Sample Twelve	e-month cash flow Enter Company Name Here											Fiscal Year Begins: Jan-14			
	Pre-Startup EST	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total Item EST	
Cash on Hand (beginning of month)		0	0	0	0	0	0	0	0	0	0	0	0	0	
CASH RECEIPTS															
Cash Sales															
Collections fm CR accounts															
Loan/ other cash inj.															
TOTAL CASH RECEIPTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Cash Available (before cash out)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CASH PAID OUT															
Purchases (merchandise)															
Purchases (specify)															
Purchases (specify)															
Gross wages (exact withdrawal)															
Payroll expenses (taxes, etc.)															
Outside services															
Supplies (office & oper.)															
Repairs & maintenance															
Advertising															
Car, delivery & travel															
Accounting & legal															
Rent															
Telephone															
Utilities															
Insurance															
Taxes (real estate, etc.)															
Interest															
Other expenses (specify)															
Other (specify)															
Other (specify)															
Miscellaneous															
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loan principal payment															
Capital purchase (specify)															
Other startup costs															
Reserve and/or Escrow															
Owners' Withdrawal															
TOTAL CASH PAID OUT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cash Position (end of month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
ESSENTIAL OPERATING DA	TA (non cash	n flow info	ormation)												
Sales Volume (dollars)															
Accounts Receivable															
Bad Debt (end of month)															
Inventory on hand (eom)															
Accounts Payable (eom)															
Depreciation															

Notes on Preparation

Note: You may want to print this information to use as reference later. To delete these instructions, click the border of this text box and then press the DELETE key.

Refer back to your Profit & Loss Projection. Line-by-line ask yourself when you should expect cash to come and go. You have already done a sales projection, now you must predict when you will actually collect from customers. On the expense side, you have previously projected expenses; now predict when you will actually have to write the check to pay those bills. Most items will be the same as on the Profit & Loss Projection. Rent and utility bills, for instance, are usually paid in the month they are incurred. Other items will differ from the Profit & Loss view. Insurance and some types of taxes, for example, may actually be payable quarterly or semiannually, even though you recognize them as monthly expenses. Just try to make the Cash Flow as realistic as you can line by line. The payoff for you will be an ability to manage and forecast working capital needs. Change the category labels in the left column as needed to fit your accounting system.

Note that lines for 'Loan principal payment' through 'Owners' Withdrawal' are for items that always are different on the Cash Flow than on the Profit & Loss. Loan Principal Payment, Capital Purchases, and Owner's Draw simply do not. by the rules of accounting, show up on the Profit & Loss Projection. They do, however, definitely take cash out of the business, and so need to be included in your Cash plan. On the other hand, you will not find Depreciation on the Cash Flow because you never write a check for Depreciation. Cash from Loans Received and Owners' Injections go in the "Loan/ other cash inj." row. The "Pre-Startup" column is for cash outlays prior to the time covered by the Cash Flow. It is intended primarily for new business startups or major expansion projects where a great deal of cash must go out before operations commence. The bottom section, "ESSENTIAL OPERATING DATA", is not actually part of the Cash model, but it allows you to track items which have a heavy impact on cash. The Cash Flow Projection is the best way to forecast working capital needs. Begin with the amount of Cash on Hand you expect to have. Project all the Receipts and Paid Outs for the year. If CASH POSITION gets dangerously low or negative, you will need to pump in more cash to keep the operation afloat. Many profitable businesses have gone under because they could not pay the bills while waiting for money to flow in. Your creditors do not care about profit; they want to be paid with cash. Cash is the financial lifeblood of your business.