Data Miner Techniques
Understanding Expense and Revenue in YTD Budget Status Dashboard

The YTD Budget Status dashboard displays both Expense and Revenue budgets and activity.

Expense Scenario 1
A department wants to purchase a copy machine for $4,000. An employee runs the YTD Budget Status dashboard to determine if the department has enough funds for this purchase and gets the following result:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>YTD Budget</th>
<th>YTD Actual</th>
<th>YTD Encumb</th>
<th>YTD Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense</td>
<td>$410,673.88</td>
<td>$136,886.60</td>
<td>$189,227.35</td>
<td>$84,559.93</td>
</tr>
</tbody>
</table>

YTD Budget column shows the amount allocated for the fiscal year (FY).

YTD Actual column shows the amount actually spent this FY.

YTD Encumb column shows the amount set aside for future expenditures, such as payroll or expenditures on a purchase order for this FY. (Items to be purchased with a PCard cannot be encumbered.)

YTD Variance column shows the amount available, $84,559.93 in this case, for the remainder of the FY.

YTD Budget minus both YTD Actual and YTD Encumb equals YTD Variance

$410,673.88 - $136,886.60 - $189,227.35 = $84,559.93

$84,559.93 is available to spend for the copy machine.

Expense Scenario 2
A department is considering purchasing a chair for $800.00. An employee runs the YTD Budget Status dashboard to determine if the department has enough funds for this purchase and gets the following result:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>YTD Budget</th>
<th>YTD Actual</th>
<th>YTD Encumb</th>
<th>YTD Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense</td>
<td>$2,820.00</td>
<td>$3,060.00</td>
<td>$0.00</td>
<td>($240.00)</td>
</tr>
</tbody>
</table>

$2,820.00 - $3,060.00 - zero = ($240.00)

The account is overspent by $240.00 and does not have enough funds for the purchase of the chair.
Revenue Scenario 1

A department budgeted the amount of funds it expects to receive from ticket sales for an event. Now the department wants to verify if actual sales to the event have reached the original budgeted amount because the amount budgeted for event expenses was based on the projected revenue from the event expenses. An employee runs the YTD Budget Status dashboard and gets the following result:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>YTD Budget</th>
<th>YTD Actual</th>
<th>YTD Encumb</th>
<th>YTD Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>($70,000.00)</td>
<td>($35,996.41)</td>
<td>$0.00</td>
<td>($33,003.59)</td>
</tr>
</tbody>
</table>

**YTD Budget** is a **negative** number showing the amount the department expects to receive in revenue this fiscal year (FY).

**YTD Actual** shows the amount **actually** received this FY as a **negative** number.

**YTD Encumb** should always be zero for revenue accounts.

**YTD Variance** shows the difference between the budgeted amount and the amount actually received, $33,003.59 in this case.

YTD Budget minus YTD Actual equals YTD Variance

($70,000.00) – ($35,996.41) = $33,003.59

$33,003.59 still needs to be received in order to meet the budgeted amount. Because the department has not reached the original budgeted amount of revenue, it should monitor the revenue carefully during the fiscal year to determine if it needs to cut expenses or try to increase ticket sales.

Revenue Scenario 2

A department budgeted the amount of funds it expects to receive from conference registration fees. Now the department wants to verify if actual fee receipts have reached the original budgeted amount because the amount budgeted for conference expenses was based on the projected revenue from the conference fees. An employee runs the YTD Budget Status dashboard and gets the following result:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>YTD Budget</th>
<th>YTD Actual</th>
<th>YTD Encumb</th>
<th>YTD Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>($10,000.00)</td>
<td>($13,620.00)</td>
<td>$0.00</td>
<td>$3,620.00</td>
</tr>
</tbody>
</table>

($10,000.00) – ($13,620.00) = $3,620.00

The account has received $3,620.00 more than it expected to receive. This conference has generated more than enough revenue to cover expenses for the conference.