



Case Study 15: Breakback explained

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Breakback is the mechanism by which TM1 functionality allows us to maintain alternatives in the level of detail actively used in planning

It is used to allow forecasting and budgeting at

either mid level natural account level **or** detailed natural account level

either at total year **or** at a detailed monthly profile

To demonstrate this I have selected a cost centre at input level, clicked out 710 Utilities to show all the natural accounts and clicked out the current year forecast to show all the remained months of the year.

Break back example screen shot 1: starting position

	000's	—	PY FY Act 000's	CY FY Bud 000's	FY Fcst (Q1) 000's	Current Forecast 000's	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
498 Net Expenditure No Bfwd Budget	929.6		-71.4	108.8	1,510.1	29.7	5.5	355.8	159.4	138.0	173.9	97.1	-74.3	-119.8	-85.2	-86.1	-235.5	-299.0
4 Income	425.7		126.8	3,446.0	3,329.8	1,544.5	6.9	461.5	232.0	239.8	230.7	254.9	32.4	8.8	3.5	42.4	15.6	16.3
5 Pay	-18.3		-31.1	-1,895.0	-376.0	-376.0	-1.0	-1.0	-2.0	-1.8	-0.4	-12.1	-18.3	-24.1	-2.0	12.6	-160.4	-165.5
6 Supplies	-12.3		-4.8	-41.5	-49.0	-49.0	-0.5	0.0	-0.5	-0.5	-2.8	-8.1	-3.8	-12.9	-6.7	-2.0	-4.5	-7.0
7 Premises and Equipment	-87.5		0.0	-295.5	-580.1	-275.3			-36.9	-2.5	3.0	-51.0	-11.6	-29.0	-21.1	-44.3	-13.3	-68.4
71 Premises	-64.9		0.0	-275.5	-131.9	-130.5			-32.2	-1.3	-0.3	-31.1	-8.5	-6.5	-21.1	-14.2	-11.3	-3.9
710 Utilities	-3.6			-28.0	-26.0	-26.0			-3.0	0.0	-0.2	-0.4	0.0	-1.4	-12.6	-6.7	-7.2	5.4
71110 Electricity	-3.0			-28.0	-20.4	-20.4			-3.0						-11.5	-5.4	-6.6	5.9
71120 Gas	-0.5				-4.1	-4.1			-0.1		-0.1	-0.3		-0.8	-1.1	-0.7	-0.6	-0.5
71130 Oil																		
71140 Other Heating																		
71150 Water and Sewerage	-0.1				-1.5	-1.5				0.0	-0.1	-0.1	0.0	-0.6	-0.1	-0.6		
71170 Energy Conservation Levy																		
71180 Carbon Reduction Commitment																		
720 Rent, Rates and Insurance	-55.2			-210.0	-58.4	-57.0			-27.6			-27.6			-1.8			



Then on detailed natural account level I increase the Gas cost from 20.4 to 75.

Note that

- a) the total Utilities cost increases to 96.9, but the other elements of utilities costs remain the same
- b) The increased value has spread across the monthly profile in the same proportions as the original forecast

Breakback example screen shot 2: only 71120 Gas line altered

710 Utilities	-3.6		-28.0	-26.0	-96.9	-3.0	0.0	-0.2	-0.4	0.0	-17.4	-33.6	-20.1	-18.9	-3.4
71110 Electricity	-3.0		-28.0	-20.4	-20.4	-3.0						-11.5	-5.4	-6.6	5.9
71120 Gas	-0.5			-4.1	-75.0	-0.1		-0.1	-0.3		-16.8	-22.0	-14.1	-12.3	-9.3
71130 Oil															
71140 Other Heating															
71150 Water and Sewerage	-0.1			-1.5	-1.5	0.0	-0.1	-0.1		0.0	-0.6	-0.1	-0.6		
71170 Energy Conservation Levy															
71180 Carbon Reduction Commitment															

Having returned the Gas cost to the original number, the total of the revised utility cost 96.9 is entered at the mid level account.

Note that this time **all** the detailed values have been increased pro rata, across all the detailed months and all the detailed natural accounts.

Break back example screen shot 3: Altered at utilities top level



	000's	PY FY Act 000's	CY FY Bud 000's	FY Fcst (Q1) 000's	Current Forecast 000's	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
498 Net Expenditure No Bfwd Budget	929.6	-71.4	108.8	1,510.1	-41.1	5.5	355.8	159.4	138.0	173.9	97.1	-74.4	-124.3	-124.6	-107.4	-258.0	-282.1
4 Income	425.7	126.8	3,446.0	3,329.8	1,544.5	6.9	461.5	232.0	239.8	230.7	254.9	32.4	8.8	3.5	42.4	15.6	16.3
5 Pay	-18.3	-31.1	-1,895.0	-376.0	-376.0	-1.0	-1.0	-2.0	-1.8	-0.4	-12.1	-18.3	-24.1	-2.0	12.6	-160.4	-165.5
6 Supplies	-12.3	-4.8	-41.5	-49.0	-49.0	-0.5	0.0	-0.5	-0.5	-2.8	-8.1	-3.8	-12.9	-6.7	-2.0	-4.5	-7.0
7 Premises and Equipment	-87.5	0.0	-295.5	-580.1	-580.1												
71 Premises	-64.9	0.0	-275.5	-131.9	-131.9												
710 Utilities	-3.6		-28.0	-26.0	-96.9												
71110 Electricity	-3.0		-28.0	-20.4	-75.5												
71120 Gas	-0.5			-4.1	-15.5												
71130 Oil																	
71140 Other Heating																	
71150 Water and Sewerage	-0.1			-1.5	-5.9				0.0	-0.1	-0.1	-0.1	-2.5	-0.2	-2.9		
71170 Energy Conservation Levy																	
71180 Carbon Reduction Commitment																	
720 Rent, Rates and Insurance	-55.2		-210.0	-58.4	-57.0												

Both methods produce the same total utilities cost, but the monthly profile and the detailed natural accounts values are different.

The best choice here depends entirely on how material numbers are and how key the detailed monthly profile is.

The pre-population routines, which create an initial forecast position. use a process similar to breakback. The amounts in projected months follows the proportions of the monthly profile in the previous forecast (or previous full year actuals in the case of the budget).

However the exception to this is if there is an actual but no previous forecast or budget for the full year. In that case an adjustment is put into July.

Review tip: When reviewing the monthly profile for a cost centre look first for oddities such as this by clicking out to see the monthly breakdown then scrolling up and down the month of July to inspect for atypical numbers.



Example of breakback where there are actuals but no forecast

Where actuals have occurred but there is no previous forecast of budget the prepopulation routine adjusts by putting the amount into July.

In this example there is a budget for donations on Natural account 47110

Welcome Page.xlsx iIncome and Expend Planning iFurther Detail Required oIncome and Expenditure Summary I and E Updates iLedger Analysis															
Rows:		Columns:				Context:									
Natural Account [Natural Account]		Months and Year Total [Month]				CA2200 Specific Donations [Cost Centre]				S1448 Medieval German Chair-University of Frieburg [SoF]				Budget 16/17 [Version]	
Year TOTAL		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		
470 Donations		20.9	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7		
47110 Donations and Gifts		20.9	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7		

But the actuals were recorded on Natural Account 47310



Welcome Page.xlsx	iIncome and Expend Planning	iFurther Detail Required	oIncome and Expenditure Summary	I and E Updates	iLedger Analysis								
ROWS:	COLUMNS:	CONTEXT:											
Natural Account [Natural Account]	Months and Year Total [Month]	CA2200 Specific Donations [Cost Centre]	S1448 Medieval German Chair-University of Freiburg [SoF]	Budget CY Prepop [Version]	2016-17 [Financial Years]								
	Year TOTAL	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
470 Donations	20.9	20.8	0.0	0.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	-18.5
47110 Donations and Gifts	20.9	0.0	0.0	0.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
47310 Grants and Claims - Non-Research	0.0	20.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-20.8

The pre-population recreates the full year budget position as the starting point for the next forecast.

Therefore the full year total for 47110 is £20.9k, there are not actuals recorded, therefore this is arrived at by spreading 20.9 evenly across the remaining 6 months of the year.

There is an actual recorded in July on 47310, but no budget. Therefore the zero total is arrived at by adjusting out the actual ytd in July.

A sensible adjustment to the forecast would be to make the forecast on 47110 = zero by blanking out the projection of 2.3 per month and remove the -20.8 from July on 47310.