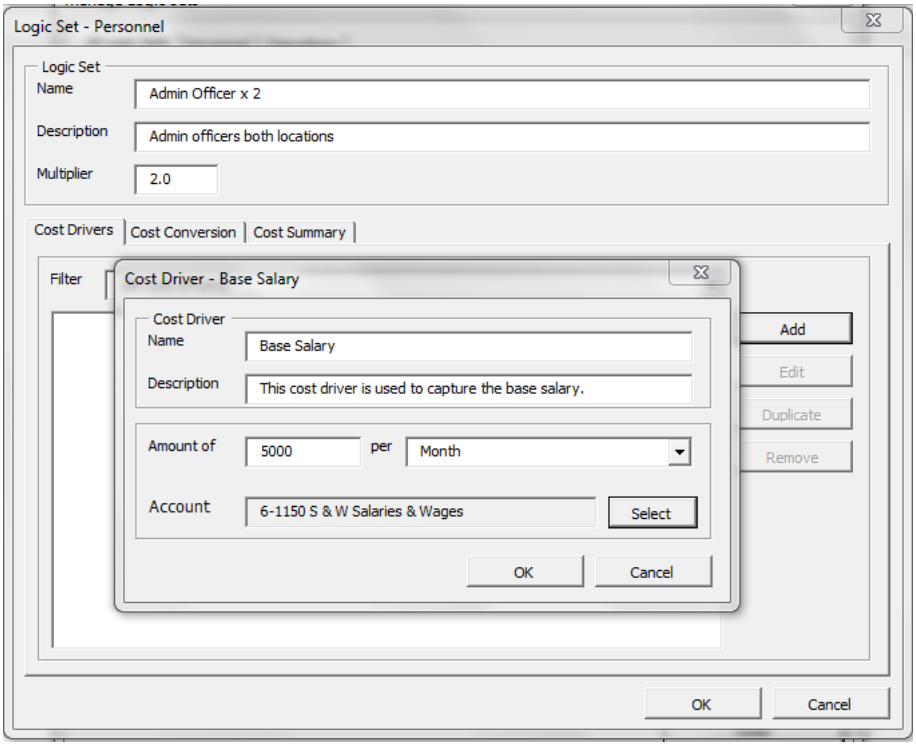


Finally, the “Oncost” cost driver type…



This cost driver is a calculation of any of the other cost drivers in the logic set. The user can select which other cost drivers should be included in the calculation. In the above examples, because it is calculating Superannuation, all cost drivers have been selected but this may not be the case with other types of oncosts.

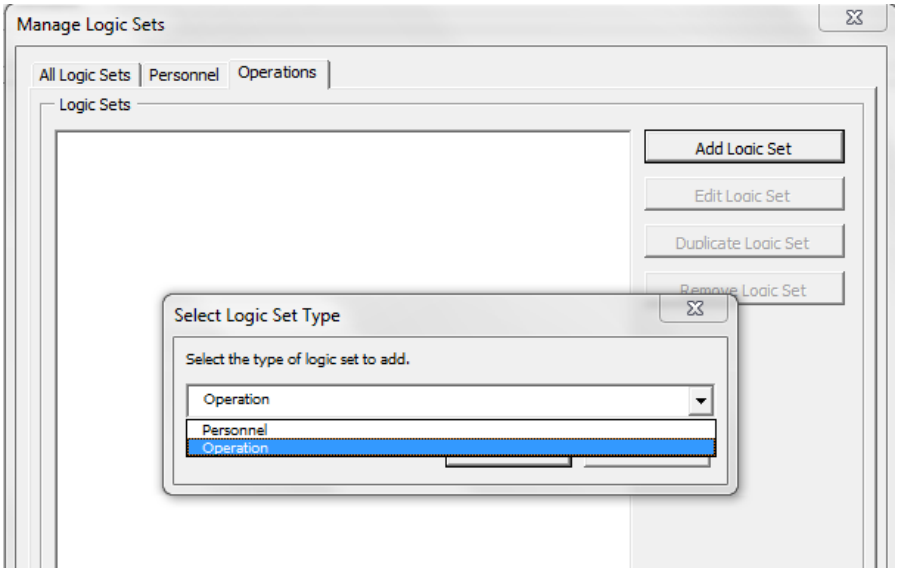
It is possible, depending on the users required degree of detail, to build a “Personnel” logic for more than one employee. As long as the cost drivers are the same for each employee, the “multiplier” box in the “Logic Set – Personnel” window allows for any number of employees to calculated, as follows:



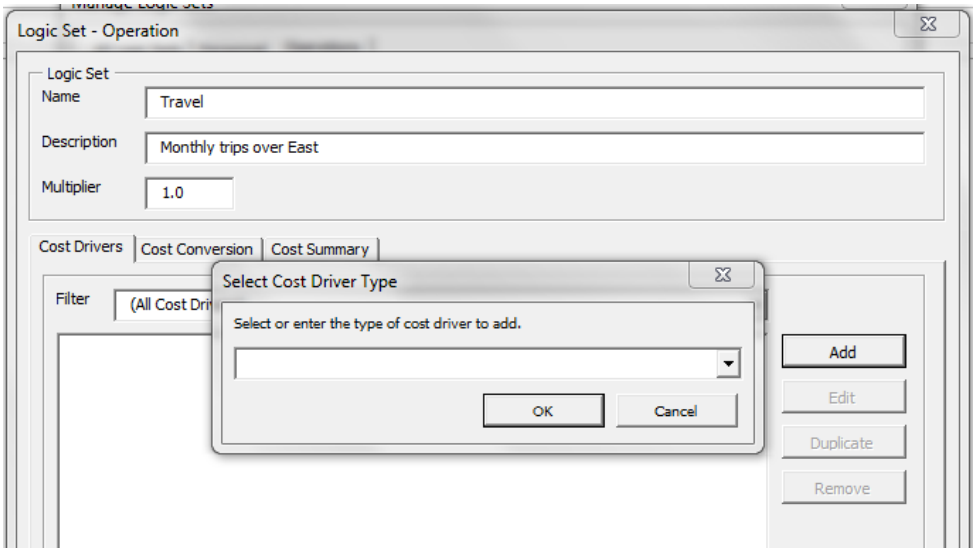
In this example the user has used a multiplier of 2 representing two Admin Officers and also included that in the description. All cost drivers should be built as if building for one employee and they will each then multiplied by whatever multiplier is used, in this example by 2, when building the budget. We will highlight how this is shown in the logic set below when the “Cost Summary” tab is discussed.

Operations Logic Set

The other logic set type, in addition to “Personnel”, the “Operations” logic set. The general catch-all term allows for all non-personnel cost drivers to be constructed by the user, again using a series of calculation mechanisms.



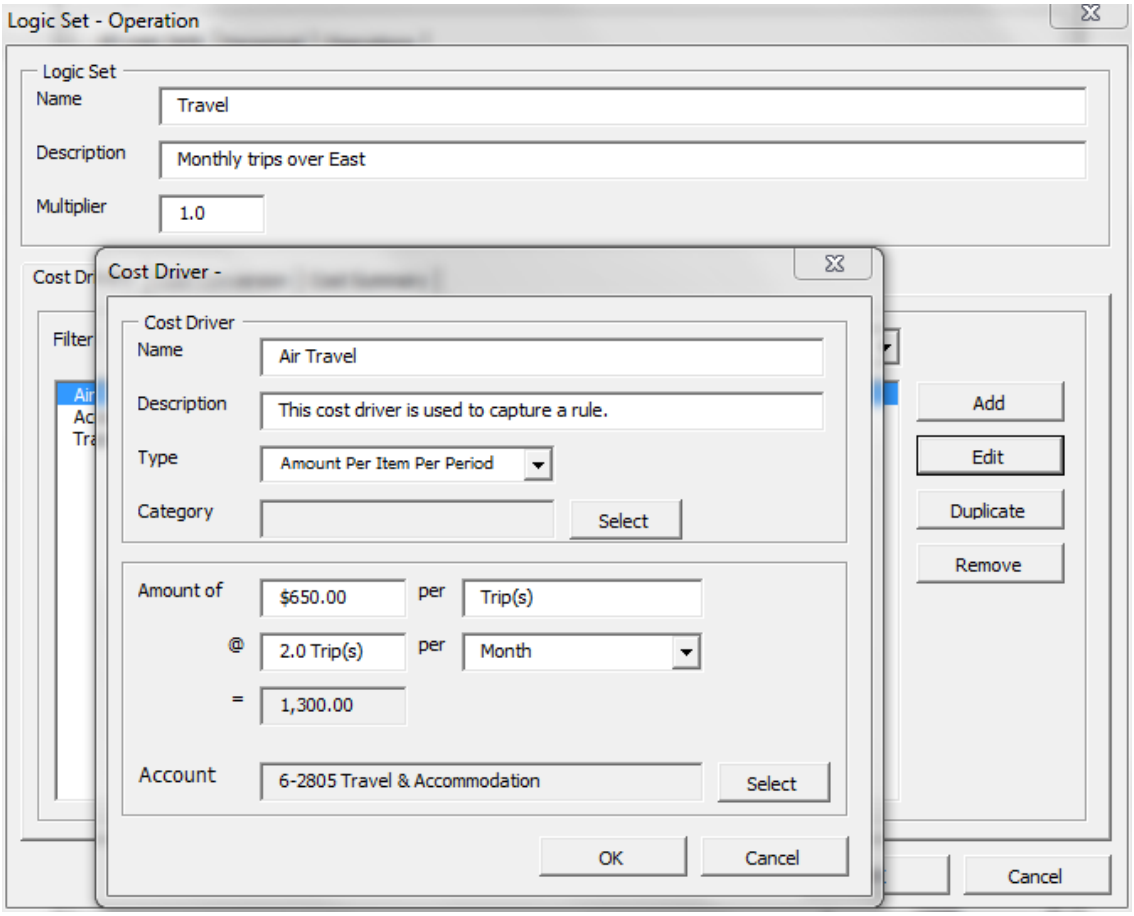
The “Operations” type is selected from the “Manage Logic Set” window after clicking the “Add” button. In this example, the user has created a “Travel” logic set, and a description of “Monthly trips over East” has also been entered in the “Description” box.



Whereas in the “Personnel” logic set, cost driver types are pre-defined, in an “Operations” logic set they are defined and individually named by the user. When the user clicks on the “Add” button, a “Select Cost Driver Type” window appears, initially with no options in the dropdown box. This allows the user to create a cost driver type, or simply enter through the option by clicking the “Ok” button when the box is still blank. If Cost Driver types are entered, they will act as a grouping mechanism, so that if a user has many Cost Drivers they can be more easily categorised and identified. If no “Driver Type” is entered, all Cost Drivers will appear in a list as created.

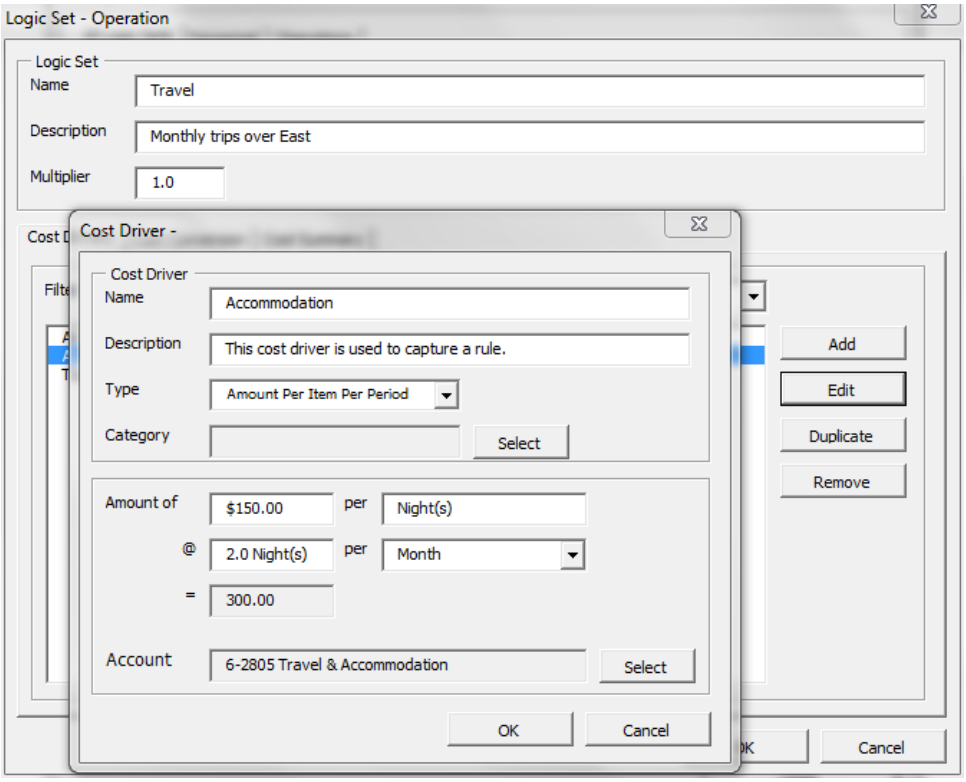
In this example the user has chosen not to enter a Cost Driver type, hence the “Category” box is blank, category in this instance representing the grouping mechanism described above.

Keeping in mind a Logic Set is a collection of Cost Drivers, the user builds as many Costs Drivers as they require in as much detail as they see fit. Generally, the greater the level of sophistication and accuracy required in cost model or budget, the greater number of Cost Drivers will make up the Logic Sets.

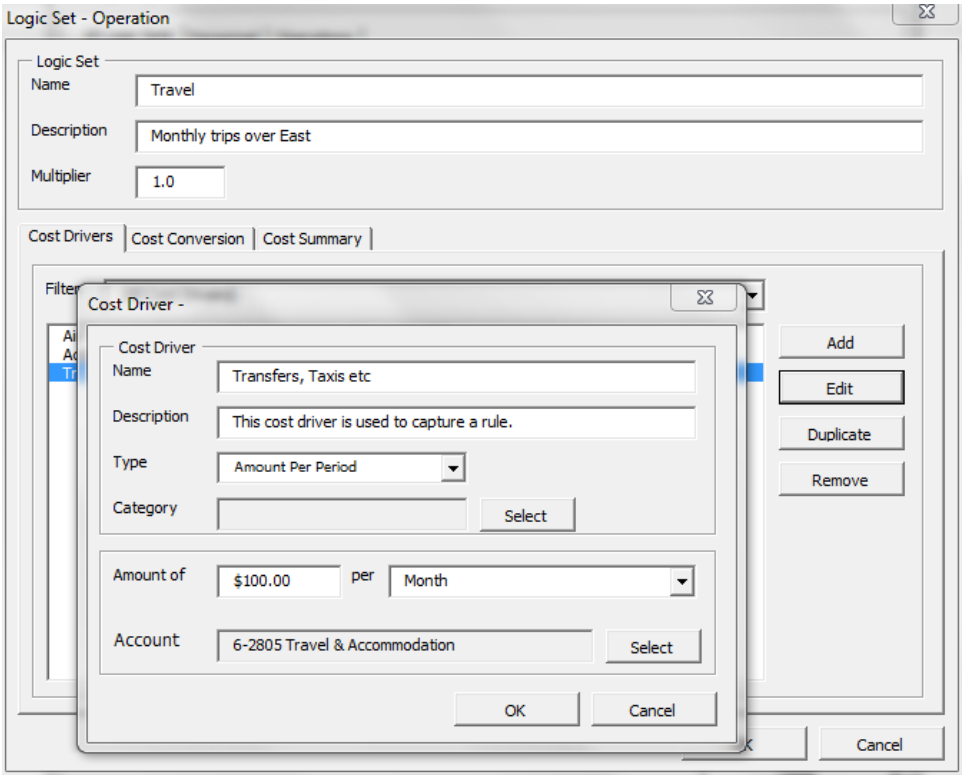


In the above example, the user is creating a series of Cost Drivers within the “Travel” Logic Set. The first of which is named “Air Travel. They have selected the “Amount Per Item Per Period” calculation type. The information then required is based around an “Item” of cost, in this case the item entered by the user in the “per” box is “Trip(s)”, which is then copied into the “@” box. The user also enters the number of trips and the time period. A calculation box shows the amount. An account is also selected as is always required with Cost Drivers.

In this example, the user has elected to add two further Cost Drivers to the “Travel” logic set, an “Accommodation” Cost Driver and “Transfers, Taxis etc” cost driver, as follows:



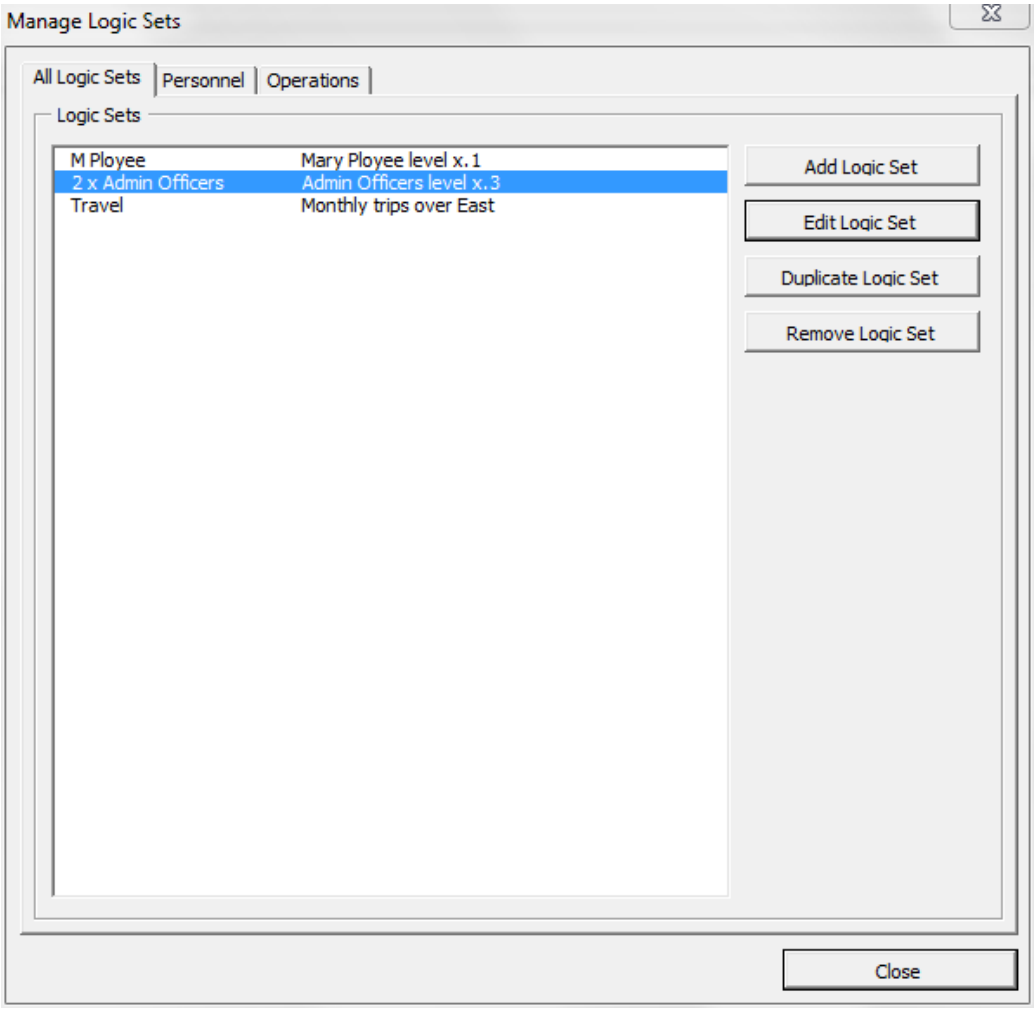
Note how the user has again selected the “Amount Per Item Per Period” calculation type, and changed the item name to “night(s)”, entering the cost per night and tagging with an account.



Note in this last Cost Driver, the user has selected the “Amount Per Period” calculation type, meaning the information required is of a simpler nature, simply amount and period.

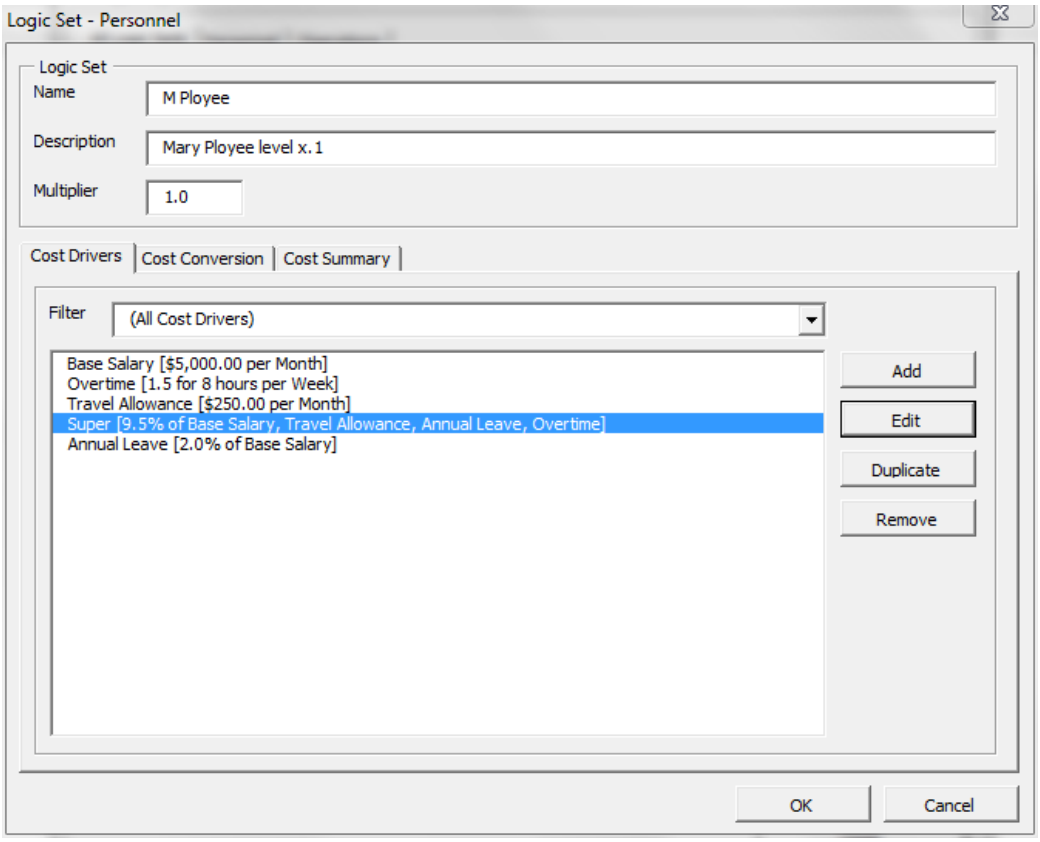
Reviewing Logic Sets

Once built Logic Sets should be reviewed to ensure they meet the common-sense test before they are used in a budget build. Keep in mind Logic Sets can be used in an unlimited amount of Activities so solid checking at this point could save on checking backwards later after a Cost Model or Budget is built. Whenever the “Logic Sets” main menu item is selected, the “Manage Logic Sets” window will appear, as below. You can review all Logic Sets or select the appropriate tab to just see the “Personnel” or “Operations” Logic Sets separately listed.



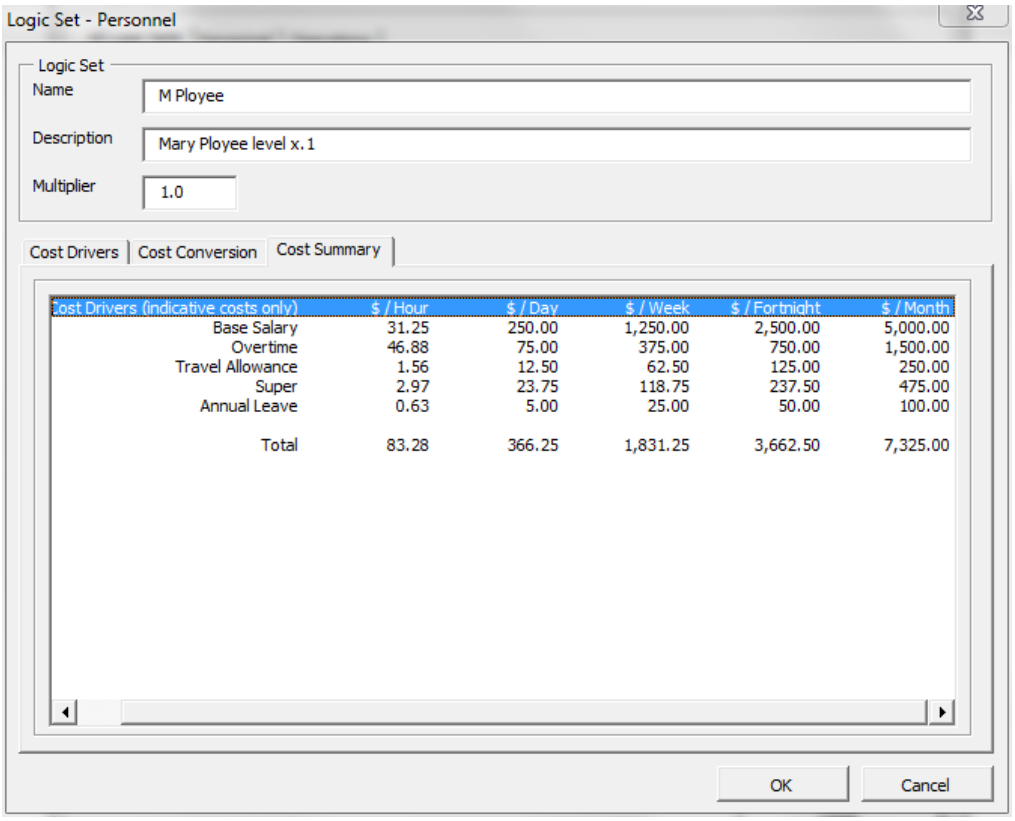
Note that when a Logic Set is highlighted, the “Edit”, “Duplicate” and “Remove” buttons become available. The “Duplicate” function might be particularly useful to use when creating logic sets that are similar in cost structure. For example, you may like just to have one template logic set for an employee that has all the basic drivers in place, “Duplicate” it each time and then alter the Cost Drivers as required.

The user can “Edit” any logic set by highlighting it in the list and clicking the “Edit” button. If we do so to the M Ployee Logic Set, we see the Logic Set window appears as follows…



We can see that all the Cost Drivers are listed in the Logic Set window, each showing the basis of the calculation. This is the first area to check, running you eye over the list to ensure they make sense and no glaring errors exist. As is case within the Manage Logic Sets window, we can also see that by highlighting a particular Cost Driver, the “Edit”, “Duplicate” and “Remove” buttons become available for that Cost Driver.

By clicking on the “Cost Summary” tab, the outcome of the calculations can be reviewed, as follows…

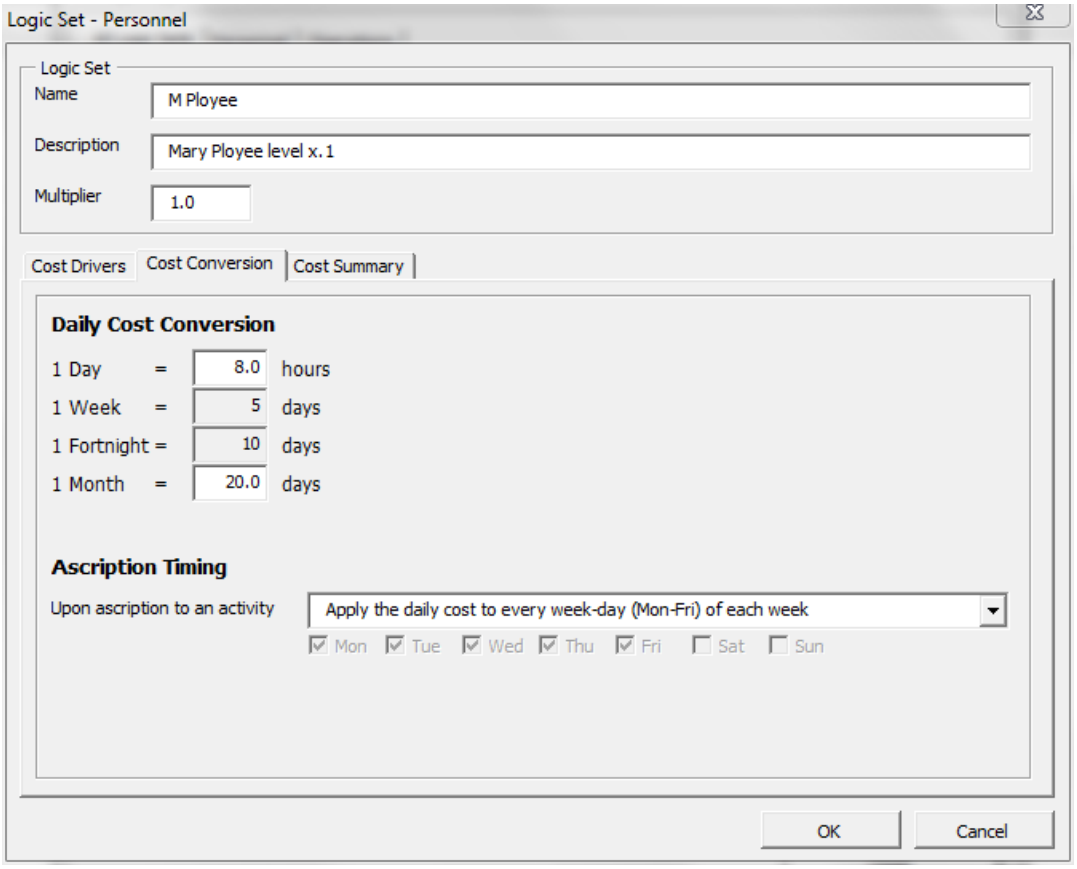


The costs for each time period are displayed. These should be checked to the extent they make sense and can be associated with the cost driver logic in a general sense.

There is a critical element to understanding how the software calculates the varying costs per time period. Firstly these are noted as “indicative” costs in the Cost Summary tab because they do not reflect exactly what will appear in the final Budget Build. There is a very good reason for this, and all users must be aware of this issue if they wish to fully understand the way the software goes about its calculations.

The critical point is that the software will always work toward making the $ / Day figure accurate. This cost per day is then used in all budget building processes from that point on. All other “indicative” costs per period are calculations the software makes by referring to the user inputs in the “Cost Conversion” tab. The other periods are shown as an initial checking opportunity but may not reflect the final budget build simply because of the calendar structure. A “Month” is not a set period of time and as such what appears in the $/Month in the Cost Summary tab may not be what appears in the Month of February in a leap year, or July in any year etc.

To further understand this issue we will refer to the “Cost Conversion” tab in the Logic Set window…



It is the “Cost Conversion” tab that the system uses to create the “indicative costs” in the “Cost Summary” tab. In this particular example the user has identified 1 Day as 8 hours, and 1 Month as 20 days. The other periods, 1 Week and 1 Fortnight are controlled from the tick box list below. If the Ascription timing dropdown box is selected as “Apply the daily cost to every week-day (mon-Fir) of each week” then 1 Week will equal 5 days and 1 Fortnight will equal 10 days. There is also the option to change the Ascription timing to 7 days or select individual days of the week. The Ascription timing can be different for each Logic Set, but all Cost Drivers within a Logic Set will have the same daily cost conversion applied to them.

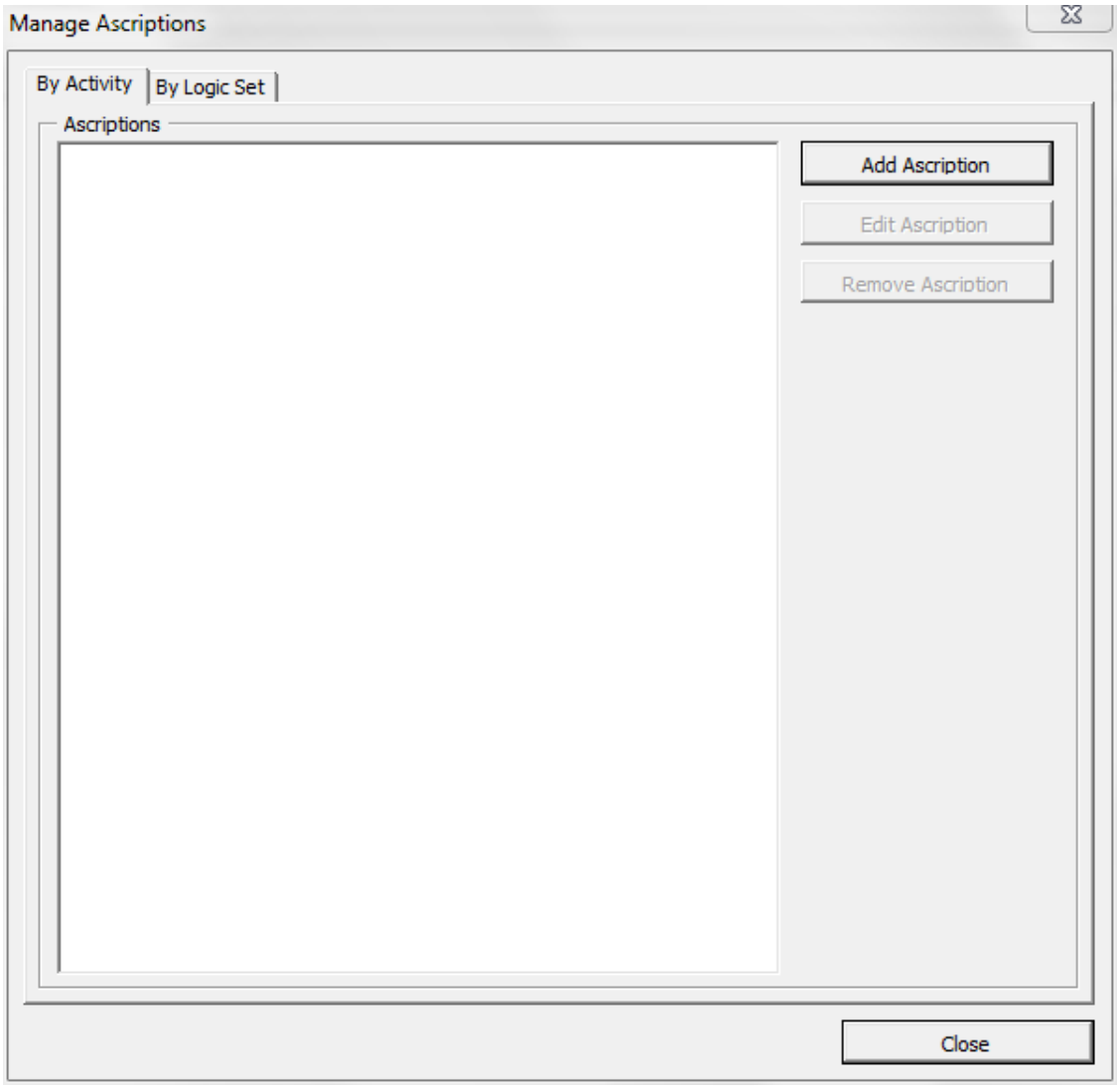
This is critical because, if a user enters a Cost Driver using say, $5000 per Month as a Base Salary calculation, the software will then divide $5000 by 20 days (the amount shown in the cost conversion “1 Month Week =” box) to calculate the cost per day. Similarly, if the user enters a Travel Cost Driver as $200 / week, in this case the software would divide the $200 by 5 days (the amount shown in the cost conversion “1 Week =” box) to calculate the cost per day. All calculation roads lead to a cost per day, and it is the cost per day that is used in building all cost models and budgets from that point on.

Ascription timing will be covered further in the next section.

Ascriptions

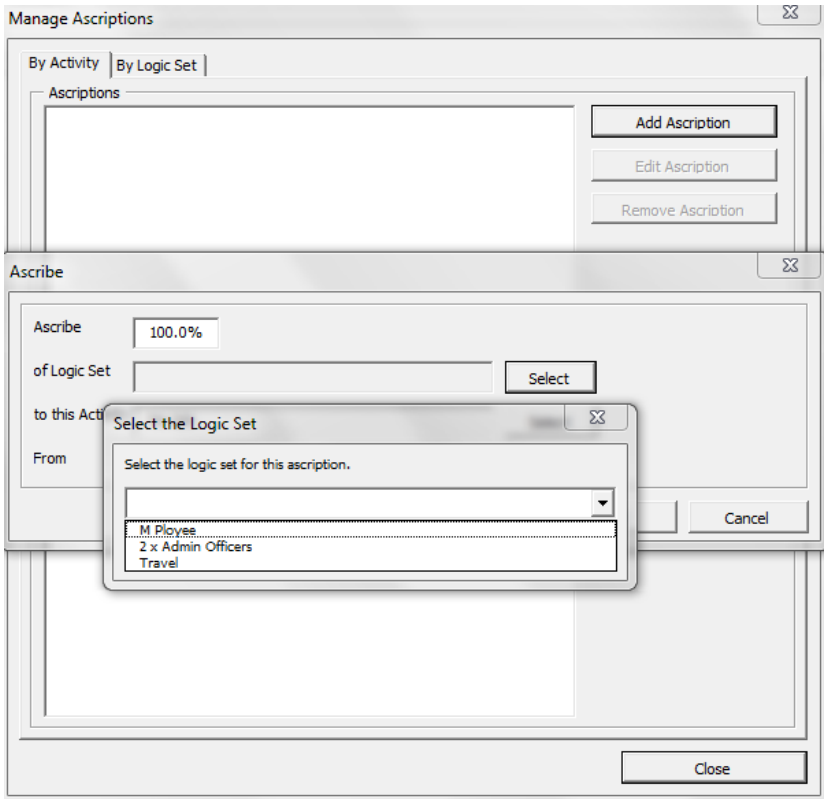
An Ascription is the mechanism by which Logic Sets are assigned to Activities. All financial models and Budgets are built by Activity, so it the Ascription process that identifies what Logic Sets are used in building each Activity Budget. Any number of Logic Sets can be ascribed to any number of Activities, and a Logic Set can be split across any number of Activities.

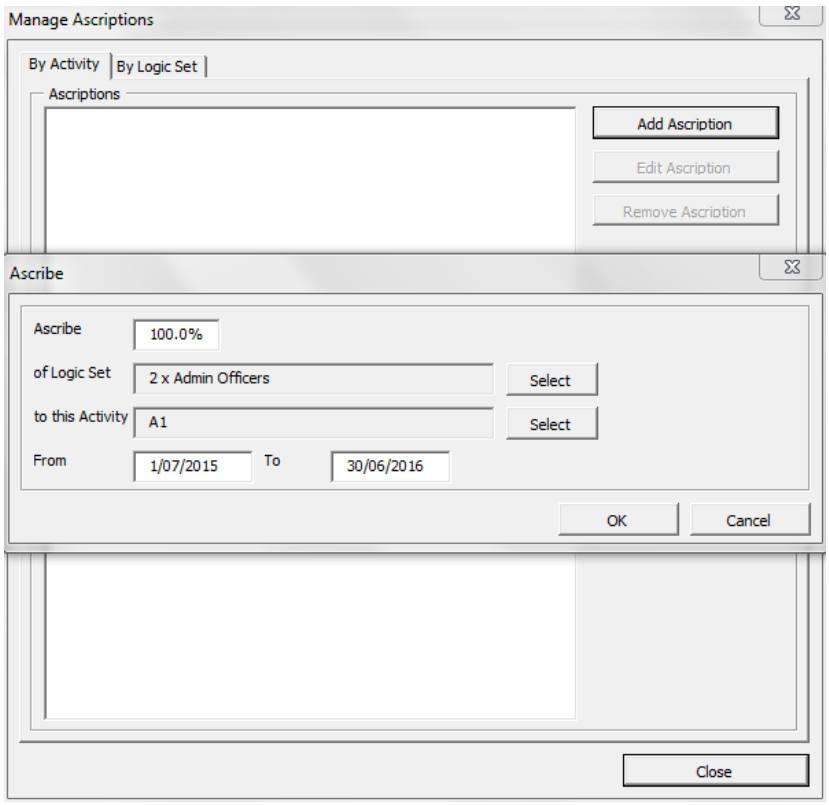
The Ascription process starts with the Manage Ascriptions window, which appears when the "Ascriptions" main menu item is clicked…



An ascription is created by clicking the "Add" button, which brings up the "Ascribe" window…

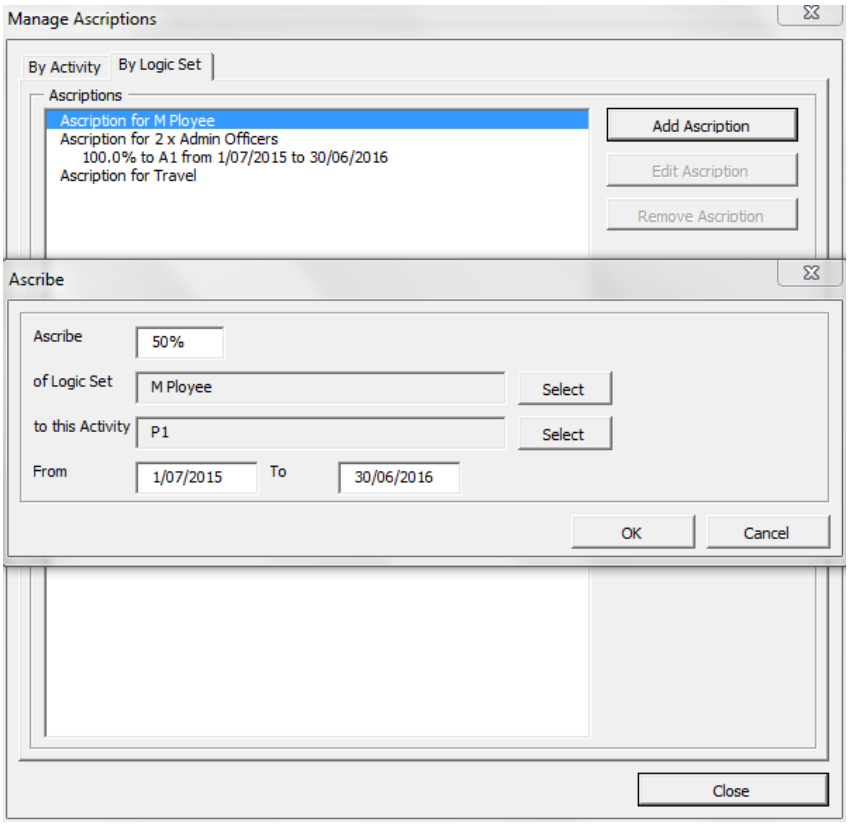
The process itself is fairly intuitive in that the user selects the percentage of a particular Logic Set they wish to ascribe to a particular job, via two dropdown boxes…



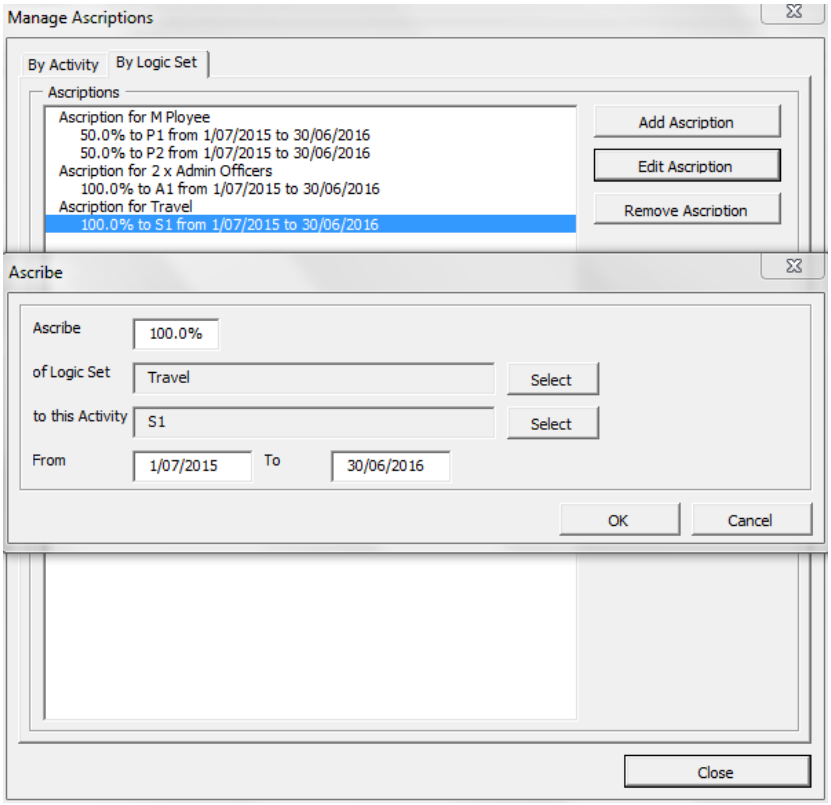


In the above example, the user has ascribed 100% of the Logic Set “2 x Admin Officers” to the Activity “Activity 1” for the period 1/7/15 to 30/6/16.

In the following example, the user has ascribed 50% of Logic Set “M Ployee” to the Activity “Program 1” for the period 1/7/15 to 30/6/16…

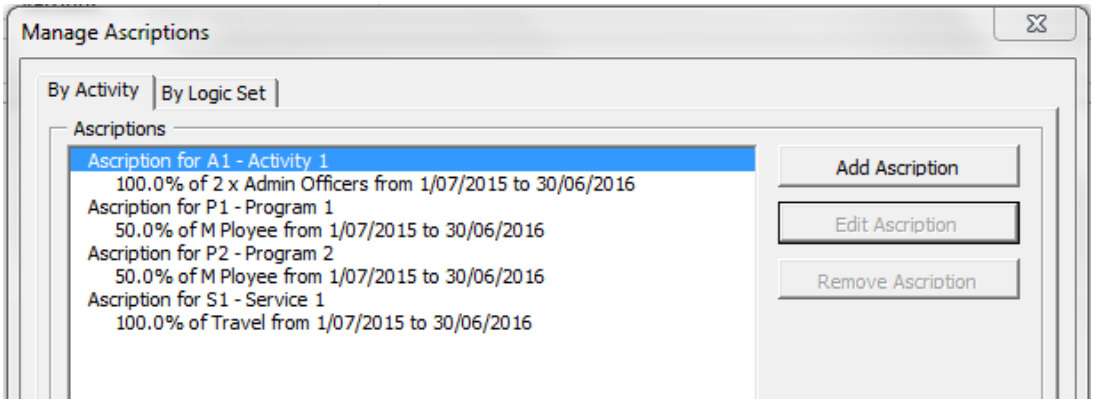


In the following example, the user has acribed 100% the Logic Set “Travel” to the Activity “Service 1”, for the period 1/7/15 to 30/6/16

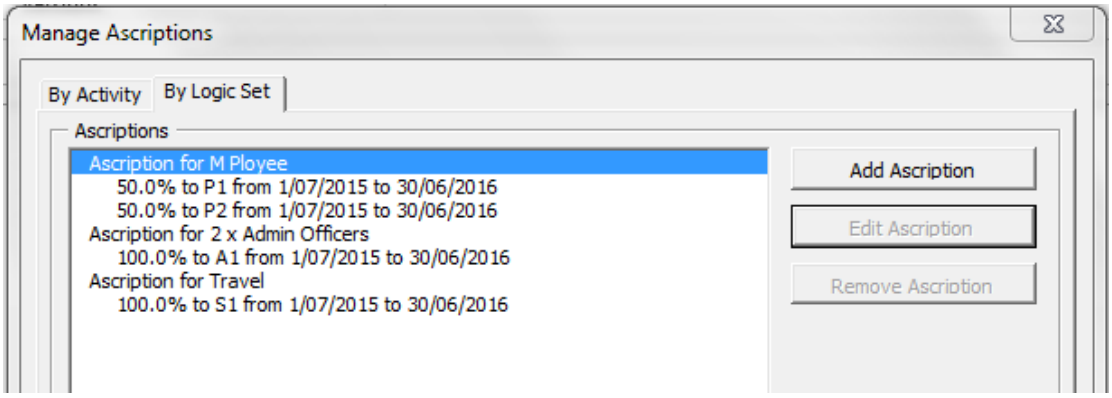


At the point of Budget build the system will identify what daily costs exist between the defined dates and place the daily cost amount into the appropriate dates for that Account and Activity combination. That is, it will use the Daily Ascription Timing, entered by the user in the Logic Set "Cost Conversion" tab to identify when to calculate daily costs (Mon-Fri, every day, or user selected days) for each week. Using a calendar algorithm it will assign the cost per day to the appropriate dates, starting from the first Ascription date to the last.

At any time the user can review the Ascriptions list via the Manage Ascription window…



Ascriptions can be reviewed by Activity, as above or by Logic Set, as below…

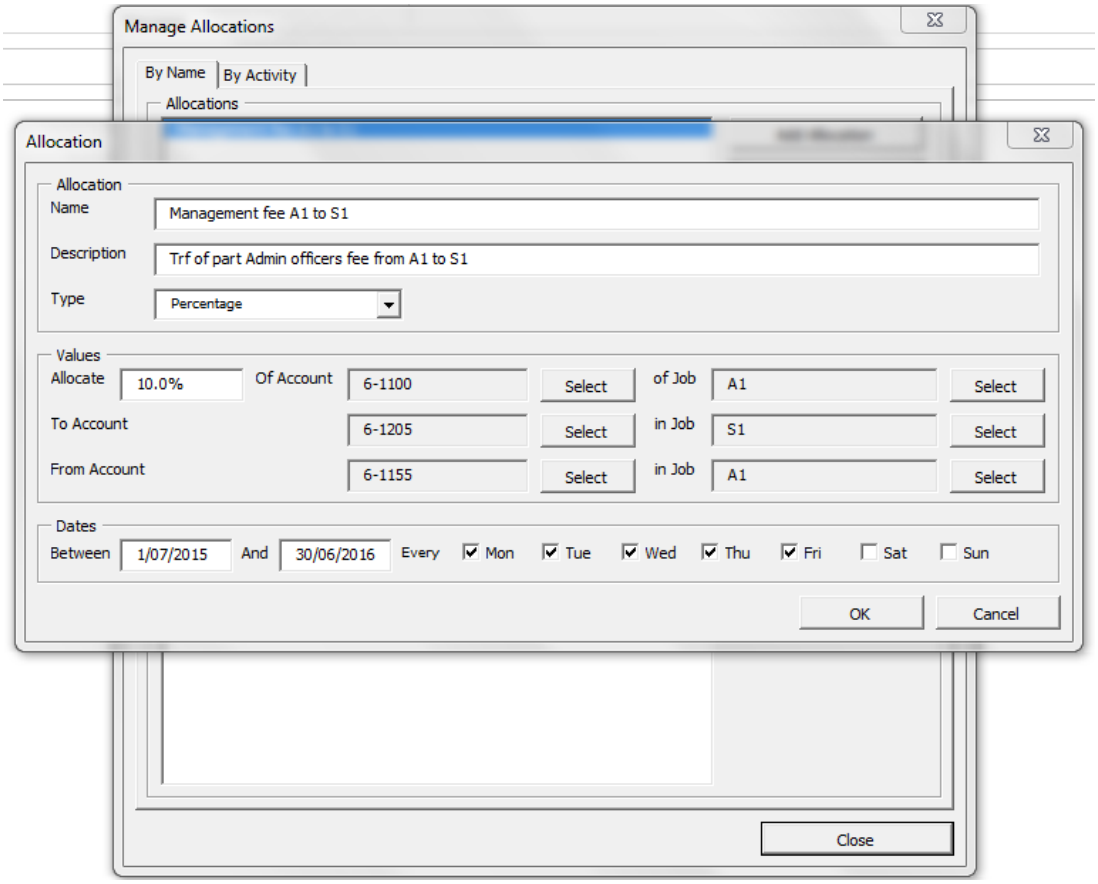


Prior to a Budget build, Logic Sets can be altered via changes to Cost Drivers and the resulting change will be accommodated by Ascription process. That is, if a Logic Set is altered after Ascription, it does do not need to be re-ascribed, it will be automatically updated in any new budget builds.

Allocations

Allocation is the mechanism by which amounts are moved between Activity models and Budgets. The process requires the user to identify the source and destination Account and Activity combination and how the system calculate the amount to be transferred.

The "Manage Allocations" window appears when the "Allocations" main menu item is selected. Clicking the "Add" button brings up the "Allocation" window

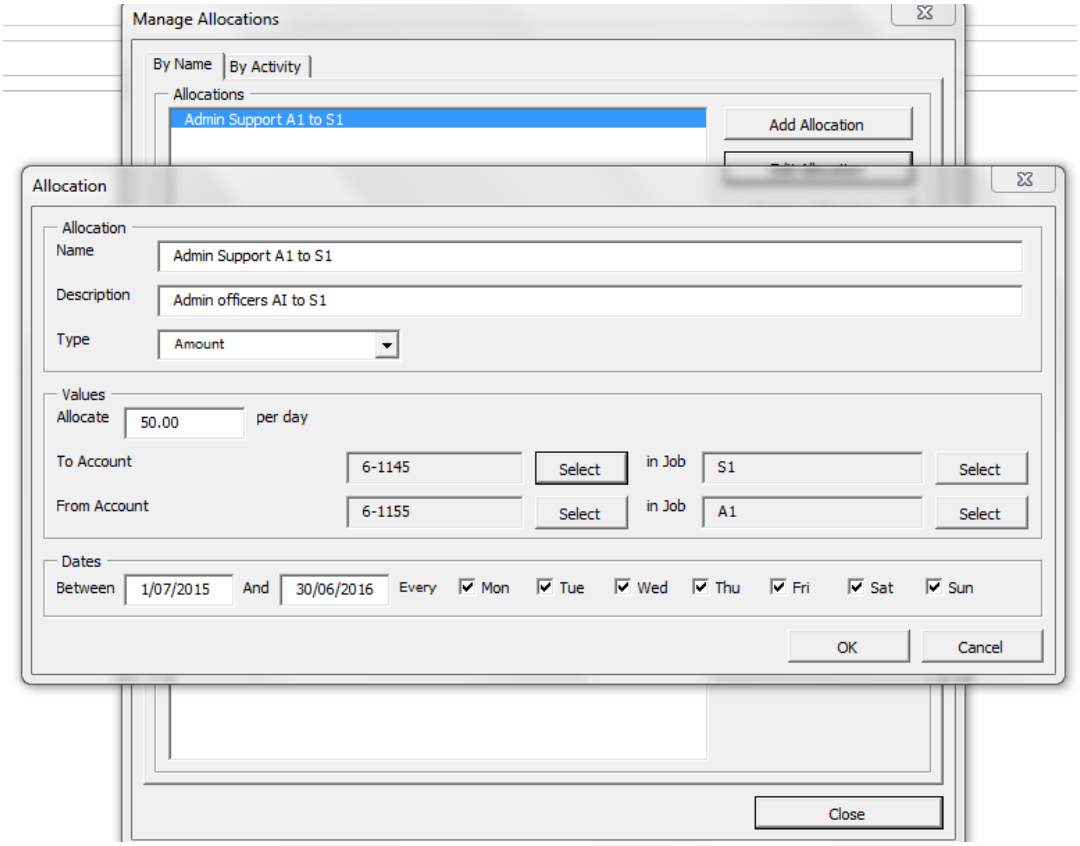


In this example, the user has given the Allocation a name and description. They have selected the Allocation type as "Percentage" and entered the information that would construct the following Allocation:

"In the Account 6-1100 of Activity A1, identify what days have a cost between 1/7/15 and 30/6/16 that are a Mon-Fri, take 10% of each days' cost, then Allocate that amount to Account 6-1205 in Activity S1 for the same period and reverse the amount into Account 6-1155 of Activity S1"

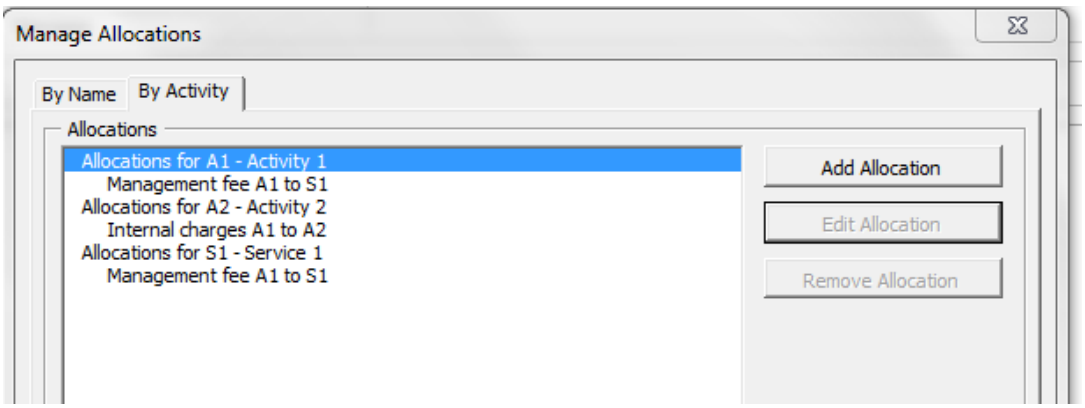
The process mirrors that of a general journal in an accounting sense. Given the amount is an expense, it will allocate a cost (debit) to the "To" Account / Activity and a reversal (credit) to the "From" Account/Activity. Whilst it is expected the Allocation functionality will mainly be used in the expenditure or costing models, the process will work with income. The user should ensure however that the "To" and "From" accounts are the same account type; that is, both should be Expense or both should be Income.

It is also possible to Allocate a set amount per day to an Account/Activity combination, as follows…



In the above example the user has Allocated $50 per day to Account 6-1145 in Activity S1, for the all days (note all days are ticked) between 1/7/15 and 30/6/15, reversing the same amounts for the same period to Account 6-1155 in Activity A1.

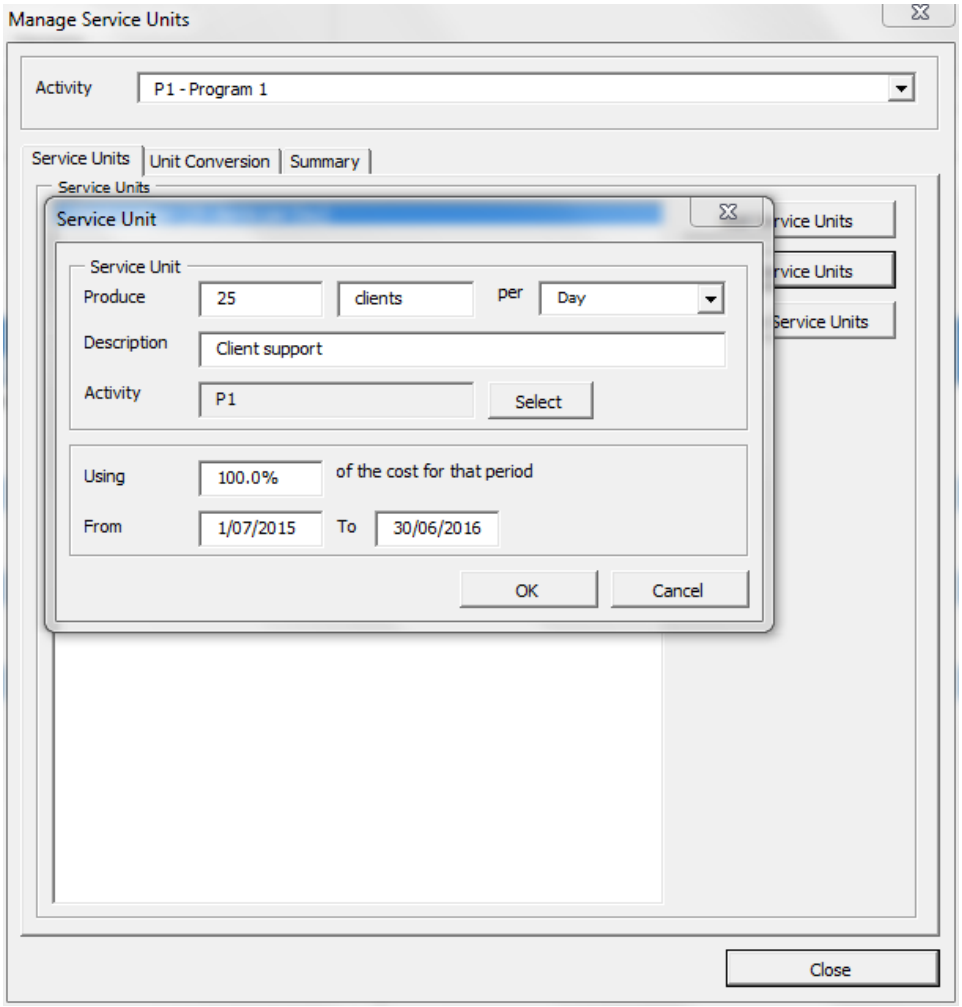
Similar to Ascriptions, Allocations can be viewed in “Manage Allocations” window by either Name or Activity…



Service Units

Service Units allow the user to associated particular outputs to specific Activity costing models and extract unit costs for selected time periods.

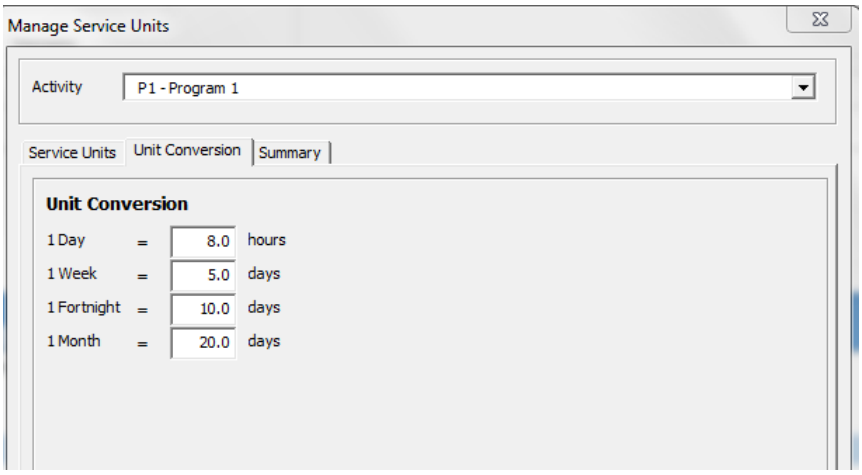
Selecting the “Service Units: main menu item brings up the “Manage Service Units” window…



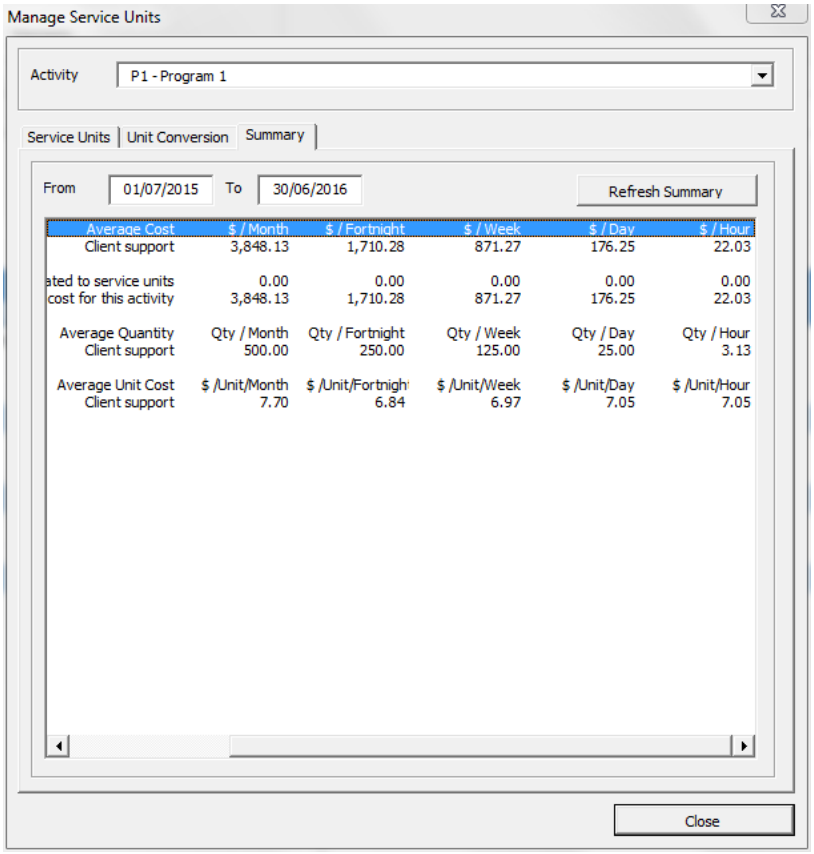
Service Units are specific to a particular Activity and as such, the user must define the Activity by selecting from the Activity dropdown box at the top of the window. Service Units can then added to the Activity by clicking the “Add Service Units” button, which brings up the “Service Unit” window, as above.

In this particular example, the user has defined 25 clients per day as output of the Program 1 Activity and that those units reflect 100% of the cost of that Activity for the period 1/7/15 to 30/6/16.

Similar to the Logic Set cost conversion, the Service Unit window also provides for a period conversion back to a day to allow for Service Units to be entered by any time period…



The "Summary" tab then uses that conversion period and the average cost for each time period to construct an average unit cost for each time period…

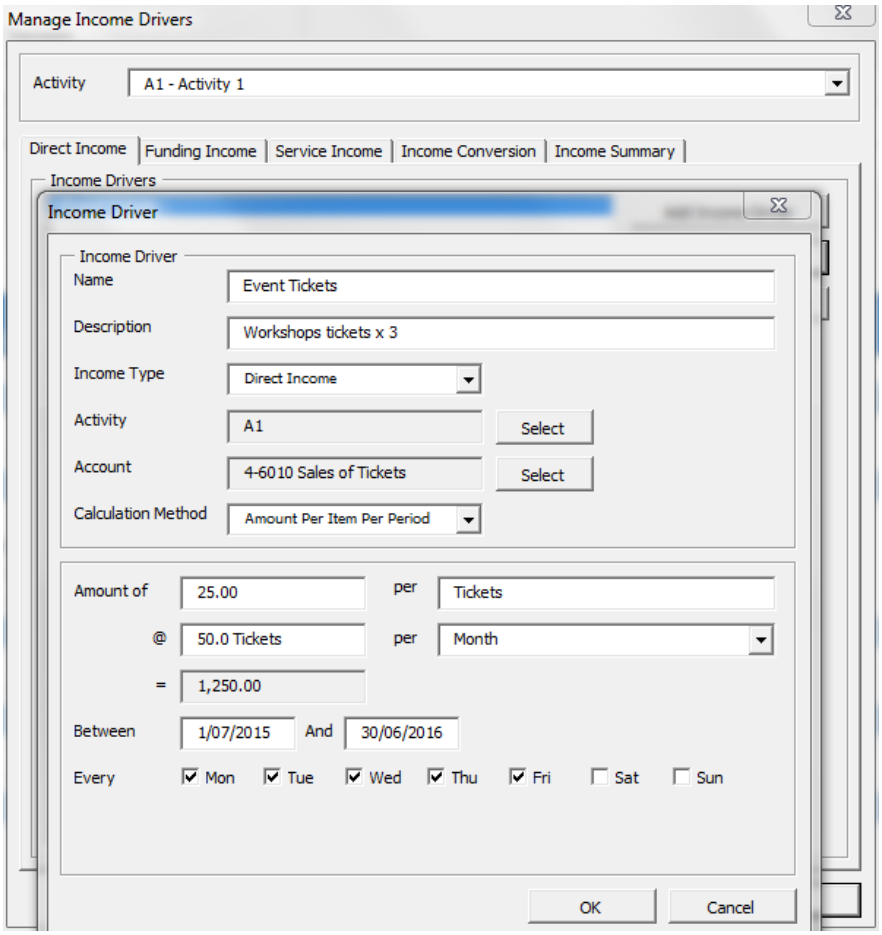


The unit costs are not all the same because the system calculates an exact cost / day and then calculates the number of full weeks/months in the period. Units are assumed to be produced evenly across the period.

Income Drivers

Income drivers are similar to the Cost Drivers within Logic Sets except that are not ascribed to Activities but are specific to a particular Activity.

When the Income Drivers main menu item is selected the “Income Drivers” window appears. Income Drivers are added via the “Add Income Drivers” button, which brings up the Income Driver window…

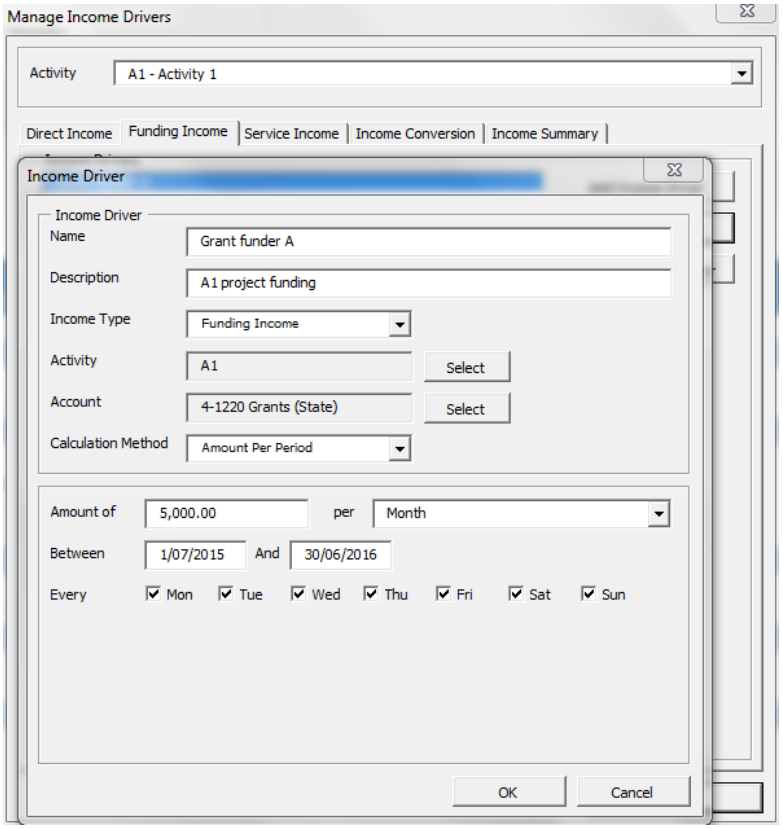


The Income Drivers are categorised into three types: Direct Income, Funding Income and Service Income. When constructing an income driver the user selects which Income Type, the Activity to associate the driver with, the Account number to use and the calculation method. There are five calculation methods to choose from and each requires the user to provide different data. In the above example, the use has selected the “Amount Per Item Per Period” method within the Direct Income type.

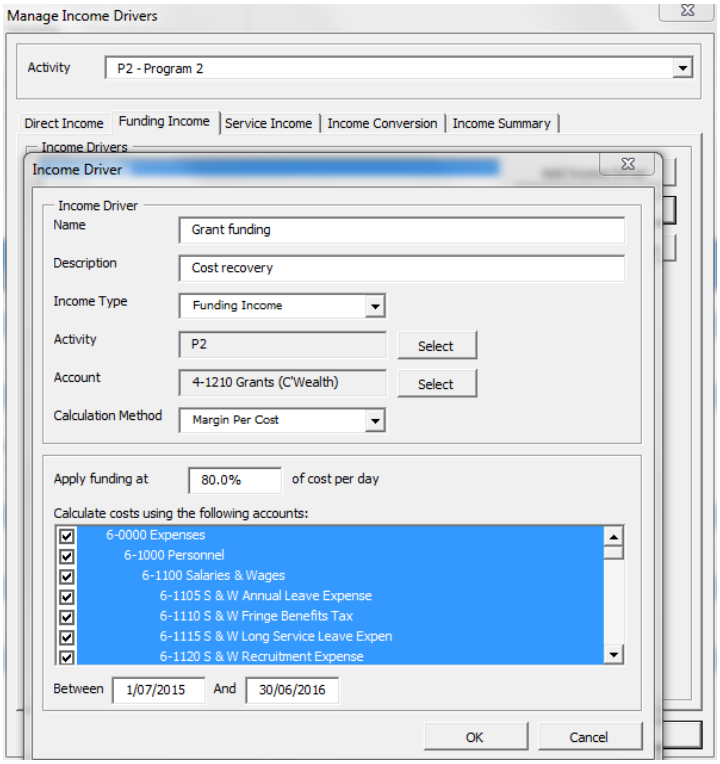
The user has then provided the amount for the identified item, in this case “tickets”, and the number of tickets per period, in this case, 50 per month, resulting in a calculation of $1250. The user also controls what day of each week the income is assigned to. Similar to the costing process discussed earlier, the “Income Conversion” tab in the “Manage Income Drivers” window provides the basis for converting periods to days and the software then assigns the income to the days ticked, between the dates specified, in this case Mon-Fri between 1/7/15 to 30/6/16.

The other calculation methods are as follows…

Amount Per Period…

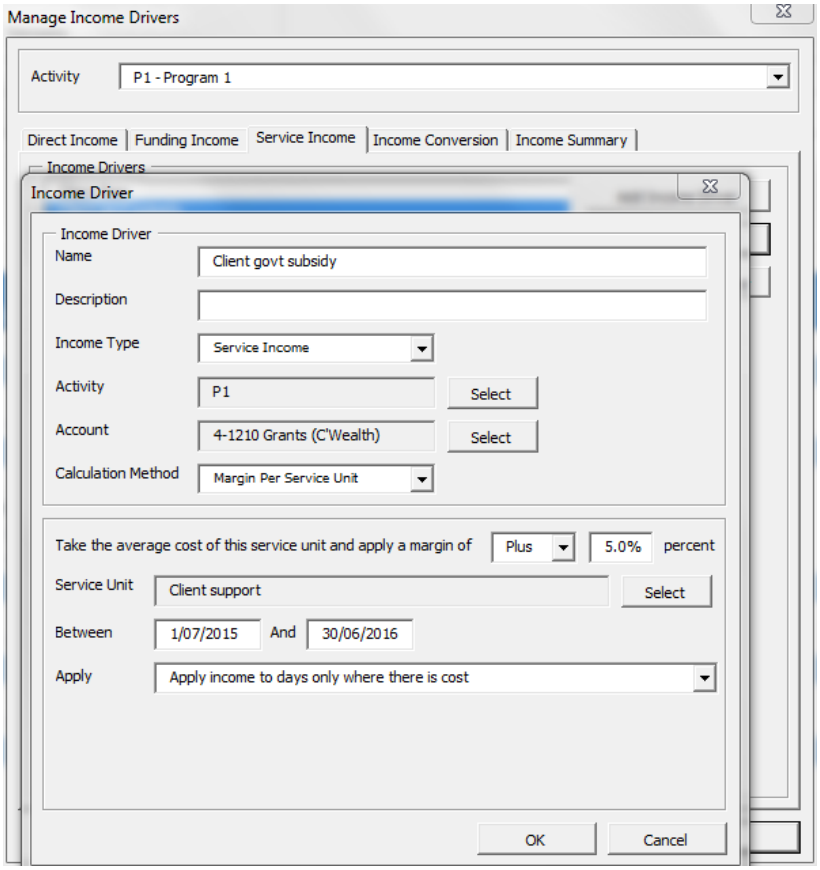


Margin per cost…

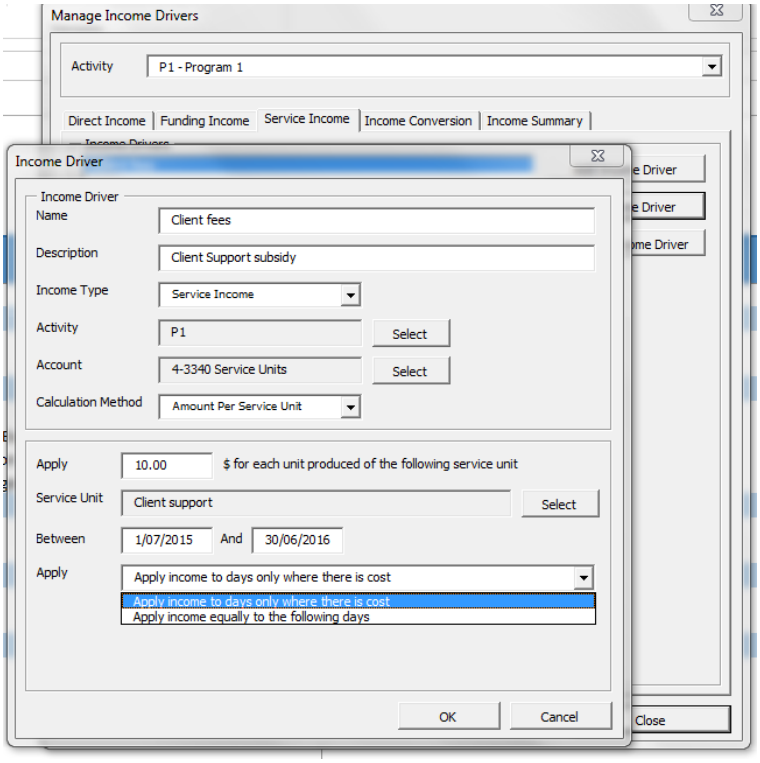


In this method, individual accounts can be selected for use in calculating the cost for an Activity in a particular time period. If all accounts are selected, all costs will be used. Income will be assigned to same days as there is cost.

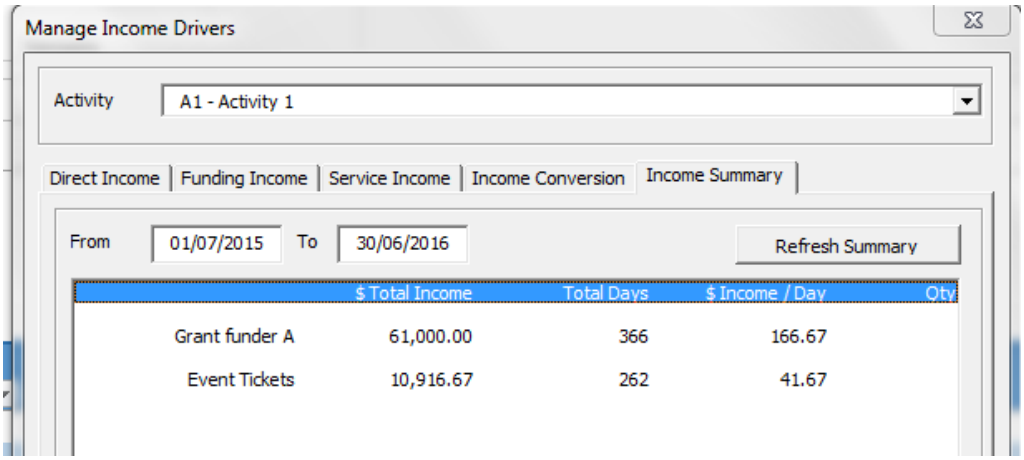
Margin per Service Unit…



Amount per Service Unit…



The “Income Summary” tab will display each Income Driver and their associate totals per period. Where Service Units have been used as a basis for calculation, income per unit will also display.



Whilst all Calculation methods can be used within any of the three Income Types, certain methods fit more naturally within specific types. This can be summarised as follows:

Direct Income

- Amount per period
- Amount per item per period

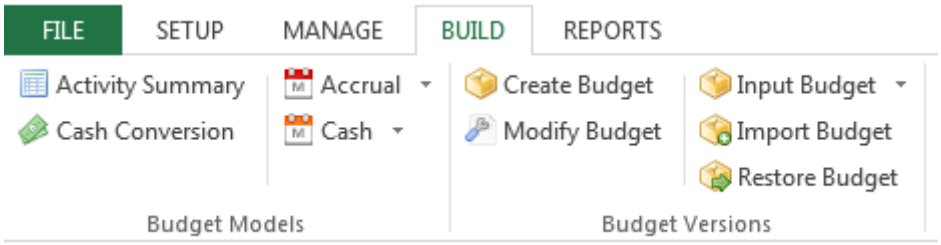
Funding income

- Amount per period
- Margin per cost

Service Income

- Amount per Service Unit
- Margin per Service Unit

Section 3 BUILD



The "Build" section of the main menu enables the user to review the effect of the logic calculations constructed in the "Manage" section. Budget Models can be reviewed on screen and, at the user's discretion, then be finalised and converted to a "Budget Version" which will allow the Budget to be available to the reporting engine of the software. The individual menu item functionality is as follows:

Activity Summary

This menu item brings up a window that includes tab for each of the calculations that effect a particular Activity. It draws together all the Logics Sets, Ascriptions, Allocations, Service Units and Income Drivers for a designated Activity.

Cash Conversion

The item allows the user to set the conversion rules that will apply should the user elect to convert an Accrual Model into a Cash Model.

Accrual

This item provides the mechanism for building an accrual Model on screen and then displays it for reviewing via Excel Pivot Table options. The user can build a Model by Week, Fortnight, Month, Quarter or Year.

Cash

Similar to the "Accrual" menu item, this item provides the mechanism for building an cash Model on screen and then displays it for reviewing via Excel Pivot Table options. The user can build a Model by Week, Fortnight, Month, Quarter or Year.

Create Budget

The item allows the user to finalise a Budget version and make that available to the BudgetLink reporting engine. Any number of versions can be built and once built, altering logic with the software will not alter the Budget version, allowing the user to create as many Budget versions as they require.

Modify Budget

This allows the user to undertake changes to Budget versions on mass. Data can be 'replaced' or 'copied' between an unlimited number of Activities and time periods. This is also the area that the user can copy Actuals from their accounting software into a Budget version ready for fine-tuning.

Input Budget

Manual Budget data entry is undertaken via this menu item. If a user elects not to build a Budget via logic, they can enter data in a traditional spreadsheet-style structure by Activity. The resulting Budget will then be automatically available to the BudgetLink reporting engine.

Import Budget

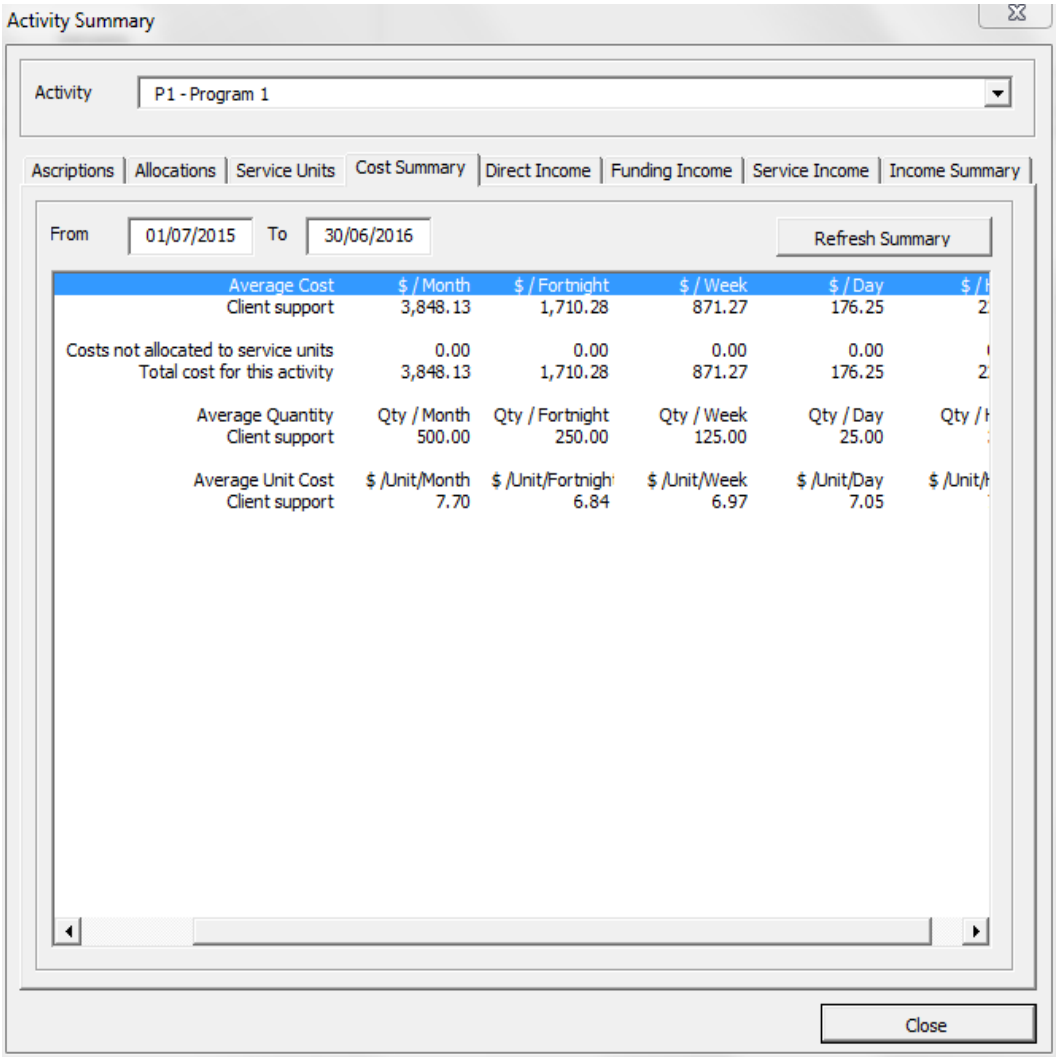
This item allows the user to import Budget information prepared in other spreadsheet files. The resulting Budget will then be automatically available to the BudgetLink reporting engine.

Restore Budget

This item provides a mechanism for restoring a Budget that has previously been built in BudgetLink and back-up. This menu item is generally used only under instruction from support Personnel

Activity Summary

The “Activity Summary” window provides a snapshot of the logic that makes up an Activity’s Budget Model. It can be used to review logic before building a Model, or used after a Model is built to review and edit logic. All logic drivers: Logic Sets, Ascriptions, Allocations, Service Units and Income Drivers are available to the user to review or edit, as follows…



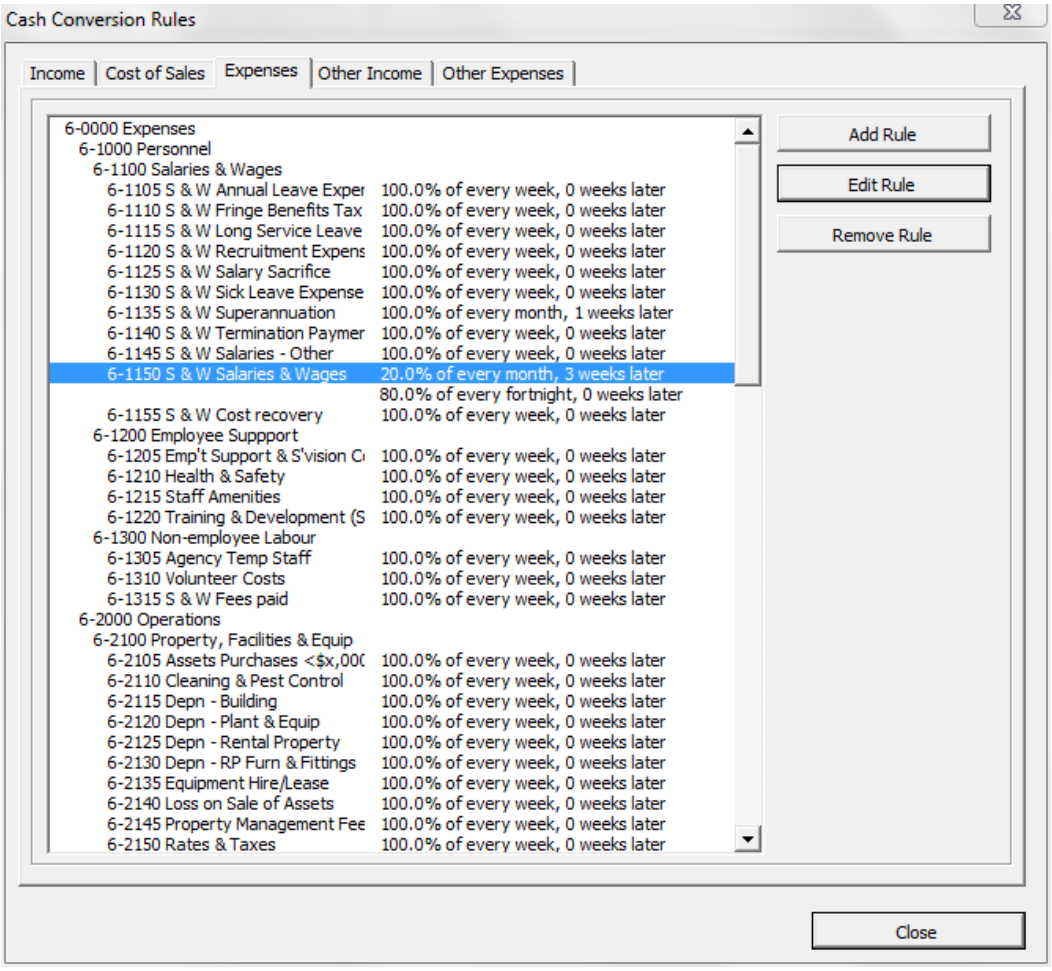
In this example, the Activity P1 has been selected, allowing the user to check the logic within each tab. The window also includes a “Cost Summary” tab and “Income Summary” tab. When any of the logic driver tabs are selected, the user can edit directly from this window, in the same manner as if they called up that logic driver in the “Manage” menu section.

Cash Conversion

The cash conversion functionality is designed to provide a relatively efficient mechanism to convert accrual logic to a Cash Model. It is not designed to produce a traditional cash flow report, but rather an indicative cash movement by Activity. The user can apply rules to each Account in the data file that will then be applied to the Accrual data to convert the timing and proportion of the accrual amount. It is important to understand that Cash Models are not created separately from Accrual Models and do not hold their own logic. The Accrual Model amounts, driven from the original logic, are recalculated and new timing is applied to create the Cash Model.

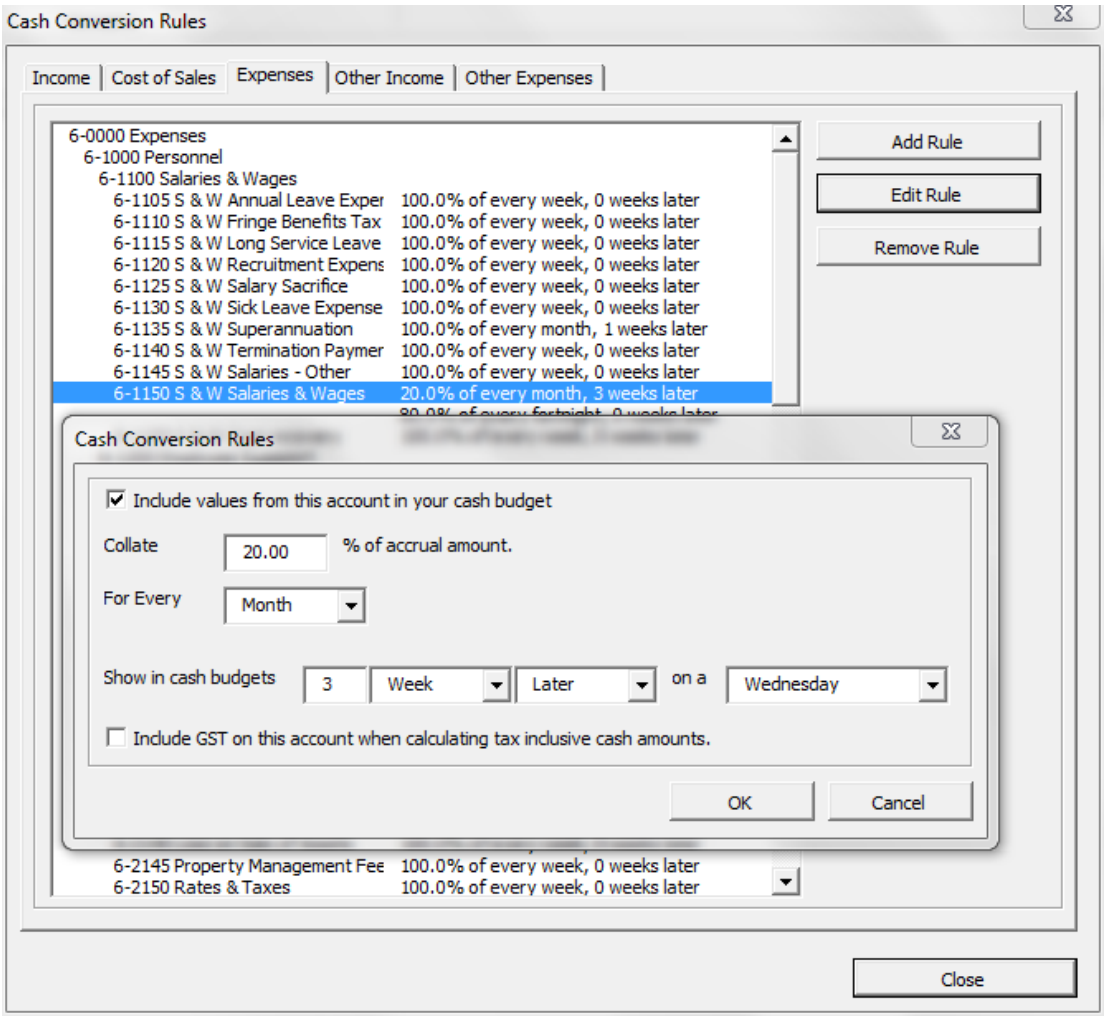
The rules for each Account will be the same for every Activity, that is, the rules are specific to an Account, not an Activity. However it would be possible to build a Budget Version using a particular set of cash conversion rules, then alter the rules for an Account, and build a different Budget Version for a particular Activity and replace it in the original Budget Version.

Clicking the “Cash Conversion” menu item brings up the “Cash Conversion” window…



The cash rules for each Account defaults to create the same calculation as the Accrual amount, that is, if no changes are made to the cash rules a Cash Model would show the exact same amounts in the same periods as the Accrual Model. The user can “Add”, “Edit” and “Remove” rules via the buttons. An Account can have any number of rules and the rules do not have to add to 100% of the accrual amount.

Each rule is constructed from the “Cash Conversion Rules” window, as follows…



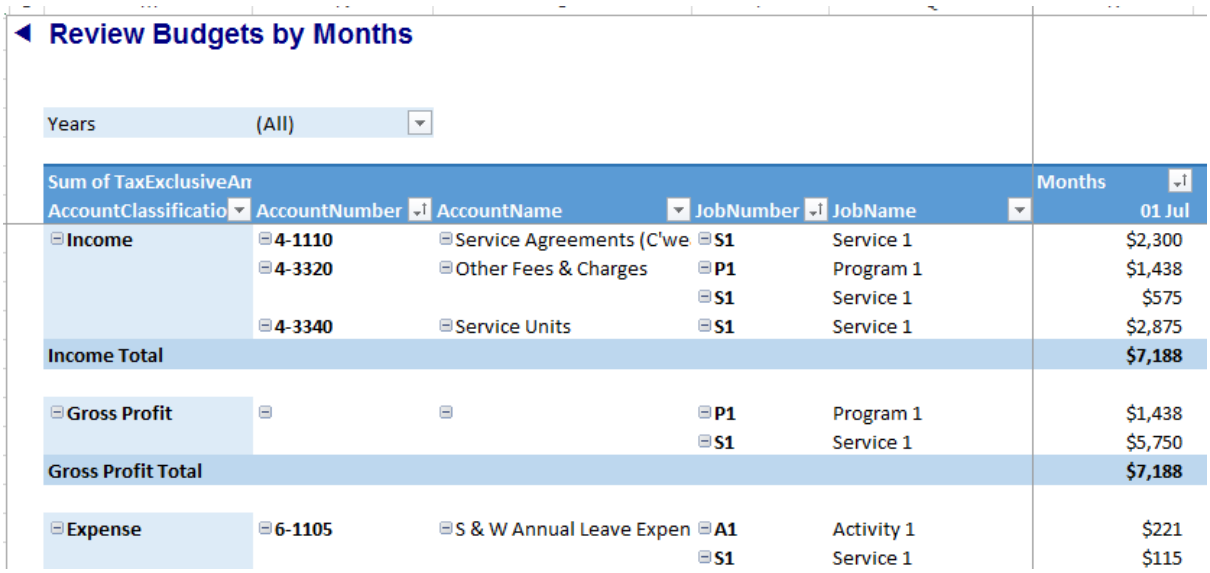
In this example, the user has applied a rule to the Salaries & Wages account, constructing a calculation that will draw together (i.e. “Collate”) all amounts in that Account for each month, multiply them by 20% and show them 3 weeks later on the first available Wednesday. GST will not be included as the “Include GST…” box is left unticked.

This example is a how a user might mimic the cash timing of the PAYG proportion of Salaries and Wages. There has been an estimate that approximately 20% of Gross Wages are PAYG, and that amount is being delayed in the Cash Model, to accommodate the PAYG month payment in week 3 of the following month.

Similar rules can be applied to accommodate superannuation amounts, amounts paid or received on credit etc. The relative complexity of the Cash Rules will be directed by the user’s required accuracy.

Reviewing Accrual or Cash Models

At the point the user wishes to review an Accrual Budget Model or Cash Budget Model this is undertaken from the Accrual or Cash drop down menu items. All logic held within the software will create calculations by day, for every Account and Activity combination driven by the user logic and display it on screen in an Excel Pivot Table, as follows…

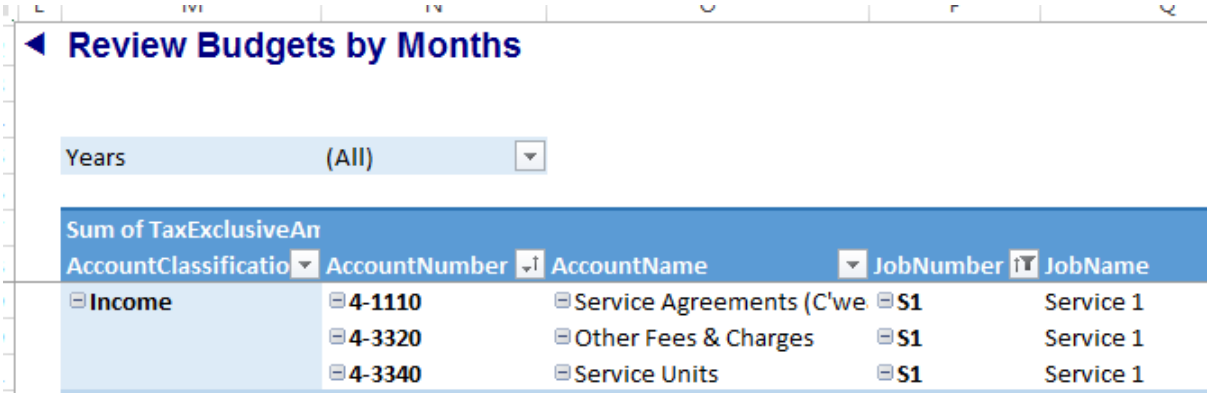


Review Budgets by Months

Years (All)

Sum of TaxExclusiveAn					Months
AccountClassificatio	AccountNumber	AccountName	JobNumber	JobName	01 Jul
Income	4-1110	Service Agreements (C'we	S1	Service 1	$2,300
	4-3320	Other Fees & Charges	P1	Program 1	$1,438
			S1	Service 1	$575
	4-3340	Service Units	S1	Service 1	$2,875
Income Total					$7,188
Gross Profit			P1	Program 1	$1,438
			S1	Service 1	$5,750
Gross Profit Total					$7,188
Expense	6-1105	S & W Annual Leave Expen	A1	Activity 1	$221
			S1	Service 1	$115

The user can then filter each area of the pivot table to show only the data they need…



Review Budgets by Months

Years (All)

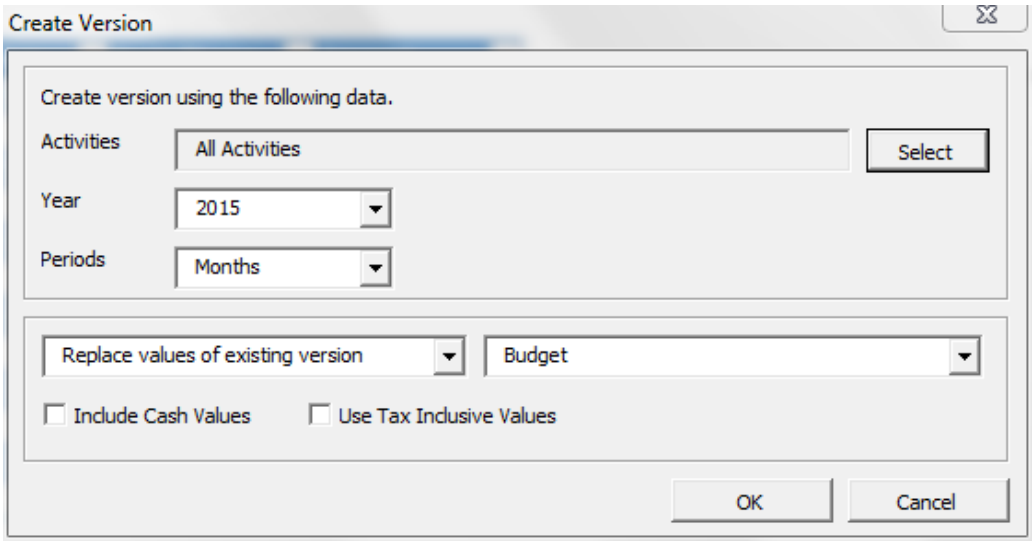
Sum of TaxExclusiveAn				
AccountClassificatio	AccountNumber	AccountName	JobNumber	JobName
Income	4-1110	Service Agreements (C'we	S1	Service 1
	4-3320	Other Fees & Charges	S1	Service 1
	4-3340	Service Units	S1	Service 1

In this example, the user has filtered the “JobNumber” column to equal “S1”, restricting the data shown to amounts relevant to the S1 Activity. Similar filters could be applied to Account Numbers, Periods etc.

Creating Budget Versions

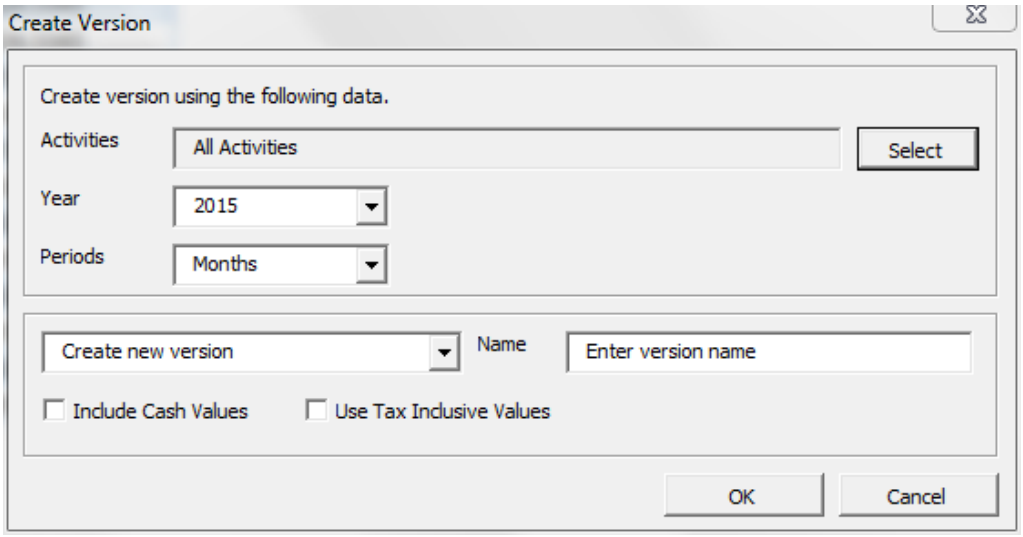
It is important to understand the difference between a Budget Model and a Budget Version. Only one set of logic calculations are held within the software at any time, so that altering of any logic will alter the Software's one Budget Model (cash or accrual). The way Budget Models can be "saved", so that they cannot be changed is to create a Budget Version. A Budget version is the final outcome of a Budget Model, or selected Activities within it. A Budget Version can be created at any stage and there is no limit on the number of Budget Versions that can be created (other than computer data space and capacity).

Once the Logic of a Budget Model has been settled, whether it be for one Activity or many, or even a full organisational Budget, the Budget Version can be created via the "Create Budget" menu item, which brings up the "Create Version" window, as follows…

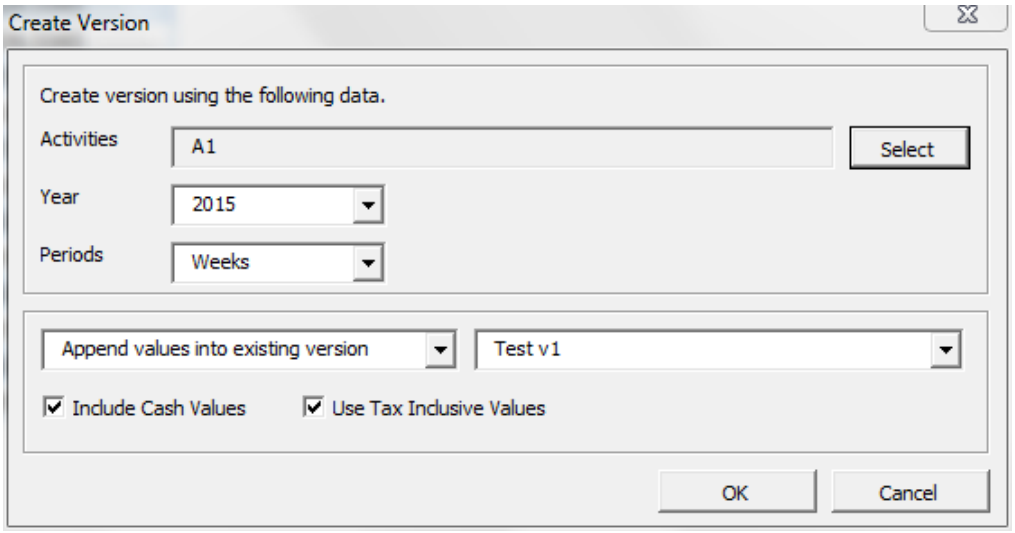


In this particular example, the user is creating a Budget Version for All Activities in the current Budget Model, for the financial year 2014-15 and will summarise the data by Month. The Budget Version "Budget" will be cleared and replaced with the data from the current Budget Model. The user does not wish to also create the associated Cash Values and therefore the Tax Inclusive box is not relevant.

Budget Versions can be created in other ways, as follows…



In the above example, the user has chosen to again use all the Activities in the current Budget Model for the same period but in this instance the user will create a new Budget version, by entering a name. This means that any previous Budget Versions that were created in the software will be left untouched by this request. Again no Cash Budget Version is being created.

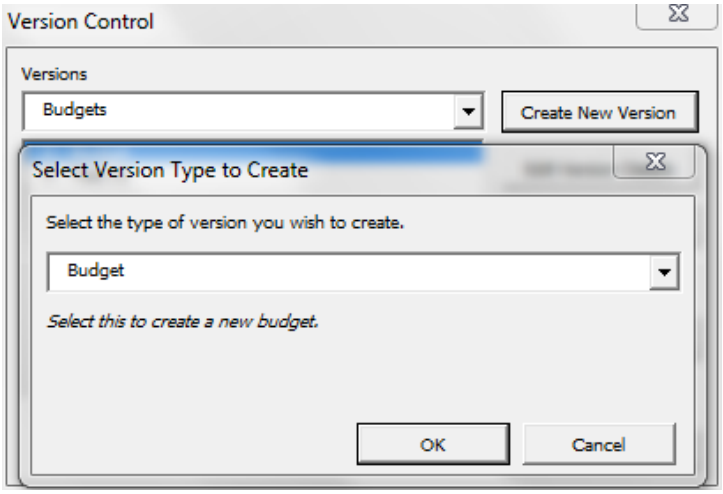


In this example the user has been more specific, creating a Budget Version that reflects the Budget Model for Activity A1 only, for the financial year 2015 and the calculations will be constructed by weeks. Further, by selecting the "Append values into existing version" the "Test v1" version will remain the same other than for the addition of the A1 Activity amounts. The user has also chosen in this instance to create a Cash Budget for this Activity, which will use GST inclusive figures. The Cash Budget Version will sit separately to the Accrual Budget Version and able to be viewed and reported on as if there is no connection between the two.

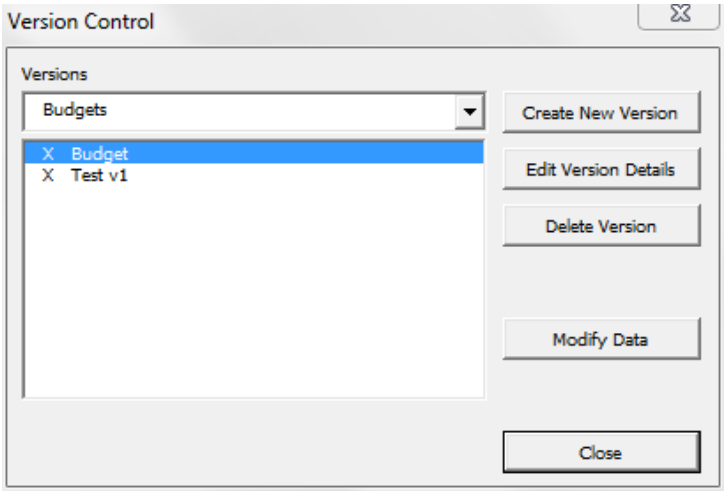
Creating and Editing Budget Versions Manually

The BudgetLink software platform enables users to create Budget Versions directly, that is without the requirement of Logic Drivers of any sort, and without the need to work through a Budget Model. This method of budget building reflects a more traditional form of budgeting whereby the user manually produces the budget data, uses the software to retain that data and then use it for reporting purposes only.

Before any Budget Versions can be created, the software must have constructed the empty database that will hold the Budget version. When building a Budget Version from a Budget Model this is done automatically by the software. But in these examples the user is not utilising that process, so an Empty Budget Version must be created first. This is initiated by clicking the “Version Control” menu icon in the “Setup” main menu area, which brings up the “Version Control” window, as follow…



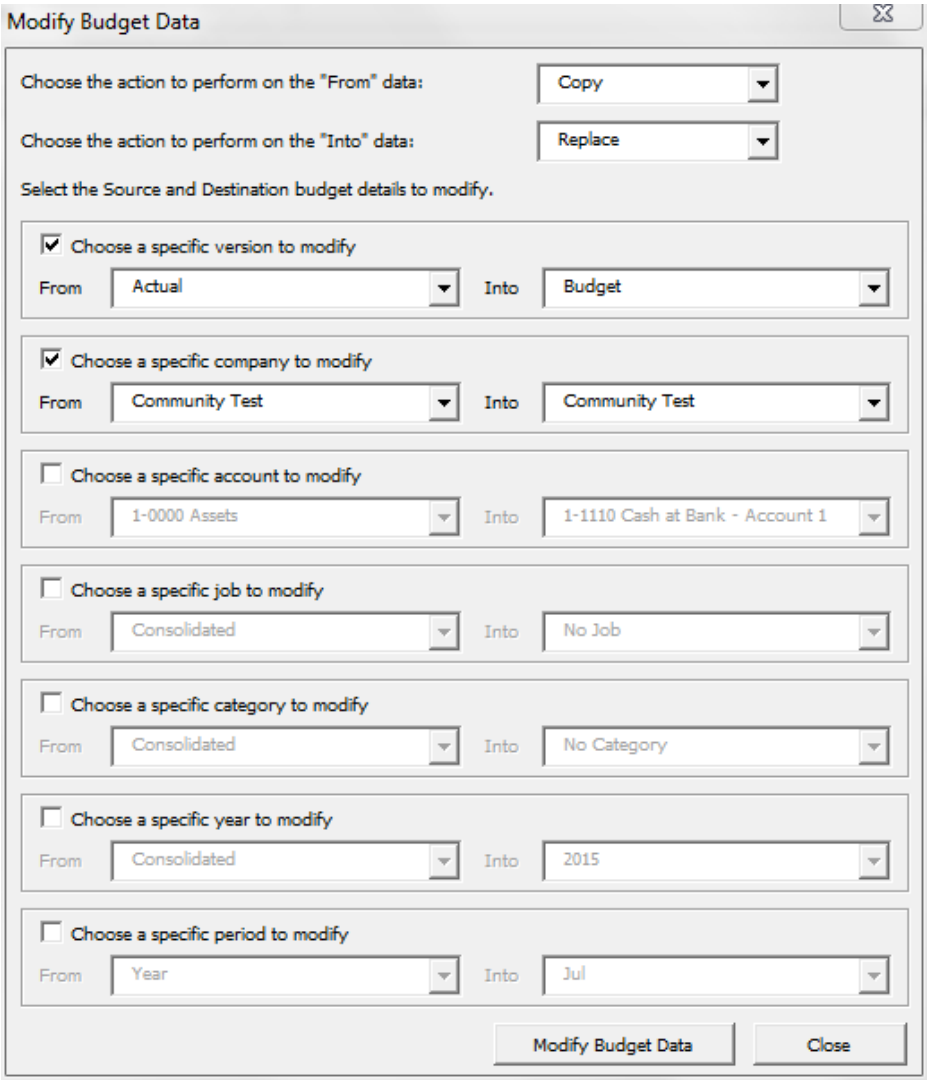
Clicking the “Create New Version” in the “Version Control” window allows the user to stipulate the Version name, for example, Budget or Forecast etc. Clicking the “Ok” button creates the empty Budget Version database, ready for manual entry, and the name will display in the “Version Control” window, as follows...



There are three primary ways to enter and edit Budget information manually into a Budget Version. The menu items that initiate each process are: “Modify Budget”, “Input Budget” and “Import Budget”. This guide will show the basic principles of all three processes, plus an explanation of “Restore Budget”; a more detailed explanation can be found in the BudgetLink Guide available from the “Help” section of the “Setup” main menu item.

Modify Budget

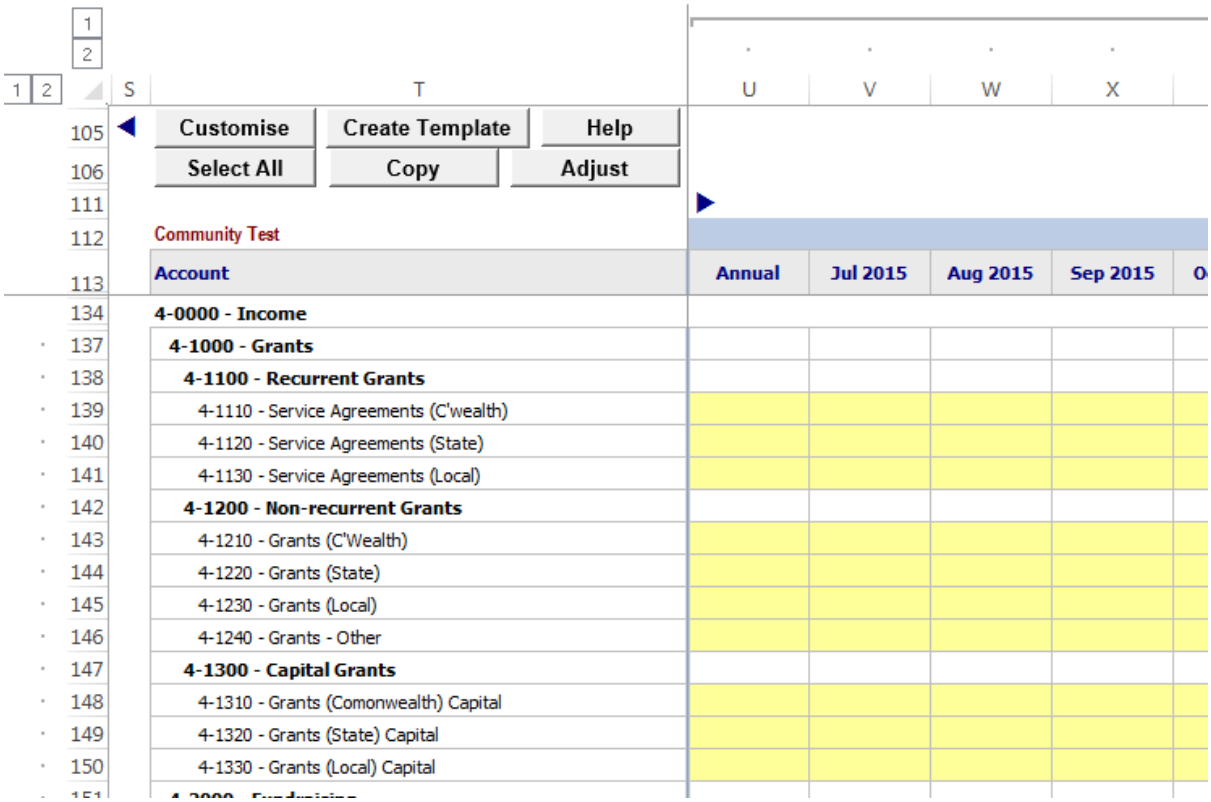
The very powerful functionality allows the user to move data on mass, between Budget Versions, and to copy Actuals from the accounting system data file into a Budget Version. It is done via the “Modify Data” window which is bought up by clicking the “Modify Budget” menu icon (and is also available via the “Modify Data” button in the “Version Control” window shown above)…



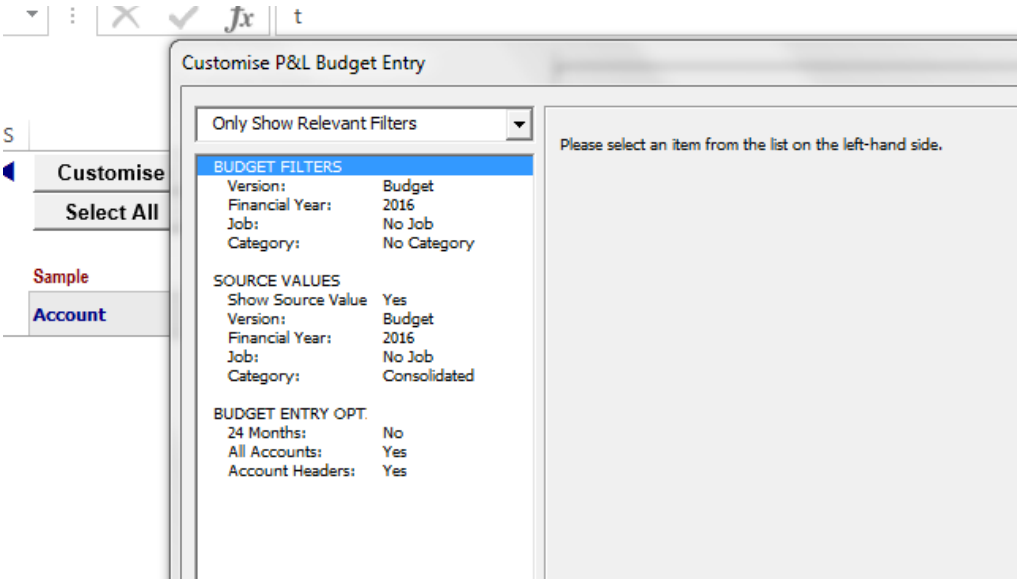
As can be seen from the window, the user has a great deal of flexibility as to what data in moved around via the many filters. For those who wish to use Actuals as a starting point for a future Budget Version, this is a very powerful tool. Similarly, using previous year’s budget data as a starting point for a new budget period could also be achieved through this window.

Input Budget

The “Input Budget” menu icon opens a clean data entry template to allow the user to manually enter Budget Version data by Activity, Account and financial year, by week or month. If Budget data already exists in a Budget Version, this screen can also be used to manually edit that data.

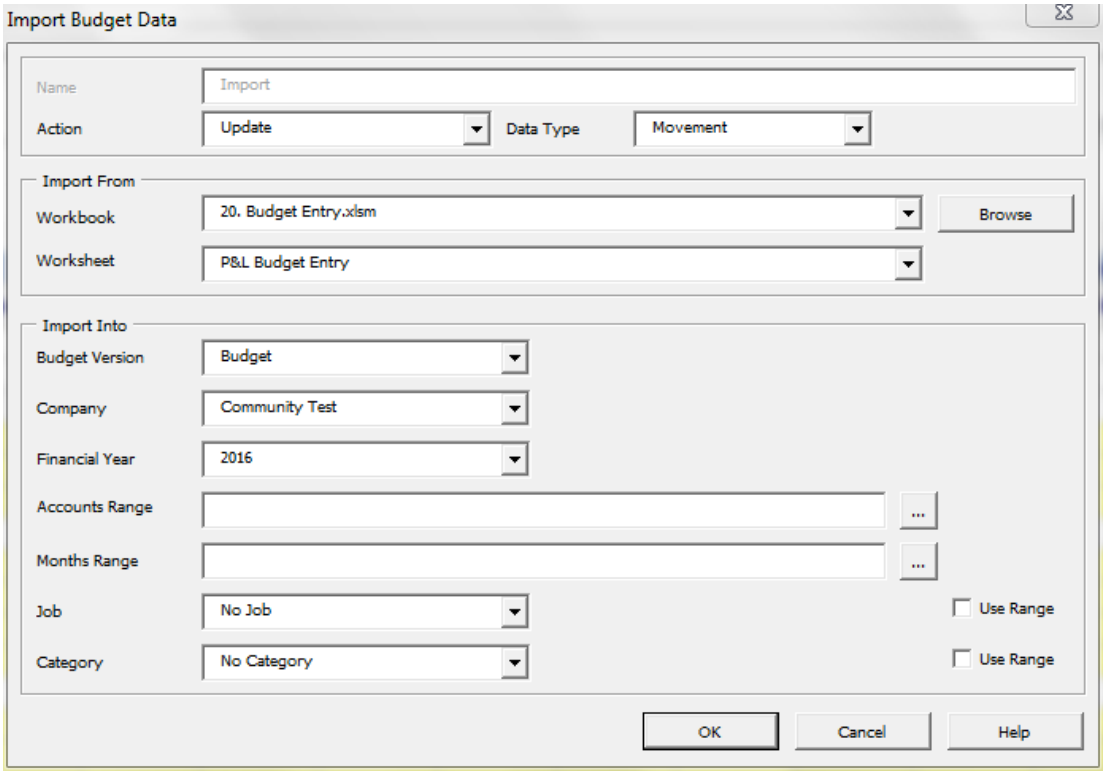


The various filter information required to define what budget data is being entered or edited is applied via the “Customise” button, which brings up the “Customise P&L Budget Entry” window…



Import Budget

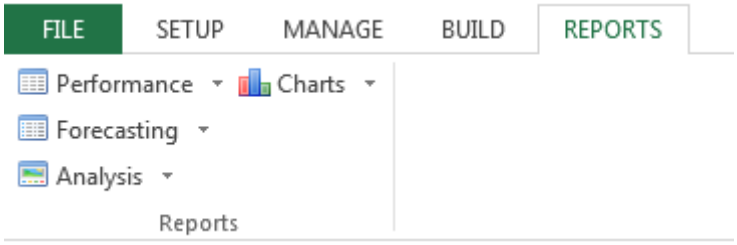
The “Import Budget” menu item allows the user to import budget data from a separate spread sheet file. The process can be quite time consuming as the spread sheet formatting needs to be quite precise to match that required by the software, nonetheless the process can be an efficient way to create a Budget Version if the user has appropriately structured data.



Restore Budget

The “Restore Budget” menu icon is generally only used upon direction from support personnel and requires the user to have a previous Budget Version back-up within the software. This process is used when Budgets have been corrupted or inadvertently overridden, say via the “Modify Data” process above.

Section 4: REPORTS



This guide shows only the basic principles of the reporting functionality of the software. Further detailed information is available via the BudgetLink Guide in the "Help" section of the "Setup" main menu item.

The software currently holds 17 template reports and 2 template charts. Each report template is designed to provide information in a particular format, with all templates allowing the user to alter the layout of the report and filter the data that appears on the report.

Within the "Reports" main menu item, the report templates have been categorised in three dropdown icons. These report template groupings can be defined in the following way:

Performance Reports

Reports where Versions can be compared. For example, the user could structure the Income and Expenditure report to show the "Actual" version against the "Budget" version.

Forecasting Reports

Reports where Versions can be combined. For example the user could structure the "Income and Expenditure Rolling Forecast" report to show the "Actual" Version for July-December and combine it with the "Budget" Version for January-June, to create a full year forecast report.

Analysis Reports

Reports where Versions are analysed individually. For example, the user could run an Income and Expenditure report by Month to analyse a full Activity budget with Accounts down the left and 12 months data in columns across the page.

Charts

There are two chart templates that allow the user to filter data that will then appear in a column graph format.

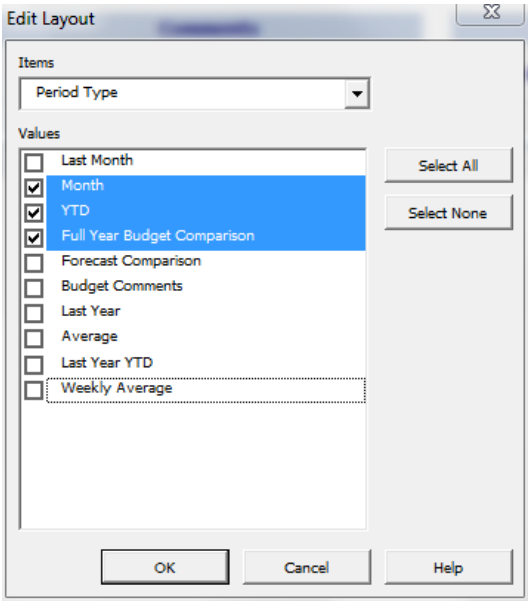
All reports feature individualised filtering options and layout customisation, so that the report structure will be ultimately based on user input. All reports are initially displayed on screen and can then be printed or "published" to a standalone spreadsheet for compilation with other reports or distribution.

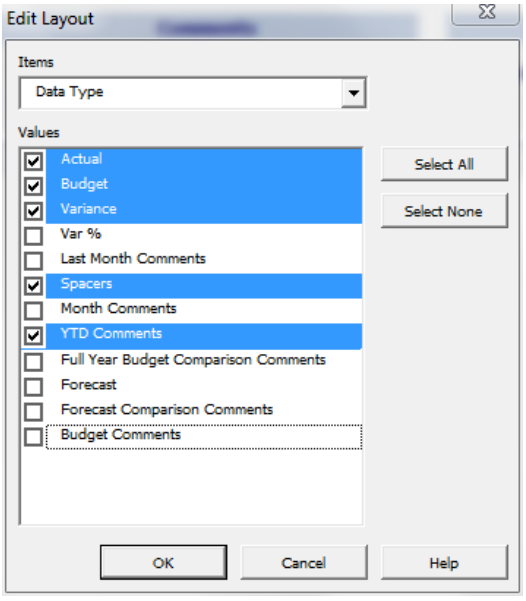
Each report shows three buttons in the top left corner; "Customise", "Publish" and "Layout", as follows…

The "Customise" and "Layout" buttons are used to set the structure of the report. The 'Publish' button allows the report to be sent to a new spread sheet outside the software environment.

Layout

The "Layout" button alters the column layout, where the user can include or exclude specified columns:

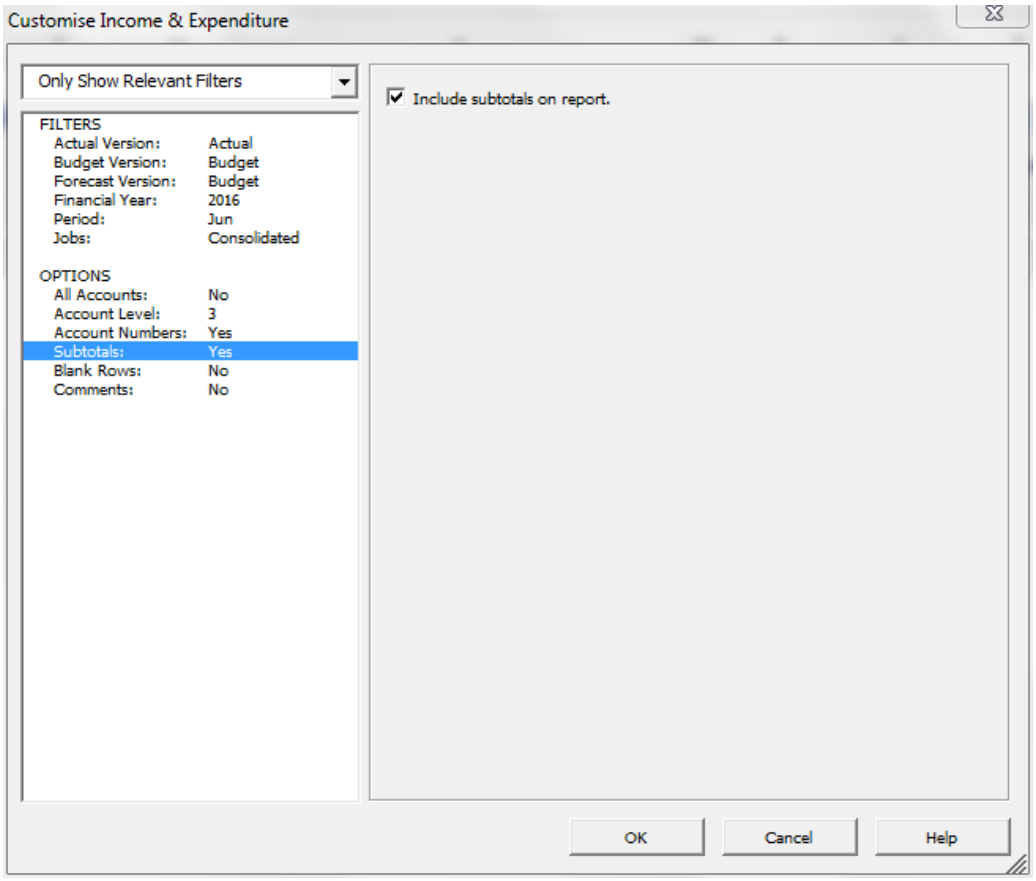




The "Edit Layout" window will look different for each report. Each of the values represent available columns on the report that can be included and excluded by the user. In this example the user has included 'Month', 'Year-to-Date' and 'Full Year Budget Comparison' columns. Within those columns the user has chosen 'Actual', 'Budget', 'Variance', spacers between the columns and 'Year-to-date Comments'. The capacity to quickly and easily alter column layout provides for extensive flexibility in report detail.

Customise

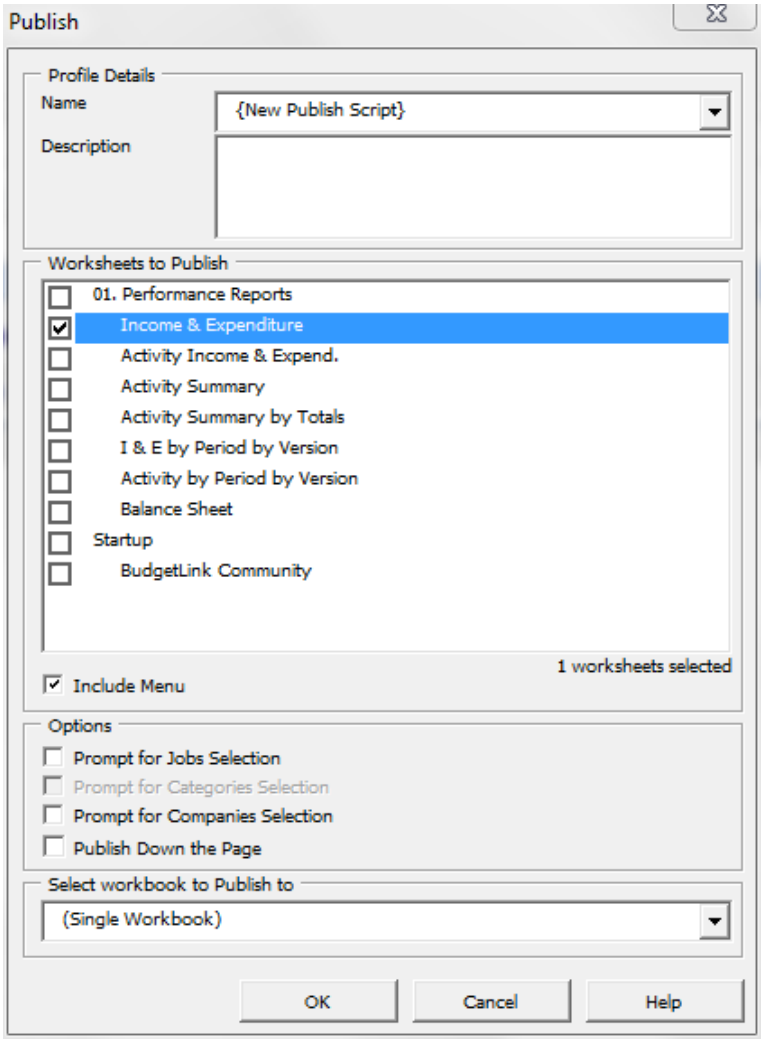
The "Customise" button allows the user to filter the data that shows on the report. In this way the user can create a detailed or summarised report, include or exclude certain Activities for selected periods etc.



Again, the "Customise" window will look different for each report. In this example the user has selected to compare 'Actual' with 'Budget' (the 'Forecast Version' is also Budget, although this was not selected on the Layout window and will not be included), for the period of June 2016, for All Activities (i.e. Consolidated). Only Accounts with a balance will be displayed, the Accounts will be summarised by Level 3 header Accounts, Account numbers will be included and sub-totals will be included for Levels above (Level 2 and Level 3). The data filtering options provide for almost endless combinations of data to appear on any particular report.

Publish

The “Publish” allows the user to export the current report on screen, along with others of a similar structure to a new spreadsheet file, outside the software environment.



The “Publish” window will show the report templates that sit with the selected report group, in this example, it displays the reports within the “Performance” report group. The user has selected the ‘Income and Expenditure’ report, which will be exported to a new spreadsheet file for printing, saving etc. The report structure will reflect the report most recently displayed on screen, including the layout and filter setting.

If the user had ticked the “prompt for job selection” box, the software will display a list of jobs, whereby those selected by the user would act as the job filter on each report, with each Activity (job) being shown on a separate worksheet in the workbook. This functionality allows for bulk production of Activity reports without the need to create each manually.