



CPL SOFTWARE

PARTNERS TO PROPERTY FACTORS
& BLOCK MANAGERS

**BUDGET GUIDE 2: SETTING UP
A BUDGET ON YOUR
DEVELOPMENT
TRAINING GUIDE**

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INTRODUCTION

This guide is the second in a series of guides to help you set up and run budgeted accounts for your developments. The guides in this series are:

1. Setting up your System for Budgeted Developments
- 2. Setting up a Budget on your Development**
3. Billing Your Budget Invoices to your Clients
4. Posting Actual Invoices Against your Budget
5. Creating Ad Hoc Invoices not linked to a Budget
6. The Budget Reconciliation Process

In order for a Budgeted Development to be able to have charges applied to the client accounts, you will need to set up a budget.

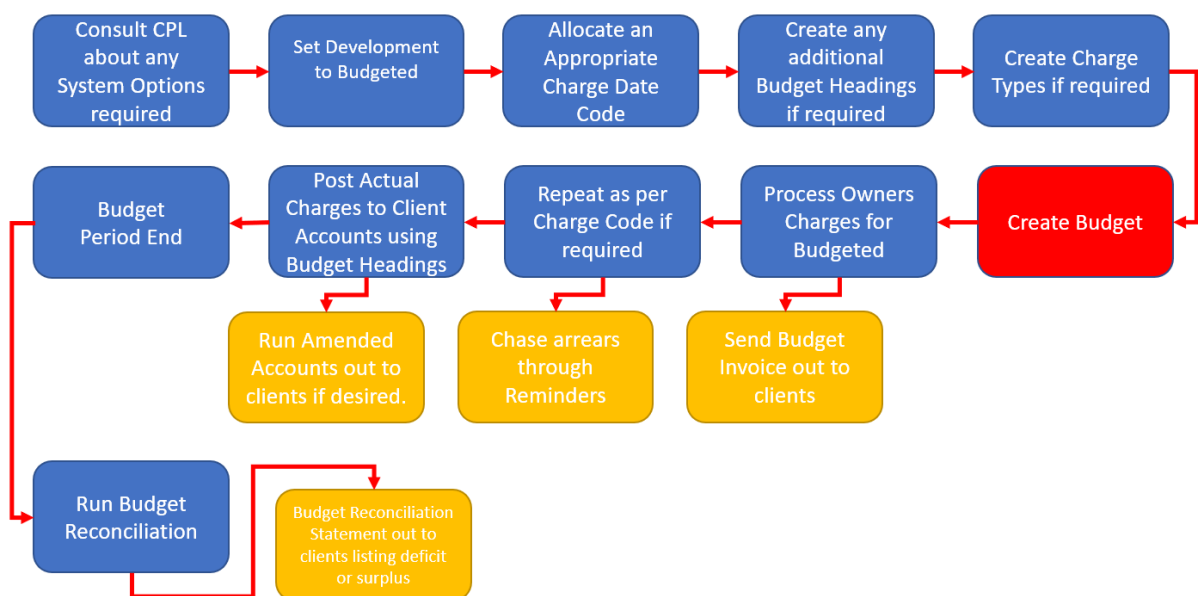
A budget outlines the items that you have based your estimated yearly charges upon.

Each Development will have its own budget with its own schedules and budget items entered into each schedule of the budget. A schedule is a container to hold items for your budget using the same apportionment.

Before setting up your budget you will need to consider the period you will be setting it to run for. Generally, budgets are set up for a period of a year but it is possible to create budgets for shorter terms, for example, 6 months. You will also need to decide how often you will bill the budget throughout the year. This could be monthly, quarterly, half yearly or annually, depending on your preference. You can also choose a period, for example monthly, but run this at the start of the budget period to bill everything in advance.

BUDGETED ACCOUNTS END TO END PROCESS

This diagram represents the end to end process for setting up and running budgeted accounts in CPL. This guide will concentrate on the red segment of the process.



SETTING UP PRE-REQUISITES FOR CREATING YOUR BUDGET

This guide presumes you have already created your development in CPL and selected **Budgeted** in the **Accounting Basis** field on the **Master** tab. It also assumes you have selected an appropriate **Charge Date Code** for charging out the elements of your budget to your clients.

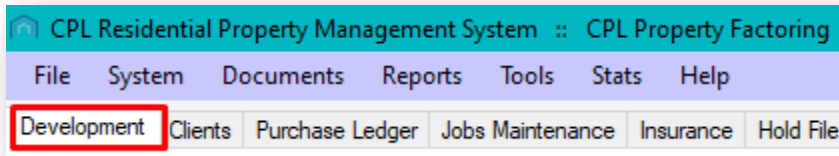
You will also need to have **Budget Headings** set up in order to use these when you are setting up your budget items. Budget Headings are the categories you will be filing the development's expenses against. These headings control the items in the budget and also the actual charges as you post these into the system. Your charges will appear under these headings on your client budget invoices and budget reconciliations.

Please consult the **Setting up your System for Budgeted Developments Training Guide** for more information on how to set up these pre-requisites.

There are various system options available to help configure budgeted accounts on your development and you will also find information on these in the above guide.

LOCATING THE BUDGETS TAB IN YOUR DEVELOPMENT

Click on the **Development** tab in the main CPL window.



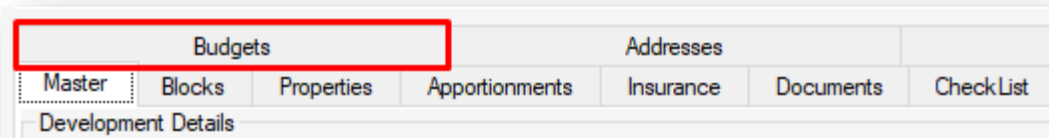
Click to select the correct development from the grid if it is already displayed, or use the search filter at the bottom of the screen to find your development.

Once you have located your development, double-click its entry in the main grid or click to highlight it and then click on the **Amend** button in the action bar towards the bottom of the screen.

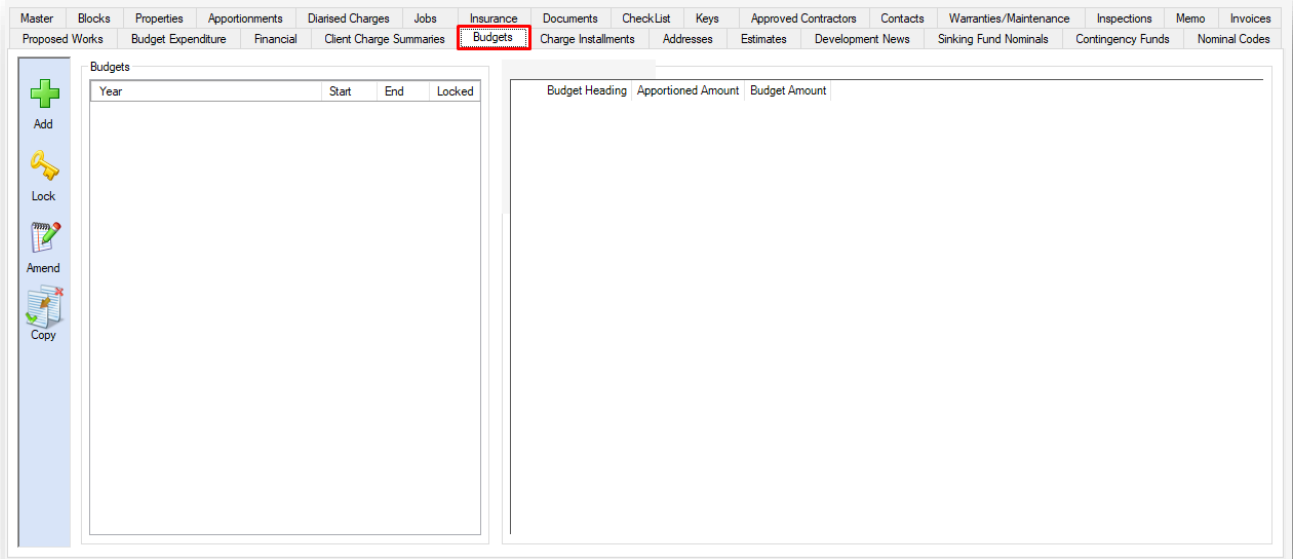
This will open the **Amend** screen for your development.

Click to open the **Budgets** tab for your development.

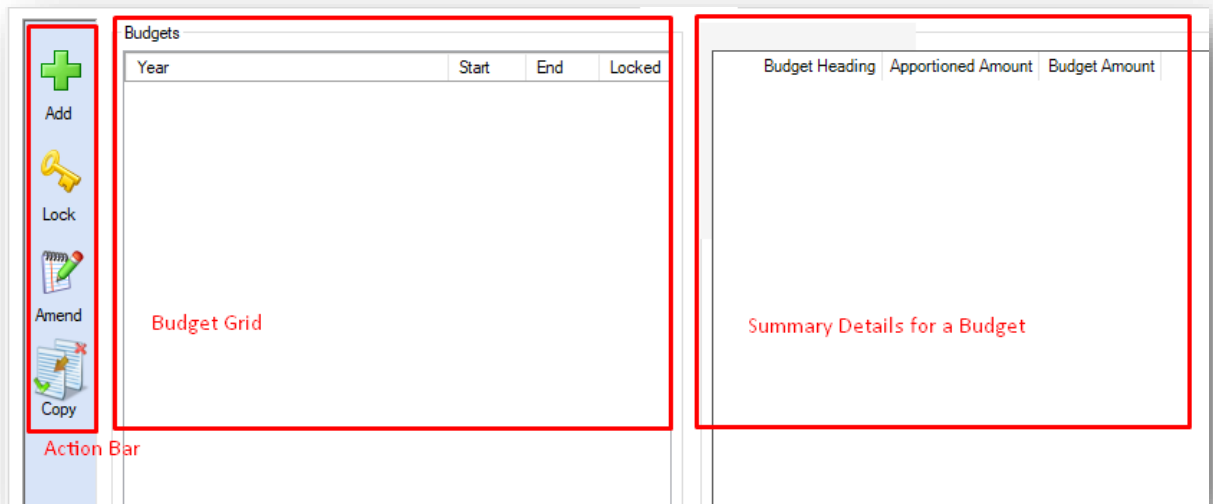
*Please note that, unless you have already selected **Budgeted** in the **Accounting Basis** field on the **Master** tab then there won't be a **Budgets** tab available to you. Please ensure you have done this first.*



This will open the Budgets screen which will be empty if you have never created a budget before. Otherwise any previous budgets will be listed in here.



This screen is made up of three main sections:

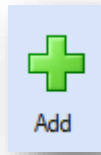


- The action bar on the left of the screen offers the options to **Add**, **Lock**, **Amend** and **Copy**.
- The grid on the left will display any Budgets for the development once these are created.
- The grid on the right of the screen will display summary details for a selected budget once it has been created.



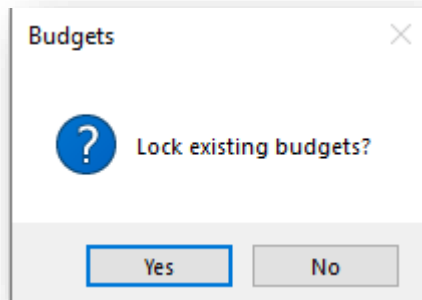
ADDING A NEW BUDGET

In order to set up a new budget, you need to click the **Add** icon in the action bar on the left.



In order to set up a new budget, CPL requires all other budgets are locked. It is important that if a budget is already being used for a development and billing clients that it is already locked. This means that in order to change something in the budget, it would first have to be unlocked with someone who had the correct level of permissions.

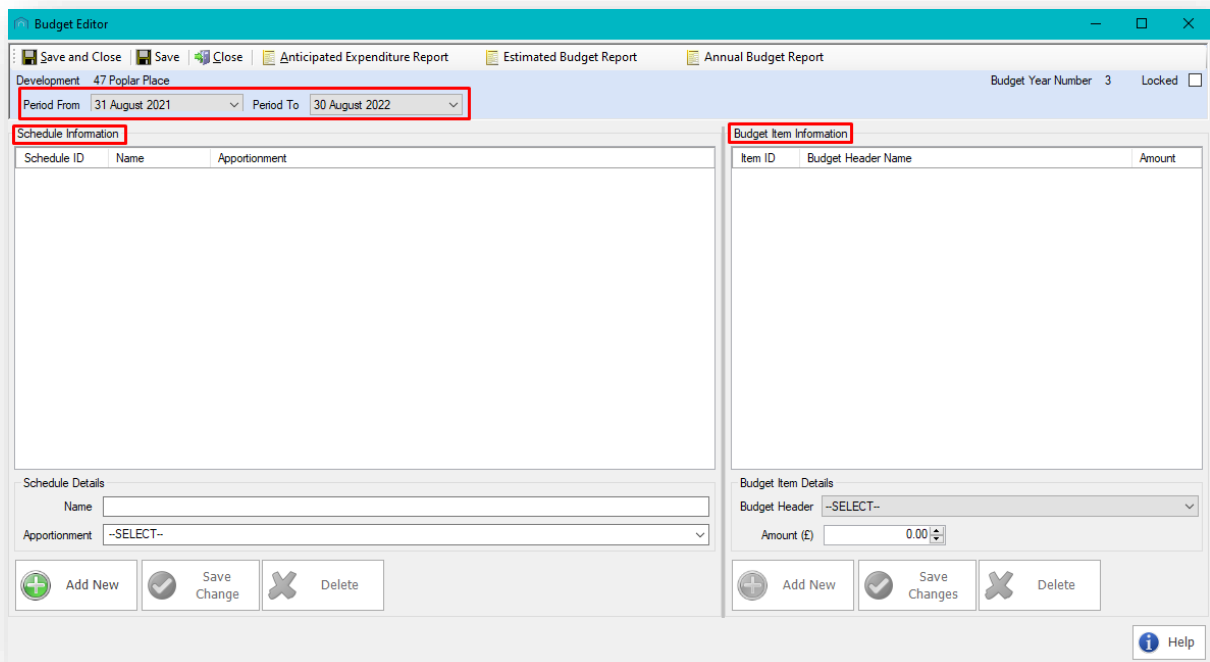
If, at this point, you already have one or more pre-existing budgets created, the system will ask if you wish to lock existing budgets.



Check that all other budgets are set up correctly prior to continuing by clicking **No**, or if you have already checked, then click **Yes**.

This will open the **Budget Editor** screen.

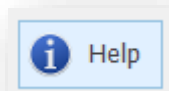
THE BUDGET EDITOR SCREEN



This screen is organised into three sections.

- The top pin panel where you can set the date the budget will run for.
- The **Schedule Information** panel where you will be setting up each of the schedules or budget groups.
- The **Budget Item Information** window, where you will see the details of the items you add to an individual schedule.

There is also a **Help** button in the bottom right-hand corner for you to consult if you would like any additional help.



The building blocks for creating budgets in CPL are **Schedules** and **Budget Items**. A budget will contain one or more schedules and each schedule can contain multiple budget items.

Each schedule you decide to create must be given a name and linked to an apportionment. A budget can have multiple schedules but each schedule can only be linked to one apportionment. The purpose of the schedule is to determine where a group of budget items are charged to.

Budget items are the individual charges which make up a schedule. Each budget item will have a budget header and an amount.

It is best practice to have as many items as possible that you think may occur throughout the budget period contained in your development's budget. For when additional repairs or basic unforeseen items do occur then you can choose to just charge these through as actual charges and have them come



through at the reconciliation at budget year/ period end or you could charge them through and run amended accounts for them to be billed immediately to your clients. However, your budget will be more accurate in terms of charges if you include as many expected charges as possible for the budget period.

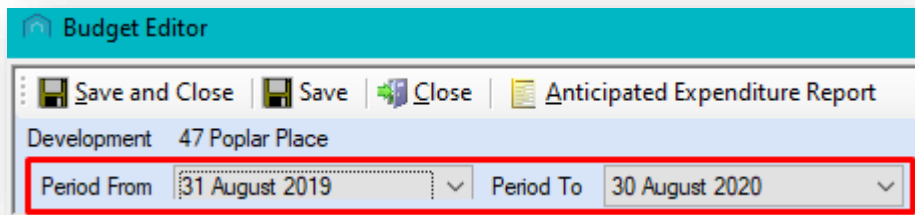
BUDGET PERIODS

To set up a budget, you will need to begin by telling the system what period you wish the budget to cover.

This should be for a period with no overlapping of dates. For example, 1st January 2020 to the 31st of December 2020, rather than 1st January 2020 to 1st January 2021.

The system will automatically allow for leap years so you do not have to calculate those.

Use the **Period From** and **Period To** fields at the top of the screen to enter a date range covering a full term for which you wish to run a budget.



It is possible to run a budget for a period shorter than a year. For example, you may wish to run a budget for a six-month or an eleven-month period on a new development in order to bring this in line with your standard budget year for the remainder of your developments.

The dates available, when you click on the drop-down arrows in these fields, will be based on the charge date code which you have already selected for the development. It will ensure that the end of your budget will coincide with the end of a charge date period.

Please ensure you have a suitable charge date code selected.

PRO-RATING WITHIN A BUDGET FOR BILLING A PARTIAL PERIOD

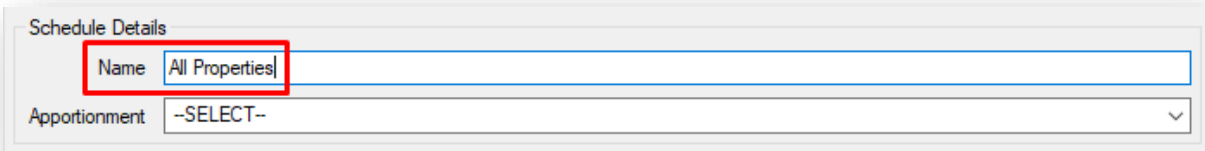
It is possible to have a budget created covering a set period and have this billed correctly when clients don't occupy until part-way through the period. This would be calculated correctly if the **Budget Pro Rate** System Option was activated.

For example, a company normally runs their budget periods from 1st Sept to 31st Aug. However, a new development has just come live and the move in date for clients is 1st October.

More information about billing for a budget which has been set up on this basis is available in **Budget Guide 3: Billing Budget Invoices to your Clients**.

ADDING A SCHEDULE

In the **Schedule Details** section towards the bottom of the left section of the screen, add an appropriate **Name** for your first schedule.

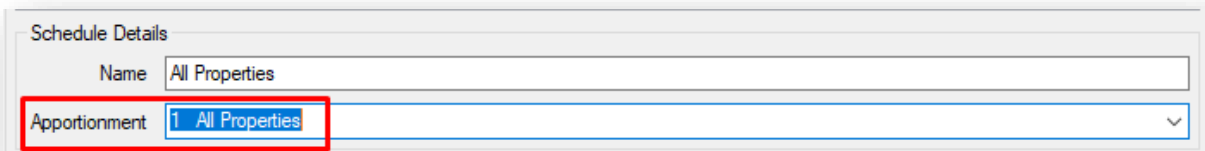


Schedule Details

Name All Properties

Apportionment --SELECT--

Beneath this, select the appropriate **Apportionment** that the schedule will use, from the drop-down menu of apportionments already set up for this development. This is how the charges will be split between the properties. The Apportionment is the *who* and the *how the charges will be split* for this particular schedule.



Schedule Details

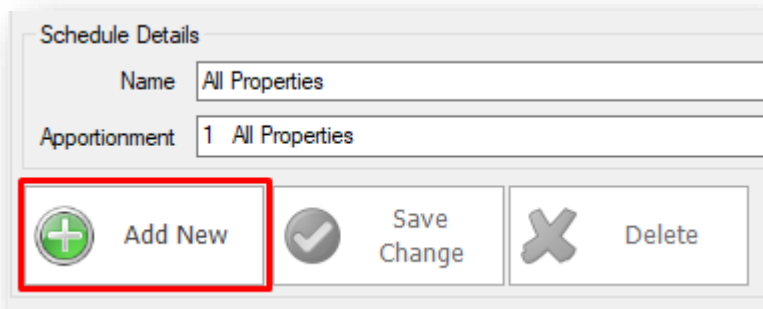
Name All Properties

Apportionment 1 All Properties

If you don't see an appropriate apportionment in the menu to apply to this schedule then you will have to create one. Apportionments are created on the **Apportionments** tab of the development.

Once you have given the schedule a name and selected an apportionment for it you can now add this to the budget and you will be able to edit it further.

To do this, click on the **Add New** button beneath the **Schedule Details** section.



Schedule Details

Name All Properties

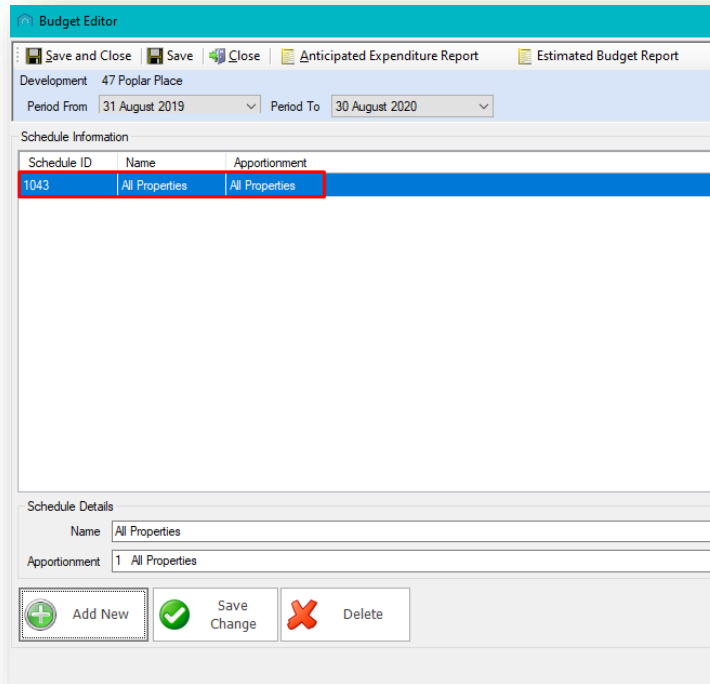
Apportionment 1 All Properties

+ Add New

✓ Save Change

✕ Delete

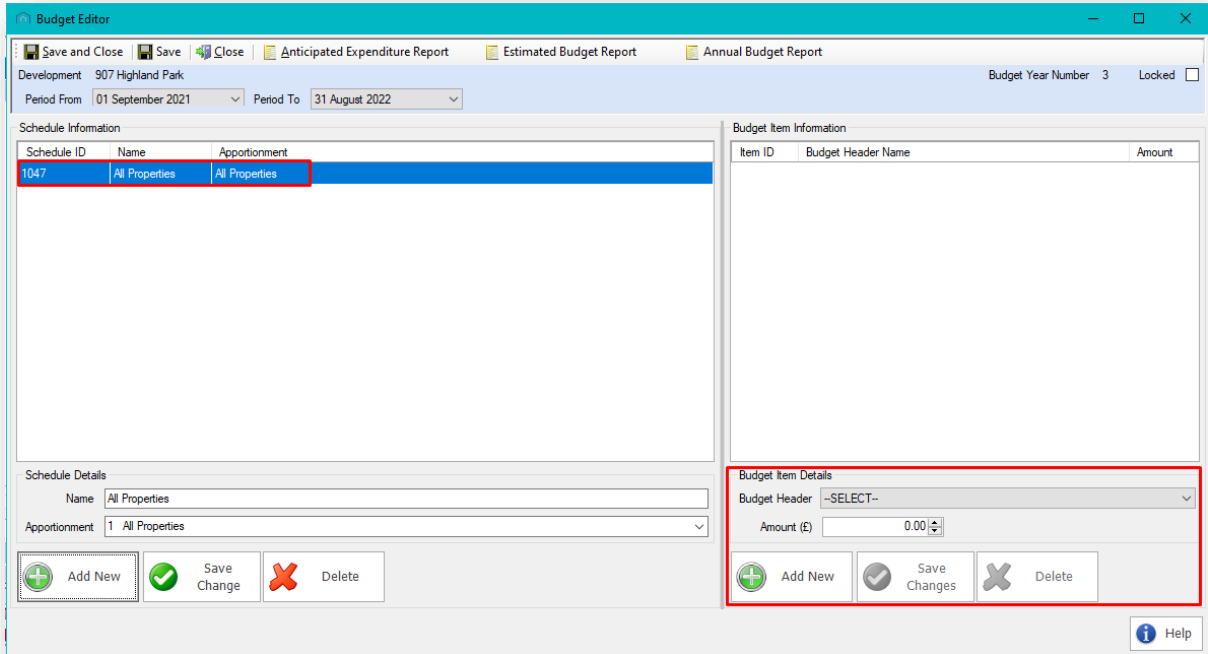
You will notice that your schedule has been created and is now added to the **Schedule Information** grid.



You can add multiple schedules to a single development. For example, you could have a maintenance schedule, a cosmetics schedule and so on with different budget items in each one. Because each schedule will have its own Apportionment, you can customise the percentage each client would be liable for under each schedule.

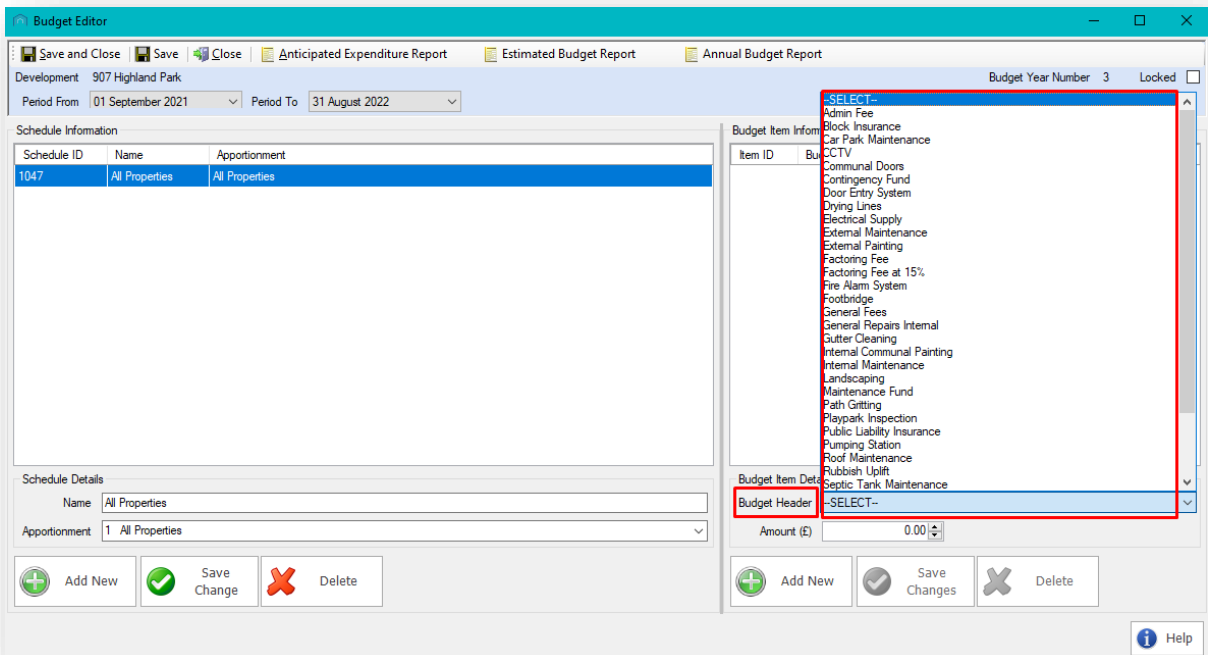
ADDING BUDGET ITEMS

With the schedule now added, you can add the budget items appropriate for that individual schedule. You will do this by using the **Budget Item Information** section on the right of the screen.



To get started, make sure you have the correct schedule highlighted on the left of the screen by clicking to select it.

Using the **Budget Header** drop-down menu, select a budget header from the list to use as your first budget item for this schedule.

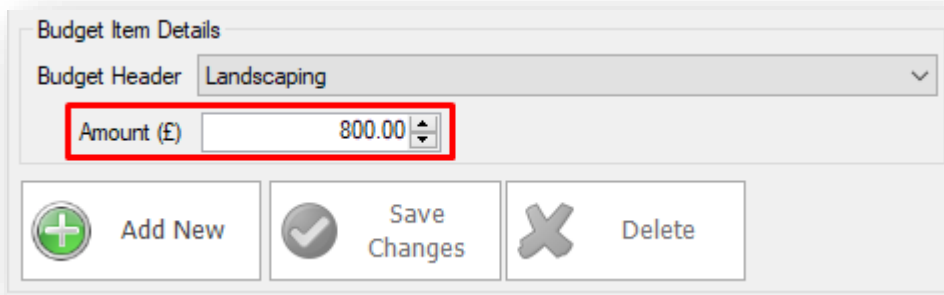


If you can't see an appropriate budget header then you will have to create one. Please consult *Budget Guide 1: Setting up your System for Budgeted Developments Training Guide* in the CPL Knowledge Base for information on how to do this.

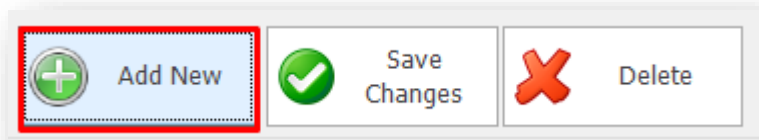
Once you have selected the appropriate budget header, enter a corresponding amount for this. This amount will be the total for the whole budget period, before being split across the clients in the apportionment.

For example, if landscaping costs are £200 for the whole development each quarter and your budget is for a year then enter £800. This will be split across all clients in the apportionment and if your charge date code is quarterly then it will be billed for £200 for each quarter.

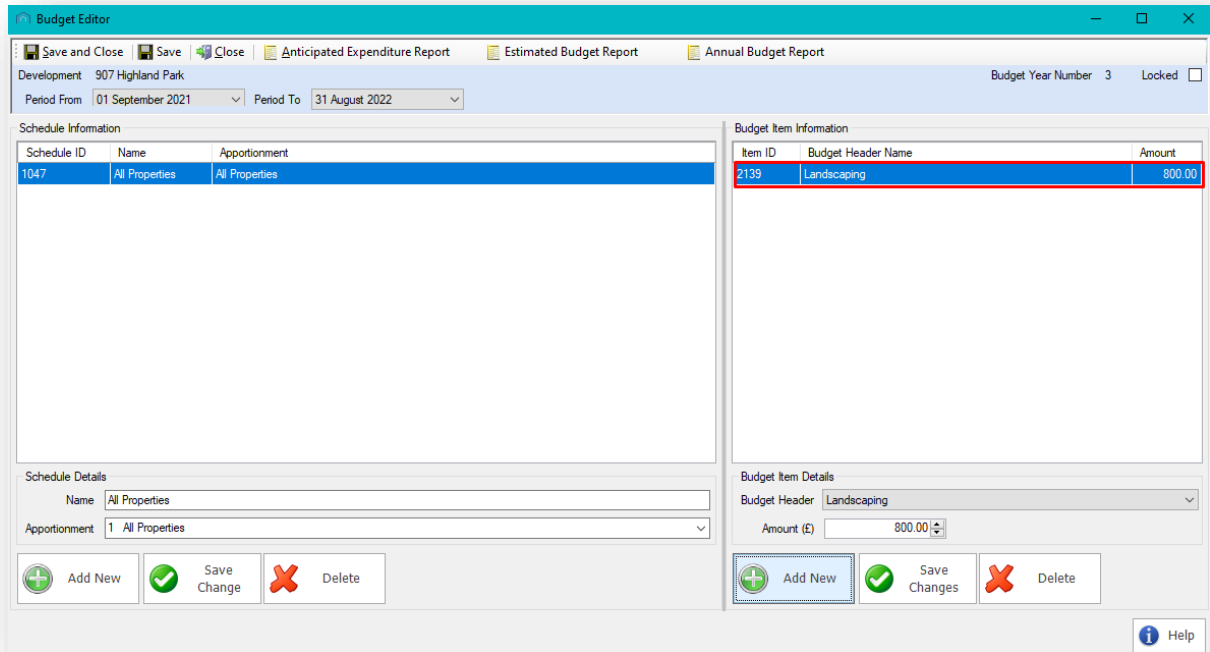
Type your amount into the **Amount (£)** field or use the arrow keys to set or adjust an amount.



Once you have entered an amount for your first budget header, click on the **Add New** button to add this item to the Budget Schedule.



Once you have clicked on the icon the system will insert the budget item into the **Budget Item Information** panel as below.

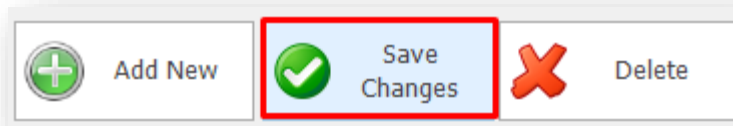


Repeat this process as many times as required to add all your budget items into your schedule.

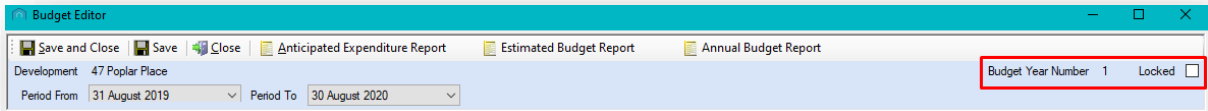
You could have the same budget items present in different schedules of your budget. For example, you may have created a schedule for Block 1 and another schedule for Block 2. Each of those schedules could contain a budget header for communal electrical supply in order to allow you to set them for different amounts for each block.

You could also have a schedule covering all of your properties and containing a budget item for landscaping. You could have another schedule for Block 3 in your development which also includes a budget item for landscaping as there is an additional area of the development which requires landscaping charges but is only paid for by clients in Block 3.

Once you have added all the budget items to your Schedule and you wish to save your changes, you can click the **Save Changes** button located in the **Budget Item Details** section of the screen.

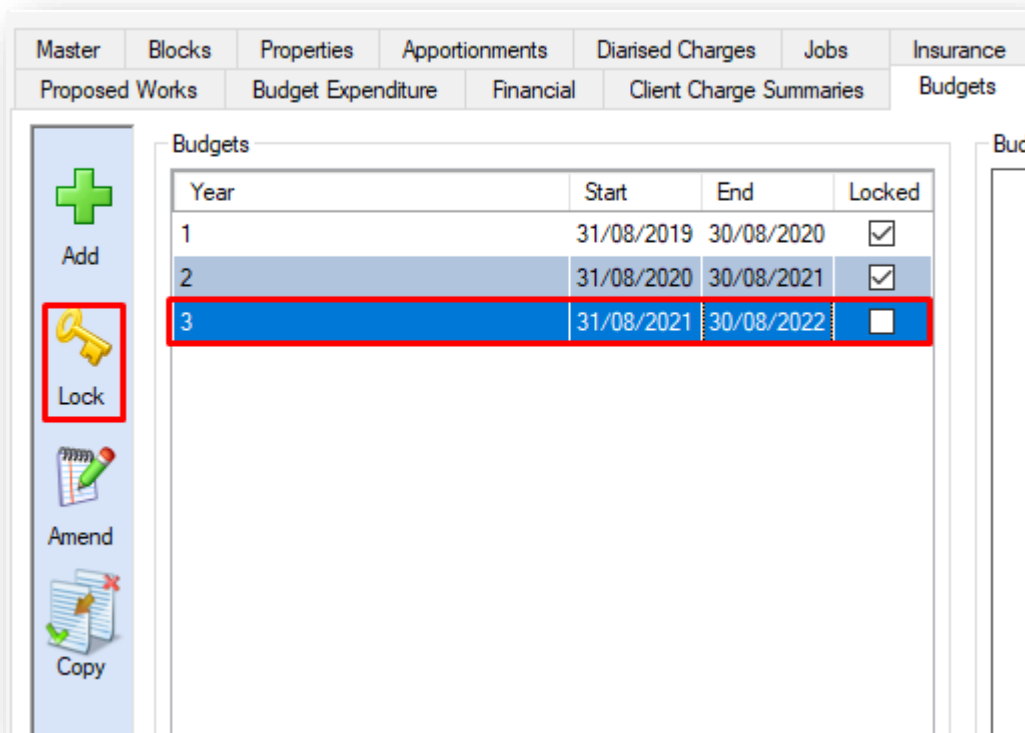


Once you have added all your schedules and budget headings and you don't wish to make any further changes you can choose to lock your budget to signify that this is completed for the period and you don't wish to make any additional changes.

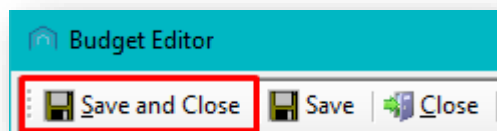


Once the budget is locked it can't be edited unless someone has the permission to unlock it and make changes. You should always ensure your budget is locked before you run your first budget invoice.

You can also lock the budget from the main budgets screen by using the **Lock** icon in the action bar on the left. Click to highlight the budget and then click on the **Lock** icon.



Once you are satisfied that your budget is completed, you can click the **Save and Close** icon in the top-left corner of the window to return to the main **Budgets** tab.

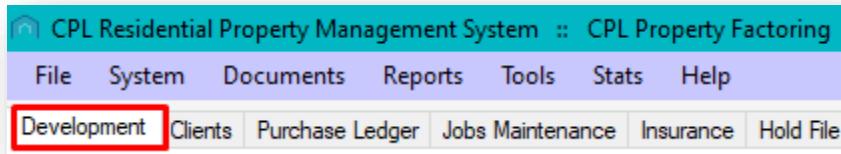


VIEWING BUDGET DETAIL

Now that you have created your budget, you can view this at any point from the **Budgets** tab in your development.

If you have closed your screen then follow the steps below to access it again:

Click on the **Development** tab in the main CPL window.

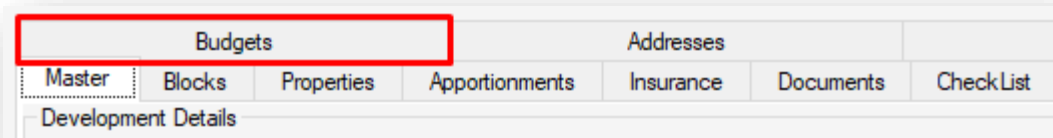


Click to select the correct development from the grid if it is already displayed, or use the search filter at the bottom of the screen to find your development.

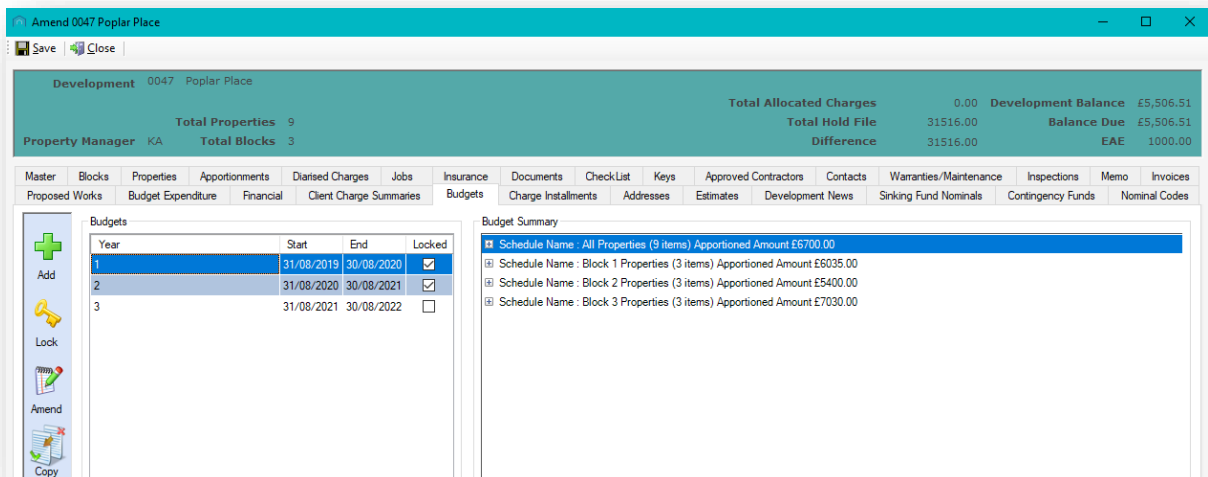
Once you have located your development, double-click its entry in the main grid or click to highlight it and then click on the **Amend** button in the action bar towards the bottom of the screen.

This will open the **Amend** screen for your development.

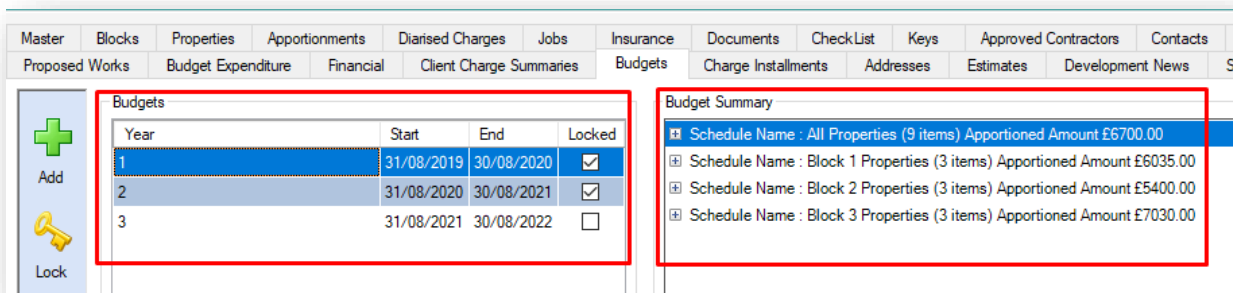
Click to open the **Budgets** tab for your development.



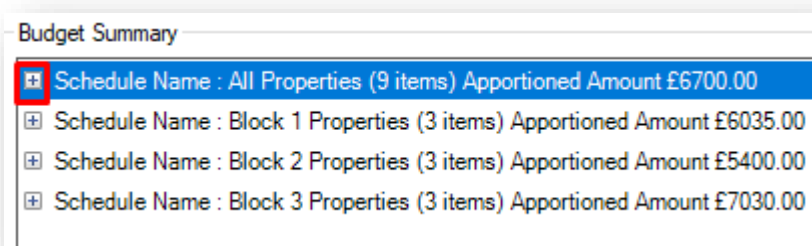
This will open the **Budgets** screen where you will see all existing budgets for this development listed.



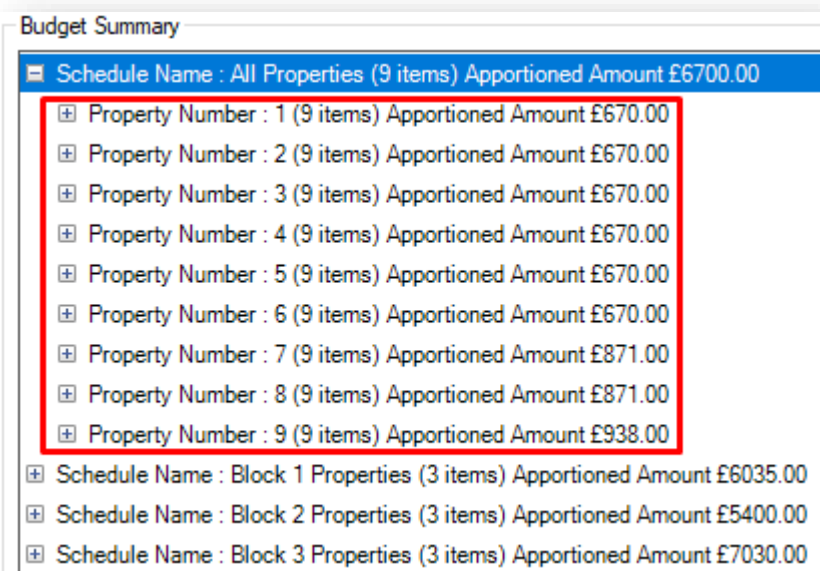
Click to select the budget you would like to view on the **Budgets** grid on the left of the screen and this will display all schedules for this budget on the right in the **Budget Summary** along with the total amount for the budget items in that schedule.



To view more detail on a schedule, with the correct budget highlighted on the left, click on the expansion box to the left of the **Schedule Name** in the **Budget Summary** field on the right of the screen.



This will expand the budget summary offering you information on how much each property has been apporportioned.



You can expand the information further by clicking on the expansion box to the left of the **Property Number** to see the apporportioned amount on a per-budget item basis.

[-] Schedule Name : All Properties (9 items) Apportioned Amount £6700.00

[-] Property Number : 1 (9 items) Apportioned Amount £670.00

Budget Heading	Apportioned Amount	Budget Amount
Car Park Maintena	£50.00	£500.00
External Maintenan	£50.00	£500.00
Landscaping	£100.00	£1,000.00
Factoring Fee at 15	£200.00	£2,000.00
Path Gritting	£20.00	£200.00
Electrical Supply	£50.00	£500.00
Block Insurance	£50.00	£500.00
Gutter Cleaning	£50.00	£500.00
External Painting	£100.00	£1,000.00

[+] Property Number : 2 (9 items) Apportioned Amount £670.00

MANAGEMENT FEES IN A BUDGET

It is possible to include Management Fees as part of your budget should you wish to do so. This will allow you to charge out for your management fees as part of your budget.

To do this you would set the total amount for the Management Fees across all clients in the schedule for the budget period.

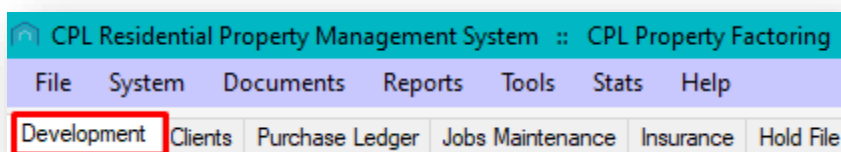
You would still process your Management Fees as you normally would through the **Management Fees** tab in the **Client Global** screen. Processing these would mean that they will sit in the Clients' Charge Transaction file until the end of the budget period when the budget reconciliation would be run. Running the reconciliation would effectively credit back all of the budget charges for the management fee and mean that your clients are not charged twice for their management fee.

REPORTING ON YOUR BUDGET

The **Budget Editor** screen for an individual budget is also where you can access reports for this budget.

If you wish to access these reports and have closed the screens then follow these steps to return to the **Budget Editor** screen:

Click on the **Development** tab in the main CPL window.

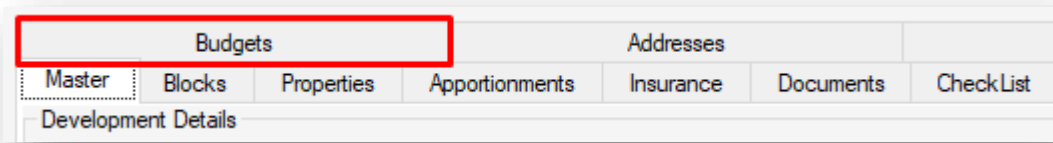


Click to select the correct development from the grid if it is already displayed, or use the search filter at the bottom of the screen to find your development.

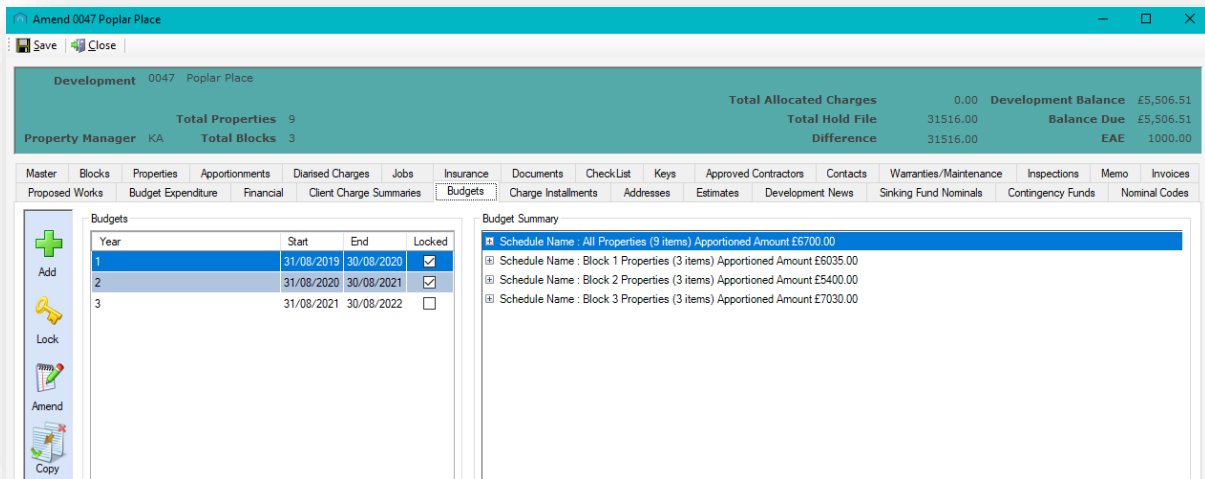
Once you have located your development, double-click its entry in the main grid or click to highlight it and then click on the **Amend** button in the action bar towards the bottom of the screen.

This will open the **Amend** screen for your development.

Click to open the **Budgets** tab for your development.

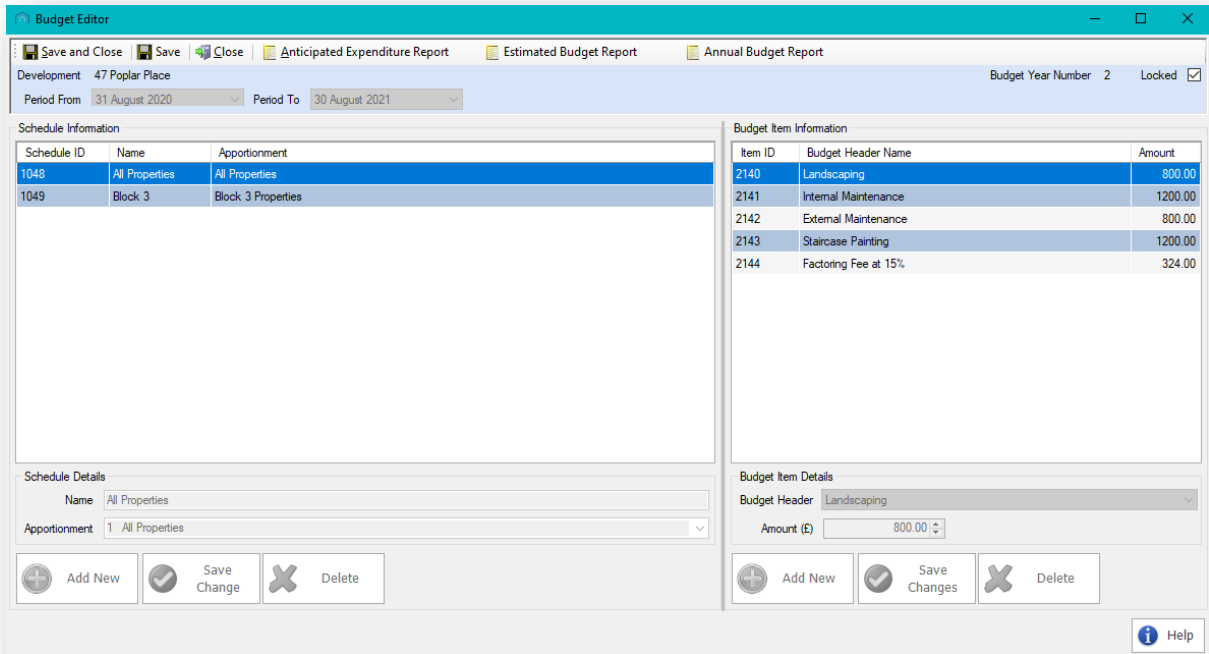


This will open the **Budgets** screen where you will see all existing budgets listed.

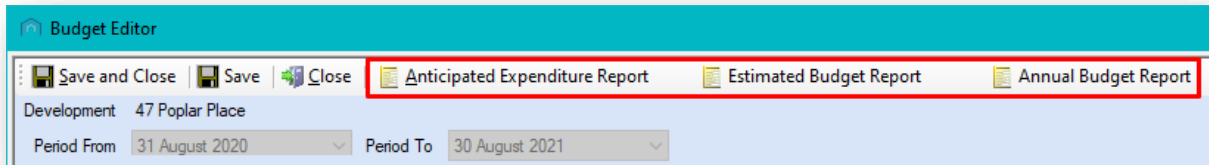


Click to select the budget you wish to view reports for and then click on the **Amend** icon in the action bar on the left or double click on the individual budget in question.

This will open the **Budget Editor** screen for this particular budget.



The links to access the three available reports are located across the top of the screen.



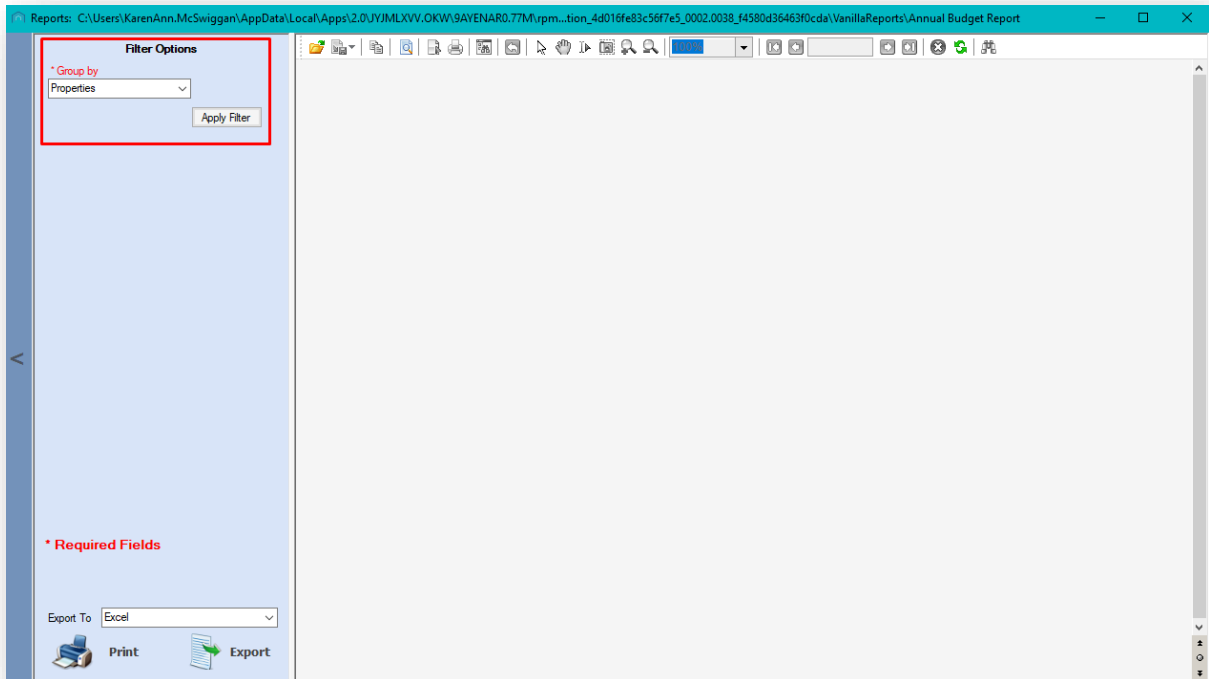
The reports available are:

- Anticipated Expenditure Report
- Estimated Budget Report
- Annual Budget report

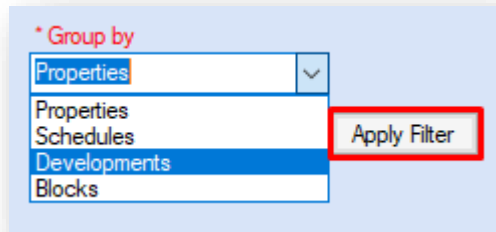
These can be used to keep you informed about how accurately you have set the budget for your development and how this unfolds as you progress through the budget period.

Clicking on any of the reports would launch a report window for the individual report.

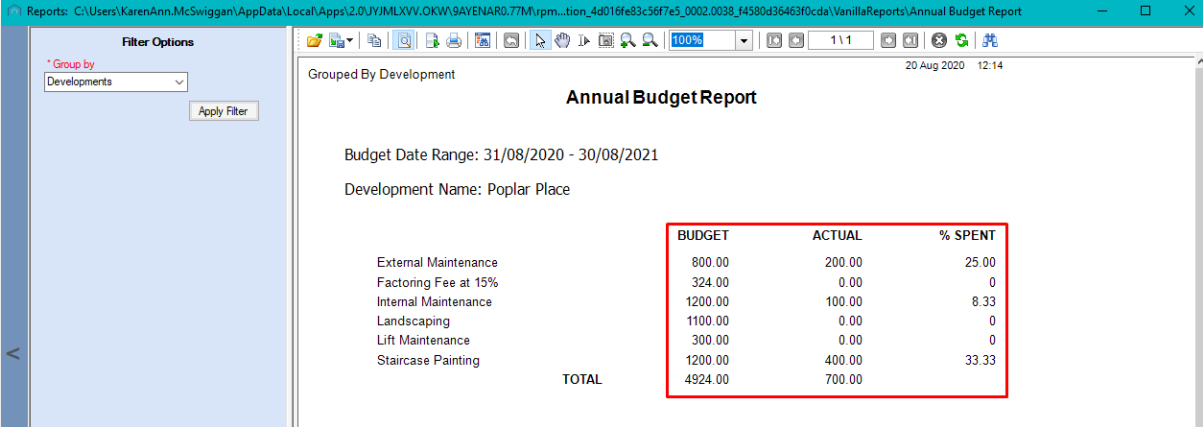
For example, below the **Annual Budget Report** has been selected.



On this report you can use the **Filter Options** on the left of the screen and choose to **Group by** different parameters.



Choose from the available options in the drop-down menu and click **Apply Filter** once you have made your selection.



	BUDGET	ACTUAL	% SPENT
External Maintenance	800.00	200.00	25.00
Factoring Fee at 15%	324.00	0.00	0
Internal Maintenance	1200.00	100.00	8.33
Landscaping	1100.00	0.00	0
Lift Maintenance	300.00	0.00	0
Staircase Painting	1200.00	400.00	33.33
TOTAL	4924.00	700.00	

You can see that this report, grouped by the whole development, is reporting on actual costs which have been charged against the budget items and the percent of the totals against these items which have been achieved to date.

These reports can be printed or exported in different formats as with all reports in CPL.

CPL KNOWLEDGE BASE

This training guide forms part of CPL's Knowledge Base which is available for all CPL users at <https://contact.cplsoftware.com/portal/home>

The CPL Knowledge Base will be continually updated with additional guides and information. If you have any questions or suggestions for further guides we'd be happy to hear from you. You can contact CPL Support by emailing us at support@cplsoftware.com or through our portal at <https://contact.cplsoftware.com/portal/home> or calling us on 0345 646 0240 (option 1).