

Cash Flow Forecast Template Instructions

Forecast sales

This cash flow forecast tool allows you to enter your projected sales and other revenues each month. By entering your expected incoming receipts, you'll have a better idea of cash coming in.

From there, you can deduct your expenses to see whether you'll have enough cash on hand or need to work out a way to pay your bills.

Use last year's sales or your current sales history, if any, as a basis for upcoming sales.

Take any opportunities or threats into account. If you're a start-up, you'll need to look at industry trends, market demand, and your competitors to come up with expected sales estimates for the coming months.

Forecast expenses

All businesses have bills to pay each month. Not only do you have direct costs such as materials, stock, and packaging, you also have overheads like rent, taxes, power, website hosting, salaries, and insurance. They all add up - but do you know how much is going out each month?

This information is critical in ensuring that you set the right sales targets.

Predict money coming in and money going out

Forecasting your receipts and comparing them to your expenses each month is useful in establishing targets, monitoring your cash on hand, keeping an eye on your expenses, and addressing any projected shortfalls or windfalls. It's all about money coming in versus money going out - hopefully with a positive balance.

If it looks as though you'll come up short, you may want to start thinking about how you'll bridge the gap.

Answer the 'what if?' question

The cash flow forecast template is also useful for running through various scenarios to see how your cash flow may be impacted. For example:

- What if you hire a full-time sales person?
- What happens if you borrow money?
- What if you add new equipment?
- What if you increase capacity?

Use the template to crunch the numbers, taking into account additional revenues your investment might bring in, as well as associated expenses.

Cash flow forecast



Receipts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Sales													
Other revenue													
(A) Total receipts													
Less payments													
Accounting													
Bank fees													
Drawings													
General expenses													
Marketing													
Materials and stock													
Overheads (Rent, power, etc)													
Repayment of loans													
Employee wages and salaries													
Tax													
(B) Total payments													
(C) Net cash flow													
(D) Opening bank balance													
Closing bank balance													

Disclaimer:

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