



Budgeting from the Bottom Car Wash Exercise

The corporation overview:

3 Locations plus a corporate office

Details:

	Location 1	Location 2	Location 3	TOTAL
Occupied Space (sq.ft.)	2,000	4,000	2,000	
Space Percentages				
Units of Revenue	10,000	15,000	5,000	
Unit Percentages				
Overhead Expenses				
Location Direct Overhead	150,000	250,000	100,000	
Corporate Space Overhead				2,000
Corporate Other Overhead				50,000
TOTAL EXPENSE				
OH/unit without Corporate OH				
OH/unit with Corporate OH				
Net Profit/car with Corp OH				



Budgeting from the Bottom Up Speech Therapist Exercise

Revenue is fixed at \$300 per patient.

There are 5 speech therapists in the company. Each therapist sees 5 patients per day and works 5 days a week for 46 weeks per year.

What is the yearly revenue per speech therapist? _____

What is the yearly revenue for the company? _____

The speech therapist earns \$100 per patient. This is the only direct cost.

The yearly company overhead is \$800,000.

What is the net profit for the company? _____

What is the net profit per patient? _____

The owner wants to increase net profit and adds a sixth speech therapist. (There is a spare office in the space that the owner rents). Overhead and revenue per patient remains the same. Assuming the sixth speech therapist sees the same number of patients per day, week, and year as the other five therapists, what is the net profit per patient? _____



Budgeting From the Bottom Up – Your Firm

Monthly Activities	Bookkeeping	Bookkeeping	CPA	CPA	Monthly
	Hrs	Revenue	Hrs	Revenue	Rev. Total
Bookkeeping/P&L/Balance Sheet					
Payroll					
Payroll Tax Reports					
Sales Tax Reports					
Inventory Tax Reports					
Franchise Tax Reports					
Income Tax - Federal					
Income Tax - State					
Income Tax - City/Local					
Income Tax Review					
Financial Review Preparation					
Financial Review with Client					
Annual Budget Preparation					
Phone Conversations					
Total Monthly Investment					