

# Creating & Using A Cash Flow Budget

A monthly cash flow budget helps you see if the money coming into your business is enough to cover your expenses.

If you have more money coming in than you're spending - you're in a good position to repair loans, take an owner's draw, or build a reserve.

Your cash flow budget lets you prepare for seasonal changes, times when sales may be slow, or when you know you'll have extra expenses. Seeing your numbers in advance lets you explore ways to cut costs or boost sales to put you in a better position when needed.

**New Cash (money coming into your business)**  
Most of the money coming into your business will be from sales of your products or services. For established businesses, look at last year's monthly sales, then decide what adjustments should be made. If your business is new, start by estimating the cash you will need for operating and other expenses. It will give you an idea of how much sales need to come in to cover those costs.

**Other New Cash**  
Next, enter any non-sales cash coming in from things like loans, grants and investments from owners.

**Cash Paid Out (money going out of your business)**  
Enter the amount of cash you will spend each month to cover operating expenses, any owner withdrawals you expect to take, and your loan payments. Add in your periodic expenses such as annual licenses and fees, insurance, and other non-monthly expenses. If your business purchases inventory, estimate the timing of payments for inventory.

## Cash Flow Budget

Starting date			
Beginning Cash on Hand			
	Jun-23	Jul-23	Aug-23
<b>CASH ON HAND (Beginning of Month)</b>	0	0	0
<b>NEW CASH</b>			
Sales (cash & credit card)			
Collections on Accounts Receivable			
Loan Proceeds			
Owner Contributions			
Other (please specify)			
<b>TOTAL NEW CASH</b>	0	0	0
<b>CASH PAID OUT</b>			
Automobile/Transportation			
Business Licenses and Permits			
Dues and Subscriptions			
Insurance			
Inventory Purchases			
Loan Payments (Principal + Interest)			
Marketing and Advertising			
Office Supplies			
Owner Withdrawals			
Packing and Shipping			
Payment Processing Fees			
Payroll			
Payroll Taxes			
Other Taxes - Property, Sale			
Professional Services - Legal, Accounting			
Rent			
Telephone and Internet			
Utilities			
Other (please specify)			
Other (please specify)			
Other (please specify)			
Other (please specify)			
<b>TOTAL CASH PAID OUT</b>	0	0	0
<b>CASH ON HAND (end of month)</b>	0	0	0

**Beginning Cash on Hand**  
Enter the total amount of money readily available from your business checking and savings accounts. It will automatically be pulled into the spreadsheet.

**Accounts Receivable**  
If your business allows customers to purchase products or services and pay for them at a later date, use the Collections of Accounts Receivable line. Review your accounts receivable and note the collection dates for all outstanding invoices. (i.e., if you have \$500 worth of invoices issued Jan. 1 payable in 30 days, you will enter \$500 in accounts receivable for February.) For startup businesses, use the terms you plan to offer your customers (i.e., 30 days). Put the sales in the months when you believe customers will pay their invoices.

**Cash on Hand (end of month)**  
This becomes next month's beginning balance. If the number is negative, which does happen, it can be covered by providing more cash (loans or owner investment), or by reducing expenses.

Download Cash Flow Budget Template