Startup Budget & Cash Flow Basics

A budget estimates costs. A cash-flow plan tracks when money arrives and when you need to pay.

Put it into practice

1. Separate one-time setup spending, regular operating costs, and job-specific costs.

2. List payment due dates and when you realistically expect customer payments.

3. Review opening cash plus expected receipts minus planned payments. Identify timing gaps before committing to spending.

Starter example

Example only: $500 opening cash + $300 receipts - $650 payments = $150 closing cash. If payments are due before receipts arrive, the cash available during the month may be lower.

Your next action

Opening cash / expected receipts / payments / timing gap

Revenue is not profit, and unpaid invoices are not cash in the bank. Keep tax and personal cash planning separate and seek qualified advice where needed.

Continue with the practical decision guide and worksheet on the next pages.

Plan the timing of cash, not only totals

Work through the decision

Write a simple calendar of expected receipts and payments. Start with cash already available, not money you hope a customer will pay. Separate startup purchases from ongoing costs, and record when each payment is due. A positive month-end estimate can still hide a cash shortage earlier in the month.

Use at least two scenarios: a cautious plan with fewer bookings or later receipts, and a working plan based on realistic expectations. Mark uncertain items clearly. Treat reserves as money set aside, not as an expense you also subtract again. Reconcile the plan with actual transactions regularly.

A situation to learn from

Example: you start with $500. A $400 equipment payment is due Monday; $300 customer receipts are expected Friday; another $250 payment is due Wednesday. The month-end total is $150, but before Friday the plan is short by $150. Changing timing or reducing spending is a separate decision from whether the monthly total is positive.

How to respond

Before committing to a purchase, identify which cash pays for it and what remains for other obligations. An unpaid invoice may be revenue in your records but is not available cash. Check tax and borrowing decisions with an appropriate professional; this worksheet is a planning framework.

Weekly cash calendar

Use this page with your own service and circumstances. Record assumptions separately from confirmed facts, and update the plan using actual work.

Opening cash / week start date

Expected receipts: source / amount / realistic date / confidence

Payments: purpose / amount / due date / essential or deferrable

Lowest expected cash balance / gap / action before due date

Review before taking the next step

Review actual versus planned receipts and payments each week. Move delayed receipts to a realistic date instead of leaving them in the plan as if collected.

- [ ] No double-counted reserve or expense.
- [ ] Receipts based on realistic payment timing.
- [ ] Personal and business cash distinguished.
- [ ] Timing gaps identified before spending.

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