

Materials Budget – Planning Checklist

Ok	Material Budget Planning Tasks	Assigned To	Due Date
<input type="checkbox"/>	Have last year's profit and loss statement available. Your profit and loss statement should clearly identify your annual material expenses.		
<input type="checkbox"/>	<p>Review your material expenses on your profit and loss statement.</p> <ul style="list-style-type: none"> ▪ Can you easily calculate your total material expenses? ▪ Do you have an organized, easy-to-manage standardized list of material expense accounts? <ul style="list-style-type: none"> ▪ Accounts should be organized summaries of expenses like: <ul style="list-style-type: none"> ▪ Aggregates and Sand ▪ Soils and Mulches ▪ Fertilizers and Lawn Care ▪ Salt ▪ If your company's material expense accounts are disorganized, stop and take the time to organize and create material expense accounts that will enable you to better analyze and understand your overhead spending. <ul style="list-style-type: none"> ▪ Involve your accountant/bookkeeper in the process so they understand how this information will be used. <p>Note: Refer to LMN's Mastering Your Materials Budget course for a suggested list of expense accounts.</p>		
<input type="checkbox"/>	<p>Have your business plan available. Your material expense forecasts need to consider changes in factors such as:</p> <ul style="list-style-type: none"> ▪ Total sales <ul style="list-style-type: none"> ▪ Do you plan on doing more or less sales? ▪ Types of services <ul style="list-style-type: none"> ▪ Are you increasing/decreasing service types that would impact the amount of materials expenses. For example, doing more design-build work and less maintenance work will increase your materials expenses. 		

Ok	Material Budget Planning Tasks (continued)	Assigned To	Due Date
<input type="checkbox"/>	<p>Did you consider all market factors that may affect your materials expenses? For example:</p> <ul style="list-style-type: none"> ▪ Were there any changes to your government's taxation system that will come into effect in the coming year? ▪ If so, will the new tax laws save your company money or increase its costs? 		
<input type="checkbox"/>	<p>Were you able to source improved materials pricing by negotiating with (or switching) vendors within the past year?</p> <ul style="list-style-type: none"> ▪ Will these savings have a significant impact on any material cost groups in this coming year? 		