



COURSE OVERVIEW FM0142
Budget Preparation Skills
(E-Learning Module)

Course Title

Budget Preparation Skills (E-Learning Module)

Course Reference

FM0142

Course Format & Compatibility

SCORM 1.2. Compatible with IE11, MS-Edge, Google Chrome, Windows, Linux, Unix, Android, IOS, iPadOS, macOS, iPhone, iPad & HarmonyOS (Huawei)



Course Duration

30 online contact hours
(3.0 CEUs/30 PDHs)



Course Description



This E-Learning is designed to provide participants with a detailed and up-to-date overview of budget preparation skills. It covers the effective budgeting and the purpose of budgeting; the prerequisites of budgeting, limit expenditures, creating financial roadmap and planning for future growth; the four basic functions of budgets; the various tips for effective budgeting and the methods of budgets; the key differences of traditional budgeting versus zero-based budgeting; the budgeting rules, line items, creating a budget and planning for business success; the key steps in drawing up a budget, creating realistic budgets and involving the right people; using your budget to measure performance; and the factors affecting budgeting.



Further, the course will also discuss the budget organization and administration; the elements of an annual budget including the differences between budgets and forecasts; the risk issues in budgeting and the problems caused by budgeting; the best practices in budgeting and the 10 steps in budgeting process; the various tips to consider in the budgeting process; the OPEX and CAPEX and its key differences; the components of an operating budget; the dimensions and chart of account considerations; and the major approaches of budgeting covering top-down approach and bottom-up approach.



During this course, participants will learn the advantages and disadvantages of top-down approach and bottom-up approach; the components of a budget and the steps in the budgeting process; the budget control and the tools of cost control including the features, characteristics and limitations of budgetary control; the types of budgets and the variance analysis, budgetary controls and budget revision; the impact of budget revision; the cost control; and the aspects, advantages, tools and the five strategies to consider cost control.

Course Objectives

Upon the successful completion of this course, each participant will be able to:-

- Apply and gain a comprehensive knowledge on budget preparation skills
- Learn costing and budgeting terminologies used in business
- Understand and prepare different types of budgets covering fixed, flexible, zero based and activity-based budgeting (ABB)
- Understand how to identify organizational resources costs and estimate revenue streams from various services/products to prepare a cost-revenue analysis report and develop operating and revenue budgets
- Understand the importance of a well-defined costing and budgeting process
- Understand how the budgeting process can optimize financial decision making
- Carryout effective budgeting and define budgets, budgeting and discuss the purpose of budgeting
- Recognize the perquisites of budgeting, limit expenditures, creating financial roadmap and planning for future growth
- Identify the four basic functions of budgets covering planning, coordinating and communicating, monitoring progress and evaluating performance
- Choose the budget period and apply various tips for effective budgeting
- Employ methods of budgets comprising of incremental budgeting, activity-based budgeting, value proposition budgeting and zero-based budgeting
- Identify the key differences of traditional budgeting versus zero-based budgeting
- Discuss budgeting rules, define line items, create a budget and plan for business success
- Explain the key steps in drawing up a budget, create realistic budgets and involve the right people
- Use your budget to measure performance and identify the factors affecting budgeting
- Describe budget organization and administration covering budget centers, budget committee, budget officer and budget manual
- List the elements of an annual budget including the differences between budgets and forecasts

- Identify risk issues in budgeting and the problems caused by budgeting covering time required, blame for outcomes, expense allocations, spending it or losing it, inaccuracy and rigid decision making
- Carryout best practices in budgeting and the 10 steps in budgeting process
- Apply various tips to consider in the budgeting process
- Define OPEX and CAPEX and its key differences
- Recognize the components of an operating budget and discuss the dimensions and chart of account considerations
- Apply the major approaches of budgeting covering top-down approach and bottom-up approach
- Discuss the advantages and disadvantages of top-down approach and bottom-up approach
- Identify the components of a budget and the steps in the budgeting process
- Employ budget control and recognize the tools of cost control including the features, characteristics and limitations of budgetary control
- List the types of budgets and apply variance analysis, budgetary controls and budget revision
- Explain the impact of budget revision and carryout cost control
- Discuss the aspects, advantages, tools and the five strategies to consider cost control

Who Should Attend

This course provides an overview of all significant aspects and considerations of budget preparation skills for finance directors, finance controllers, senior management accountants, senior operational management, technical managers, engineering managers, planning managers, department managers and general managers.

Training Methodology

This Trainee-centered course includes the following training methodologies:-

- Talking presentation Slides (ppt with audio)
- Simulation & Animation
- Exercises
- Videos
- Case Studies
- Gamification (learning through games)
- Quizzes, Pre-test & Post-test


Every section/module of the course ends up with a Quiz which must be passed by the trainee in order to move to the next section/module. A Post-test at the end of the course must be passed in order to get the online accredited certificate.

Course Certificate(s)

Internationally recognized certificates will be issued to all participants of the course.

Certificate Accreditations


Certificates are accredited by the following international accreditation organizations: -

-  USA International Association for Continuing Education and Training (IACET)

Haward Technology is an Authorized Training Provider by the International Association for Continuing Education and Training (IACET), 2201 Cooperative Way, Suite 600, Herndon, VA 20171, USA. In obtaining this authority, Haward Technology has demonstrated that it complies with the **ANSI/IACET 1-2013 Standard** which is widely recognized as the standard of good practice internationally. As a result of our Authorized Provider membership status, Haward Technology is authorized to offer IACET CEUs for its programs that qualify under the **ANSI/IACET 1-2013 Standard**.

Haward Technology's courses meet the professional certification and continuing education requirements for participants seeking **Continuing Education Units (CEUs)** in accordance with the rules & regulations of the International Association for Continuing Education & Training (IACET). IACET is an international authority that evaluates programs according to strict, research-based criteria and guidelines. The CEU is an internationally accepted uniform unit of measurement in qualified courses of continuing education.

Haward Technology Middle East will award **3.0 CEUs** (Continuing Education Units) or **30 PDHs** (Professional Development Hours) for participants who completed the total tuition hours of this program. One CEU is equivalent to ten Professional Development Hours (PDHs) or ten contact hours of the participation in and completion of Haward Technology programs. A permanent record of a participant's involvement and awarding of CEU will be maintained by Haward Technology. Haward Technology will provide a copy of the participant's CEU and PDH Transcript of Records upon request.

-  British Accreditation Council (BAC)

Haward Technology is accredited by the **British Accreditation Council** for **Independent Further and Higher Education** as an **International Centre**. BAC is the British accrediting body responsible for setting standards within independent further and higher education sector in the UK and overseas. As a BAC-accredited international centre, Haward Technology meets all of the international higher education criteria and standards set by BAC.

Course Fee

As per proposal

Course Contents

- Effective Budgeting
- What are Budgets?
- What is Budgeting?
- Purpose of Budgeting
- Primary Purpose
- Other Purposes
- Perquisites to Budgeting
- Organizational Structure
- Charts of Accounts
- Facts
- Limit Expenditures
- Creates Financial Roadmap
- Plan for Future Growth
- Two Key Questions You should be Able to Answer about Budgeting
- Why Budget?
- Why is it Important for an Organization, Project or Department to Have a Budget?
- Who should be Involved in budgeting?
- Budgets – The 4 Basic Functions
- Planning
- Coordinating and Communicating
- Monitoring Progress
- Choosing the Budget Period
- Evaluating Performance
- Tips for Effective Budgeting
- Quiz
- Video
- Methods of Budgets
- Four Budgeting Methods
- Incremental Budgeting
- Activity-Based Budgeting
- Value Proposition Budgeting

- Zero-Based Budgeting
- Traditional Budgeting versus Zero Based Budgeting – Key Differences
- Conclusion
- Quiz
- Video
- Budgeting Rules
- Defining Your Line Items
- How do you Decide Which Categories and Line Items You Should Use in Your Expenditure Budget?
- Creating a Budget
- Planning for Business Success
- Creating a Budget
- Key Steps in Drawing up a Budget
- Create Realistic Budgets
- Involve the Right People
- What your Budget Should Cover
- What your Budget Will Need to Include
- Use your Budget to Measure Performance
- Your Budget can serve as
- Benchmarking Performance
- Factors Affecting Budgeting
- Budget Organization and Administration
- Budget Centers
- Budget Committee
- Functions of The Budget Committee
- Budget Officer
- Budget Manual
- What are the Elements of an Annual Budget?
- Projected Expenses
- Fiscal Year Simply Means "Financial Year"
- Projected Income
- The Interaction of Expenses and Income
- Adjustments to Reflect Reality as the Year Goes On
- Differences Between Budgets & Forecasts

- Conclusion
- Quiz
- Video
- Identifying Risk Issues in Budgeting
- Problems Caused by Budgeting
- Time Required
- Blame for Outcomes
- Expense Allocations
- Spend it or Lose it
- Inaccuracy
- Rigid Decision Making
- Best Practices in Budgeting
- Automate
- Be Realistic
- Be Honest
- Use Iterative Group Discussions
- Eye on Accounting Structures
- Cater to the Big Picture
- Avoid Too Many Details
- Shorten Your Budget Cycle
- Adopt Analytics
- Steps in the Budgeting Process
- Determine Timeline
- Agree on Goals
- Understand Current Financial Status
- Agree on Budget Approach
- Develop Draft Expense Budget
- Develop Draft Income Budget
- Review Draft Budget
- Approve Budget
- Document Budget Decisions
- Implement Budget
- Tips to Consider in the Budgeting Process

- Update Budget Assumptions
- Note Available Funding
- Step Costing Points
- Create Budget Package
- Obtain Revenue Forecast
- Obtain Department Budgets
- Validate Compensation
- Validate Bonus Plans
- Obtain Capital Budget Requests
- Update the Budget Model
- Review the Budget
- Obtain Approval
- Issue the Budget
- Quiz
- Video
- Operating Expenses & Capital Expenses
- What is CapEx?
- CapEx Examples
- How to Account for Capital Expenditure
- Two types of Capital Expenditure
- What is OpEx?
- Capex vs Opex – Key Differences
- Components of an Operating Budget
- The Expense Budget
- Revenue
- Variable Costs
- Fixed Costs
- Non-Cash Expenses
- Non-Operating Expenses
- Elements
- Dimensions and Chart of Account Considerations
- Balance Sheet Accounts
- Income Statement Accounts

- Cost Center
- Dimensions Numbering System
- Quiz
- Video
- Major Approaches of Budgeting
- Top – Down Approach of Budgeting
- Advantages of Top – Down Budgeting Approach
- Disadvantages of Top – Down Budgeting Approach
- Top down Approach Budgeting Example
- Bottom – up Approach of Budgeting
- Advantages of Bottom – Up Budgeting Approach
- Disadvantages of Bottom – Up Budgeting Approach
- Bottom-up Approach Budgeting Example
- Components of a Budget
- Sales Budget
- Production Budget
- Direct Material Purchases Budget
- Labor, Overhead, and SG&A Budget
- Cash Budget
- Budgeted Financial Statements
- Steps in the Budgeting Process
- Budgetary Control
- Tools of Cost Control
- Features of Budgetary Control
- Characteristics of Budgetary Control
- Planning
- Co-ordination
- Recording
- Control
- Corrective Actions
- Limitations of Budgetary Control
- Types of Budgets
- Coverage of Functions

- Nature of Activities
- Period
- Flexibility
- Preparation of Budget Methods
- Master Budget and Functional Budget
- Capital Budget and Revenue Budget
- Fixed and Flexible Budgets
- Performance Budget
- Zero- Base Budgeting
- Basic Steps of Zero-Base Budgeting
- The Benefits of Zero-Base Budgeting
- Variance Analysis
- Computation and Analysis of Variances
- Kinds of Variance
- Material Cost Variance
- Labour Cost Variance (Direct Wage Variance):
- Sales Variance:
- Overhead Variance
- Implement Budgetary Controls
- Organization for Budgetary Control
- An Organization Chart for Budgetary Control
- Budget Centers
- Budget Manual
- Budget Officer
- Budget Committee
- Budget Period
- Key Factor
- Quiz
- Video
- Revising the Budget
- What are the Needs of Budget Revision?
- Analyze Budget
- Identify Troubled Areas

- The Following Points have been Considered While Reviewing a Budget
- Impact of Budget Revision
- Monitor and Revise
- Cost Control
- Introduction
- Aspects of Cost Control
- Planning
- Communication
- Motivation
- Appraisal
- Decision-Making
- Advantages of Cost Control
- Tools of Cost Control
- Budgetary Control
- Features of Budgetary Control
- Characteristics of Budgetary Control
- Cost Control: 5 Strategies to Consider
- Get Everyone Involved
- Be Greener
- Reduce your Office Footprint
- Work with Interim Professionals
- Challenge Accounting and Finance Staff
- Video
- Recap