



Maximizing the Value of Your Business

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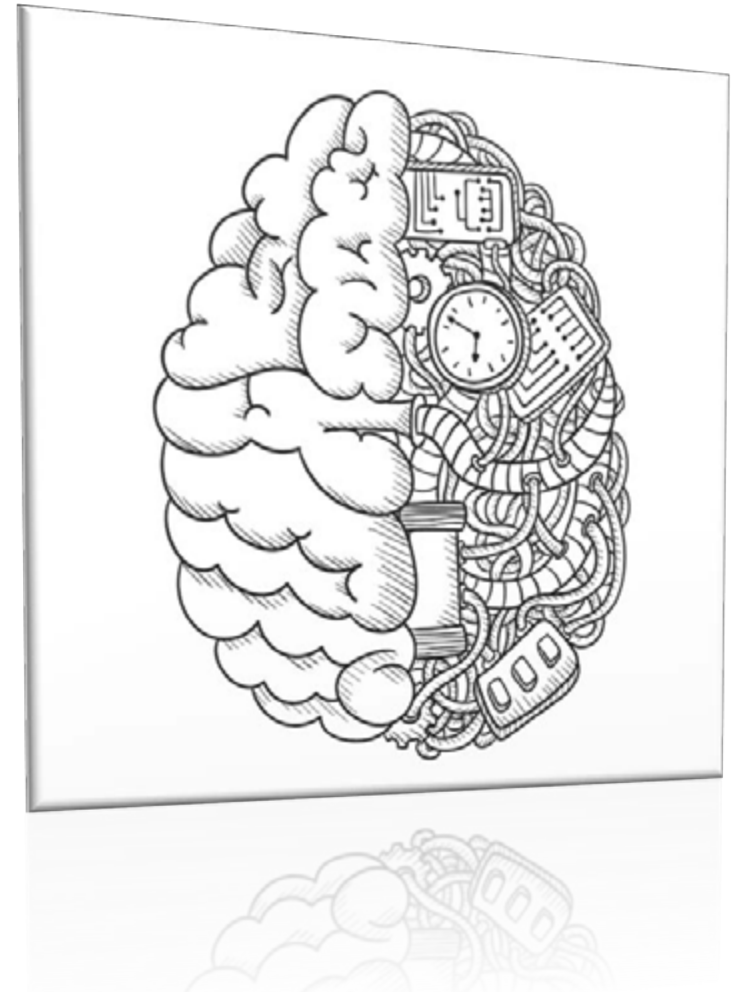
What Is a Budget?

- A budget is a plan for business owners to help them achieve their goals for a set period of time, which is usually done on an annual basis.
- This is a management accounting task, not a financial one.
- Cash flow budgets can help prepare business owners for fluctuations in cash flow. It is the most important one as it shows your business viability.
 - Helps you determine if you can make payroll
 - Helps you determine when you will be able to pay your suppliers
 - Helps you determine how much working capital you will have available
 - Helps you make decisions about how you are tracking to your plan



What You Need To Know

- Since you are making estimates you need to understand how your business is currently performing from a financial perspective
 - Accounting system needs to be up to date and accurate.
 - Helpful if you have prior compiled financial statements
 - Income Statement
 - Balance Sheet
 - Need to have an understanding of your past history and fluctuations



Why Do I Need to Prepare a Cash Flow Budget?

- Allows you as the owner to make better decisions regarding your current cash flow
- Allows you to plan for :
 - Growth and need to take on additional expenses : Marketing, Staffing, etc.
 - Capital requirements
 - **Short-term and long-term requirements to borrow money (Most Important)**
 - Paying your bills



Creating A Cash Flow Budget

- Determine your strategic goals, objectives, and plans for next 3-5 years
- From your strategic goals, determine those for the next year
 - Increase sales by 20%
 - Reduce expenses by 5 %
 - Purchase a new piece of equipment (\$20,000)
- Determine your minimal desired cash position (cash on hand)
 - Buffer against unanticipated costs



Cash Flow Budget Steps – Sales Budget



Sales Budget

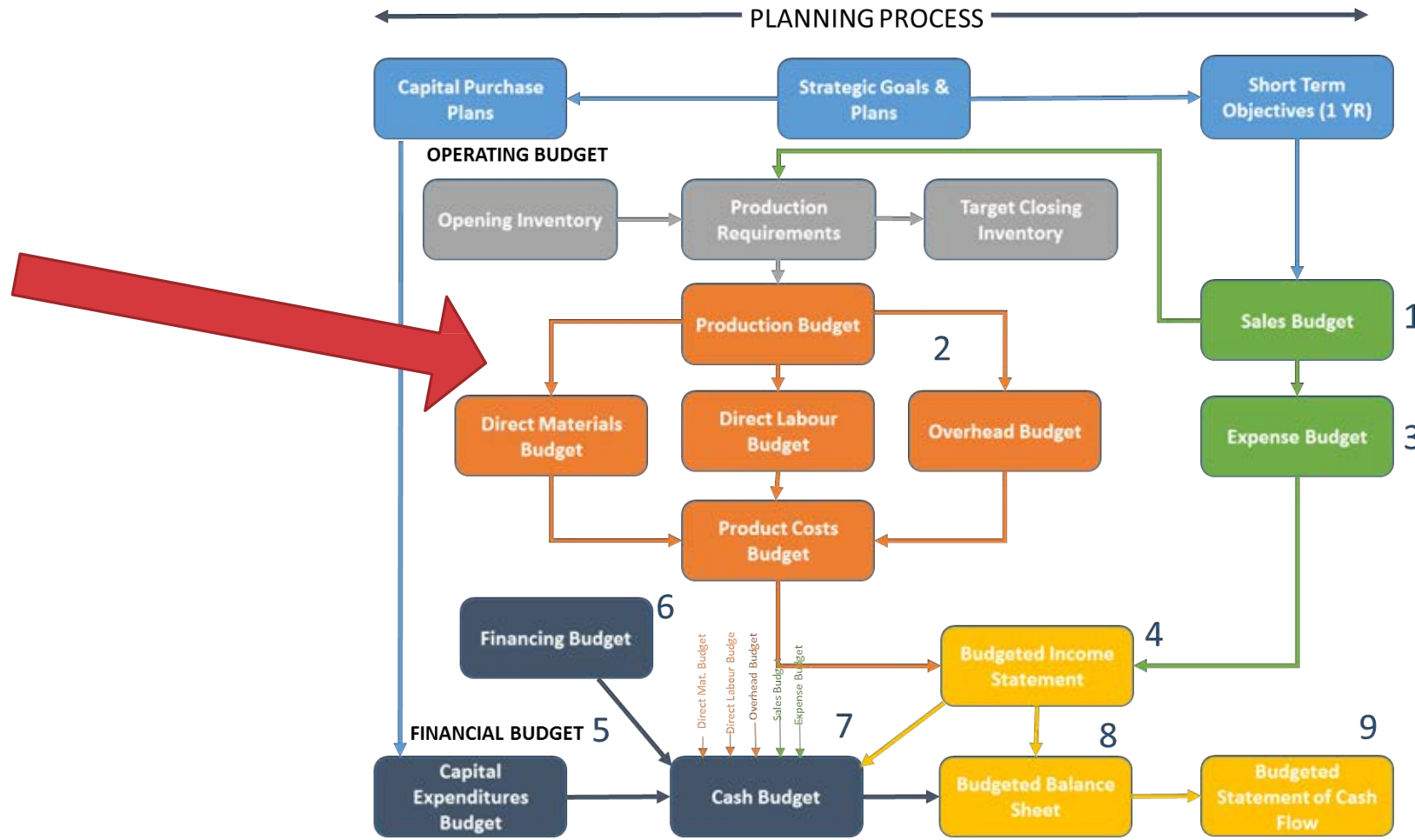
- Determine your revenue by month for the next year
- Take into consideration the following
 - Past revenue performance
 - Seasonality
 - Growth from prior years
 - Other income (outside sales)
 - New sales channels or sales reps
 - Marketing Plan
 - New Products & Services
- Timing of your Accounts Receivable Collections will have large impacts on cash inflows



Sales Budget Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$33,500	\$23,500	\$34,258	\$31,569	\$40,240	\$45,500	\$47,000	\$51,500	\$40,625	\$32,250	\$27,000	\$19,000
Products	\$20,000	\$15,000	\$22,000	\$15,000	\$30,000	\$32,000	\$35,000	\$36,000	\$26,000	\$18,750	\$15,000	\$10,000
Services	\$10,000	\$7,500	\$11,000	\$12,000	\$5,000	\$10,000	\$8,000	\$12,000	\$10,000	\$10,000	\$9,000	\$8,000
Online (Downloads)	\$3,500	\$1,000	\$1,258	\$4,569	\$5,240	\$3,500	\$4,000	\$3,500	\$4,625	\$3,500	\$3,000	\$1,000

Cash Flow Budget Steps – Product Costs Budget



Product Costs Budget

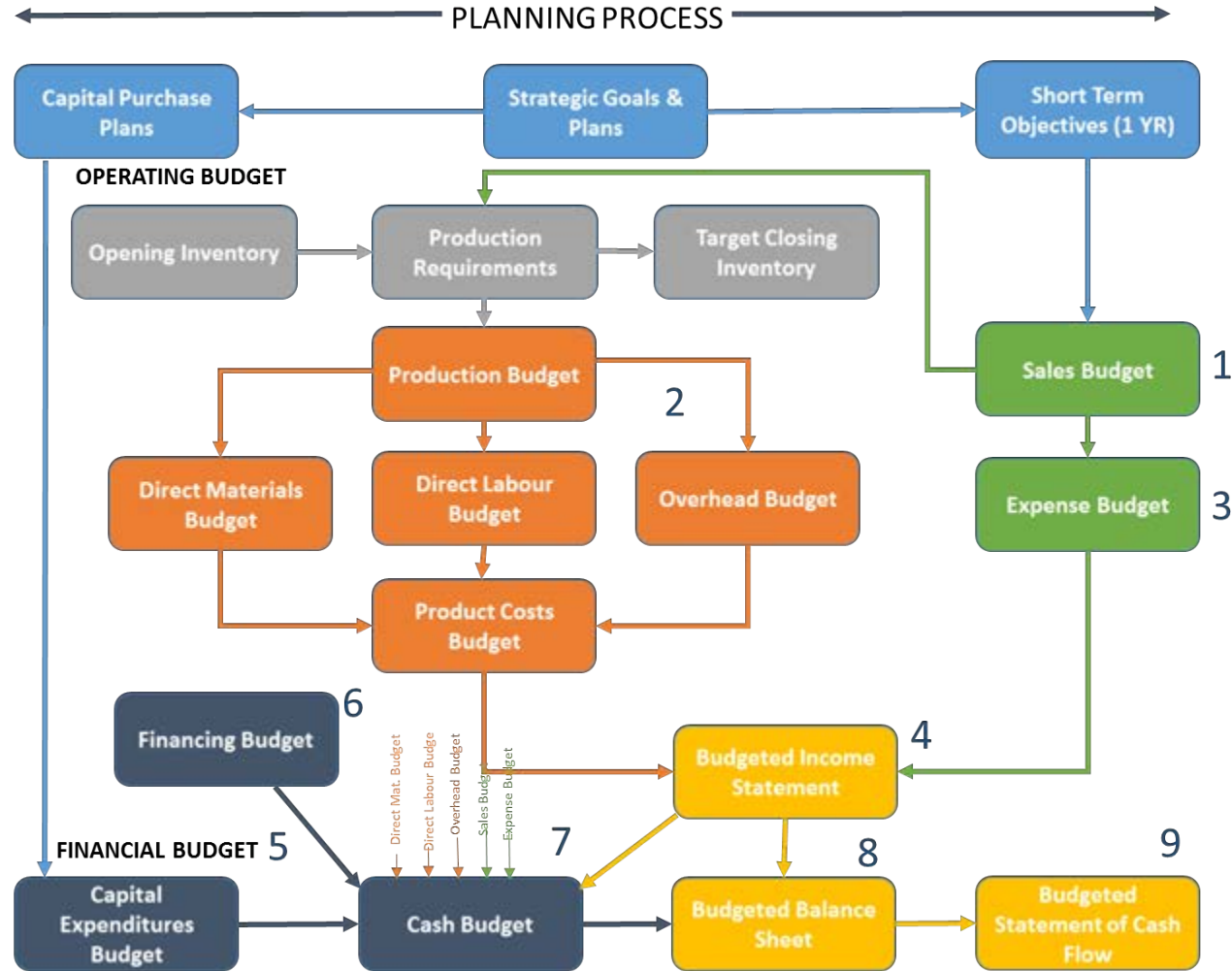
- Determine your production costs (CoGS)
 - Understanding of the level of inventory needed on hand to handle the sales [raw & finished goods] production budget)
 - Understanding of current costs from suppliers of raw materials and any fluctuations (direct materials budget)
 - Understanding of terms to pay for materials
 - Understanding of shipping /freight / duties (inbound)
 - Understanding of the cost of labour and required amount needed to produce the sales forecast (direct labour budget)
 - Understanding of overhead that is attributed to CoGS
 - Percentage of rent, utilities,



Product Cost Budget Example

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$33,500	\$23,500	\$34,258	\$31,569	\$40,240	\$45,500	\$47,000	\$51,500	\$40,625	\$32,250	\$27,000	\$19,000
Products	\$20,000	\$15,000	\$22,000	\$15,000	\$30,000	\$32,000	\$35,000	\$36,000	\$26,000	\$18,750	\$15,000	\$10,000
Services	\$10,000	\$7,500	\$11,000	\$12,000	\$5,000	\$10,000	\$8,000	\$12,000	\$10,000	\$10,000	\$9,000	\$8,000
Online (Downloads)	\$3,500	\$1,000	\$1,258	\$4,569	\$5,240	\$3,500	\$4,000	\$3,500	\$4,625	\$3,500	\$3,000	\$1,000
Cost of Goods Sold	\$9,600	\$7,960	\$11,240	\$8,575	\$13,700	\$14,930	\$16,160	\$16,775	\$12,470	\$8,780	\$7,960	\$5,910
Products												
Materials	\$2,200	\$1,760	\$2,640	\$1,925	\$3,300	\$3,630	\$3,960	\$4,125	\$2,970	\$1,980	\$1,760	\$1,210
Raw Goods	\$2,000	\$1,600	\$2,400	\$1,750	\$3,000	\$3,300	\$3,600	\$3,750	\$2,700	\$1,800	\$1,600	\$1,100
Freight / Delivery	\$200	\$160	\$240	\$175	\$300	\$330	\$360	\$375	\$270	\$180	\$160	\$110
Labour	\$6,000	\$4,800	\$7,200	\$5,250	\$9,000	\$9,900	\$10,800	\$11,250	\$8,100	\$5,400	\$4,800	\$3,300
Overhead	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
Margin	\$23,900	\$15,540	\$23,018	\$22,994	\$26,540	\$30,570	\$30,840	\$34,725	\$28,155	\$23,470	\$19,040	\$13,090
Margin %	71%	66%	67%	73%	66%	67%	66%	67%	69%	73%	71%	69%

Cash Flow Budget Steps – Expense Budget



Expense Budget

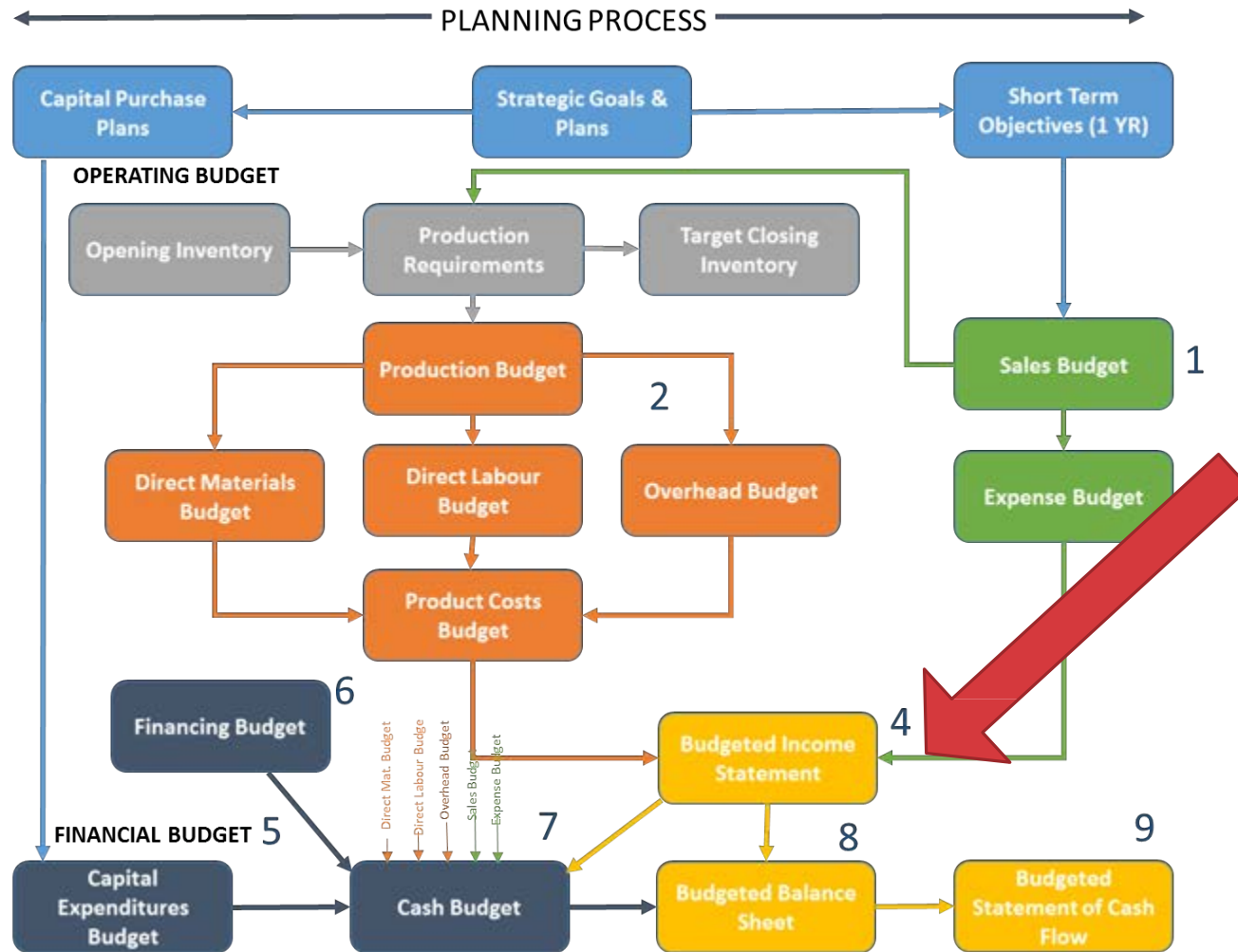
- Determine your business operating expenses
 - Understanding your fixed costs that remain relatively the same on a monthly business that are needed to run your business
 - Rent & Utilities
 - Telephone
 - Bank Charges and Credit Card Interest (Business)
 - Salaries (Non-Production)
 - Professional Fees
 - Insurance
 - Office Expenses
 - Understanding of your variable costs which will vary based on sales you make
 - Credit Card Fees (Payment Processing)
 - Shipping & Delivery (Outbound)
 - Marketing
 - Sales Commissions
- Timing of Accounts Payable has an impact on your cash outflows



Expense Budget

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Expenses	\$6,850	\$4,700	\$5,350	\$5,100	\$7,100	\$4,400	\$11,400	\$4,400	\$4,400	\$5,300	\$4,600	\$4,400
Rent	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Utilities	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Telephone & Internet	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Banking Fees	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Marketing & Admin	\$300	\$500	\$300	\$1,000	\$3,000	\$300	\$2,200	\$300	\$300	\$300	\$500	\$300
Office Supplies	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Travel	\$2,500	\$0	\$1,000	\$50	\$50	\$50	\$5,000	\$50	\$50	\$50	\$50	\$50
Meals & Entertainment	\$100	\$250	\$100	\$100	\$100	\$100	\$250	\$100	\$100	\$1,000	\$100	\$100
Vehicle Expenses	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Depreciation	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Professional Fees	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$2,500

Cash Flow Budget Steps – Budgeted Income Statement



Budgeted Income Statement

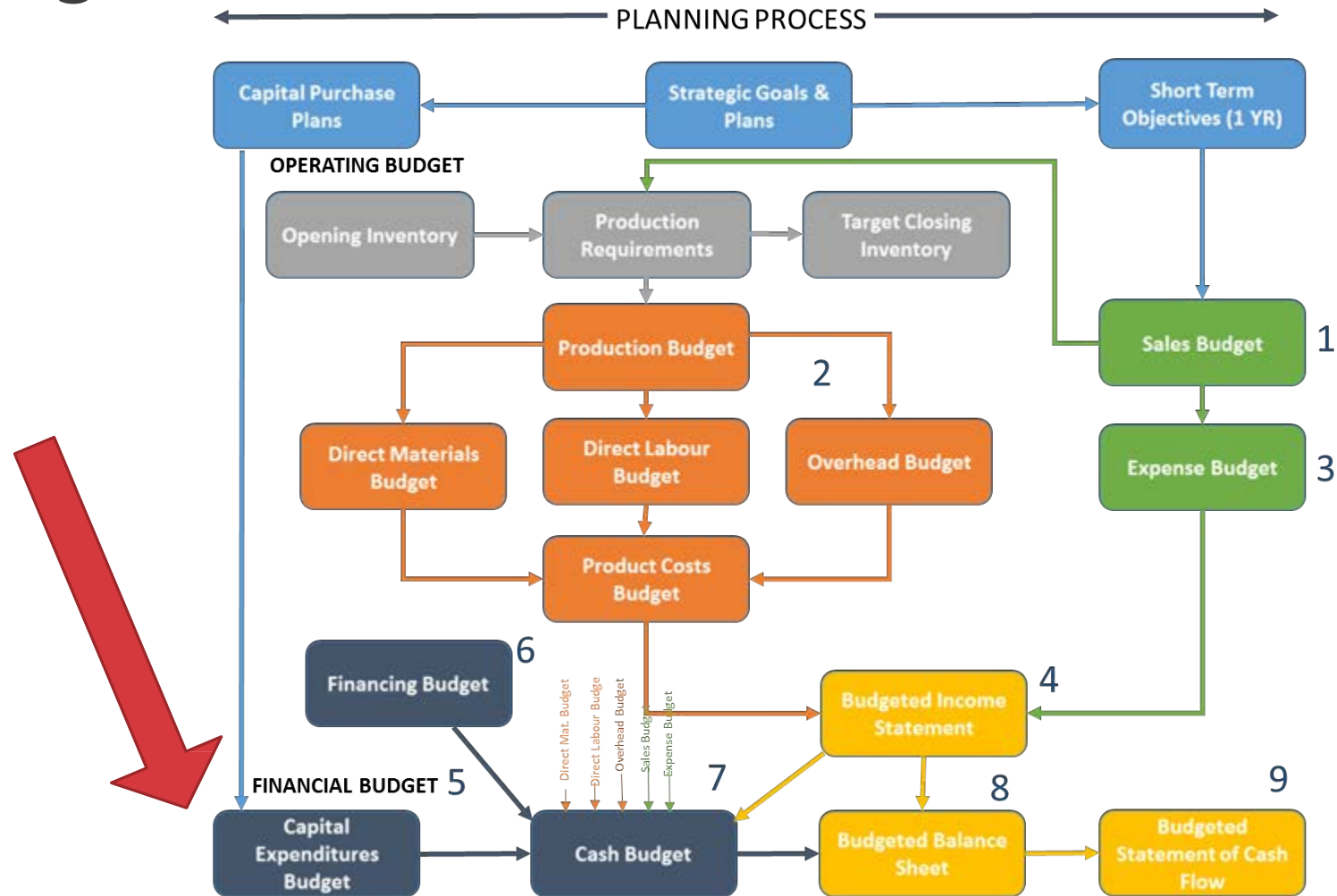
- Sales Budget
- Product Costs Budget
 - Production depends upon current inventory levels
- Expense Budget



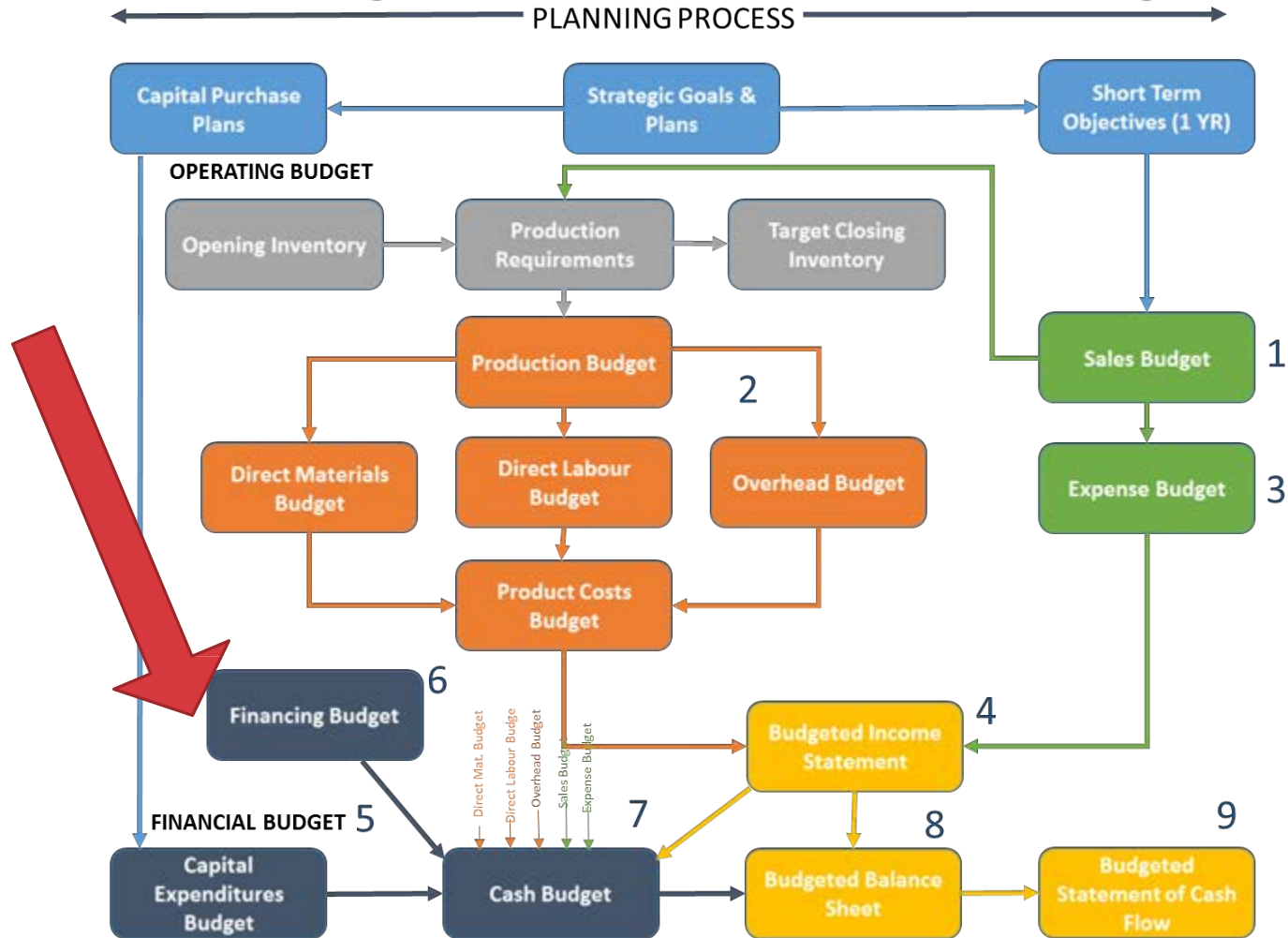
Income Statement Budget

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$33,500	\$23,500	\$34,258	\$31,569	\$40,240	\$45,500	\$47,000	\$51,500	\$40,625	\$32,250	\$27,000	\$19,000
Products	\$20,000	\$15,000	\$22,000	\$15,000	\$30,000	\$32,000	\$35,000	\$36,000	\$26,000	\$18,750	\$15,000	\$10,000
Services	\$10,000	\$7,500	\$11,000	\$12,000	\$5,000	\$10,000	\$8,000	\$12,000	\$10,000	\$10,000	\$9,000	\$8,000
Online (Downloads)	\$3,500	\$1,000	\$1,258	\$4,569	\$5,240	\$3,500	\$4,000	\$3,500	\$4,625	\$3,500	\$3,000	\$1,000
Cost of Goods Sold	\$9,600	\$7,960	\$11,240	\$8,575	\$13,700	\$14,930	\$16,160	\$16,775	\$12,470	\$8,780	\$7,960	\$5,910
Products												
Materials	\$2,200	\$1,760	\$2,640	\$1,925	\$3,300	\$3,630	\$3,960	\$4,125	\$2,970	\$1,980	\$1,760	\$1,210
Raw Goods	\$2,000	\$1,600	\$2,400	\$1,750	\$3,000	\$3,300	\$3,600	\$3,750	\$2,700	\$1,800	\$1,600	\$1,100
Freight / Delivery	\$200	\$160	\$240	\$175	\$300	\$330	\$360	\$375	\$270	\$180	\$160	\$110
Labour	\$6,000	\$4,800	\$7,200	\$5,250	\$9,000	\$9,900	\$10,800	\$11,250	\$8,100	\$5,400	\$4,800	\$3,300
Overhead	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
Margin	\$23,900	\$15,540	\$23,018	\$22,994	\$26,540	\$30,570	\$30,840	\$34,725	\$28,155	\$23,470	\$19,040	\$13,090
Margin %	71%	66%	67%	73%	66%	67%	66%	67%	69%	73%	71%	69%
Expenses	\$6,850	\$4,700	\$5,350	\$5,100	\$7,100	\$4,400	\$11,400	\$4,400	\$4,400	\$5,300	\$4,600	\$4,400
Rent	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Utilities	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Telephone & Internet	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Banking Fees	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Marketing & Admin	\$300	\$500	\$300	\$1,000	\$3,000	\$300	\$2,200	\$300	\$300	\$300	\$500	\$300
Office Supplies	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Travel	\$2,500	\$0	\$1,000	\$50	\$50	\$50	\$5,000	\$50	\$50	\$50	\$50	\$50
Meals & Entertainment	\$100	\$250	\$100	\$100	\$100	\$100	\$250	\$100	\$100	\$1,000	\$100	\$100
Vehicle Expenses	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Depreciation	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Professional Fees	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$2,500
Income Before Tax	\$17,050	\$10,840	\$17,668	\$17,894	\$19,440	\$26,170	\$19,440	\$30,325	\$23,755	\$18,170	\$14,440	\$8,690
Income Tax	\$3,410	\$2,168	\$3,534	\$3,579	\$3,888	\$5,234	\$3,888	\$6,065	\$4,751	\$3,634	\$2,888	\$1,738
Net Income After Tax	\$13,640	\$8,672	\$14,134	\$14,315	\$15,552	\$20,936	\$15,552	\$24,260	\$19,004	\$14,536	\$11,552	\$6,952

Cash Flow Budget Steps – Capital Expenditures Budget



Cash Flow Budget Steps – Financing Budget



Capital Purchase Expenditures Budget and Financing Budget

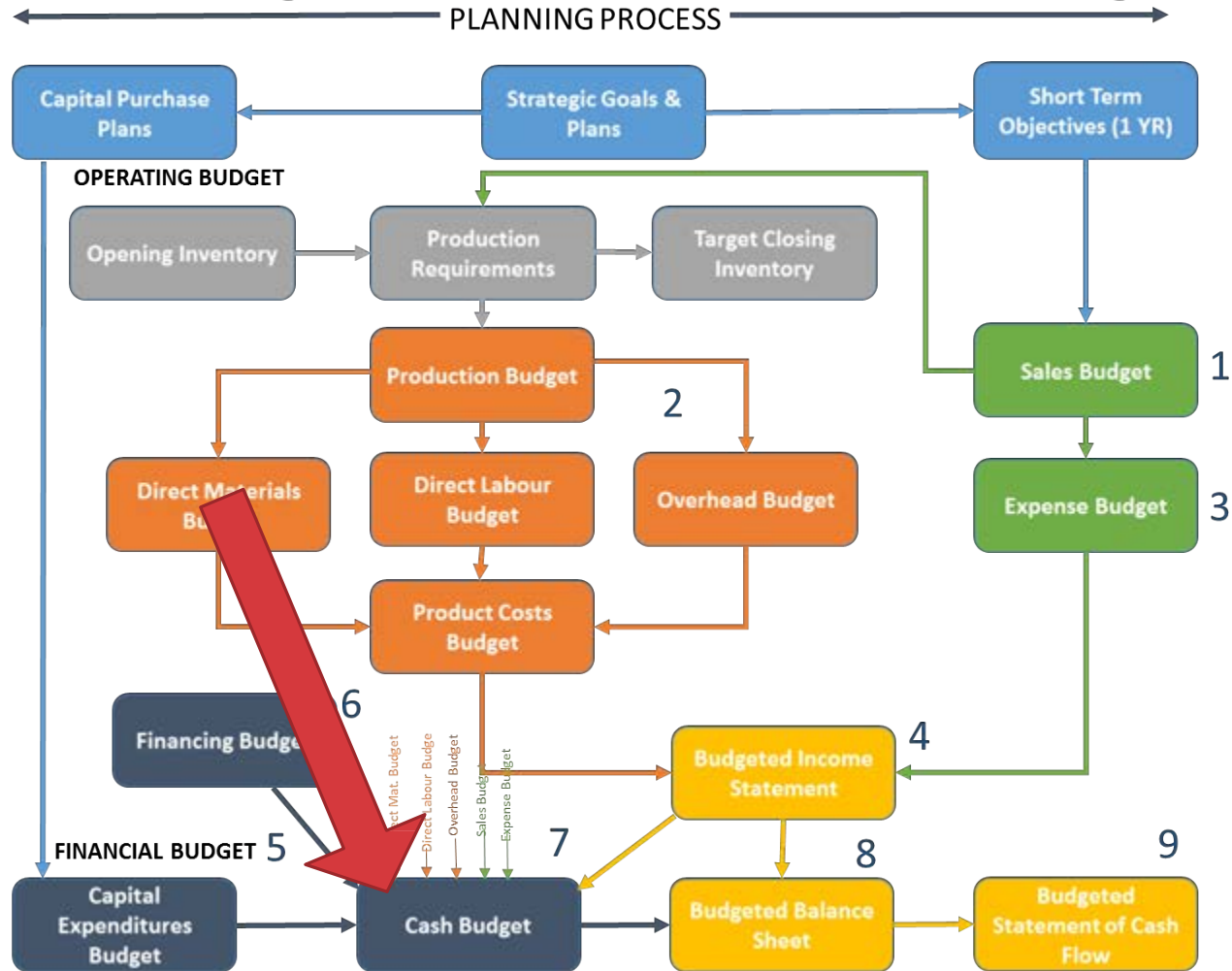
- Capital Purchase Expenditures Budget
 - Understanding of Capital Assets that are going to be purchased within the Year
 - Purchase a Truck in March(38K)
 - Sell Equipment in June (60K)
 - Buy Small Building in July (60K)
 - Equipment Purchase in August (8K)
- Financing Budget
 - Understanding the type of financing that is required to manage your cash flow
 - Example – utilizing Line of Credit



Capital Expenditures Budget & Financing Budget

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Net Income After Tax	\$13,640	\$8,672	\$14,134	\$14,315	\$15,552	\$20,936	\$15,552	\$24,260	\$19,004	\$14,536	\$11,552	\$6,952
Add Depreciation	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Increase Accounts Payable (45d)	-\$200	-\$319	\$189	-\$119	\$416	-\$292	\$904	-\$843	-\$142	-\$11	-\$113	-\$92
Increase Accounts Receivable (30d)	-\$700	-\$822	\$884	-\$221	\$713	\$432	\$123	\$370	-\$894	-\$688	-\$432	-\$658
Increase Inventory (1m)	-\$2,500	-\$1,640	\$3,280	-\$2,665	\$5,125	\$1,230	\$1,230	\$615	-\$4,305	-\$3,690	-\$820	-\$2,050
Cash from Operating Activities	\$16,940	\$11,115	\$10,459	\$17,382	\$10,430	\$19,281	\$15,402	\$22,732	\$24,360	\$19,203	\$12,990	\$9,867
Capital Acquisition												
Truck Purchase			-\$38,000									
Equipment Purchase								-\$8,000				
New Building							-\$60,000					
SELL Equipment						\$60,000						
Increase/decrease by month	\$16,940	\$11,115	-\$27,541	\$17,382	\$10,430	\$79,281	-\$44,598	\$14,732	\$24,360	\$19,203	\$12,990	\$9,867
Cash Open input	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$157,608	\$113,010	\$127,742	\$152,103	\$171,306	\$184,296
Cash Available	\$66,940	\$111,115	\$72,459	\$117,382	\$110,430	\$179,281	\$113,010	\$127,742	\$152,103	\$171,306	\$184,296	\$194,163
Cash Requirements	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Cash required / -excess	\$33,060	-\$11,115	\$27,541	-\$17,382	-\$10,430	-\$79,281	-\$13,010	-\$27,742	-\$52,103	-\$71,306	-\$84,296	-\$94,163
Open Balance LOC	\$0	\$33,060	\$21,945	\$49,487	\$32,104	\$21,674	\$0	\$0	\$0	\$0	\$0	\$0
Borrowings	\$33,060	\$0	\$27,541	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid back	\$0	-\$11,115	\$0	-\$17,382	-\$10,430	-\$21,674	\$0	\$0	\$0	\$0	\$0	\$0
EoM Balance LOC	\$33,060	\$21,945	\$49,487	\$32,104	\$21,674	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash end of Month	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$157,608	\$113,010	\$127,742	\$152,103	\$171,306	\$184,296	\$194,163

Cash Flow Budget Steps – Cash Budget



Cash Budget

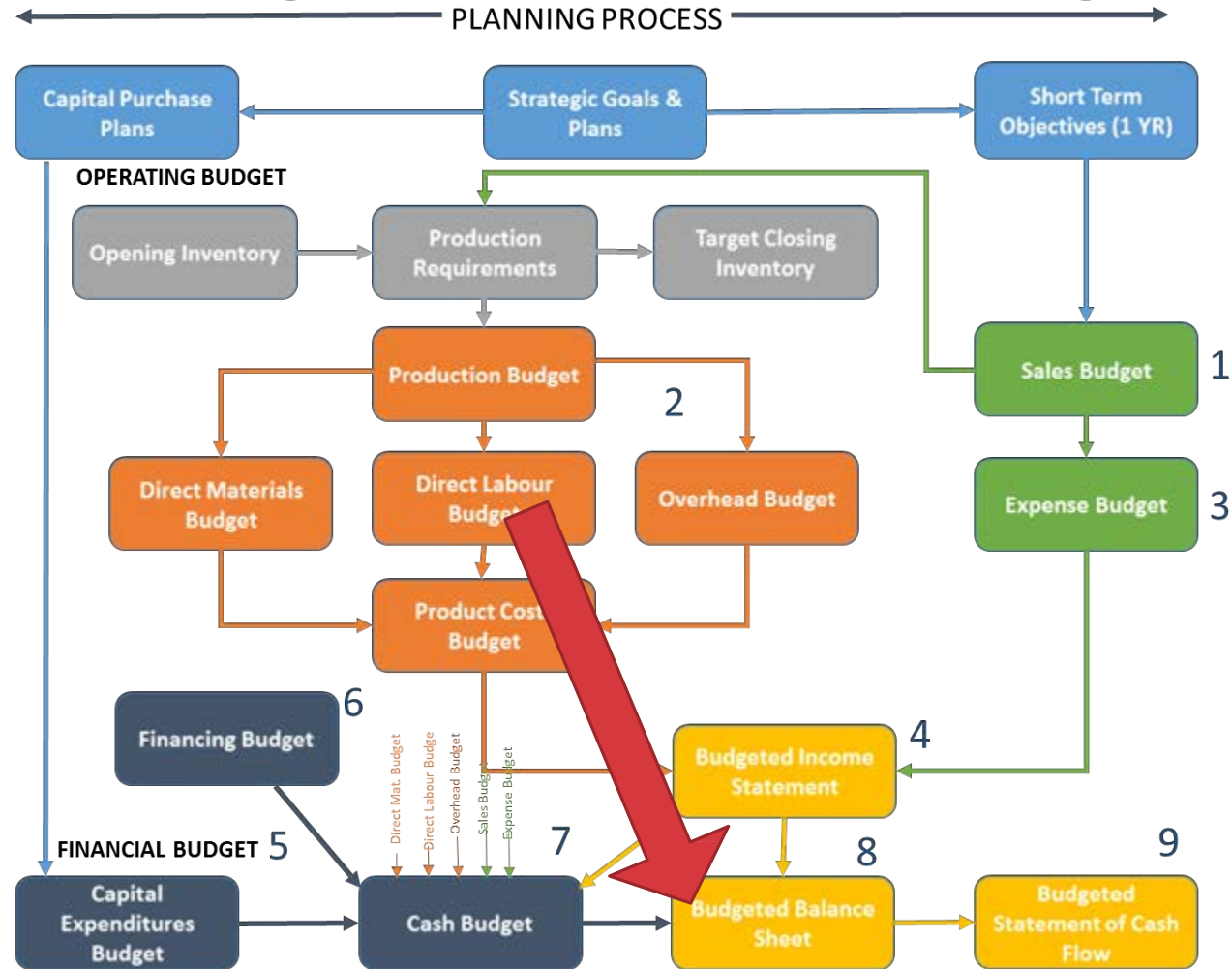
- Fed from Sales Budget
- Fed from Product Costs Budget
- Fed from Labour Budget
- Fed From Overhead Budget
- Fed from Expense Budget
- Fed from Capital Expenditures Budget
- Fed from Financing Budget
- Fed from Income Statement Budget



Cash Budget

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$33,500	\$23,500	\$34,258	\$31,569	\$40,240	\$45,500	\$47,000	\$51,500	\$40,625	\$32,250	\$27,000	\$19,000
Cost of Goods Sold	\$9,600	\$7,960	\$11,240	\$8,575	\$13,700	\$14,930	\$16,160	\$16,775	\$12,470	\$8,780	\$7,960	\$5,910
Margin	\$23,900	\$15,540	\$23,018	\$22,994	\$26,540	\$30,570	\$30,840	\$34,725	\$28,155	\$23,470	\$19,040	\$13,090
Margin %	71%	66%	67%	73%	66%	67%	66%	67%	69%	73%	71%	69%
Expenses	\$6,850	\$4,700	\$5,350	\$5,100	\$7,100	\$4,400	\$11,400	\$4,400	\$4,400	\$5,300	\$4,600	\$4,400
Income Before Tax	\$17,050	\$10,840	\$17,668	\$17,894	\$19,440	\$26,170	\$19,440	\$30,325	\$23,755	\$18,170	\$14,440	\$8,690
Income Tax	\$3,410	\$2,168	\$3,534	\$3,579	\$3,888	\$5,234	\$3,888	\$6,065	\$4,751	\$3,634	\$2,888	\$1,738
Net Income After Tax	\$13,640	\$8,672	\$14,134	\$14,315	\$15,552	\$20,936	\$15,552	\$24,260	\$19,004	\$14,536	\$11,552	\$6,952
Cash from Operating Activities	\$16,940	\$11,115	\$10,459	\$17,382	\$10,430	\$19,281	\$15,402	\$22,732	\$24,360	\$19,203	\$12,990	\$9,867
Capital Acquisition												
Increase/decrease by month	\$16,940	\$11,115	-\$27,541	\$17,382	\$10,430	\$79,281	-\$44,598	\$14,732	\$24,360	\$19,203	\$12,990	\$9,867
Cash Available	\$66,940	\$111,115	\$72,459	\$117,382	\$110,430	\$179,281	\$113,010	\$127,742	\$152,103	\$171,306	\$184,296	\$194,163
Cash Requirements	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Cash required / -excess	\$33,060	-\$11,115	\$27,541	-\$17,382	-\$10,430	-\$79,281	-\$13,010	-\$27,742	-\$52,103	-\$71,306	-\$84,296	-\$94,163
Open Balance LOC	\$0	\$33,060	\$21,945	\$49,487	\$32,104	\$21,674	\$0	\$0	\$0	\$0	\$0	\$0
Borrowings	\$33,060	\$0	\$27,541	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid back	\$0	-\$11,115	\$0	-\$17,382	-\$10,430	-\$21,674	\$0	\$0	\$0	\$0	\$0	\$0
EoM Balance LOC	\$33,060	\$21,945	\$49,487	\$32,104	\$21,674	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash end of Month	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$157,608	\$113,010	\$127,742	\$152,103	\$171,306	\$184,296	\$194,163

Cash Flow Budget Steps – Financing Budget



Budgeted Balance Sheet

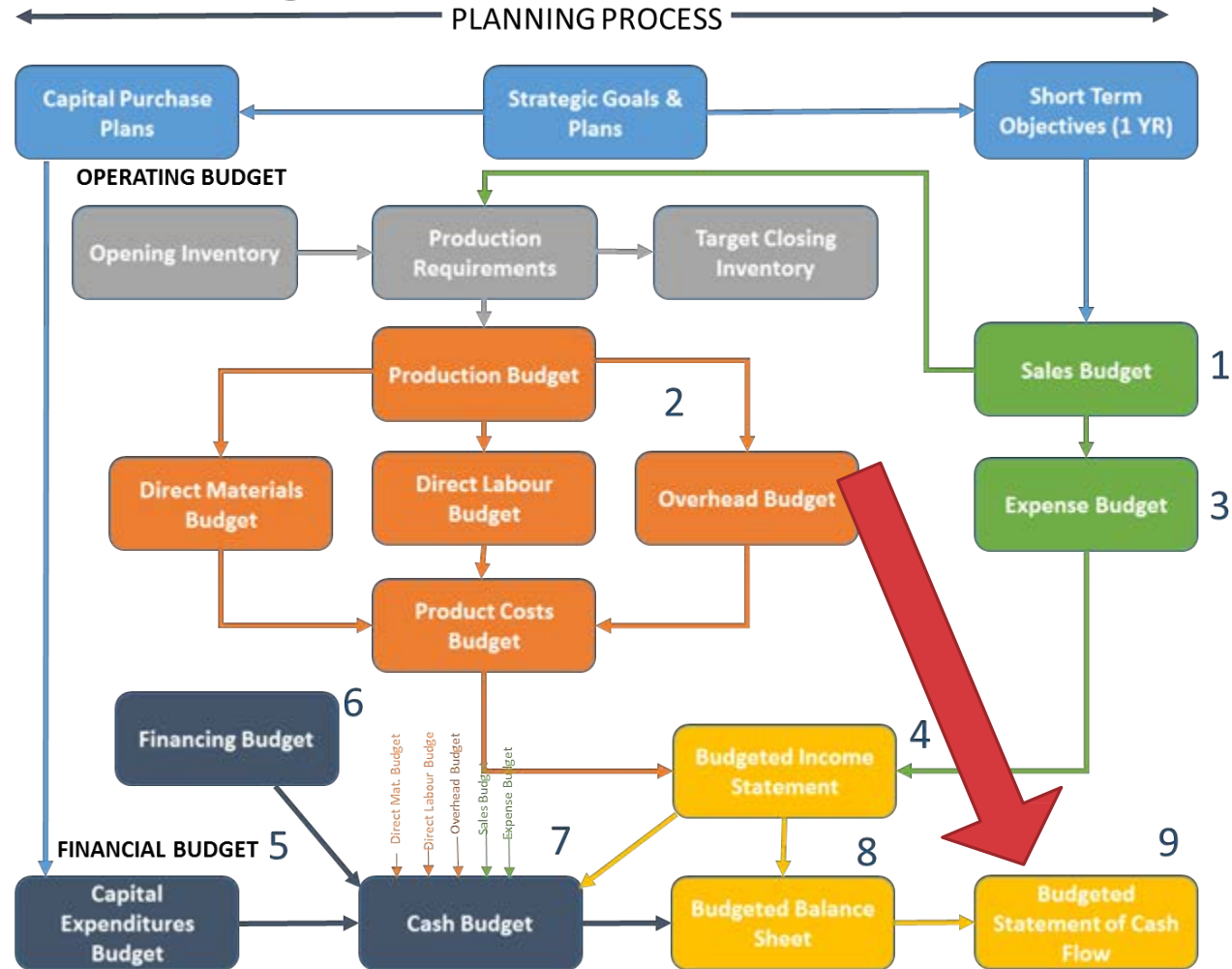
- Fed from Cash Budget & Income Statement Budget
 - Understanding of Monthly Accounts Payable (Liability)
 - Payment Terms (COD, 30 days)
 - ✓ Pay as far out as you can
 - Understanding of Monthly Unearned Revenue (Liability)
 - Pre-pay / Down payments
 - Understanding of Monthly Accounts Receivable (Asset)
 - Timing of Payments
 - Ability to Collect (Collect Early)
 - Understanding of Monthly Loan Obligations (Liability)
 - Short-term and Long-term Loans
 - Lines of Credit
 - Borrowing increases cash, paying loan decreases cash
 - Understanding of Equity Investments (Putting money in company as equity)
 - Equity increases cash
 - Understanding of Dividend Payments (Comes out after tax income)
 - Dividends decrease cash



Budgeted Balance Sheet

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Balance Sheet												
Cash	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$157,608	\$113,010	\$127,742	\$152,103	\$171,306	\$184,296	\$194,163
Accounts receivable	\$33,500	\$32,678	\$33,562	\$33,341	\$34,054	\$34,486	\$34,610	\$34,979	\$34,086	\$33,397	\$32,966	\$32,308
Inventory	\$7,960	\$6,320	\$9,600	\$6,935	\$12,060	\$13,290	\$14,520	\$15,135	\$10,830	\$7,140	\$6,320	\$4,270
Total Current Assets	\$141,460	\$138,998	\$143,162	\$140,276	\$146,114	\$205,384	\$162,140	\$177,857	\$197,018	\$211,843	\$223,582	\$230,741
Fixed Assets	\$25,200	\$25,200	\$63,200	\$63,200	\$63,200	\$3,200	\$63,200	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200
(accumulated depreciation)	\$300	\$600	\$900	\$1,200	\$1,500	\$1,800	\$2,100	\$2,400	\$2,700	\$3,000	\$3,300	\$3,600
Net Book Value	\$24,900	\$24,600	\$62,300	\$62,000	\$61,700	\$1,400	\$61,100	\$68,800	\$68,500	\$68,200	\$67,900	\$67,600
TOTAL ASSETS	\$166,360	\$163,598	\$205,462	\$202,276	\$207,814	\$206,784	\$223,240	\$246,657	\$265,518	\$280,043	\$291,482	\$298,341
Bank Indebtedness	\$33,060	\$21,945	\$49,487	\$32,104	\$21,674	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounts Payable	\$10,009	\$9,690	\$9,878	\$9,759	\$10,175	\$9,883	\$10,787	\$9,944	\$9,802	\$9,791	\$9,677	\$9,585
Total Short term Liabilities	\$43,069	\$31,635	\$59,365	\$41,864	\$31,849	\$9,883	\$10,787	\$9,944	\$9,802	\$9,791	\$9,677	\$9,585
Total Liabilities	\$43,069	\$31,635	\$59,365	\$41,864	\$31,849	\$9,883	\$10,787	\$9,944	\$9,802	\$9,791	\$9,677	\$9,585
Equity	\$123,291	\$131,963	\$146,097	\$160,413	\$175,965	\$196,901	\$212,453	\$236,713	\$255,717	\$270,253	\$281,805	\$288,757

Cash Flow Budget Steps – Statement of Cash Flow



Cash Flow Budget

- Operating Activities
- Investing Activities
- Financing Activities



Cash Flow Budget

Statement of Cash Flows												
Operating Activities												
Net Income After tax	\$13,640	\$8,672	\$14,134	\$14,315	\$15,552	\$20,936	\$15,552	\$24,260	\$19,004	\$14,536	\$11,552	\$6,952
Add back Depreciation	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
(Incr)/Decr in Accounts Receivable	\$700	\$822	-\$884	\$221	-\$713	-\$432	-\$123	-\$370	\$894	\$688	\$432	\$658
(Incr)/Decr in Inventory	\$2,500	\$1,640	-\$3,280	\$2,665	-\$5,125	-\$1,230	-\$1,230	-\$615	\$4,305	\$3,690	\$820	\$2,050
Incr/(Decr) in Accounts Payable	-\$200	-\$319	\$189	-\$119	\$416	-\$292	\$904	-\$843	-\$142	-\$11	-\$113	-\$92
Cash from Operating Activities	\$16,940	\$11,115	\$10,459	\$17,382	\$10,430	\$19,281	\$15,402	\$22,732	\$24,360	\$19,203	\$12,990	\$9,867
Investing Activities												
(Incr)/Decr in Long Term Assets	\$0	\$0	-\$38,000	\$0	\$0	\$60,000	-\$60,000	-\$8,000	\$0	\$0	\$0	\$0
Financing Activities												
(Incr)/Decr in Long term debts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Open	\$50,000	\$66,940	\$78,055	\$50,513	\$67,896	\$78,326	\$157,608	\$113,010	\$127,742	\$152,103	\$171,306	\$184,296
Cash Close	\$66,940	\$78,055	\$50,513	\$67,896	\$78,326	\$157,608	\$113,010	\$127,742	\$152,103	\$171,306	\$184,296	\$194,163

QuickBooks Budgeting

Only looks at P&L Items today so why it is important to understand what your projected spend is on your Balance Sheet to ultimately determine your cash flow. Desktop version has a cash flow projection tool for 6 weeks out.



Using QuickBooks Budgeting - Desktop

- Under Company – Planning & Budgeting
 - Create a P&L Budget from Scratch or from Previous Years Financials
 - Need to have Chart of Accounts accurately reflect your business going forward
 - Enter Income, Cost of Goods, Expenses
 - Cash Flow Projector Reads Current Data to Model Cash Flows
 - Lets you look at the next 6 weeks of Cash Flows
 - ✓ Beginning Balance
 - ✓ Cash Receipts (Choose Projection Method)
 - ✓ Business Expenses (Includes Expenses as well as Balance Sheet Items)
 - ✓ Accounts Payable (Can adjust Payment Dates)



Using QuickBooks Budgeting - Online

- Under Tools
 - Create a P&L Budget from Scratch or from Previous Years Financials
 - Need to have Chart of Accounts accurately reflect your business going forward
 - You can subdivide budget based on location, class, or customer
 - Does Not have a Cash Flow Projection Tool as of 2017 Version



Contact Us



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