

Streamlining the Budget Process

Albany International Airport Embraces Technology

BY MICHAEL F. ZONSIUS



Make technology fit your needs, rather than making your needs fit technology. Embrace it! Everyone is familiar with the budget process diagram that shows a circle made up of four arrows: it's a repetitive process done every year, over, and over, and over. And this kind of repetition is a perfect fit for technology.

At the Albany County (New York) International Airport, the budget preparation process typically begins each year when an organization distributes the same spreadsheet to each of its department managers. The spreadsheet format includes four columns: the previous year actual results, current budget amounts, estimated current year projections, and next year's requested budget, account line by account line. Each department then completes the last column and returns the spreadsheet to the budget department, which in

turn merges all the departments' spreadsheets into one consolidated budget document. This process has worked for many years, but using the right technology can make it work more efficiently and with greater accuracy.

A NEED FOR CHANGE

Recognizing that the budget information received from each department was often late, and frequently the same as the previous year, the airport's finance department set out to create an in-house budget software program. One goal was to enter data once and only once, centralizing all input budget data in one database, thereby eliminating the use of multiple spreadsheets or subsidiary ledgers. Spreadsheets are phenomenal financial tools, but they are not databases, which allow information to be easily sorted and grouped for reporting purposes year after year.

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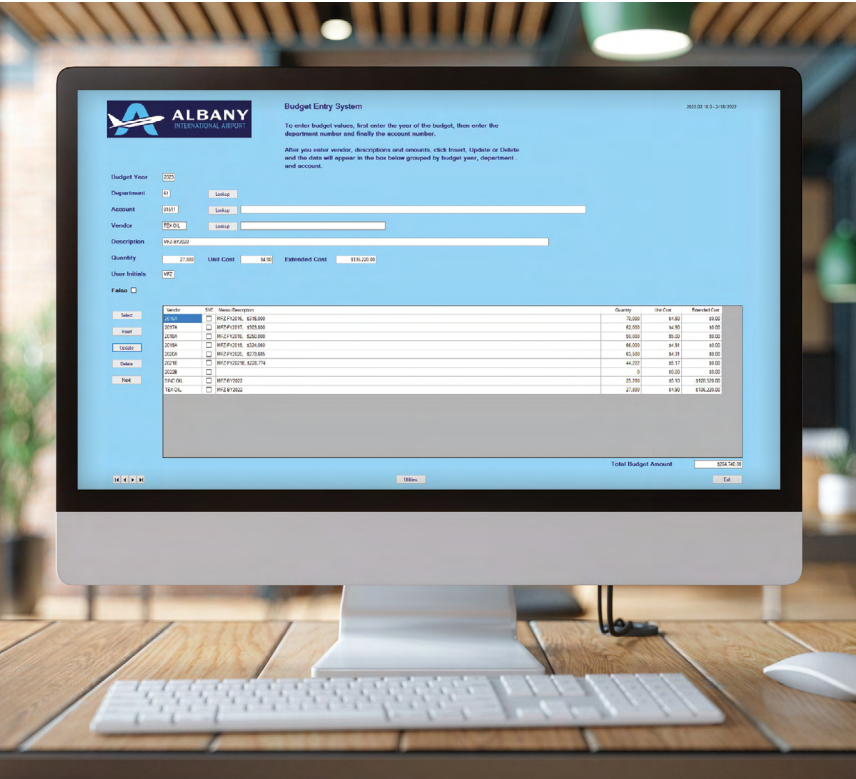
Let's face it: The joys of reporting in a database can be compared to pounding railroad spikes with a mallet versus a screwdriver. And another goal was to reduce the time and anguish a department manager spends preparing the budget, allowing them to maximize the time spent attending to their department's specialized needs.

The budget for the year ending December 31, 2021, began as a zero-based budget, and the detailed line items were then added in each account for that initial year. In subsequent years, the detail is retained and rolled over into the next year's budget cycle, so this information does not need to



Located six miles northwest of the New York state capital, Albany International Airport is the region's major air center and one of the top economic development generators in upstate New York. In 2021, the airport completed a major rebranding.

EXHIBIT 1 | BUDGET ENTRY SYSTEM



be re-entered each year, merely manipulated with either quantity or unit cost differences.

The finance department created software that prepares the annual budget for each department, listing their accounts with multiple detailed line items (see Exhibit 1), and all the input data is stored in a Microsoft SQL Server.

The integral aspect of the software is the input sheet, which is easy to use. The input screen includes the year and account string that will identify the account line item being budgeted. Each account line item then includes a vendor/other, description, number units, unit price, and the extended cost, and there are lookup fields, along with the account string information. Users can also hide the detail for the selected accounts, if they prefer, so others outside the department

can't see that information. When the budget is completed, the information is uploaded into the accounting software, along with the actual amounts in the current budget year.

THE BEST PART

This may sound all too familiar, but here's where it gets exciting: On the first day of the next year, all detailed information is rolled over into the new budget year. This feature allows department managers to look at the detail of each account throughout the year for ease during this next budget year, allowing amendments "on the fly." Managers no longer have to wait until the start of the budget process to fill in the budget during a specific window of time. As the department manager comes across abnormalities in their budget, they can input the information at that time, instead of having to wait for

months until the budget process starts over.

This budget program provides a living and breathing document that is used as an ongoing tool throughout the year; it isn't a "one and done" application. This improves the budget's accuracy and lessens the amount of time department managers spend on the budget process. Managers don't have to search for the information down the road—all the information is in one centralized database.

Keeping the budget open throughout the year allows managers to use the input screen as a tool. For example, during the accounts payable process (or by happenstance), managers might come across additional needed information, and they can enter it immediately. We all know how often invoices are received for items that were not included in the budget. It might be too late for the current year, but now those items can be added for next year's budget.

FLEXIBLE AND USER-FRIENDLY

Inputting budget information becomes a flexible process that makes the budget process more user-friendly. For instance, when revenues are entered, the Vendor/Other field can be used as the year for historical (information only) actual results, and the Extended Cost field can be zeroed out to maintain the integrity of total cost for the budget account. This keeps all relevant historical information on one screen, and the user doesn't have to keep supplemental information in other places. In addition, the detailed line items can be input as negative amounts, so budget amendments can be easily tracked.

Reports for the budget document are prepared via Crystal Reports, and the preparer has varying



“ In my 21 years as fire chief at the Albany International Airport, the yearly budget process has had several different formats. At the start of the 2021 budget year, a new system was installed called the Budget Entry System. I found the new system user-friendly, as I was able to adjust budget lines not only during the planning period, but also throughout the year. The new system enables me to start on the next year’s budget early, instead of having a short time period to complete my new budget as in the past.”

— DAVID COOK, FIRE CHIEF

degrees of disclosure available. The budget information for each line item can be shown in detail or in summary to avoid the disclosure of sensitive information, such as salary. Furthermore, the definitions for account line items can be displayed at the discretion of the preparer. The five basic reports in the budget document are: 1) an overall report including revenue and expenses by category; 2) a summary report for revenues and expenses by account number; 3) a report for department expenses by account number; and 4) detailed department expenses by account number (which is included as a reference document, although it isn’t included in the published external budget document because of length).

Personnel expenses are added into the database by position, eliminating another spreadsheet.

And for reporting purposes, for any account, the detail can be hidden so others aren’t able to view sensitive information.

For year-end processing, the budget program has two process features: 1) a process to load the budget information by account string in the general ledger software, and 2) a process to load all budget detail into the succeeding year’s budget.

CONCLUSION

Allow your department managers to participate in the budget process without spending the additional time re-entering data from the previous year. Embrace technology and develop the technology to fit your needs. ■

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