

Activity-Based Budget Format

Company Name: Sample Corporation
Fiscal Year: 2024
Department: Operations

Activity Cost Breakdown

| Activity | Cost Driver | Budgeted Volume | Unit Cost | Total Budgeted Cost |
|---------------------|------------------------------|-----------------|-----------|---------------------|
| Procurement | Number of Purchase Orders | 300 | \$25 | \$7,500 |
| Production Setup | Number of Setups | 70 | \$150 | \$10,500 |
| Quality Inspection | Number of Inspections | 120 | \$40 | \$4,800 |
| Material Handling | Number of Material Movements | 200 | \$30 | \$6,000 |
| Packaging | Number of Packages | 350 | \$10 | \$3,500 |
| Total Budgeted Cost | | | | \$32,300 |

Important Notes:

- Activity-Based Budgeting allocates costs based on actual activities and their drivers, enhancing cost accuracy.
- Helps organizations identify and eliminate non-value adding activities for cost optimization.
- Requires periodic review of activities and cost drivers for maintaining relevance and accuracy.
- Best suited for organizations with complex operations and multiple processes.
- Accurate data collection on activity drivers is essential for effective budgeting.