



Cash Flow Worksheet

Supplement to the The Small Biz Quickstart Workbook

www.smallbizquickstart.com

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Instructions

Cash Flow Calculating

The Cash Flow process allows the owner to stay abreast of where the company stands with finances in relation to the very next payroll cycle.

Required:

- Realtime Bank balances
- Payroll Calculation (best guess) for next two payrolls
- QuickBooks or whatever financial tool you use
- Accounts receivable report
- Estimated commissions to be paid for next two pay periods

Start: Print out Page 4 – The Cash Flow Worksheet.

* Make sure you have completed your morning Bank checks prior to completing this task. *

- Enter today's date at the top of the spreadsheet
- Enter the date of the next payroll

Note: If your payroll company withdraws Net Pay one or two days before the official pay date, enter the date you expect that money must be available to them.

- Enter the total dollar amount you believe must be available to make payroll.

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Lines 1-3: Enter the total cash available right now in the bank

Line 4: Subtract all approved checks or other withdrawals that you believe will actually be withdrawn from the bank account between now and the next pay day.

To calculate Accounts Payable, open QuickBooks and go to the module to Pay Bills. Then select which bills will need to be paid before the next payroll. QuickBooks will add these together for you. Enter the figure on your spreadsheet. Exit the module without paying bills at this time.

Line 5: Subtract Sales Commission you expect to pay between now and the next pay day.

Line 6: Subtotal at this point

Line 7: Add the total of accounts receivable that you anticipate will actually be deposited in your bank account between now and the next pay day.

Note: Wishful thinking does not count! Be realistic.

To estimate A/R in general, open QuickBooks and run an “A/R Aging Summary” report. Only you know which of these payments you actually expect to receive in the next week or two.

Notes

You should make these estimates as accurate as you can. Don't fool yourself into believing you'll have more money than you really do.

Doing a weekly cash flow projection is good in general, but in a weak economy or when projecting payroll expenses, it is critical. If you do not have the money needed for payroll, that's a critical piece of information for your business!

Even if you don't have employees, you still need to take an Owner's Draw. If you cannot do this consistently, you have a cash flow problem that needs to be addressed.

Bonus Tips:

1. Repeat this process for the *next* payroll as well (two payrolls from now). Your estimates will be less accurate, but it's still good to have some idea of where you'll be financially.
2. Once you know how much cash you have available, you can make good decisions about which bills to pay between now and the next pay period – and perhaps the one after that.



Cash Flow worksheet

Today's Date: _____

Next Payroll Date: _____

Expected Payroll Amount

(Including Net Pay, taxes, and all other expenses related to payroll)

\$ _____

1. Bank Balance – Primary Account

\$ _____

2. Bank Balance – Other Accounts

+ \$ _____

3. Subtotal (add available balances)

= \$ _____

Subtract the Following from the Subtotal in Line 3:

4. Expected payments and withdrawals (A/P)

- \$ _____

5. Sales Commissions expected to pay

- \$ _____

6. Subtotal (Line 3 minus lines 4 and 5)

= \$ _____

Add the Following to the Subtotal in Line 6:

7. Accounts Receivable expected

+ \$ _____

8. Total Available for Payroll (Line 6 plus line 7)

= \$ _____