



Title of document	How to use Nominal Budgets
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**Purpose**

This procedure has been created to detail how accounts administrators can set nominal-specific financial budgets by month and financial year, against which to compare a company's performance.

The purpose of budgeting is to provide a model of how the business might perform, financially speaking. Setting targets for income and expenditure enables the business owner to know what they can afford, take advantage of buying and investing opportunities, and plan how to lower the debt, holding themselves accountable to those targets as the year progresses.

**Scope**

This procedure applies to Management, Admin and Finance staff at Lineal Software Solutions staff, as well as any prospective customers or clients who intend to utilise SQLWorks within their business environment. The procedure is aimed at the end user, who will be operating the SQLWorks client.

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## Change History:

Date	Version	Created by	Description of change	Approved by
19.05.2020	1	Naomi Williams		

## Where to find Nominal Budgets

Nominal Budgets can be accessed from the Navigation Bar via Accounts > Audit > Budget By Year.

SQLWorks supports the creation of multiple budgets against which to measure your financial performance – for example offering the option to create ‘Best’, ‘Average’ and ‘Worst case’ scenarios. The Budget by Year window displays three lists – from left to right, Financial Years, Budgets Created, and Nominal Codes.

Financial Years				Budgets Created				Nominal Codes			
Code	Lock	Start	Audit Date	Code	Start	Adopted Notes	Code	Start	Code	Name	Anal
05/06	Yes	1 Apr 2005	3 Nov 2016 14:13	18/19	1 Apr 2018	29 Jun 2018	18/19	1 Apr 2018	123	P&L Income item description	000
06/07	Yes	1 Apr 2006	3 Nov 2016 14:13	18/19	1 Apr 2018	2 Jul 2018	18/19	1 Apr 2018	126	P&L Income item description	000
07/08	Yes	1 Apr 2007	3 Nov 2016 14:13	18/19	1 Apr 2018	This has Budget data in fro	18/19	1 Apr 2018	150	P&L Income item description	000
08/09	Yes	1 Apr 2008	3 Nov 2016 14:13	18/19	1 Apr 2018	Use Actuals from : 18/19	18/19	1 Apr 2018	151	P&L Income item description	000
09/10	Yes	1 Apr 2009	3 Nov 2016 14:13	18/19	1 Apr 2018	Use Actuals from : 18/19	18/19	1 Apr 2018	152	P&L Income item description	000
10/11	Yes	1 Apr 2010	3 Nov 2016 14:13	18/19	1 Apr 2018		18/19	1 Apr 2018	153	P&L Income item description	000
11/12	Yes	1 Apr 2011	3 Nov 2016 14:13	18/19	1 Apr 2018		18/19	1 Apr 2018	154	P&L Income item description	000
12/13	Yes	1 Apr 2012	3 Nov 2016 14:13	18/19	1 Apr 2018		18/19	1 Apr 2018	155	P&L Income item description	000
13/14	Yes	1 Apr 2013	3 Nov 2016 14:13	18/19	1 Apr 2018		18/19	1 Apr 2018	156	P&L Income item description	000
14/15	Yes	1 Apr 2014	3 Nov 2016 14:13	18/19	1 Apr 2018		18/19	1 Apr 2018	157	P&L Income item description	000
15/16	Yes	1 Apr 2015	6 Feb 2017 14:06	18/19	1 Apr 2018		18/19	1 Apr 2018	158	P&L Income item description	000
16/17	Yes	1 Apr 2016	15 Jan 2018 15:12	18/19	1 Apr 2018		18/19	1 Apr 2018	159	P&L Income item description	000
17/18	Yes	1 Apr 2017	22 Oct 2018 11:42	18/19	1 Apr 2018		18/19	1 Apr 2018	160	P&L Income item description	000
18/19	Yes	1 Apr 2018	30 Aug 2019 10:54	18/19	1 Apr 2018		18/19	1 Apr 2018	163	P&L Income item description	000
19/20	Yes	1 Apr 2019	21 Dec 2019 16:56	18/19	1 Apr 2018		18/19	1 Apr 2018	167	P&L Income item description	000
				18/19	1 Apr 2018		18/19	1 Apr 2018	201	P&L Overhead item description	000
				18/19	1 Apr 2018		18/19	1 Apr 2018	203	P&L Expense item description	000
				18/19	1 Apr 2018		18/19	1 Apr 2018	212	P&L Overhead item description	000
				18/19	1 Apr 2018		18/19	1 Apr 2018	213	P&L Expense item description	000
				18/19	1 Apr 2018		18/19	1 Apr 2018	303	P&L Overhead item description	000

You may create as many budgets as you like in which to use to compare against.

## How to create a new budget

To create a new budget, select the financial year in the left-hand column and click ‘New’ at the top of the second Budgets Created column. This will create an empty budget in which to import your data.

When you click New you will see the below box.

1. The budget year section displays the Yr Code with the start and finish dates of the Financial year selected.

Save & Close

Cancel

Budget Year

Yr Code 20/21

1

start 1 Apr 2020

finish 31 Mar 2021

Data Group

2 Header Ref

3 Type

4 Adopted

5 Debits are Positive ☒

6 Active Periods ☒ (P1) ☒ (P2) ☒ (P3) ☒ (P4) ☒ (P5) ☒ (P6) ☒ (P7) ☒ (P8) ☒ (P9) ☐ (P10) ☐ (P11) ☐ (P12)

Budget Notes

In the Data Group section this data is then broken down by periods. The information in this box can later be edited for an existing budget.

2. Allows the user to set a reference for this budget, it is not linked to anything, and is not mandatory.

3. The type of budget can be amended here, this may be useful later on, was it an uplifted budget, an excel import, or something else? It is not mandatory yet.
4. The date the budget was adopted on.
5. Tick the 'Debits are Positive' box if the income figures being imported are positive values. If so, then they need to be saved and stored as a debit (-ve) figure. The final output in P&L reports will re-adjust these income values to show as POSITIVE values depending on the settings in the Account Prefs.
6. Active Periods are the 12 monthly periods in that financial year. Only those periods ticked will be updated. This means you can update a budget halfway through a year or build a budget from 2 different plans.

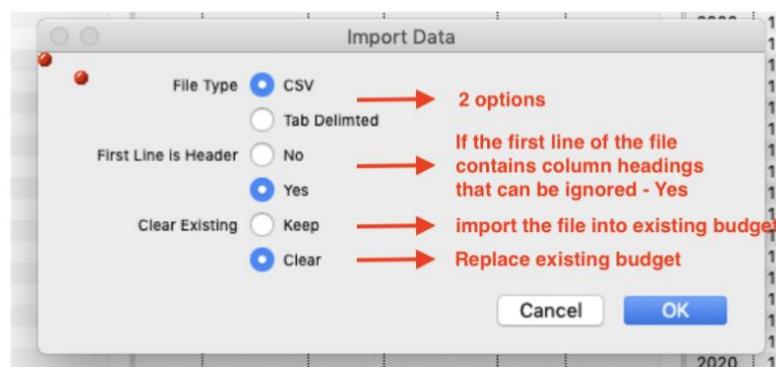
If this is the first time you have set budgets, it is worth running the Validate Matrix of the financial year process, to ensure the Nominal Ledger structure is up to date (this ensures all possible combinations of cross-referenced Nominal Code/Analysis Code/Department exist for a budget to be set).

For help on how to run the Audit/Validate Matrix, there is a guide called "Introduction to Audit and Real Time 'Live' Reporting", which can be found on the SQLWorks website Help & Support page here: <https://www.sqlworks.co.uk/introduction-to-audit-real-time-live-reporting/>

## Importing data

To import your data from another file into your budget, right click on a budget in the middle list and choose "Import Budget".

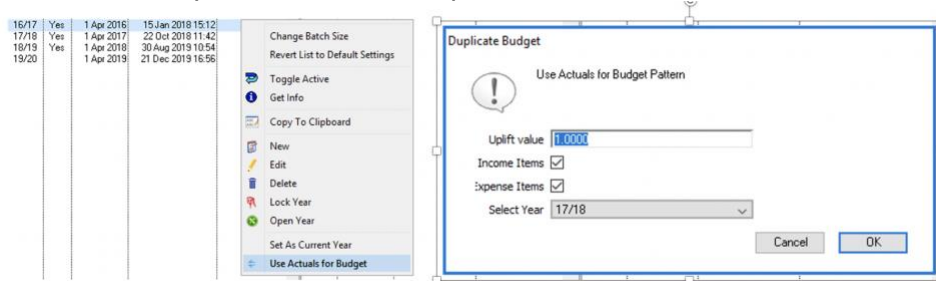
The following box with 3 options will appear:



Note: A third option for File Type - XLS - will be added and available soon.

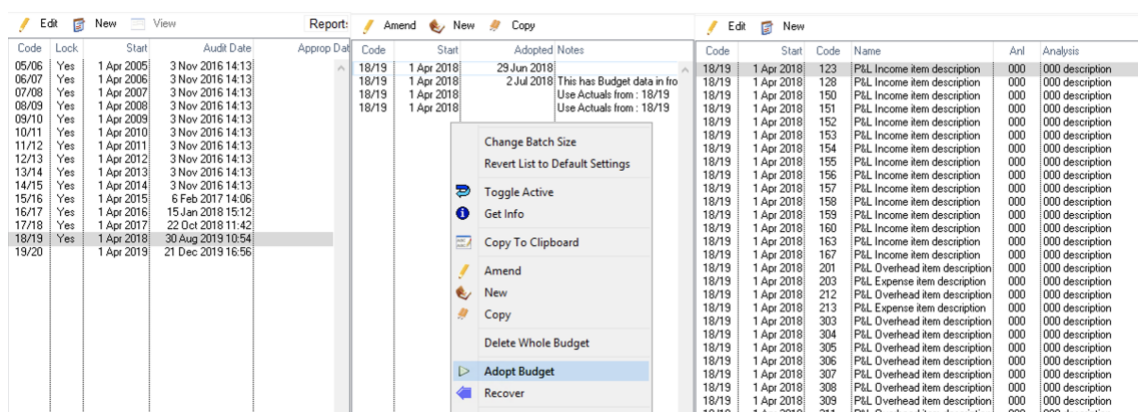
## Using Actuals to create a new budget

Rather than setting exact figures, you may also use a previous financial year's figures ('actuals') to create a new budget. Right click in the Financial years list and select 'Use Actuals for Budget'. A pop-up box will appear, SQLWorks will prompt you for an 'Uplift Value', expressed as a percentage, to set values for a financial year based on a multiplier.



## Adopt a budget for comparison

Once you have created your various budgets, you can then select the budget you would like to use / 'Adopt' to compare against to see if your business is on track. To do this right click in the Budgets Created list in the middle and select 'Adopt Budget' from the drop-down list.

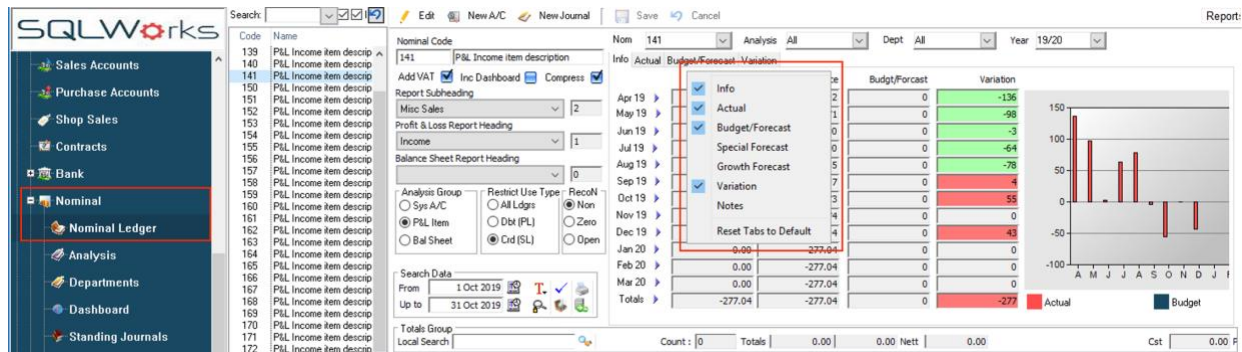


This will update the budget figures used, for budget tracking in the Nominal Ledger to your budget of choice.

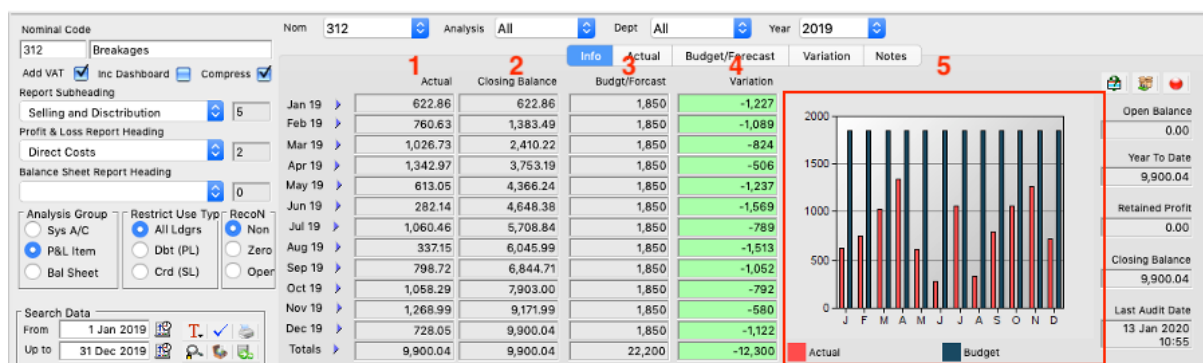
## Viewing budget in the Nominal Ledger

To view and compare the budget figures in the Nominal Ledger, go to the Navigation bar > Nominal > Nominal Ledger.

If only the Actual and Closing Balance columns are visible on the right-hand side, right click in this section and select both Budget/Forecast and Variation to open these 2 columns.



## Actual v's Budget explained



1. The Actual figures for the selected Nominal Code in the selected financial year.
2. Closing Balance of the selected financial year.
3. When selecting a code in the Nominal Ledger, the 'Budget/Forecast' column now displays your adopted budget figures for that code.
4. The 'Variation' column displays what value above or below budget the postings to this code are for each month in the financial year and will display green or red for positive or negative values. Please note this conditional formatting are reversed for income/spending respectively.
5. Bar graph representing Budget figure in blue against the Actual figure in Red.

