

# Budgets and Managing Money

This two-day workshop will help you teach participants:

- The basics of accounting and finance
- How to identify their role in finances
- How to look at financial reports, including a profit and loss statement, an income statement, and a financial statement
- Ways to track business expenses
- How to develop a good budget
- Things to think about when deciding what accounting method to use
- Simple ways to manage money to generate a profit
- Ways to compare investment opportunities
- What to do when finances affect people
- About the ISO 9001:2000 series
- Decision-making skills

## **Introduction and Course Overview**

You will spend the first part of the day getting to know participants and discussing what will take place during the workshop. Students will also have an opportunity to identify their personal learning objectives.

## **Finance Jeopardy**

This fun exercise will help you introduce some key concepts and ideas to participants.

## **Your Role in Company Finances**

Every employee in a company has a role in company finances. Understanding and acknowledging that role can help employees better contribute to their company's financial success. This session will provide the framework for participants to discuss how they are involved in their company's finances.

## **What is Finance?**

During this session, we will discuss what finance is and what its three steps are.

## **Getting to Know the Players**

During this session, you will review a traditional organizational business chart with participants and discuss the different players in a company's finances.

## **Record Keeping Terminology**

If participants are going to be doing any sort of money management, they will need to be familiar with the terms accounting, GAAP, and bookkeeping. This session provides a lecturette covering these terms.

**The Balance Sheet**

The purpose of a balance sheet is to show what a company owns and owes on a specific date. We will examine a sample balance sheet in detail.

**Liabilities and Equity**

Determining a company's liabilities and equity is a key part of assessing the financial health of the company. We will discuss how to calculate the liabilities and equity of a company, using Smith's Gourmet Food as an example.

**Profit and Loss Statement (Income Statement)**

During this session, we will discuss the profit and loss statement and some other key concepts, including methods of recording transactions, accounting periods, and accounting systems.

**Tracking Business Expenses**

Keeping track of expenses such as purchasing supplies, travel, and entertainment, is crucial, particularly at tax time. We will take a quick look at proven ways to record these expenses.

**Analyzing Financial Statements**

You don't need an MBA to grasp the basics of a financial statement, but you do need to know how to use the information they contain to clearly understand what's happening in the business. We'll cover the basic things you need to know when looking at a financial statement.

**Encyclopedia Excitement**

This session will help you review what you have covered so far through a fun, energizing exercise.

**Using Accounting Software**

With the proliferation of the PC and computerized accounting packages many companies do their bookkeeping digitally. However, some companies choose to do their bookkeeping by hand. How do you decide what accounting method to use? We'll give you some tips.

**The Importance of Bookkeeping**

During this session, participants will read an article that highlights some of the ethical concerns surrounding accounting. Then, the class will discuss the article as a large group.

**Pre-Assignment Review**

To wrap up the first day, we have provided answers to the pre-assignment.

**Budget Basics**

What is a budget? What types of budgets are there? How do you prepare a budget? In this session, you will discuss all of those questions, and more, with participants.

**Managing Profit Performance**

Just how do you balance finances to bring a profit to your company? We will discuss some things to consider in this session, including types of costs.

**Comparing Investment Opportunities**

Investment opportunities within the business can be big decisions that require proper planning. We will cover two basic concepts that you should consider when comparing investment opportunities.

**The Human Aspect**

Dealing with finances isn't all numbers. What if an employee's expense report doesn't look correct? Or what if you have to make cuts to someone's pay? Participants will examine each situation in small groups, and then provide some tips on what to do.

**Credits vs. Debits**

Credits and debits (what comes in and goes out of your accounts) are a crucial part of your business' financial health. You will review a sample balance sheet and income statement (showing where the credits and debits appear on each) using provided PowerPoint slides.

**ISO 9001:2000**

The ISO 9001:2000 series is a structured process through which a company can raise the quality of the products and services that they provide, and then maintain that level. This session will explore the basics of ISO 9001:2000 and the advantages of the program.

**Decision Making**

Participants will spend the entire afternoon of Day Two doing an intensive role play. They will play the role of Operations Director of the Peerless Data Corp. As the trainer, you will ask them to make five financial decisions. After each decision is made, debriefing points are provided. We have also provided discussion questions for the end of the exercise.

**Workshop Wrap-Up**

At the end of the day, students will have an opportunity to ask questions and fill out an action plan.