GPA CAPITAL
Grice, Pope and Associates

Whereas Cash Flow is the Life Blood of any business, recording, collecting and analyzing your business' operations is the Heart. The goal, always, is Continuity and Diversity of Income. Follow are definitions which explain some of the tools you should have at your disposal. *Sources and Uses of Funds is key.**

A ***static budget*** is a type of budget that incorporates anticipated values about inputs and outputs that are conceived before the period in question begins. When compared to the actual results that are received after the fact, the numbers from static budgets are often quite different from the actual results.

A ***flexible budget*** is a budget that adjusts or flexes for changes in the volume of activity. The flexible budget is more sophisticated and useful than a static budget, which remains at one amount regardless of the volume of activity.

A ***flexible budget*** is usually designed to predict effects of changes in volume and how that affects revenues and expenses. To accurately predict the changes in costs, management must identify the fixed costs and the variable costs.

A ***rolling budget*** is continually updated to add a new budget period as the most recent budget period is completed. Thus, the rolling budget involves the incremental extension of the existing budget model. By doing so, a business always has a budget that extends one year into the future.

Continuous budgeting is the process of continually adding one more month to the end of a multi-period budget as each month goes by. This approach has the advantage of having someone constantly attend to the budget model and revise budget assumptions for the last incremental period of the budget.

Activity Based Budgeting (ABB) is a method of budgeting designed to provide greater transparency into the budget process. In its most basic form, ABB is a method of budgeting in which revenues generated/saved from preventative testing and treatment plans keeping patients' healthier are allocated directly to the unit responsible for the activity.

Predictive Analytics are use of statistics and modeling to determine future performance based on current and historical data. Predictive analytics look at patterns in data to determine if those patterns are likely to emerge again, which allows businesses to adjust where they use their resources to take advantage of possible future events. There are several types of predictive analytics. Predictive models look at past data to determine the likelihood of certain future outcomes, while descriptive models look at past data to determine how a group may respond to a set of variables.

** Note: Seek competent help to determine which is correct for your business.*

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