

Budgeting in Quickbooks

Budget Development

What is a balanced budget?

A balanced budget is one in which expected revenues equal expected expenditures. If a wing or squadron wishes to have excess revenues over expenditures, they should include a line in their budget for estimated budget surplus. This line will show as an expense item. During the course of the fiscal year, budgets should be reviewed and adjusted as needed but must maintain their balance.

How do you create a budget?

The first step in creating a budget is to review past financial information. Utilizing past information will give you a starting place for your current budget. You should review multiple years in order to tell if there are any trends. This will also allow you to make better estimates for future years.

You must also take into consideration any plans for the future. If a wing or squadron is planning a large fundraising activity that they have not done in the past, this will need to be taken into consideration.

Why do we need to create budgets?

Budgeting is a tool that allows individuals and organizations to assess and track their finances. It is a planning tool but also can be used to measure the actual performance of an organization against projections. Budgets can help an organization control costs and maximize earnings. They can be an eye opener and can help finance committees determine whether funds are being spent in the most effective areas.

What steps should we take?

1. Run Profit & Loss reports for several past years (at least two). Review these reports and decide how best to utilize this information in creating a budget for the future
2. Have a finance committee meeting to discuss the budget. Everyone should offer comments and suggestions. Once the budget has been hashed out, the finance committee should vote on it. Squadron finance committees should then submit their budget to the wing director of finance.
3. The wing director of finance should enter all budgets into QuickBooks using the instructions provided.
4. Run budget to actual reports at least quarterly. These reports must be reviewed at the finance committee meeting for that quarter. The finance committee should discuss variances and any

necessary changes. Changes must be approved by the committee. The wing director of finance must provide reports to squadrons so that squadron finance committees can complete this task. The squadron must submit their budget changes to the wing director of finance.

5. Enter any changes into QuickBooks.

6. At the end of the fiscal year, the overall budget should be reviewed and used to create a budget for the new year. The wing director of finance must provide squadrons with a report so the squadron finance committees can complete this task.

7. Start over for the new year.

Entering a Budget in QuickBooks

Please open the attached MS Word file for instructions on entering a budget into QuickBooks.