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**Excel for budgeting**

**Session Exercises**

**Exercise 1**

1. Go to the Basic project budget sheet
2. Calculate the staffing costs in cell E4 (=cost x quantity)
3. Now copy this formula down to E7
4. Calculate the total costs using =SUM formula. What is the total? *[Answer: £62,800]*

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1. Now click Ctrl Z or the back arrow and use the AutoSum function to calculate the total
2. Now change the number format in the Amount column to Currency
3. Now remove the decimal places using the  feature.
4. Now format the cells so there is bold outline around the outside of your budget, and the top row and bottom row, with figures bolded in these rows too.

*You realise that you’ve made a mistake and you should only have included part time salary costs for the project workers who work 21 hours (not 35 hours)*

1. Add a formula into cell C3 to recalculate the staffing costs. What is the total cost of the project now? *[Answer: £38,800]* Use the ratio of hours in the formula to calculate the lower total salary =30000\*21/35 or 30000\*3/5

**Exercise 2**

1. Go to the Simple organisational budget sheet and format it as above (number format & borders)
2. Add total calculations in cells B16 and B25
3. Now add a formula in cell B27 to show the balance total (income – expenditure) Is this a balanced budget?

*[Answer: Yes – the balance is 0]*

*Although originally you were being gifted art materials in kind, this arrangement fell through and you had to spend £300 on purchasing new materials.*

1. Add the £300 expenditure to cell B6
2. What does the balance show in B24 now? Does it show an overspend or underspend? *[Answer: -£300]*
3. Now add Conditional formatting to this cell (In the Home tab, Conditional formatting / Highlight Cell Rules / Less than and then add 0 and Customise the formatting to be bright red text. *[Answer: -£300]* showing in red text.
4. Now amend the income from fundraising events to be £6,600 and see how cell B24 changes format. *[Answer: £100 – showing as default black text]*

**Exercise 3**

*Many funders allow you to increase funding in subsequent years to cover increases in costs.*

1. First unhide columns D & E (highlight columns C & F and right click and select Unhide)
2. Now add a formula in cell C3 to calculate the 3% inflationary rise (Yr 1 CEO salary + 3% of Yr CEO salary) Tip – reference Cell E2 in your formula
3. Copy down the formula to subsequent budget lines – does this look correct?
4. Now use the Absolute Cell reference in the formula in C3 ($E$2).
5. Now recopy down this formula.
6. Copy the Total formula across from cell B13 to C13
7. What is the difference in Total expenditure? *[Answer: £2,985 more in Year 2]*
8. Now change the inflationary rise percentage to 4%. What is the increase now?

*[Answer: £3,980 more in Year 2]*

**Exercise 4**

*Your calculations for the 3% inflationary rises in costs to deliver your organisation’s projects results in a negative balance against fixed income for this year. You need to income generate to cover this shortfall and start to charge to run Art sessions for other organisations.*

1. Change the % inflationary rise back to 3%
2. Go to the Income generation forecast sheet – notice the data is displayed in a Table
3. Enter a formula in cell E4 to calculate the profit made on the first session for Local Authority A (Charge – Costs). You’ll notice as in a table – the formula automatically copies down to cells beneath.
4. Select any cell within the Table and click the Table design tab at the top
5. Check the Total row box and the profit total will display in cell E14. What is this? *[Answer: £2,800]*
6. Copy the formula to the left to see totals for the charges and costs columns
7. Now go to the Organisational budget tab and start a calculation in cell C24 by entering =
8. Now go to the Income generation forecast tab and select the Profit total (Cell E14) and press Enter (you should now be taken back to the Organisational budget)
9. What is the balance in Yr 2? *[Answer: -£85]* This should be showing in red if you’d copied the formula and conditional formatting across from the Year 1 balance.
10. Now add in figures for charges and costs in Jan – March in the Income generation forecast tab
11. Go back to the Organisational budget. What’s changed? Does year 2 now show a deficit or profit? *[Answer: Balance is now showing a profit of £1,015]*

**Exercise 5**

*Many funders will allow you to include organisational overheads when applying for project funding. This could be a flat 10% or similar amount. But you can also apportion these overhead costs using a Full Cost Recovery methodology.*

1. First go to the Basic project budget sheet and add a formula to cell E9 to calculate 10% of the Community Food Project budget (= total \* 0.1). What is this? *[Answer: £3,880]*
2. Now go the Full cost recovery sheet
3. In cell D3 – add a formula to calculate the overheads needing apportioning to projects in Year 1 (=costs – core funding) and copy the formula down
4. Use the AutoSum function in D7 to calculate the total. What is this? *[Answer: £18,100]*
5. Now in Columns E & F, add a formula to calculate apportionment of these costs to the Food project (two thirds) and the Art group (one third) using =overheads to apportion x fraction to apportion
6. How much overheads in total are apportioned to the Food project? *[Answer: £12,067]*
7. What percentage of the Community Food Project does this Full Cost Recovery figure equate to? (Go to the Basic project budget sheet and start a calculation in cell E10 using =. Then go to the Full cost recovery tab and select the amount apportioned to the Food project cell E7 and the divide operator and go back to the Basic project budget sheet and select the Total project cost in cell E8 and hit Enter.
8. Now change this cell E10 to a Percentage number format. What is it? *[Answer: 31%]* This is quite high – funders usually fund between 10% and 20% so you may need to fundraise to raise additional unrestricted budgets to allocate towards these organisational overheads.