



## Understanding and Using Budgets

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Budgeting is an estimation of the revenue and expenses for your fund over a specified future period of time. To successfully manage a fund, it is important to monitor the actual to budget information.

Budgeting lets you look at "what-if" scenarios. What if you purchased a new asset? What would be the change on your cash flow?

All budget entries are made on the Flow of Funds tab (this tab is at the bottom of the Budgeting screen). The entries will flow to the Balance Sheet and Income Statement as well. The Balance Sheet tab will include the actual beginning balances plus the budget numbers from the Flow of Funds tab.

This topic includes instructions on how to:

[Step A - Create a Budget](#)

[Step B - Add Amounts to a Budget](#)

[Step C - Formatting a Budget](#)

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### Step A - Create a Budget

1. On the **Reporting Tools** menu, select **Budgets** or on the **Setup** menu, select **Budgets**.
2. On the Open a Budget screen, click **New**.
3. On the Budget Properties screen, enter the name used to identify the budget in the **Budget Name** box.
4. In the **From / To** boxes, select the range of dates this budget is for.
5. In the **Balance From** box, select the period from which to start including budget data in the Balance Sheet. This is normally the period prior to the date selected in the **From** box.
6. Select the **Include Account Numbers** check box to display account numbers (if present) or multi-segmented account numbers before each account name on the Budget sheets.
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 **Account Number**.
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. If you want to bring information in from another budget, under **Imported Budgets**, click **Add** and select an available budget to import the selected budget(s) summary data into this budget. For example, if you have already created individual budgets for different business units of your operation, you can import those budgets into this one to create a collective budget. When a budget is imported the information in that budget's summary records is copied to the records in the current budget's detail records and is flagged as imported so that at any time, the data can be removed if required (by selecting the budget and clicking Remove.) Click OK. If you update an imported budget, you will receive a *One or more imported budgets have been modified or removed* message, click **OK**, and then click the **Update** button on the Budget Properties screen.
10. Click the **Entry Mode** tab.

CenterPoint offers a number of ways to budget information; from simply just entering amounts in the appropriate periods/accounts to having the system automatically budget amounts in multiple accounts based on other amounts that have been entered. The Entry Mode controls what happens when amounts are entered into a budget. Below each of the Entry Modes have been described. A **Default Entry Mode** is assigned when a budget is created, but this can be modified after the budget is created. If you are unsure which mode would work best for your company, please contact our support department.

- » **Open Entry** - This method is used to create a basic budget where budgets numbers are entered and they do not offset to any accounts. This mode is normally selected if you simply want to enter budget numbers for revenue and expenses. This option should not be used if you want to budget cash flow because it does not offset your budgeted revenue and expenses to the cash account.
- » **Journal Entry Offset to Cash** - This method is similar to Open Entry as amounts can be entered into any account, but when amounts are entered they are automatically offset to the cash account. For example, if you are planning on purchasing a new computer in February you would enter that \$1500 in your appropriate expense account and CenterPoint would automatically budget -1500 in your cash account. This allows you to budget and plan your cash flow.
- » **Detail Transaction Entry** - This is the most complex budgeting method in CenterPoint and is recommended mainly for CenterPoint Accounting for Agriculture users. It will use the templates assigned to accounts to create offsetting budget entries. For example, if an amount is entered into a Corn Sales account and it has been assigned the template of DT - Sell Raised Inventory, the system will automatically create offsetting budget entries for the Changed in Raised Inventory account, the Corn Inventory Account and the Cash Account.
- » **Use Account Entry Mode** - This mode allows you to use different modes for different accounts within the same budget. Once the budget is created, then the mode can be changed on an account by account basis within File > Budget Account Properties.

11. If you choose Open Entry or Detailed Transaction Entry mode, you must select a **Bank Account** (cash and line of credit accounts can be selected). Each budget amount entered will automatically offset to the cash account specified here.
12. If this budget will be for a specific project, location, department, etc. specify those details in the **Entry Defaults** section. Any dollar amounts added to this budget after the details are specified will be assigned automatically.
13. Click the **Limitations** tab. This tab will display only if you have chosen to use Database Security in File > Preferences.
14. This tab lists the departments, locations, and projects in your database. You can select any of these items to indicate that the item is either allowed or excluded for use within the current budget depending on whether you select **Allow Selected**, **Exclude Selected**, or **Allow All** in the **Access** box . If most items are to be used in the current budget, it would be easier to exclude the few that are not to be available. If most are to be available it would be easier to exclude the few selected items.



Note: The Limitations tab will automatically filter the list of multi-segmented accounts displayed in the budget, for example. if you excluded the Firedepartment, any multi-segmented accounts with the Firedepartment as a segment would not appear in the budget or in areas where multi-segmented accounts are selected – like Edit > Adjustments and Edit > Copy To Budget.

15. Select the **Restrict to Matching Multi-Segment Accounts** check box to specify that combinations of company/fund, profit center/department, location/production center, project, and account that match the segments defined in the preference and found in the Multi-Segmented Accounts screen will be allowed and that combinations that do not match will provide a warning and prevent entry.
16. Click the **Security** tab. This tab will display only if you have chosen to use Database Security in File > Preferences.
17. This tab can be used to grant access to the current budget for specific user groups (a list of all user groups defined for the database will display). Select the user groups that can access the current budget.  
Select the **Do Not Allow Updates on this Budget** to "lock" the budget and make it read-only. When this check box is selected, you will be prevented from altering the budget amounts/quantities and any significant formatting options (adding/removing columns), but you can still filter data and alter how the data is displayed (Hide Zero Rows, Level of Detail, etc.).
18. Click **OK** to create the budget. A blank budget screen will be displayed.



Note: By default the budget will be monthly. You can only enter budgets in monthly mode. If you prefer to enter an annual budget, enter the annual values in one period, such as the first period of the budget year.

## Step B - Add Amounts to a Budget

Dollar amounts can be added into the budget grid a number of ways; manually enter them, copy from an existing budget or actuals, or by using the Budget Adjustments screen.

## Manually Add Values

- a. From within the main Budget screen, select the appropriate cell and enter the amount.
- b. What happens after the amounts are entered depends on which Entry Mode you have selected for this budget or account:

Detail Transaction Entry: the Budget Properties screen will automatically display so that additional required data can be entered. Please refer to the FAQ section below for more detailed information on the Budget Properties screen.

Journal Entry Offset to Cash: CenterPoint will automatically offset the budgeted number to the cash account assigned when the budget was created. For example if an amount is assigned to a sales account, then the amount will be added to the cash account in the same period. If an amount is entered to an expense account, the amount will be deducted from the cash account.

Open Entry: No offsets will be created.

## Assign Amount to Multiple Periods

- a. If you would like to budget the same amount across multiple periods select **Edit > Adjustments** from within the main budget screen.
- b. Select the appropriate **Account** on the upper left side of the screen.
- c. The **Apply all adjustments to [xxxx]** check box only displays when there is one or more production detail assigned (Department / Location Production Center/ Production YearTracking Number 1 / Production YearTracking Number 2 / Project.) to this budget. 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.



Note: If you always want the amounts entered to be applied, right click on the Adjustment Detail box (after it is selected) and choose Set Default.

- d. In the **Adjustment Type** field, select **Assign Amount to Multiple Periods**.
- e. Select the periods that the amount should be used in **From To**.
- f. Specify the **Amount**.
- g. Click on **Perform Adjustment** to duplicate that amount in each period selected for this account. To accept the values, click **Save**.

## Allocate Amount to Multiple Periods

- a. If you would like to allocate or distribute an amount across multiple periods, select Edit > Adjustments.
- b. The process will be the same as outlined above for Assign Amount to Multiple Periods, but change the Adjustment Type in step d to Allocate Amount to Multiple Periods.
- c. In the Amount field, specify the amount that should be distributed. For example if \$120,000 was entered in the Amount and a 12 month period was selected in the From To field, the system would distribute \$10,000 to each month for this account.
- d. If you budget with production details, click **View Production**.

## Copy From Actual

- a. If you would like to start with a budget that uses last years actual numbers as a basis, select **Edit > Copy to Budget**.

- b. Select a **Source** of **Actual**.
- c. Select the **Budget** you want to copy.
- d. Select the prior year dates to copy from in the **Period From/To** fields.
- e. Select all the Accounts you'd like copied in the Accounts field. Normally this is your revenue and expense accounts.
- f. 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).
- g. Click **OK**.



Note: If you would like to copy from last years actuals and then increase or decrease amounts by a percent, use the Edit > Budget Adjustments screen after copying.

## Copy From Budget

- a. 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.
- b. In step b above, use a **Source** of **Budget** instead of **Actual**.
- c. Continue with steps c-g outlined in the Copy from Actual section above.

## Step C - Formatting a Budget

### Change the Display of Rows in a Budget

The budget includes a row for every account that you have in your database. The budget may also include rows for inactive accounts or accounts that have had no activity. This can make the report rather long. There are some built-in row options that allow you to summarize the content further.

The **Edit** menu contains the functionality for formatting the rows in a budget. Use the Edit menu to:

- » Change the **Entry Mode**.
- » **Copy To** actual/budget data to a budget.
- » Perform **Budget Adjustments**

The **View** menu contains the functionality for additional formatting of rows in an a budget. Use the View menu to:

- » **Hide zero rows** - Hides all rows without any activity in the selected periods. When activity is entered across months that total zero for the Calculated Total column, the Hide Zero Rows selection will not consider the row a zero row and display the row.
- » **Hide inactive zero rows** - Hides only the rows of inactive accounts that have had no activity in the selected periods.
- » **Expand/collapse rows** (select the Detail Level menu item) to display GL accounts, account category detail, or account level 1 - 3.
- » **Filter data by Entry Type** - Cash, Journal Entries, or Combined.
- » **Filter data by Entry Mode** - Open Entry, Imported, or Combined.

The budget also includes total rows that display the accumulative budgeted dollars, for example on the Balance Sheet: Assets Total, Equity Total, Budgeted Net Income (displays the accumulative net income for each column as shown on the Income Statement), and Liabilities and Equity Total (includes the totals for the Liabilities Total, Budgeted Net Income, and Equity Total columns).

### Change the Display of Columns in a Budget

CenterPoint gives you the option of defining each column individually. This gives you control over headings, filters, and data content. It also allows you to insert columns, delete columns, resize columns, and create other calculated columns.

The size of the columns are saved and will display the same size the next time a budget or analysis is opened. If a column is resized, that size will be saved for ALL sheets -- Flow of Funds, Balance Sheet, and Income Statement.

To setup custom column layouts, select **Format > Columns**.

#### Column Properties

The title field provides a one line description of the contents of the column. This will be in addition to the automatic column headings of Actual or Budget and the date range.

Each column can be defined as either a data column or a calculated column.

#### Data Columns

- » **From and To** – Allows you to select a calendar range of data that you wish to display in each column.
- » **Data Source** – Allows you column-by-column to determine if actual or budget data will display in the column.
- » **Balance Sheet** – Select which values you want displayed on the Balance Sheet, book or market values.

- » **Filters** – You can filter the data in the column for any of the following items:
  - » Department
  - » Location
  - » Tracking Number 1/2



Note: Budget level filters will limit the list of accounts when using multi-segmented accounts, for example. if you excluded the Fire department, any multi-segmented accounts with the Fire department as a segment would not appear in the budget or in areas where multi-segmented accounts are selected – like Edit > Adjustments and Edit > Copy To Budget.

**Calculated Columns** – Allows you to choose from the following calculation options:

- » **Total** – Allows you to select which columns to include in the calculation of this column.
- » **Average** – Allows you to select which columns to include in the average calculation.
- » **Percent** – Allows you to choose two columns, the calculated column will show Column 2 as a percentage of Column 1.
- » **Difference** – Allows you to select two columns and show the difference between the two. The second column selected will be subtracted from the first column selected.
- » **Percent Difference** – Allows you to select two columns and show the difference between the two as a percentage of the second column selected. The second column selected will be subtracted from the first column selected, and the difference will be shown as a percentage of the second column.
- » **Custom as Percent** – This option displays the Custom As Percent screen (a free format formula screen) that allows you to perform any calculation you want on the columns. The result is displayed as a percentage.
- » **Custom as Dollars** – Also provides a free format formula building option that allows you to define the calculation you want to perform on the columns.

The **Format** menu contains the functionality for formatting the columns in a budget. Use the Format menu to:

- » Since budgets can only be entered in the monthly view, you may want to view the budget after entry in a quarterly or annual view, select **Format > Predefined Layouts** and choose the appropriate option. Select to .
- » [Insert a Data Column](#)
- » [Save a Format Definition](#) and [Use a Format Definition](#).

The **View** menu contains the functionality for additional formatting of columns in a budget. Use the View menu to:

- » **Show Cents** – Toggles the format from dollars and cents to only dollars.
- » **Filters** – Allows you to quickly apply a filter to all columns for profit center, production center, production year, and/or production series.
- » **Hide Zero Columns** – Hides any columns that have all zero values in them.
- » **Quantities \ Prices** – Allows you to also show Quantity 1 or Quantity 2 columns and Price 1 or Price 2 columns for all data columns.
- » **Entry Type** – This limits the data displayed in the column to a specific type of entry. The entry options are:
  - » **Cash** – Only entries that are offset to cash.
  - » **Journal Entries** – All journal entries only.
  - » **Combined (default)** – Combines all of the above to give a complete accrual analysis.

## Frequently Asked Questions

**Q: How do I delete a budget amount that's been entered?**

**A:** Double click on the number and select the Delete button.

**Q: How should I do my budgeting if I have multiple profit centers?**

**A:** We recommend you create a separate budget for each profit center. Once all of the individual profit center budgets are created, you can create an additional company/fund budget that includes all the data from the individual profit centers. Please refer to the Importing Multiple Budgets topic for detailed instructions.

**Q: How do I change the mode I'm using on an existing budget?**

**A:** Select **File > Properties**. The method is specified on the **Entry Mode** tab.

**Q: I'm using the Use Account Entry Mode on my budget. Where can I specify the method I want to use for each account?**

**A:** Select **File > Budget Account Properties**. Select the account at the top of the screen and select the appropriate method in the **Default Entry Mode** field.

**Q: I'm using the Detail Transaction Entry Mode on my budget. Where can I change which template the budget has assigned to an account?**

**A:** Select **File > Budget Account Properties**. Select the account at the top of the screen. The **Default Template** is displayed and can be changed. This is also where you can specify if **Quantities** should be displayed in the budget.

**Q: Where can I change the default entry mode the budget has assigned to an account when I'm using the Detail Transaction Entry Mode on my budget?**

**A:** Select **File > Budget Account Properties**. Select the account at the top of the screen. The **Default Entry Mode** is displayed and can be changed. This is also where you can specify if **Quantities** should be displayed in the budget.