◎ CFO Eyes

Budget
Template Manual

Annual Budget & Board Report Integration Guide

Ready-made. Peer-reviewed. Built by CFOs, for finance teams.

This manual explains how to set up, populate and use the CFO Eyes Budget Template. It covers every sheet, every assumption, and how to connect the budget to your monthly Board Report.

Companion file	CFO Eyes Budget Template v1.0.xlsx
Version	1.0
Language	English
Prepared by	CFO Eyes | cfo-eyes.com
Effective date	[Insert date]

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How to Use This Manual

Getting the most out of your budget template

This manual is the companion guide to the CFO Eyes Budget Template (CFO_Eyes_Budget_Template_v1.0.xlsx). Read it from start to finish the first time you set up the template, then use the individual sections as reference when you need them.

Before you begin

– Open CFO_Eyes_Budget_Template_v1.0.xlsx in Microsoft Excel (2016 or later recommended)
– Enable macros if prompted – not required, but ensures chart refresh works correctly
– Save a working copy before making any changes: File → Save As → [Company]_Budget_FY20XX.xlsx
– Fill in the Cover sheet first – this sets the context for the whole workbook

1. Overview & Product Description

What this template does and who it is for

The CFO Eyes Budget Template is a fully integrated annual budget model built for growing companies and their finance teams. It is designed to be:

- Quick to set up – enter your assumptions once and the full P&L populates automatically
- Board-report ready – the Dashboard sheet produces a visual summary you can drop straight into your Board deck
- Transparent – every formula is traceable back to a named assumption; nothing is hidden
- Customisable – override any formula cell with a direct input where your business requires it

The template is suitable for companies with revenues from start-up stage up to approximately USD/EUR 500 million, in any industry where a standard P&L structure applies.

2. Workbook Structure at a Glance

Six sheets, one integrated model

Sheet	Purpose	Primary User
Cover	Document metadata, colour-coding legend, workbook guide	All users
Assumptions	All input drivers: growth, margins, FX, headcount costs	CFO / FP&A
P&L Budget	Full 12-month P&L with FY totals and prior-year comparison	CFO / Finance
Headcount	Department headcount plan with fully loaded cost build-up	CFO / HR
Actuals vs Budget	Quarterly actuals entry and variance tracking	CFO / Finance
Dashboard	Visual KPI summary and monthly charts for Board presentation	CFO / Board

One rule to remember

The Assumptions sheet is the single source of truth. Almost all formulas in P&L Budget, Headcount and Dashboard pull from Assumptions.
Change an assumption → the whole model updates. Never break a formula by typing directly over it unless you intend to hard-code that cell.

3. Getting Started – Step by Step

Follow this sequence on first use

3.1 Cover Sheet

Fill in the eight metadata fields in yellow-highlighted cells on the Cover sheet: Company name, Fiscal Year, Currency, Units (thousands or millions), Prepared by, Approved by, Date and Version. These fields are for reference only and do not drive any formulas.

Units discipline

Choose your unit scale (thousands or millions) and apply it consistently across the entire workbook.
Example: if your revenue is USD 12,000,000, enter 12,000 if working in thousands, or 12 if working in millions.
Document your choice in the 'Units' field on the Cover sheet so all users are aligned.

3.2 Assumptions Sheet

The Assumptions sheet is where you spend most of your setup time. Work through each block in order:

- Revenue Assumptions – enter prior-year revenue and the growth rate you are budgeting
- Quarterly revenue weights – adjust if your business is seasonal (weights must sum to 100%)
- Gross Margin – set target margin and the COGS component percentages
- OpEx – set S&M, R&D and G&A as a percentage of revenue, and fixed D&A and other opex in absolute terms
- Headcount & People Costs – set employer social charge rate and bonus percentage (individual salaries go on the Headcount sheet)
- CapEx & Depreciation – enter total CapEx budget and average asset life
- FX & Other – enter FX rates, corporate tax rate, interest rate and opening net debt

All input cells are formatted in blue text. Do not edit black-text cells (formulas) or green-text cells (cross-sheet links).

3.3 P&L Budget Sheet

Once Assumptions is complete, the P&L Budget sheet populates automatically. Review the following:

- Revenue – check that monthly phasing looks right given your seasonal pattern
- Gross Profit and Gross Margin % – verify these are consistent with your target
- EBITDA and EBITDA Margin % – your primary profitability KPI for the Board
- Net Profit after tax – check the effective tax rate is correct

Enter prior-year actuals in the 'Prior Year' column (column O, blue cells) to see the year-on-year growth percentages.

3.4 Headcount Sheet

The Headcount sheet builds the fully-loaded people cost by department. For each department, enter two inputs:

- HC (FTEs) – the number of full-time equivalents budgeted at year-end
- Avg Salary – the average annual gross salary per FTE in that department

Social charges and bonus cost calculate automatically using the rates set in Assumptions. The total headcount cost feeds into the G&A, R&D and S&M lines of the P&L where relevant – or use it as a standalone validation check against your Assumptions-driven opex.

3.5 Actuals vs Budget Sheet

Each month (or quarter), enter your actual P&L results in the blue 'Actual' cells on the Actuals vs Budget sheet. The Budget column should be linked to or manually populated from the P&L Budget sheet. Variance and Variance % calculate automatically.

Use this sheet as the core of your monthly management reporting. Copy the quarterly variance blocks into your Board Report presentation to show performance against plan.

3.6 Dashboard Sheet

The Dashboard requires no data entry. It pulls automatically from the P&L Budget sheet via linked formulas (green text). It shows:

- Six KPI tiles: FY Revenue Budget, Gross Profit, Gross Margin %, EBITDA, EBITDA Margin %, Net Profit
- A monthly data table with Revenue, Gross Profit, EBITDA and Net Profit by month
- A bar chart showing monthly Revenue and EBITDA side by side

To use the Dashboard in a Board presentation, copy the range as a picture (Home → Copy → Copy as Picture) and paste into PowerPoint.

4. Colour Coding & Conventions

How to read the spreadsheet at a glance

The template follows industry-standard financial model colour coding. Observing this discipline makes the model transparent and audit-friendly.

Text Colour	Meaning	Action
Blue text	Hardcoded input – a number you enter	Change freely – these are your inputs
Black text	Formula – calculated from other cells	Do NOT overwrite unless intentionally hard-coding
Green text	Cross-sheet link – pulling data from another tab	Do NOT overwrite – breaks cross-sheet integrity
Red text	External link – connecting to another file (if used)	Update file path if workbook is moved

Fill Colour	Meaning
Navy fill	Section or column header – informational only
Sage green fill	Section sub-header or total / subtotal row
Mint / light green	Alternating row fill for readability
White fill	Standard data row
Grey fill	Alternating row fill (secondary)

5. The Assumptions Sheet in Detail

Every driver explained

5.1 Revenue Assumptions

Assumption	Guidance
FY Revenue – Prior Year Actual	Enter your most recent full-year actual revenue in your chosen unit scale. This is the base for YoY growth calculations. Leave at 0 if building a zero-based budget.
Revenue Growth Rate – Year 1	Your budgeted organic revenue growth rate as a decimal (e.g. 0.08 = 8%). The model applies this to prior-year revenue to derive the annual budget.
Q1–Q4 Revenue Weights	The four quarterly weights must sum to 1.00 (100%). Adjust to reflect your business seasonality. Each quarter's revenue is then split evenly across its three months. For highly seasonal businesses, you may want to override individual months on the P&L Budget sheet directly.
Price Increase (YoY)	Optional – for informational reference only (not formula-driven in the base model). Use to document the pricing component of your growth assumption.
Volume Growth (YoY)	Optional – informational reference to document the volume component of growth.

5.2 Gross Margin Assumptions

Assumption	Guidance
Target Gross Margin %	Your company-level gross margin target. Informational – the model derives actual gross margin from the COGS percentage inputs below.
COGS – Materials / Direct costs %	As a percentage of revenue. For a SaaS business this might be hosting / infrastructure costs. For a product business, raw materials.
COGS – Direct Labour %	As a percentage of revenue. Production, delivery or professional services staff directly attributable to revenue.
COGS – Other Direct Costs %	As a percentage of revenue. Any remaining direct costs not captured above.
Inventory write-off provision %	As a percentage of total COGS. Set to 0 if not applicable to your business model.

5.3 Operating Expense Assumptions

Assumption	Guidance
Sales & Marketing % of Revenue	Blended S&M spend as a percentage of revenue. Include all sales payroll, commissions, marketing budget and agency fees.
R&D % of Revenue	All product development, engineering and research costs as a percentage of revenue.
G&A % of Revenue	Finance, HR, legal, IT overhead and executive costs as a percentage of revenue.
Depreciation & Amortisation (fixed)	Enter the absolute annual D&A charge (not a % of revenue). This is divided equally across twelve months. For a more precise schedule, override the monthly cells on the P&L Budget sheet.
Other Operating Expenses (fixed)	Any additional operating expense not captured in the percentage-driven lines. Divided equally across twelve months.

OpEx vs Headcount
The Assumptions-driven OpEx lines (S&M, R&D, G&A) are a top-down estimate of total department costs. The Headcount sheet provides a bottom-up check – build the headcount plan and compare the total cost against your Assumptions inputs. Reconcile any gaps before finalising the budget.

5.4 Headcount & People Costs

Assumption	Guidance
Total Headcount (FY Budget)	Informational total FTE count at year-end. The detail is built department by department on the Headcount sheet.
Avg Annual Salary (per FTE)	A blended average salary across all staff – for quick sense-checking only. Detailed salaries are entered per department on the Headcount sheet.
Employer Social Charges %	The employer's statutory contribution on top of gross salary (pension, national insurance, payroll tax etc.). Varies by jurisdiction – confirm with your HR or payroll provider.
Annual Salary Increase %	The budgeted salary inflation to apply to existing staff. Used for workforce planning reference.
Bonus / Variable Pay % of Salary	Target bonus as a percentage of base salary. Applied to base cost on the Headcount sheet to calculate total people cost.

Assumption	Guidance
New Hires – H1 / H2	Number of planned new joiners in the first and second half of the year. Informational – update the Headcount sheet to reflect the department split.

5.5 CapEx & Depreciation

Assumption	Guidance
Total CapEx Budget	Total planned capital expenditure for the year. Informational in the base model – if you need a detailed CapEx schedule, contact CFO Eyes for the extended CapEx module.
Avg Asset Life (years)	Used to estimate the incremental depreciation charge from new CapEx purchases (CapEx / Asset Life / 12 = monthly D&A on new assets).
Existing Asset Depreciation	The annual depreciation charge on assets already on the balance sheet at the start of the year. Add to the D&A fixed line in OpEx Assumptions.

5.6 FX & Other

Assumption	Guidance
Functional Currency	ISO 4217 currency code for your reporting currency (USD, EUR, GBP, SEK etc.). Informational only.
FX Rates	Enter the budgeted exchange rate for each material currency exposure. All revenue and cost inputs should be in your functional currency; use these rates to convert foreign-currency items before entry.
Corporate Tax Rate %	The applicable statutory corporate income tax rate. The model applies this to any positive Profit Before Tax to derive the income tax charge. Set to 0 for loss-making periods.
Interest Rate on Debt %	Annual interest rate on outstanding debt. Combined with Net Debt to calculate monthly interest expense.
Net Debt / (Cash)	Opening net debt position (debt minus cash). Negative = net cash. Used to calculate interest income / expense.

6. The P&L Budget Sheet in Detail

Structure, formulas and override guidance

The P&L Budget sheet has 16 columns: column A (labels), columns B–M (January–December), column N (FY Total), column O (Prior Year inputs), and column P (YoY % growth). Rows are frozen at row 6 so the column headers stay visible as you scroll down.

Reading the P&L structure

Section	Key Lines	Notes
Revenue	Product, Service/Subscription, Other, Total Revenue	Quarterly weights drive monthly phasing
COGS	Materials, Direct Labour, Other Direct, Total COGS	All as % of revenue from Assumptions
Gross Profit	Gross Profit, Gross Margin %	GP = Revenue + COGS (COGS is negative)
OpEx	S&M, R&D, G&A, D&A, Other, Total OpEx	% of revenue or fixed monthly amount
EBITDA	EBITDA, EBITDA Margin %	GP less cash opex (excl. D&A)
EBIT	EBIT (Operating Profit)	EBITDA less D&A
Below the Line	Interest Expense, Other Financial Items	Driven by Net Debt × Interest Rate
Profit Before Tax	PBT	EBIT + Financial Items
Tax & Net Profit	Income Tax, Net Profit / (Loss), Net Margin %	Tax applies only to positive PBT

Overriding a formula cell

If you need to hard-code a specific month's value (e.g. a one-off revenue event), type the number directly into the cell.
The cell will show blue text after you override it – this flags it as a hardcoded input.
Keep a note of every override in the 'Notes' column or in a separate assumptions log.
To restore the original formula, press Ctrl+Z (undo) or retype the formula manually.

7. The Headcount Sheet in Detail

Bottom-up people cost build

The Headcount sheet has eleven pre-built departments. For each department, enter two blue cells: HC (FTEs) and Avg Salary. Everything else calculates automatically.

Column	What it shows
HC (FTEs)	Headcount in full-time equivalents at year-end for this department. Enter as a whole number.
Avg Salary	Average annual gross salary per FTE in this department, in your currency units. Reflects the mid-point salary for the department, not including social charges or bonus.
Base Cost	HC × Avg Salary – the gross payroll cost before employer on-costs.
Social Charges	Base Cost × Employer Social Charges % (from Assumptions). Employer's statutory contribution.

Column	What it shows
Bonus Cost	Base Cost × Bonus % (from Assumptions). Target variable pay provision.
Total Cost	Base + Social Charges + Bonus – the fully loaded annual people cost for the department.
% of Total	This department's share of total people cost – useful for spotting concentration risk.

The 'Total Headcount Cost' row at the bottom sums all departments. Compare this total against your OpEx Assumptions (S&M + R&D + G&A combined payroll component) to sense-check alignment.

8. Actuals vs Budget – Entering Monthly Data

Tracking performance against plan

The Actuals vs Budget sheet is your ongoing performance-tracking tool throughout the year. It is structured by quarter (Q1–Q4) and full year, with four columns per period: Budget, Actual, Variance, and Variance %.

Monthly update process

Run the following steps after each month-end close:

- Open the Actuals vs Budget sheet
- Enter your actual P&L figures into the blue 'Actual' cells for the relevant quarter
- Check that the Budget column matches the P&L Budget sheet – if you have linked them, this updates automatically; if not, paste-as-values from the P&L Budget
- Review the Variance and Variance % columns – positive variance is favourable, negative is unfavourable
- Add narrative commentary in a separate column or text box to explain material variances

> **Variance sign convention**
> Variance = Actual – Budget.
> For revenue and profit lines: positive variance is FAVOURABLE (you beat budget).
> For cost lines: positive variance means costs were higher than budget (UNFAVOURABLE).
> Align your commentary to this convention so Board readers interpret figures correctly.

Board Report integration

To include the Actuals vs Budget table in your Board Report:

- Select the range you want to show (e.g. the full-year block or a single quarter)
- Home → Copy → Copy as Picture → 'As shown on screen' → OK
- Paste into PowerPoint or your Board Report document
- Alternatively, link the Excel range directly into Word using Paste Special → Paste Link → Microsoft Excel Worksheet Object

9. The Dashboard – Board Report Integration

From spreadsheet to Board presentation in minutes

The Dashboard sheet requires no manual data entry. It is a read-only summary view that refreshes automatically whenever you update the Assumptions or P&L Budget sheets.

KPI tiles

The six KPI tiles at the top of the Dashboard display full-year budget totals for the most important metrics. These are ideal for the opening slide of a Board pack:

- FY Revenue Budget – total annual revenue
- Gross Profit – revenue less direct costs
- Gross Margin % – gross profit as a percentage of revenue
- EBITDA – earnings before interest, tax, depreciation and amortisation
- EBITDA Margin % – EBITDA as a percentage of revenue
- Net Profit / (Loss) – bottom-line after tax

Monthly chart

The bar chart below the data table shows monthly Revenue and EBITDA side by side. The navy bars represent Revenue; the sage-green bars represent EBITDA. Use this chart to communicate seasonality, growth trajectory and profitability cadence to the Board at a glance.

> **Refreshing charts in Excel**
> Charts update automatically when underlying data changes.
> If a chart appears stale, right-click the chart → 'Refresh Data'.
> To change chart colours to match your own brand, right-click a bar → 'Format Data Series' → Fill → Solid Fill → choose your colour.

10. Customisation Guide

Adapting the template to your business

The template is designed to be modified. Here are the most common customisations and how to make them safely.

Customisation	How to do it
Add a new revenue line	Insert a row in the Revenue section of the P&L Budget sheet. Copy an existing row's formula pattern. Update the TOTAL REVENUE formula to include the new row.
Add a new cost department	Insert a row in the Headcount sheet. Copy the Base Cost / Social Charges / Bonus formulas from an adjacent row.
Change the number of months shown	The template is fixed at 12 months (Jan–Dec). To model a non-calendar fiscal year, relabel the month headers and adjust the Q-weight logic in Assumptions accordingly.
Add a balance sheet and cash flow	The base template is P&L only. The CFO Eyes Extended Model (sold separately) adds a fully integrated balance sheet and cash flow statement.
Add a second scenario	Duplicate the Assumptions sheet, rename it (e.g. 'Assumptions – Downside') and adjust inputs. Build a separate P&L sheet referencing the new assumptions. Use a scenario selector to toggle between cases.
Change currency	Update the currency label on the Cover sheet and restate all absolute inputs (revenue, salaries, CapEx) in the new currency. The model has no built-in currency converter.
Add more departments	Insert rows in the Headcount section. Extend the Total Cost SUM formula to include the new rows.

Best practice: never delete rows or columns

If you need to remove a line, hide the row (right-click → Hide) rather than deleting it.
Deleting rows or columns can break formula references in other sheets, causing #REF! errors across the model.
To add rows, always insert rather than type below existing rows, to preserve SUM ranges.

11. Frequently Asked Questions

Quick answers to common questions

Question	Answer
The P&L Budget shows all zeros. Why?	The FY Revenue Prior Year Actual in Assumptions (row 7, column B) is set to 0. If you are budgeting from a zero base, enter an estimated annual revenue in that cell and the model will use the growth rate to project forward.
Gross Margin % is showing as a dash (–). Why?	The revenue total for that period is zero, so the margin formula returns '–' to avoid a division-by-zero error. Enter revenue figures to see the margin.
The chart is not updating.	Right-click the chart and select 'Refresh Data'. If it still does not update, check that the Dashboard data table (rows 12–17) is pulling correctly from the P&L Budget sheet.

Question	Answer
Can I use this template for a quarterly budget?	Yes. Collapse the monthly columns (hide columns B–M) and enter quarterly totals in four additional columns. Update all SUM formulas to reference the quarterly columns.
How do I handle a mid-year acquisition?	Add the acquired entity's revenue and costs as separate line items in the relevant P&L sections from the month of acquisition. Add a note on the Assumptions sheet documenting the acquisition date and contribution.
The Actuals vs Budget sheet has no formulas in the Budget column. Is that correct?	Yes – the Budget column is intentionally left as a manual input (blue cell) so you can paste values from the P&L Budget sheet. This prevents cross-sheet link issues when sharing the Actuals vs Budget tab separately.
Can I add a headcount timeline (monthly hiring plan)?	The base template shows year-end headcount. For a monthly hiring ramp, insert 12 monthly headcount columns on the Headcount sheet and calculate monthly payroll accordingly. The CFO Eyes Extended Model includes this feature.
How do I protect the model so others can't break it?	Review → Protect Sheet. Lock all formula cells (black and green text) and unlock only blue input cells. Set a password and share the protected version with non-finance stakeholders.

12. Version History

Document control

Version	Date	Changes	Approved by
1.0	[Insert date]	Initial release	[CFO / Name]

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Templates, tools and sharp monthly & board reports – in one place.

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