

THE BEGINNER'S CASH FLOW GUIDE

HOW DO I MANAGE MY BUSINESS MONEY
WITHOUT RUNNING OUT?

1

TRACK IT

2

PROTECT IT

3

PLAN IT

4

GROW IT

DON'T JUST MAKE MONEY. LEARN TO KEEP IT.

WELCOME

Sales are exciting. But a busy business can still run out of money if bills come due before customers pay, expenses keep rising, or cash is spent too early.

This guide helps you understand the money moving through your business. You will track income and expenses, build a simple forecast, prepare for slow months, and make better decisions about reinvesting.

THE GOAL

Know what cash is available, what is already committed, and what your business needs next.

- ☐ Know the difference between sales and cash
- ☐ Find where money is going
- ☐ Plan upcoming bills and payments
- ☐ Create a realistic cash cushion
- ☐ Build a 90-day money plan

CASH FLOW IS ABOUT TIMING, NOT JUST TOTALS.

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STEP 1

REVENUE, PROFIT & CASH

Money coming in is not the same as money available to spend.

REVENUE

Total sales earned in a period.

PROFIT

Revenue minus expenses, under the accounting method used.

CASH IN

Money actually received.

CASH OUT

Money actually paid.

Example: You make a \$2,000 sale today, but the customer pays next month. You may have revenue now, but you do not have that cash in your bank today.

SALES EARNED THIS MONTH**CASH RECEIVED THIS MONTH****CASH PAID OUT THIS MONTH****CASH AVAILABLE NOW****WHAT PAYMENTS ARE STILL WAITING TO ARRIVE?**

STEP 2

KNOW WHERE MONEY GOES

Write down real business cash inflows and outflows, not estimates you wish were true.

☐ Customer payments☐ Refunds received☐ Other business income☐ Rent / workspace☐ Supplies / inventory☐ Software / subscriptions☐ Shipping / transportation☐ Marketing☐ Payroll / contractors☐ Loan payments☐ Other expenses**TOTAL CASH RECEIVED****TOTAL CASH PAID****LARGEST CASH EXPENSE****ONE EXPENSE I CAN REDUCE OR REVIEW**

STEP 3

SEPARATE BUSINESS & PERSONAL

Clear separation makes tracking easier and reduces confusion.

BUSINESS ACCOUNT

Use a dedicated account for business activity when possible.

OWNER PAY

Record money paid to yourself separately from business costs.

RECEIPTS

Keep a record of purchases and payments.

RECONCILE

Compare your records to your account activity regularly.

☐ Business transactions are tracked separately

☐ I save receipts and invoices

☐ I can identify owner withdrawals

☐ I review transactions at least monthly

WHAT IS CURRENTLY MIXED TOGETHER?**MY NEXT STEP TO SEPARATE IT**

STEP 4

FIXED & VARIABLE EXPENSES

Know which costs remain steady and which change as you sell more.

FIXED COSTS

Often stay similar month to month, such as rent or software.

VARIABLE COSTS

Usually rise or fall with sales, such as packaging or materials.

RENT / SPACE**SOFTWARE / INSURANCE****OTHER FIXED COSTS****MATERIALS PER SALE****PACKAGING / DELIVERY PER SALE****OTHER VARIABLE COST PER SALE****TOTAL FIXED COSTS PER MONTH****VARIABLE COST PER SALE**

STEP 5

FIND YOUR BREAK-EVEN POINT

Break-even tells you how many sales are needed to cover the costs included in your calculation.

STEP A: FIXED COSTS

Total recurring fixed costs for the period.

STEP B: CONTRIBUTION

Price per sale minus variable cost per sale.

MONTHLY FIXED COSTS (\$)**SELLING PRICE PER SALE (\$)****VARIABLE COST PER SALE (\$)****PRICE MINUS VARIABLE COST (\$)****BREAK-EVEN SALES = FIXED COSTS / CONTRIBUTION PER SALE**

Round up to the next whole sale. If contribution is zero or negative, the offer cannot cover fixed costs at that price.

MY BREAK-EVEN SALES PER MONTH**MY REALISTIC SALES TARGET**

STEP 6

BUILD A CASH FLOW FORECAST

Estimate when money will actually arrive and when it must leave.

WEEK	START CASH	CASH IN	CASH OUT	END CASH
Week 1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Week 2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Week 3	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Week 4	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

End cash = Start cash + Cash in - Cash out. Next week begins with the previous week's ending cash. Forecasts are estimates, so update them with actual numbers.

LOWEST PROJECTED CASH BALANCE

WHAT WILL I DO IF CASH GETS TOO LOW?

STEP 7

PREPARE FOR SLOW MONTHS

Build a plan for uneven sales before the slow period arrives.

KNOW YOUR MINIMUM

List the bills you must pay even with few sales.

BUILD A CUSHION

Choose a cash reserve target based on actual obligations.

CONTROL COMMITMENTS

Avoid locking in costs before demand is proven.

PLAN EARLY

Watch your forecast and respond before the account runs low.

ESSENTIAL MONTHLY CASH OUTFLOW**MONTHS OF CUSHION I WANT****MY CASH RESERVE TARGET****CURRENT RESERVE****FIRST EXPENSE I COULD PAUSE IF SALES SLOW**

STEP 8

INVOICES & LATE PAYMENTS

A sale does not help cash flow until payment arrives.

CLEAR TERMS

Put payment dates and terms in writing.

SEND PROMPTLY

Invoice as soon as agreed or when work is complete.

TRACK DUE DATES

Know what is due this week and next.

FOLLOW UP

Send professional reminders and document replies.

TOTAL UNPAID INVOICES (\$)**TOTAL OVERDUE (\$)****LARGEST INVOICE AND DUE DATE****MY PAYMENT REMINDER MESSAGE**

STEP 9

TAXES & UNEXPECTED COSTS

Do not mistake money set aside for obligations as spendable cash.

TAXES

Estimate and set aside applicable taxes. The amount depends on your situation and location.

EMERGENCIES

Plan for equipment repairs, refunds, or other surprises.

UPCOMING BILLS

Record known annual, quarterly, and seasonal payments.

PROFESSIONAL HELP

Use a qualified tax or accounting professional for your situation.

MY TAX SET-ASIDE PLAN / AMOUNT**UPCOMING NONMONTHLY EXPENSES****MY EMERGENCY CASH TARGET****NEXT DATE TO REVIEW THESE AMOUNTS**

STEP 10

KNOW WHEN TO REINVEST

A bigger purchase should solve a real problem without leaving you unable to pay bills.

- ☐ Demand is demonstrated
- ☐ Expected return is reasonable
- ☐ Upcoming bills are covered
- ☐ Cash reserve is protected
- ☐ The purchase fixes a bottleneck
- ☐ I have a way to measure results

PURCHASE OR INVESTMENT I AM CONSIDERING**UPFRONT COST****ONGOING MONTHLY COST****EVIDENCE THIS WILL IMPROVE THE BUSINESS**

STEP 11

7-DAY CASH FLOW CHALLENGE

Spend one week building a clearer picture of your business money.

DAY 1

List all money received

DAY 2

List all money paid out

DAY 3

Separate fixed and variable costs

DAY 4

Calculate break-even sales

DAY 5

Forecast the next four weeks

DAY 6

Check upcoming bills and unpaid invoices

DAY 7

Choose one improvement for the next month

STEP 12

CASH FLOW SCORECARD

Rate each statement from 1 (needs work) to 5 (strong).

1. I know how much cash the business has.	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
2. I track cash received and paid.	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
3. I know my essential monthly costs.	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
4. I understand my break-even point.	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
5. I forecast upcoming cash needs.	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
6. I know what invoices are overdue.	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
7. I set money aside for obligations.	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
8. I have a plan for slow periods.	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐

TOTAL SCORE / 40

MY LOWEST-SCORING AREA

YOUR 90-DAY CASH FLOW PLAN

Track it. Protect it. Plan it. Grow it.

My 90-day cash flow goal

Cash available today

Minimum monthly cash needed

Reserve target

Biggest cash flow risk

One action I will take this week

Number I will review every week

DON'T JUST MAKE MONEY.
LEARN TO KEEP IT.

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PLAN. VALIDATE. BUILD. GROW.

