

Spreadsheet concepts

Financial journal

A *journal* records transactions, chronologically, one per row (see slides). The columns should correspond to budget categories for your business or organization (not for a student). Each column should have a cell that stores total income/expenses for that category. The journal should record the net amount for each transaction (the sum of all income sub-transactions minus the sum of all expense sub-transactions) and the current balance after each transaction. These three categories of values should be represented in the spreadsheet as *formulas*, because the numbers depend on other values in the spreadsheet.

The balance after a given transaction should be computed as the beginning balance (using the name in your formula), plus the sum of all the transaction amounts from the beginning balance to the current transaction. This is a different way to compute balances that will end up being the same as if they were computed as in the classroom example.

Budget

A *budget* lists income and expense categories, with amounts, plus total income and expenses, with net surplus/deficit. In addition to a *projected* column (the budget), the sheet has an *actual* or *performance* column. This should use formulas that reference the category-total cells in the *journal* worksheet for each budget category.