

Cash Flow Forecasting Build

Here is a simplified version of a cash flow projection that you could create using a spreadsheet program like Excel or Google Sheets.

First, make sure your sheet is organized into rows and columns.

1. **Set up Time Periods:** Across the top row, label the columns as "Items," then each subsequent column with each month in your forecast period. If you're forecasting for a year, you'll have columns titled 'January', 'February', etc.
2. **Cash Inflows:** Your cash inflows could be structured as follows:
 - A. "Beginning Cash Balance": This should be the first row under Cash Inflows. This would be the cash on hand at the start of each month.
 - B. "Sales": The next row is where you'll put in your sales figures for each month.
 - C. "Other Inflows": Include other potential sources of income, like investments, loans, asset sales, etc.
 - D. "Total Cash Inflows": This row will be the sum of all the inflows (Beginning Cash Balance + Sales + Other Inflows).
3. **Cash Outflows:** Similar to the inflow section, list all your projected outflows:
 - A. "Rent"
 - B. "Salaries"
 - C. "Supplies"
 - D. "Marketing"
 - E. "Other Expenses": Any other regular outflows your business might have.
 - F. "Total Cash Outflows": This row will be the sum of all the outflows (Rent + Salaries + Supplies + Marketing + Other Expenses).
4. **Net Cash Flow:** This row will calculate the net cash flow by subtracting the Total Cash Outflows from Total Cash Inflows.
5. **Ending Cash Balance:** The final row should calculate your ending cash balance for the month, which is the Beginning Cash Balance plus the Net Cash Flow.

Remember to copy all the formulas down for each period in your forecast, so each month's calculations are accurate.

Here's a simple visual representation:

Items	January	February	March	...
Beginning Cash Balance	\$10,000	=H6	=I6	...
Sales	\$5,000	\$5,500	\$5,750	...
Other Inflows	\$2,000	\$1,500	\$1,000	...
Total Cash Inflows	=SUM(B2:B4)	=SUM(C2:C4)	=SUM(D2:D4)	...
Rent	-\$2,000	-\$2,000	-\$2,000	...
Salaries	-\$3,000	-\$3,000	-\$3,000	...
Supplies	-\$500	-\$500	-\$500	...
Marketing	-\$1,000	-\$1,000	-\$1,000	...
Other Expenses	-\$500	-\$500	-\$500	...
Total Cash Outflows	=SUM(B6:B10)	=SUM(C6:C10)	=SUM(D6:D10)	...
Net Cash Flow	=B5+B11	=C5+C11	=D5+D11	...
Ending Cash Balance	=B2+B12	=C2+C12	=D2+D12	...

Please note that this is a simplified cash flow projection and your actual cash flow forecast might need to include more detailed line items based on your business operations.

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