

## Create a Budget that Automatically Budgets the Cash Account

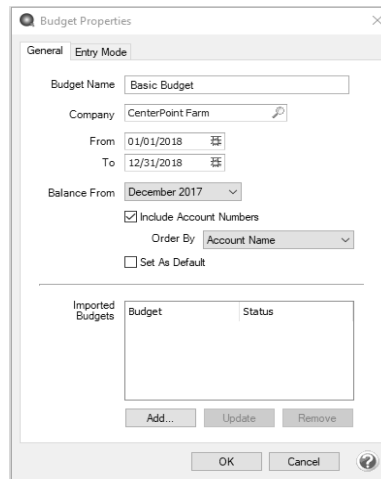
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CenterPoint Accounting has a variety of options available in budgeting. These tools can be used to create anything from a basic budget to a budget that does "if - then" computing. In this example, we'll be setting up a budget for revenue and expense accounts but also offsets to cash. This type of a budget will help you track your cash flow flow for the year and assist in planning the need for operating loans.

The budget screen displays three tabs. All budget amounts are entered in the Flow of Funds tab. The information from the Flow of Funds tab is also then displayed in the Balance Sheet and Income Statement tabs. In this example we are only budgeting for revenue & expense accounts, so the Balance Sheet tab will display actuals.

### Creating a New Basic Budget Offset to Cash

1. Select **Setup > Budgets**.
2. On the Open a Budget screen, click **New**.
3. On the Budget Properties screen, enter a name used to identify the budget in the **Budget Name** field.



4. In the **From/To** boxes, select the range of dates this budget is for.
5. The **Balance From** date should be the period prior to what was entered in the previous From box.
6. If you are using Account Numbers in your company/fund, select to **Include Account Numbers**.
7. If you chose to Include Account Numbers, in the **Order By** box, select the way you want the account numbers ordered, by **Account Name** or **AccountNumber**.
8. If this is the only budget you will be creating for your company/fund, or this is the most commonly used budget for this company/fund, then select **Set As Default**. By selecting this option, any reports that use budget numbers will automatically use this budget.
9. Select the **Entry Mode** tab.

**Budget Properties**

General Entry Mode

Entry Mode

Default Entry Mode: Journal Entry Offset to Cash

Bank Account: State Bank Checking

Entry Defaults

Profit Center:

Production Center:

Production Series: 0

Production Year: 0

Project:

OK Cancel

10. Within the **Default Entry Mode** box, select **Journal Entry Offset to Cash**.
11. Select the **Bank Account** (cash and line of credit accounts can be selected). When values are entered in the budget, the system will automatically create offsetting budget numbers for this account. For example, if you enter in \$3000 in an insurance expense account, the system will automatically assign a negative \$3000 budget number to this bank account.
12. If this budget is for a particular **Profit Center**, **Production Center**, etc., then select those options. Click **OK** to create the budget.
13. A blank budget screen will be displayed.

	Budget 01/01/11	Budget 02/01/11	Budget 03/01/11	Budget 04/01/11	Budget 05/01/11	Budget 06/01/11	Budget 07/01/11	Budget 08/01/11	Budget 09/01/11	Budget 10/01/11	Budget 11/01/11	Budget 12/01/11	Calculated Total
<b>Revenue</b>													
Resale of Purchased Livestock													
Purchased Market Cattle Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Resale of Purchased Livestock Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales of Depreciable Livestock													
Purchased Breeding Cattle Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Raised Breeding Cattle Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales of Depreciable Livestock Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales of Raised Livestock													
Hay Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Raised Market Cattle Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales of Raised Livestock Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales of Raised Crops													
Corn Sales													
Corn DP Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Corn Moisture Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0
Corn Quality Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0
Corn Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Premiums & Incentives	0	0	0	0	0	0	0	0	0	0	0	0	0
Corn Sales Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Internal Crop Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Soybean Sales													
SB Moisture Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0
SB Quality Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0
Soybean DP Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Soybean Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Soybean Sales Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Wheat Sales													
Wheat Moisture Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0
Wheat Quality Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0
Wheat Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Wheat Sales Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales of Raised Crops Total	0	0	0	0	0	0	0	0	0	0	0	0	0

14. By default the budget will be monthly. If you prefer to do a quarterly or annual budget, select **Format > Predefined Layouts** and choose the appropriate option.
15. Budget numbers can be added into the grid a number of ways:
  - » **Manually Add Values:** To manually add numbers into the grid, simply click in the appropriate cell and enter the number.
  - » To duplicate the same amount across a number of periods (for one account), select **Edit > Adjustments**.

Period	Current Amount	Adjusted Amount
January 2011	\$ 0.00	\$ 10,000.00
February 2011	\$ 0.00	\$ 10,000.00
March 2011	\$ 0.00	\$ 10,000.00
April 2011	\$ 0.00	\$ 10,000.00
May 2011	\$ 0.00	\$ 10,000.00
June 2011	\$ 0.00	\$ 10,000.00
July 2011	\$ 0.00	\$ 10,000.00
August 2011	\$ 0.00	\$ 10,000.00
September 2011	\$ 0.00	\$ 10,000.00
October 2011	\$ 0.00	\$ 10,000.00
November 2011	\$ 0.00	\$ 10,000.00
December 2011	\$ 0.00	\$ 10,000.00

- Select the appropriate account on the upper left side of the screen.
  - If you want to apply the adjustment to the budget properties set for the budget, select the **Apply all adjustments to [xxxx]** check box where [xxxx] is the name of the current entry default values as displayed at the top of the budget screen.
  - In the **Adjustment Type** field, select **Assign Amounts to Multiple Periods**.
  - Select the periods in **From To**.
  - Specify the **Amount**.
  - Click on **Perform Adjustment** to duplicate that amount in each period selected for this account. To accept the values, click **Save**.
- » To distribute an annual amount equally across a number of periods (for one account), select **Edit > Adjustments**. The process will be the same as above, but change the **Adjustment Type** to **Allocate Amount to Multiple Periods** and the **Amount** should be the annual amount.

Period	Current Amount	Adjusted Amount
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March 2011	\$ 0.00	\$ 10,000.00
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- » **Copy From Actual:** If you would like to start with a budget that uses last years actual numbers as a basis, select **Edit > Copy to Budget**.

- a. Select a **Source** of **Actual**.
- b. Select the prior year dates to copy from in the **Period From/To** fields.
- c. Select all the **Revenue & Expense** accounts in the Accounts field.
- d. Select the **Destination Properties** and specify if you want to add or replace the existing data, the type of entry mode, and how you want to handle copying (copy source information, do not copy - leave blank, or assign a specific value).
- e. Click **OK**.

» **Copy From Budget:** If you'd like to start this budget with numbers copied from another budget (for example, last years budget numbers), use the same **Edit > Copy to Budget** process outlined above, but use a **Source** of **Budget** instead of **Actual**.

16. When budget amounts are entered into any account, the system will create offsetting amounts in the bank account. For example, if \$3000 was entered in an insurance expense account, the system will automatically created another entry that deducts \$3000 from the Bank Account budget. Budget amounts entered into revenue/income accounts will increase the bank account budget. Amounts entered into expense or cost of goods sold accounts will decrease the bank account budget.

Basic Budget		
		Budget 01/01/11 01/31/11
<input type="checkbox"/>	Expenses	
<input type="checkbox"/>	Insurance Expense	
	6.08.200 - Health Insurance	3,000
	<b>Insurance Expense Total</b>	<b>3,000</b>
	<b>Expenses Total</b>	<b>3,000</b>
<input type="checkbox"/>	Assets	
<input type="checkbox"/>	Cash	
	1.01.200 - State Bank Checking	(3,000)
	<b>Cash Total</b>	<b>(3,000)</b>
	<b>Assets Total</b>	<b>(3,000)</b>



**Note:** Refer to the main "Understanding & Using Budgets" document for additional information on how to change the display of rows, how to delete budget numbers, and a Frequently Asked Questions section.