



Tools to Beat Budget



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Tools to Beat Budget

Budgets are established as financial plans for the coming fiscal year.

The Accounting Office prepares monthly financial statements for each month of the fiscal year. Statements are distributed to department heads around the middle of the month for the previous month's activity.

Unfortunately, this means that department heads do not know how their departments performed until at least two weeks after the end of the period. When a department's performance does not meet budget, the department head does not know until after the fact and cannot intervene in a timely manner.

Ultimately, department heads are responsible for the financial performance of their departments and are accountable for those results. Since they are responsible for everything their department does and fails to do, they cannot rely solely on the Accounting Office to provide them with the timely information they need to properly monitor and take action to ensure they meet their budgets.

Tools to Beat Budget is a program designed to help department heads monitor key elements of their budget in a more timely manner. Further, it requires department heads to monitor revenues and expenses on an ongoing basis, which keeps them in closer touch with their actual performance compared to budget. Finally, the data accumulated during the course of the year using Tools to Beat Budget makes department heads more knowledgeable about their operations and makes establishing future budgets far easier since all the historical information is in one place – the Tools to Beat Budget binder.

Tools to Beat Budget Program

The Tools to Beat Budget Program is made up of the following elements which are filed under the appropriate tabs in a 3-ringed binder:

- Accounting Policy on Tools to Beat Budget, A-3506, as a ready reference to the department head.
- Annual Budget. Each department has a budget comprised of: Departmental Schedule, Departmental Revenue Assumptions (profit centers only), and Departmental Payroll Cost Assumptions. Each department's budget is the financial plan for that department for the fiscal year.
- Monthly P&L's. Actual profit and loss schedules for each month which are prepared and distributed by the Accounting Office. The Monthly P&L's report actual financial performance for the period and compare it to the budget. The Monthly P&L's also compare year-to-date (YTD) actual performance to budget.
- Weekly Revenue Reports. Reports prepared and distributed weekly which show revenues by department. This report also compares YTD actual to YTD budgeted revenues. Finally, this report computes a number of key departmental benchmarks that can be compared to budget. If your club does not compile a Weekly Revenue report, it's a simple matter for a department head to track revenues on a daily basis by using daily point of sale revenue reports.
- Departmental Payroll Summary Analysis reports. Reports prepared and distributed bi-weekly which show payroll costs by department. This report also compares YTD actual to YTD budgeted payroll cost. Finally, this report computes the average hourly wage by department and compares it to the budgeted amount. If your club does not automatically provide you with a Departmental Payroll Summary Analysis report, see your Controller and ask to get a print out of your departmental payroll each pay period.

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