**CU2M2 Cash Flow Worksheet**

A **Cash Flow Worksheet** is a simple way to keep track of the cash inflows and outflows of a business. The worksheet lists where the funds coming into the business are from, and where funds leaving the business go. The purpose of the cash flow worksheet is to determine how much money a business has for current expenses.

The worksheet is commonly formatted to record cash transactions monthly. Because this is a working document, and not a formal financial statement, there is some variation in the format of the worksheet from business to business. Standard components of the worksheet are:

* The **Beginning Cash Balance.**
* The **Cash Inflows** or **Cash Receipts** section of the worksheet, which records money received from:
  + Cash sales
  + Accounts receivable collections
* The **Cash Outflows** or **Cash Paid Out** section of the worksheet, which records the company’s expenses
* The **Ending Cash Balance**.

It is important to remember the worksheet records only cash transactions.

**What counts as cash?**

* Cash and checks received – cash in
* Credit card purchases you make – cash out
* Down payments or installment payments you make – cash out
* Prepaid payments – cash out at time paid, even if the expense is prorated as a monthly expense on the Income Statement
* Tax obligation – cash out when incurred, although they may be paid quarterly or annually

**What is not counted as cash?**

* Uncollected invoices
* Credit card purchases by customers – the money isn’t cash until the credit card company pays you
* Depreciation and amortization – these are Income Statement expenses only

**Projecting cash flow**

The cash flow worksheet is often used to project cash flow for an upcoming business cycle. For example, by adding additional months (columns to the right) in the following example format, a projection for the entire year 20XX can be developed.

|  |  |  |
| --- | --- | --- |
| **CASH FLOW WORKSHEET** | |  |
| Sample Company | |  |
| January 20XX | |  |
|  |  |  |
| **Beginning Cash Balance** | | **$** |
|  |  |  |
| **Cash Inflows (Income):** | |  |
|  | Accounts Receivable Collections |  |
|  | Loan Proceeds |  |
|  | Cash sales |  |
|  | Other: |  |
|  | **Total Cash Inflows** |  |
|  |  |  |
| **Cash Outflows (Expenses):** | |  |
|  | Advertising |  |
|  | Bank Service Charges |  |
|  | Insurance |  |
|  | Interest on Loans |  |
|  | Inventory Purchases |  |
|  | Miscellaneous |  |
|  | Office |  |
|  | Maintenance & Repairs |  |
|  | Payroll |  |
|  | Payroll Taxes |  |
|  | Professional Fees |  |
|  | Rent or Lease |  |
|  | Supplies |  |
|  | Taxes & Licenses |  |
|  | Utilities & Telephone |  |
|  | Other: |  |
|  | **Subtotal** |  |
| **Other Cash Out Flows:** | |  |
|  | Capital Purchases |  |
|  | Loan Principal |  |
|  | Owner's Draw |  |
|  | Other: |  |
|  | **Subtotal** |  |
|  | **Total Cash Outflows** |  |
|  |  |  |
| **Ending Cash Balance** | |  |