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NBAA

Learning & Understanding the Budget

Thursday, February 09, 2017 8:45 a.m. – 10:00 a.m.

PRESENTED BY:

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SCHEDULERS & DISPATCHERS CONFERENCE

February 7-10, 2017 | Fort Worth, TX

Department Budget Planning and Execution

- Communicate, communicate, communicate!
  - Department Director
  - Chief Pilot
  - Director of MX
  - Finance Contact
  - Accounting Contact
- Look backward and forward
  - Start at least 4 months in advance

Sources: enter sources here

Budget Planning

- Monthly Accruals
- Quarterly Budget Outlook review
- Quarterly review of General Ledger variance in comparison to budget
- Review of Operating Expenses relative to flight hours
- End of year budget roll up detail (what was spent where)
- Callout of unusual situations
  - Sale of Aircraft
  - Late/early aircraft delivery
  - Major MX (planned, unplanned)
- Major Purchase/Divestiture planning for upcoming year
- Planning process differs slightly every year based on “players” – be flexible

Budget Planning, cont.

- Hours by Aircraft
- Soft Ceiling or hard ceiling?
- GL Categories
  - Staffing
  - Fuel
  - Maintenance
  - Landing & Handling
  - Travel and Incremental
  - Misc. Department Expenses
    - Memberships, charitable, employee benefits and welfare, etc.
  - Training
  - Hangar
  - Tax / Depreciation
  - Insurance
  - Charter Expense

Flight Hours by Fiscal Quarter

	FY13	FY14	FY15	FY16
Q1	650 (32%)	600 (30%)	680 (31%)	540 (29%)
Q2	500 (24%)	460 (23%)	525 (24%)	460 (25%)
Q3	550 (27%)	540 (27%)	640 (29%)	470 (25%)
Q4	350 (17%)	400 (20%)	355 (16%)	400 (21%)
Annual hours	2050	2000	2200	1870

Annual Budget Planning

- Hours by Aircraft by quarter
- Any planned expenditures >$10k
- Training detail – all areas (Pilots, MX, Dispatch, Safety, supplemental, Misc.)
- Planned hires
- Programs/services/subscriptions/software
- Conferences/memberships
- Capital Expenditures – known/wished for/needed
- Charitable
  - Direct donations, sponsorships
  - Angel Flight,
- BRAINSTORMING!

Budget Roll up spreadsheet – format? Hourly? Aircraft? GL? Quarter to Annual?

Review of Example Budget

- In this example Quarterly spend is not at a run rate but either actuals based on renewal dates/contracts or estimates based on historical averages of total flown hours by quarter over a 4 year period
- Suggest review of software to see if any can be moved to tax free download account - check with your tax/accounting department
- All non-specific or misc. spend was budgeted under accounting (including most conference and seminar detail)
- No overhead allocations, Taxes or depreciation are included - check with your finance/accounting

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