

Cash Flow Forecast Instructions

If you need any assistance with setting up or using this spreadsheet contact:

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Please report any errors found to author.

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There are three primary worksheets in this file, the Cash Flow Worksheet which takes values from the Accounts Receivable and Accounts Payable Worksheets.

Everything highlighted in yellow should not be erased. These are calculations and feed elsewhere in the worksheet. The one exception to this rule is on the **Beginning Cash Line**. The starting cash for a week is the ending cash from a prior week. Frequently, it is necessary to adjust the starting cash for accuracy. Just make sure that following weeks pick up the ending cash from the prior week.

Start by erasing the sample values in all fields that are not highlighted in yellow.

Plug in values for the Cash Outflows section of the Cash Flow Worksheet first. If you don't know an exact value, especially for amounts in the future, predict them as closely as possible. As future expenses become nearer, adjust the values to be more accurate.

The **Accounts Payable Other** worksheet is the best way to keep track of individual A/P. The reason I suggest you use a single line for each payable, is that it allows you to move them around to make your cash work. On the main Cash Flow Worksheet, enter those recurring expenses that are predictable and don't have latitude about when they get paid.

The **Accounts Receivable Worksheet** can be used in one of two ways.

First, if you have a small number of A/R accounts, list them individually and predict when they will pay based on history. This is the most accurate and works well for a company that doesn't have a lot of small invoices.

If your company has a lot of small invoices calculate the turn on A/R as described in the post on Allbusiness.com. [Link to Instructions on calculating turn](#)

Remember, if you make a credit sale today and the average collection turn on A/R is 45 days, then you need to predict that sale or weeks of sales to collect 45 days in the future.

After calculating your A/R decide if you are going to track each account on a line basis, or use a single line on the A/R worksheet to predict the performance of your entire A/R. With practice, you will get better at predicting collection of cash which will improve your forecasting reliability.

The bottom line called Ending Cash Balance is the key to knowing if you have enough cash for the week. If this number is negative, then you don't. If it is positive, you do. Adjust payables where you can to affect the bottom line number, and if necessary, seek additional cash via Accounts Receivable Funding, personal cash, or a traditional bank line of credit. When the 13 week forecast is done, save it with a name that will let you know what periods it covered. Take a copy of the last spreadsheet and clear out all the numbers that are not highlighted in yellow and start your process all over again.

The author of this spreadsheet is available to answer any questions about forecasting cash or using this spreadsheet. Please don't hesitate to call.