

The Simple Budget – Impact Leadership

Instructions:

Period

First, select the period of time that you would like to include in your budget. This could be for an entire year, quarter or a month. Enter your starting and ending dates here.

Projections

Here you will need to make some predictions on the percentages for your Net Operating Income and each individual expense “buckets”. It’s best to use historical data from your own practice. If you’re not sure, use these guidelines based on previously published data:

Net Operating Income	25-30%
Cost of Goods Sold (COGS)	25-30%
People	20-25%
Place	6-10%
Things	5-15%

Remember, these must total 100%.

Income

Here you will project your Income for the given period that you have chosen. Again, this can be accomplished by looking at historical data and building in growth over the prior period or prior year. Enter your projected income in the “Projected” box. You will enter the “Actual” information after the period is completed.

Expenses

Projected (%) – enter the percentage that you chose above. Multiply this percentage by your Income projection. This will give you the actual dollar amount projected for each expense category. Do this for each of the following categories:

- ✓ COGS
- ✓ People
- ✓ Place
- ✓ Things
- ✓ Net Operating Income (NOI)

Now enter any additional expenses you have unrelated to the above expense categories. These include:

- ✓ Bank notes
- ✓ Bank debt
- ✓ Lines of credit
- ✓ Equipment loans
- ✓ Other debt

Finally, enter your projected **Net Income**. This is the amount of income you expect to make prior to paying yourself, any associate OD’s, taxes and interest.

After you have completed the period and have gathered all of your financial results, enter your actual data in the “Actual” boxes and calculate the percentages for each category.

Analyze your data: Now take a few minutes and look at your results. How close were you to hitting your projections both in income and expenses? What areas need attention? What caused your projections to be off in any particular category? What could have been done differently to achieve your goals?