

How to Project Cash to Run or Save Your Business

SCORE - Twin Cities

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Chat Questions

1. What accounting software are you currently using?
 - a. QuickBooks
 - b. Excel Spreadsheet
 - c. Other
2. Who makes entries and runs reports from the accounting software?
 - a. Controller
 - b. Bookkeeper - Inside or Contractor
 - c. Owner
3. How are you planning your cash flow currently?
 - a. Within my accounting software
 - b. With a spreadsheet
 - c. Looking at my bank activity

Webinar Outline

1. Cash Flow Terms
2. Cash Flow Tools
3. Preparing a Cash Flow Plan

Cash Flow Terms

- Cash Inflows - Deposits into the Bank Account
- Cash Outflows - Withdrawals from the Bank Account
- Online Bank Balance - your Online Bank Cash Balance
- Book Cash Balance - your Cash Balance with all transactions recorded.

Cash Flow Tools

1. Use Up-to-date Accounting Information

- a. Your Online Bank Balance is NOT your Book Cash Balance
- b. Accounts Receivable - monies Customers owe to the company
- c. Accounts Payable - monies the company owes to Vendors
- d. 1st of the Month Automatic Debit Payments Ex: Rent

2. Use information from your Accounting Software

- a. Access AR and AP List Reports on a weekly basis
- b. Access Deposit and Withdrawal Reports on a weekly Basis

3. Prepare a Spreadsheet Cash Flow Report to project weekly Cash Inflows and Cash Outflows

4. Update the Spreadsheet Cash Flow Report weekly to know your Actual and Projected Book Cash Balance

Why prepare a Cash Flow Plan?

A WEEK-TO-WEEK Cash Flow Report will provide you with a Planning Tool that provides the information to run your business effectively.

- ▶ Thru Growth
- ▶ Thru Decline
- ▶ Thru Seasonality
- ▶ A Critical Business Tool to maintain Business Stability
- ▶ Business Stability requires CASH FLOW PLANNING