



Budgeting & Forecasting: Creating a Vision for Financial Success

Outsourced Accounting Services

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Your Presenters

Davy Parsons

Partner



Davy is a partner in Forvis Mazars' Outsourced Accounting Services practice in Nashville. He has 16 years of experience with 11 years in public accounting and five years in the hospitality industry as the chief financial officer of a Nashville-based hospitality group.

He serves as engagement executive on numerous private-equity, family-owned, or privately held companies ranging in size from those with \$5 million in revenue to large, consolidated groups with revenues of more than \$150 million, including clients with international operations.

Davy and his team serve to bolster the finance and accounting function for their clients. Services include operational accounting, financial statement preparation, financial planning and analysis, budgeting, forecasting, assistance with investor relations, and debt compliance.

He is a member of the American Institute of CPAs and TSCPA.

Davy is a 2007 graduate of Auburn University, Alabama, with a B.S. degree in accounting and economics.

Andrew Horrow

Director



Andrew has 15 years of experience serving nonprofit and public sector organizations. He is versed in various aspects of internal and external reporting, grants management and procurement, system implementations, and accounting system automation design. He also has experience in dealing with tax matters for exempt organizations, payroll tax considerations, and other filings. He is a Director in Forvis Mazars' Nonprofit Digital Technology Strategy and Innovation team.

Prior to joining Forvis Mazars, he ran the accounting department for a large microfinance institution, helping them centralize all accounting systems for their nationwide operations. He also was a managing tax accountant at a regional public accounting firm specializing in Form 990 preparation and review.

Andrew is certified in FENXT and Sage Intacct. He has intimate knowledge and training on many other GL, AP, Budgeting, Purchasing, and Fixed Asset Platforms.

He is a member of the American Institute of CPAs and is a licensed CPA in New York and Pennsylvania.

Andrew is a graduate of Muhlenberg College, Allentown, Pennsylvania, with a B.A. degree in accounting and finance.

Objectives

Upon completion of this program, participants will be able to:

- Recognize how historical information & seasonality impact budgeting & forecasting.
- Discuss how a timely month close is crucial to aligning a budget.
- Identify significant impacts on revenue & how they influence projected revenue goals.

Different Types of Budgets

- Variable Budgets
 - If “X” happens we do “Y”
- Product Line Specific Budgets
 - Budget by product line or revenue stream
- Funding Specific Budgets
 - This budget is dependent on outside funding
- Operations & Cash Flow Budgets
 - Budget based on cash forecasts & flow

Any Good Budget Starts With a Monthly Close

Why is an efficient monthly close important to the budgeting process?

- Gives up-to-date actuals as a basis for the budget
- Allows for timely budget to actuals in order to plan properly
- Gives an up-to-date picture of the company



Have a Clear Budget Process

- Who should be involved in the process?
 - Finance, Management, Operations, etc.
- What are the goals & objectives?
 - How will the goals be accomplished?
- What is the timeline?
 - When does the budget need to be finalized?



Industry Benchmarks



- Companies can also use available industry benchmarks to develop clear & cohesive budgets & strategic plans
- Knowing what the standard is for your products & service lines can give planning a way up

Key Ingredients for a Good Budget?

There are many things that go into a solid budget in order to make it meaningful & useful to a company.



Historical Data



Projections



Strategic
Planning



Cash Flow

Companies should also consider when to start budgeting in order to have enough prior-year data for a starting point.

Revenue Projections

Knowing the factors of your company's revenue can assist in making a realistic accurate budget.

Customer Base

- Is our current customer base sustainable?
- What do we have in terms of guaranteed revenue?
- What is our churn rate?

Projected Growth

- Is the company entering new markets?
- Does the company expect any new products or product lines?
- Are we raising prices?

External Factors

- Are the economic conditions of our consumers going to affect our sales?
- Are there regulations or tax incentives that could drive or hinder revenue?

Working as a company to define what the biggest change factors will be can assist in making correct predictions.

Budget Reforecasting & Review

Unexpected events can impact the company's ability to achieve its goals & objectives.

- Budget provides a company with a road map to achieve their goals.
- Having a reforecasting process allows a company to predict the outcome of the budget & prepare for unexpected events.
- Being flexible will allow for greater commitment as needed for goals

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Questions?



Thank You for Attending!

Additional questions? Please contact us:

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