

# 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
<b>Total Budgeted Cost</b>				<b>\$32,300</b>

### 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.