

Visual Cash Focus.
Version: 6.205

This document describes the new features and enhancements released in Visual Cash Focus version 6.205.

New feature: miscellaneous items enhanced

Example: Hotel:

The hotel is a simple example; the principles discussed apply to any organization.

A hotel wants to do their budget based on the number of hotel rooms they have available "for sale" per month.

To base the budget of an account on some miscellaneous (non-financial) item e.g. number of hotel rooms, tonnes of coal, number of clients serviced etc, then use the "miscellaneous item" account type.

To enter the budget for the number of hotel rooms for sale: -

Miscellaneous item

- In the *Accounts and budgets* data entry form, create a miscellaneous item called *Hotel rooms – number available per month*. Enter the budget per period as say 250 per month. (Vary the quantity per month if you wish).

Revenue account

- Under Revenue, create a new revenue account called *Accommodation sales*.
- Go to the *Budget setup* page.
- For "Enter budget as", choose: "Price per Misc item"
- Use *Change* to choose the miscellaneous item called *Hotel rooms – number available per month*.
- On the Budget per period page, enter the room price, say \$200.

When you view the results, you will see that Visual Cash Focus has calculated the revenue as 250 rooms @ \$200 each, i.e. revenue is 50,000 per month. This is useful, because you can base the budget for many accounts on the

same non-financial item (number of hotel rooms). For example, under expenses you could budget cleaning costs on a per room basis in the same way. So these revenue and expense budgets are driven by the same item - number of hotel rooms.

This new version of the software extends this capability further. Say you wanted to budget the occupancy factor per month. So instead of:

250 rooms @ \$200 each, i.e. revenue is 50,000 per month.

You want 80% occupancy, i.e.

250 rooms @ \$200 each x 0.80 occupancy, i.e. revenue is 40,000 per month.

Here is how to accomplish this in Visual Cash Focus:-

Miscellaneous item

- In the *Accounts and budgets* data entry form, create a new miscellaneous item called *Hotel rooms – occupancy*. Enter the budget per period as say 0.80 per month. (Or vary it per month).

Revenue account

- Under Revenue, go to the revenue account called *Accommodation sales* you created above.
- Go to the *Budget setup* page.
- Use *Change* to add the miscellaneous item called *Hotel rooms – occupancy*.
- There is a checkbox above the grid for *Multiply all items* below. Check this box.

When you view the results, you will see that Visual Cash Focus has calculated the revenue as 250 rooms @ \$200 each x 0.80 occupancy, i.e. revenue is 40,000 per month.

Note: If the *Multiply all items* checkbox is unchecked, the items would be added. Although it does not make sense to add an occupancy factor to the number of rooms, we show the result you would get:

(250+.80) rooms @ \$200 each, i.e. revenue is 50,160 per month.

Use the *Multiply all items* checkbox appropriately for your budgeting requirements. It extends the capability of the software. There is no limit to the number of miscellaneous items used.

Other examples where the multiply capability could be useful:

Budget for a Gold mine: no of tones milled x grade x extraction factor

Misc item 1: 1000 (tonnes rock milled)

Misc item 2: 6 (g/tonnes, grade - gold in rock)

Misc item 3: .89 efficiency

Revenue budget will be calculated as: gold price x no of tones milled x grade x extraction factor, i.e. \$25 x 1000 x 6 x .89 for this period.

Budget for sales people

Revenue account for salesman Jim Betts

Misc item 1: 100 (total number of client visits)

Misc item 1: 0.50 (conversion rate)

Revenue budget will be calculated as:

Average sales value x total number of client visits x conversion rate

i.e. \$3,000 x 100 x 0.50 i.e. \$150,000.

Enhancement:

The "+" column on the revenue *budget setup* page is useful when the *Multiply all items* checkbox is unchecked. For example, the revenue budget could be based on these miscellaneous items:

- Total number of hotel rooms: 700
- Number of hotel rooms being refurbished: 200

You would uncheck the Add checkbox for the second line. Then the software will calculate it as 700-200 i.e. 500.

If the *Multiply all items* checkbox is checked, the Add field stays consistent.

If checked, then it will be something like:

$$X \times Y \times Z.$$

If Y is unchecked, it will be:

$$X \times (-1 * Y) \times Z.$$

Summary

You are now able to have a budget made up of miscellaneous items like this:

$$\text{budget} = m1 \times m2 \times m3 \times m4$$

where

m1 = tonnes milled

m2 = grade i.e. grams per tonne

m3 = efficiency of extraction

m4 = whatever.

(no need to stop at m4; have as many as you need. Probably two or three will do for most people).

New feature: Manufacturing budget enhanced to include profit centers (Gold version only)

If you have not used the manufacturing budgeting module and have a need for this functionality, review the sample model wine.zip (provided under the tutorial folder). Use the *File menu, Export/import, Zip and unzip* menu option. Unzip the wine.zip file. Under *Inventory*, go to the *Finished goods: Wine cases for sale* account. On the *Budget setup* page, notice that the budget is "Manufactured from a recipe" and the recipe is shown in the grid. The recipe ("bill of materials") for a manufactured inventory item consists of raw materials and expenses such as electricity and wages.

If you use the manufacturing module and have profit centers, you may find the following new enhancement useful: -

Previously all expense accounts used in a recipe went to the administration profit center. Now you can choose which profit center to use for a recipe. You will see the profit center selector above the recipe grid - only shown if there are profit centers in the model. (The wine example does not have profit centers).

New feature: Consolidation (Gold version only)

Be consistent with the account numbers in the different modules you want to consolidate. However, the consolidation routines are tolerant of the way you set up your accounts and will cater for variations in account numbering.

If you wish, you can now get extra consolidation checks done during the consolidation process. To get them, include an **!** exclamation mark in the description (at the top of the form where you choose the models to consolidate).

- No exclamation mark – standard checking.
- With exclamation mark – standard checking plus extra-strength checking! (This will add a little to the consolidation time).

Most users will find the standard checking to be satisfactory, but if you want to try a more rigorous check of account numbers, use the exclamation mark in the description.

Some minor improvements were also made to some of the other modules, such as the export and reporting routines.

We wish you continued success with **Visual Cash Focus**.

Cash Focus Pty Limited
www.cashfocus.com