

Good budgeting ip 3 essay example

[Business](#), [Company](#)



Budgeting; I Can Business Incorporated (ICBI)

Financial reporting system

Financial reporting system is the organizational management processes and the procedures that exercise financial control and accountability. They ensure recording, verification and reporting in time for the results in the transaction. This is concerned to the revenue, expenditure, assets and the liability of the organization.

Components of financial reporting

There are several components of the financial reporting systems. They are categorized in the manner they can be assessed. This is whether in the reporting studio or the workspace. The both can also access some of the components. To start with, the first component is a book editor. This is assessed in the financial reporting workspace. This provides the capability of creating a book of the reports that can be saved as a snapshot book.

The second component is the report designer that is assessed in the reporting studio. This enables the financial officer to create, edit or delete the report objects. The explore can be assessed by the both reporting studio and the financial reporting. In the reporting studio helps in the creation, opening, saving and deleting folders and the store report objects and the reports. In the financial reporting workspace, it allows in opening the stored files, creation of the folders, exports and imports file, setting up the email links and the snapshot books.

Scheduler is assessed by the workspace financial reporting where it allows the financial officer to schedule a batch and view the status of the batches

that are scheduled in future processing. Finally, the last component is the batch editor. It is assessed in the financial reporting workspace and helps in the adding objects to the batch job, also removing objects from the batch job. It also gives the option of whether or not to delete the batch after running it.

Operating budget is the concerned with the budgeting for the activities of the corporate basing on the annual budget. This considers the development of the business regardless of the departmental and the project to be undertaken. The activity based budget is an approach to the process of budgeting that focuses on the identification of the specific cost in the determined activity that is taking place to every area and departmental of the company or the business. This extends to the determination of the relation of the activities in the company. This budgeting form is best applied to the new business such as the I Can Business Incorporated because it deals with the day to day activities.

The goals and the objectives of the company are designed to move forward. This is due to the introduction of the data regarding the company's activities and showing how they relate to one another. These relationships of the activities help in the creation of a realistic budget for each department. The I Can Business Incorporate being a new firm is supposed to use the activity based budgeting. This will make it track the day to day use of the fund. This will help it to categorically determine the cost and the expenses of the departments. The management will be actively involved in the planning and tracing how the funds are being used. This will lead to a clear conclusion of

the use of the fund and the amount spent in the various departments. This makes it easier for the long run planning and budgeting.

Similarities of the operational budgeting and activity based budgeting

Both are the tools that are used in the business for planning. They have the aim of controlling the use of the fund and making sure the fund is directed to the right channel. This reduces the cost of the project operational from the unplanned activities. Therefore, they are the financial plan in the business sector. The operating budget and the activity based budgeting are the financial report that expresses the level of the business in the development. These reports show whether the firm is developing or if it is underdeveloped.

Differences

The operating budget is a business plan that is involved in the annual report of the budgeting. The activity based budget is concerned with the day to day operations of the business. The operating budget is the traditional style of budgeting and targets for revenues, expenses and based on the growth forecast of the business. It involves the economic factors and the consideration of the past growth trends for the business. On contrary to the activity based budget analyses opportunities and resource allocation meant to a specific activity. This is where the companies choose the project that is based goal and objectives.

Budget guidelines

The first step is to check to the company or the business' expenses to identify the fixed and the variable costs. Then in the step two, research is

done involving employees in come up with the effective method of cost cutting strategies. The third step is sharing the budget plan with other managers, accountant and the employees and making them accountable on the plans. The forth step is obtaining a system software that will be helping in the tracking the budget and alert if the processes is not as per budget. Finally, is setting of the goals and encouraging the employees to keep them as they implement. In conclusion, the I Can Business Incorporate management follows the basic guidelines of the budgeting. This will ensure the productivity of the company and the maximum utilization of the fund according to budget.

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