

## Steps to Creating a Cash Flow Budget

1. Begin with last year's budget and your checkbook. List, month by month, all of your income in one column and all of your expenses in another.
2. Identify those expenses that recur every month and are roughly fixed in amount, such as salaries and rent.
3. Do the same with income, noting regularly anticipated revenues such as income from program fees or from a special event.
4. Now create an informed budget from last year's information, starting in the current month with actual expenses and income and using "best guess" figures for the next five months. The next five months are your "Projected income and expenses."
5. At the end of each month you will show a positive or negative balance. If you have a positive balance at the end of any month, be sure to carry that over to the next month in the income column as "beginning cash balance."
6. In those months where you show a negative balance, identify any expenses that can be moved to another month. Also, discuss with your staff and advisory committee, steps that can be taken to increase income to these months. This may take the form of adjustments to your annual fund drive, changing the timing of a special event, or activating a line of credit, or other measures suggested in the issue of *On-the-Go eTA*. There may be additional expenses incurred with any of these measures, so be certain to consider these as you develop your cash flow budget.

By constantly reviewing and adjusting your cash flow budget, you should, over time, develop a pattern that enables you to manage your cash so that you have income at the best times to match your expenses. Program planning will be able to maximize your mission.

**Sample Cash Flow Budget**

	<b>Total Budget</b>	<b>January (actual)</b>	<b>February (projected)</b>	<b>March (projected)</b>	<b>April (projected)</b>	<b>May (projected)</b>	<b>June (projected)</b>
<u>EXPECTED REVENUES</u>							
Government Grants	\$ 35,000				\$ 12,000	\$ 4,000	\$ 16,000
Foundation Grants	\$ 50,000		\$ 5,000		\$ 7,500	\$ 15,000	
Individuals	\$ 12,000			\$ 1,500			\$ 30,000
Fees for Service	\$ 55,000	\$ 3,000	\$ 4,500	\$ 4,500	\$ 5,000	\$ 5,000	\$ 3,000
Total Revenue	\$ 152,000	\$ 3,000	\$ 9,500	\$ 6,000	\$ 24,500	\$ 24,000	\$ 49,000
<u>EXPECTED EXPENSES</u>							
Salaries & Fringe Benefits							
Executive Director	\$ 38,000	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167
Program Directors	\$ 50,000	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167
Secretary	\$ 27,000	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250
Rent	\$ 12,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Supplies	\$ 11,000	\$ 5,000					\$ 6,000
Telephone	\$ 3,300	\$ 300	\$ 250	\$ 300	\$ 500	\$ 350	\$ 250
Postage	\$ 2,500	\$ 150	\$ 150	\$ 150	\$ 1,500	\$ 150	\$ 150
Copying	\$ 2,950	\$ 100	\$ 100	\$ 100	\$ 1,000	\$ 100	\$ 100
Total Expenses	\$ 146,750	\$16,134	\$ 11,084	\$ 11,134	\$ 13,584	\$ 11,184	\$ 17,084
NET INCOME	\$ 5,250	<13,134>	<1,584>	<5,134>	\$ 10,916	\$ 12,816	\$ 31,916
Cash on Hand - Beginning	\$ 2,648	\$ 2,648	<10,486>	<12,070>	<17,204>	<6,288>	\$ 6,528
Ending Cash Available(Before Loan Activity)	\$ 7,898	<10,486>	<12,070>	<17,204>	<6,288>	\$ 6,528	\$ 38,444
Loan	\$ 0	\$ 12,000	\$ 0	\$ 6,000	<10,000>	<8,000>	\$ 0
Cash After Loan Activity	\$ 7,898	\$ 1,514	<70>	\$ 796	\$ 1,712	\$ 6,528	\$ 38,444

**Sample Cash Flow Budget (blank)**

	<b>Total Budget</b>	<b>Month 1 (actual)</b>	<b>Month 2 (projected)</b>	<b>Month 3 (projected)</b>	<b>Month 4 (projected)</b>	<b>Month 5 (projected)</b>	<b>Month 6 (projected)</b>
<u>EXPECTED REVENUES</u>							
Government Grants							
Foundation Grants							
Individuals							
Fees for Service							
Other							
Total Revenue							
<u>EXPECTED EXPENSES</u>							
Salaries & Fringe Benefits							
Staff 1							
Staff 2							
Staff 3							
Rent/mortgage							
Supplies							
Telephone							
Utilities							
Postage							
Copying/Printing							
Other							
Total Expenses							
NET INCOME							
Cash on Hand - Beginning							
Ending Cash Available(Before Loan Activity)							
Loan							
Cash After Loan Activity							