



**Budgeting is in an administrative account**



# Budgeting

- it is the process of planning of future operations of firm and registration of his results as a system of budgets.

## Aim of budgeting

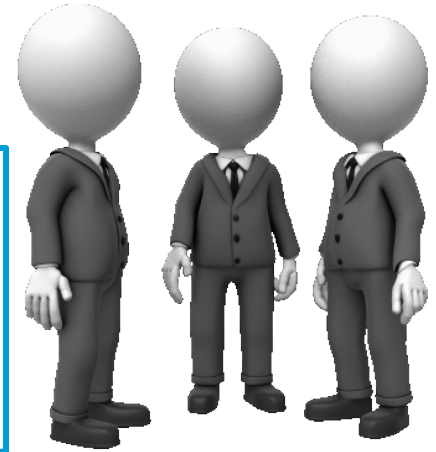


- realization of the periodic planning;
- providing of coordination, cooperation and communication;
- quantitative ground of plans;
- creation of basis is for an estimation and control of fulfilling the plan;
- motivation of workers is through a  
nd  
orientation on gaining end  
of organization;
- implementation of requirements o



# Budgeting

Within the framework of budgeting information must gather for the estimation of activity in a period covered, that allows to collate coordinates and if necessary operatively to specify the trajectory of motion to the strategic aims.



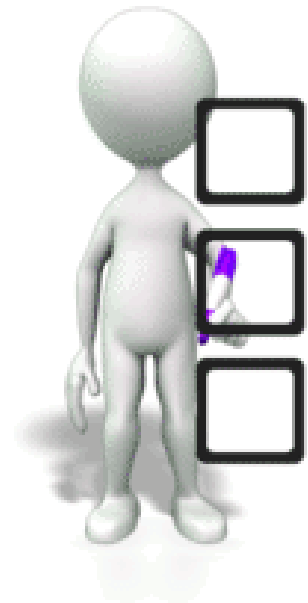
To control approaching to the strategic aims on results a quarter and month, it is needed to bind the budgetary articles and analytical cuts of budgetary model to the factors that influence on gaining end.

For these aims it is possible to use the balanced system of indexes, or system of **key performance indicators (KPI)**.



# ✓ Aims and tasks of budgeting

1. Development and control of strategic and tactical plans of enterprise;
2. Control is after a debtor and creditor debt;
3. Co-ordination of activity of different subdivisions of enterprise;
4. Control is after duration of processes of productive cycle;
5. Control is after the state of liquidity of enterprise;
6. Control is after profitability of general assets;
7. Control is after the increase of business.



# ✓ Directions of budgeting

## First direction

Preparation of functional budgets, id est budgets of subdivisions of enterprise. Accordingly subdivision of enterprise, for that a separate budget and realizable control of his implementation can be made, is a budgetary center.

## Second direction

Development of standards (norms) of charges is on the production of separate wa  
res or services

On the basis of budgets of all subdivisions prepares erected budget of enterprise.



# ✓ Erected budget of enterpri

se

- It is totality of budgets that summarize the future operations of all subdivisions of enterprise. He includes such two groups of budgets : operating-rooms and financial.



## Operating budget

- it is totality of budgets of charges and profits that provide the stowage of budgetary report on an income.

A final operating budget is a report is on an i  
ncome.



# ✓ Erected budget of enterprise

## se Financial budget

- it is totality of budgets that represent the pre-arranged monetary resources and financial state of enterprise.

Guidance of enterprise, having data of analysis of results of budgetary process, will get possibility to make decision, oriented to realization of strategy.



# ✓ Conclusion

Therefore, it is important on the initial stage correctly to build the algorithm of budgeting and analysis based on intercommunication of budgets of different level and setting. For the operative raising of process it follows to confirm the only standard of the budgetary system for an enterprise and describe conception of budgeting in him, basic document and others like that.

