

Steps for Creating a WISDOM Budget

MODEL CONTROL CENTER:

1. Select Tools and Name Models. Edit the Short Name to a recognizable title. Optionally, edit the Full Description.
2. Go to Tools and Setup New Models. Select the Model just named.
3. Select the new Model by going to Select from the Model Control Center. This will launch into an entirely new menu system for the new, empty model.

ACTIONS WITHIN YOUR NEW MODEL:

1. Go to Tools, Model Wizards, and Setup Wizard. A question will appear “Would you like to review configuration data?” This should be reviewed, noting that the budget will have 16 periods, the 12 months for the calendar budget year, and the 4 quarters of the following year. No changes are necessary from the default periods, select Exit to continue. Note: Select F1 key for additional help information.
2. The system will launch automatically into the WISDOM Modeling Setup Wizard. Think of this wizard as designed into 3 sections. Select F1 key for detailed help on this screen.
 - i. In the first section (Type of Setup), normally select Complete Setup and Growth.
 - ii. In the second section (Options), system will default to Get Beginning Data from Overwrite Model. If the Overwrite model has been kept up to date, use that selection. The next best choice is to Get Beginning Data from Another Model, using the current year budget in WISDOM. Otherwise, select Get Beginning Data from Board Reporter. With this last choice, you may need to edit some beginning balances for the coming year (Note: If you have the Model IV or Professional WISDOM system, you might want to take a look under the Quick Models icon and the capability of Moving Averages. This could potentially provide a reasonable projection for the end of your current year).
 - iii. For the initial setup leave the third section, with all items checked. When complete, select GO.
3. A series of setup questions will appear. Answer appropriately.
4. When the WISDOM Modeling Growth Wizard appears, press F1 for detailed help. Complete the growth wizard, and when done select GO!
5. The WISDOM Modeling Interest Rate Wizard will automatically launch. At this time, do not select Add or Change Index Rates. However, be sure to select Add or Change Product Rates. (NOTE: This must be done. These rates are for new products during the year. Without this step, you may be giving free loans, and paying no dividends!). There will be two options for Product Rate entries. Normally, begin by selecting Products having the same rates for All Periods. There will be opportunity to change this later. After completing all product rate entries, select GO!
6. The system will ask to Verify Major System Titles followed by a screen for WISDOM Modeling Calculations. At this point, there is no need to select either of the two Options. Simply select Start. When complete, select Finish. A screen for documentation of the budget will appear. Complete as necessary, or work on this later.
7. At this point, a “rough” budget is completed. Suggest selecting Output, and review Balance Sheet and Income Statement for general reasonableness.

AT A MINIMUM, FURTHER FINE TUNING IS REQUIRED FOR THE FOLLOWING AREAS:

1. Under Assets, select Loans, and Allowance for Loan Loss. Entries for Provision Expense will be available as entered from the Growth Wizard. Enter the Net Charge-Offs as required. Note the calculate button on this screen will display results of your entries. Press F1 key for detailed Help.

2. Under Assets, Fixed Assets, select Furniture Fixtures & Equip. Go to the Assumptions tab and last monthly depreciation amount from your current history will be in the table. Edit this value manually as required. Press F1 key for details.
3. Under Fixed Assets, select Land & Building if required. Proceed similarly as with Furniture and Fixtures above. Note, Rental Income may be entered here if applicable.
4. Under Liabilities / Equity, review Shares Certificate Shares and Non Certificate Shares. Particularly check the Basic Info tab to assure dividend periods are appropriately selected for each share type.
5. Also, under Liabilities / Equity, select Reserves / UDE, and make sure the accounting close periods are selected appropriately.

After completions of these edits, select Calculate on the menu, and Calculate Model. At this point, select the option to “Run Cash Adjustment Wizard after Calcs”. When you see the Cash Adjustment Wizard, be sure to press F1 for an overview of this capable tool.