# SMALL BUSINESS FINANCE

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# Contents



# Introduction

# Finance 101

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inance. It is both the lifeline and the cause of so many business failures.

Many small business owners find themselves caught up in the mad rush of simultaneously trying to survive, compete, find clients, do the marketing and on top of all that, take care of

their financial responsibilities.

It can be a very tough role to maintain, and it requires a lot of patience and determination.

That's why we've created this book, to help small business owners take charge of their finances. Think of this as a starter-pack, the first lesson in your financial education.

We've got everything you'll need to thrive financially, from the most important finance documents, to the finance numbers you should be watching, the accounting mistakes you should avoid, and other invoicing and finance tips.

We've even included 3 crucial printable financial documents in the back, to help you get ahead in your finances.



Written & compiled by Bernard Meyer @BernardMeyerIB Head of Marketing, InvoiceBerry





9 EASY FINANCE TIPS TO MAKE YOUR SMALL BUSINESS SUCCEED

Starting your own business can be difficult. From learning how not to burnout in the early stages, to using social media correctly for your online presence, there's a lot of stuff you need to cover.

But the most important, for your success as a profitable business, is the financial aspect. You have to take care of your finances if you want to succeed. Most small business owners are not finance experts—they have an overall strategy, but they don't like to pore over Excel spreadsheets and do endless reporting.

So today we'll look at the 9 best finance tips to help entrepreneurs and small business owners succeed.

#### Don't put off your financial responsibilities

One of the best finance tips is to stop procrastinating when it comes to sending invoices or creating expense reports. But what you don't want to do is put those responsibilities off until that magical time called 'later' because it rarely comes. What ends up happening is you have too much work that you've put off for far too long.

For most small business owners and entrepreneurs, you can take care of these things easily with tools such as InvoiceBerry, which has simplified the invoicing and expense tracking software.

Whatever you do, though, don't delay. Divide it into manageable categories (sending invoices, tracking and categorizing expenses, paying employees, etc.) and just do it.

#### Educate yourself on important statements

The best thing to do, besides just surviving through your financial reports, is to educate yourself so they become easier. You need to know your three essential financial statements – cash flow, profit and loss, and balance sheet.



Your cash flow statement will measure your investments and your operating and financing activities. Your income statement shows how much revenue you've earned in a certain time period. Your balance sheet concerns your assets, liabilities, and shareholders' equity.

Get yourself familiar with these statements now to save yourself headaches in the future. We discuss these important financial documents later on in Chapter 3, "The Financial Documents Your Business Needs."



#### Separate your business and personal finances

Don't mix your business with pleasure, at least when it comes to financials. Keep your business finances separate from your personal finances. This will help you track your expenses more accurately and keep your spending under control.

While you're at it, be sure to use separate bank accounts, get a business expense or credit card, keep your receipts separate, and pay yourself first. These are only some of the most important finance tips you'll need to do in order to separate your business and personal finances.

#### Understand seasonal cash flom

All businesses have seasonality—times when it's really up, times when it's medium, and times when it's low. This could be a year-byyear sales cycle, but mostly it's seasonal.



Christmas lights man has a huge sales spike from Halloween until the New Year, but then it tapers off. He sells party lights the rest of the year, but the sales are not as strong. You may not sell Christmas lights, but your sales are definitely going to have seasonality.

Now that affects your cash flow as well. It's best to keep a buffer in your reserves from your high sales so you can survive the low sales. Your business needs cash flow to stay afloat, and accepting that seasonality is tough. But if you want your business to survive, first see what your cash flow seasonality is and learn to prepare for it.



# 5

#### Ask for discounts

Surprisingly, getting free or lesser-priced stuff is easier than you could imagine. Many small business owners I know, especially SaaS ones, tell me that they'd happily give away stuff for free or a reduced price. If someone asks.

If you're having some tight financial times, don't be afraid to send out an email to companies asking for support. Sure, you won't get a 100% positive response—if you even get a response—but you'll be surprised how many other businesses are willing to help you out.

You know why? Because they've been through it, and although it can be a dogeat-dog world sometimes, people are still willing to help you if you ask them.

#### Cut variable costs

In your business, you'll have two costs—fixed and variable. You have no real say in your fixed costs, whether you're in an upswing or localized recession. But with your variable costs, there's a lot of wiggle room. Instead of traveling across the country, use free online calling. Instead of buying the Microsoft Office Suite, get Open Office or use Google Docs.

Before you purchase something, ask yourself whether this product or service is needed, whether there is a free or cheaper but similar offering, and whether the intended value justifies the price. It can be tough in the beginning for each purchase, but it will save your big in the end.

#### Invest in cloud-based invoicing software

Online invoicing software such as InvoiceBerry will allow you to store, update, track and access your business and customer information wherever and whenever you want. You can travel, work at home or office and work with your data anywhere and at anytime.



#### Monitor & measure financial performance

For strategic business goals, you need to have a thorough business plan in place. For your more specific goals, use the SMART goalsetting system. This is especially crucial for your financial goals and one of the most important finance tips.



Before you purchase something, ask yourself whether this product or service is needed, whether there is a free or cheaper but similar offering, and whether the intended value justifies the price.

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#### Get some help

You get much more than you lose by hiring expert help. What you lose—some money for the costs—is more than offset by the expert advice and guidance that saves you lots of wasted time and energy.

It will allow you also to focus on the other parts of your business, because multitasking in many ways is a myth. Focus is necessary for success, and you'll need help to take care of the other parts of your business so you can succeed and eventually expand.





THE MOST IMPORTANT FINANCE NUMBERS FOR SMALL BUSINESSES

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t's not an understatement that small business owners carry a lot of weight on their shoulders. From having to take care of sales and marketing, production, customer service, and overall bill-payer, small business owners have a lot to do.

Unfortunately for most, that also includes the accounting, finances, and often complicated financial numbers.

So to help out small business owners who need a bit more finance training, we're going to explain the most important financial numbers you need to run your business successfully.

	cash inflow - cash outflow = cash flow
Cash Flow	Operating cash flow is the lifeblood of your business and therefore needs to have all your focus trained on that. It often doesn't matter what your revenue is if you don't have positive cash flow. If it's positive, and you have more inflow (money from goods and services) than outflow (bills, loan payments, taxes, etc.), your business is doing fine.
	income – expenses = net income
Net Income	Also known as net profit or net earnings, your net income is quite related to your cash flow. This is a good indicator of how your business is doing, whether there needs to be an adjustment, or if you are on the right path. Knowing this number will help you determine the financial position of your business.
	business revenue – expenses = profit or loss
Profit & Loss	Your Profit & Loss (P&L or income) statement is crucial, as it gives you a snapshot of the financial status of your business. You create your P&L statement on a weekly, monthly, quarterly, or yearly basis, although most often it is done quarterly, semi-annually or annually. If it's positive, your company has made a profit, and the opposite is a loss.



### Cost of Revenue

#### materials + direct labor + transportation costs + sales commission = cost of revenue

Although there is such a thing as Cost of Goods Sold (COGS), we should only use that for physical products and inventories. We'll need to calculate the cost of revenue per unit of good or service. This will help you determine what your hourly rate should be for your services by calculating how much it actually costs for you to produce that service or product.

#### Real World Example

For example, I have a landscaping business and I need to do general upkeep on a large home, so I will calculate the Cost of Revenue per hour. To make it simple, I won't really have raw materials (that's for physical goods). However, I will have direct labor of 3 people x \$10/ hr for 6 hours. My transportation costs will be \$150 for a 200-mile round-trip with 2 cars. For sales commission, I will pay my sales rep 10% on this \$1200 job, which is \$120. Now I have:

### 0 (Raw materials) + 30/hr + 25/hr (dividing 150/6 hours) + 20 (dividing 120 commission/6 hours) = 75/hr

In order to do landscaping on this job, it will cost me \$75/hr. I will need to make sure I charge much more than that in order to have a successful business.

#### sales price – cost to produce good or service = gross margin

#### Gross Margin

Your gross margin, also known as the gross profit, determines how much money is actually left over after you've subtracted the cost of your merchandise or services. If you are in a competitive market, your margin will be quite low; however, if you have proprietary goods or high quality, in-demand services, your margin will be high.

Total Inventory

#### measure inventory on a weekly basis

For small businesses with physical goods, you should measure how much inventory you have on a weekly basis. If your inventory is increasing, this is usually an indicator of sales problems. You will need to adjust your orders or productions in order to balance out the decreased sales.



Days	payment terms *	133% > DSO									
Sales Outstand- ing	This is the number of days on average that it takes a customer to pay his or her invoice. If this number is small, that's great, as that is a sign of positive cash flow. The number should be less than 133% of the agreed upon payment terms. Therefore, if you set payment terms at 30 days, the DSO has to be 40 days or less.										
The Quick Ratio	Current assets / liabile This is a very quick measure that you about the financial stability of your b the assets (cash, accounts receivab liabilities (taxes, accounts payable equity. Optimally, the ratio should you'll need to improve your c	u get from your balance sheet ousiness. For a balance sheet, oles, cash equivalents) minus , long-term debt) equals the be greater than 1. If it isn't,									
Your 20%	<i>your 20% highest rev</i> Based on the Paretto principle, 20% to 80% of your revenue (and 20% 80% revenue of that 80%, ad infin 20% customers are, you can work to as well as find out how to convert o customer	of your customers contribute of that 20% contributes to itum). If you know who your o get more sales out of them, ther customers into your top									
	$\frac{1}{2} Cash Flow}{cash inflow - cash outflow = cash flow}$	5 Gross Margin sale price - cost to produce = gross margin									
3	2 Net Income income - expenses = net income	6 Total Inventory Measure inventory on a weekly basis									
FINANCIA	<b>Profit/Loss</b> revenue - expenses = profit or loss	7 Days Sales Outstanding payment terms * 133%>D80									
NUMBER	materials+labor+shipping+commission = CoR	8 Quick Ratio current assets / liabilities = quick ratio									
EXPLAINE		<b>% customers</b> revenue customers									



## THE FINANCIAL DOCUMENTS YOUR BUSINESS NEEDS

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Many small business owners to get so lost in the pursuit of making money to pay bills that they neglect their crucial finance documents, and there are many important ones.

These finance documents we'll look at will help you keep a watchful eye on your financial situation to take your business to the next level. They will help you determine whether your goods and services are priced accurately, identify your margins, and help with your cash flow.



This helps you to realize whether your business is making money or bleeding it. Also known as the P&L or income statement, this document allows you to review your income and expenses. It usually covers anything from a few months to a full year. This period is up to you to determine.

Your income statement will have two parts: revenue and expenses.

**Revenue includes** 

- operating revenue from goods and services sold
- **non-operating revenue**, such as rent money received for subleasing, interest on loans, etc.
- gains on long-term asset sales. These sales can be a building, a vehicle or other, and refers to the price sold which was in excess of the value of the asset.

Expenses include

- **operating expenses**, such as payroll, overhead such as rent, utilities, etc., and marketing costs
- non-operating expenses, such as interest payments on loans, debt, etc.
- **losses** from asset sales and lawsuit damages. This is the opposite of gains on long-term asset sales, as the amount of losses here have to be lower than the value of the asset.

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Free printable <u>Profit & Loss Statement</u>—just go to page 30 in the Further Resources chapter for your free printable document.





#### **Balance Sheet**

Your balance sheet gives a nice snapshot of your business at any time. Many businesses do it at the end of the year, but it can be at any time of your choosing.

Pretty much, a balance sheet comes down to the following equation:

#### *Liabilities* + *Owner's Equity* = *Assets*

The equation should be balanced, meaning your assets should be equal to your liabilities and owner's equity.

Your assets include:

- **current assets**, which is cash or anything that can be converted to cash within the time frame of a year
- **fixed assets**, such as equipment, land, furniture, machinery and other things you're not planning on selling

For liabilities, there are:

- **short-term liabilities**, which are things such as taxes and accounts payable
- **long-term debt**, which are things such as loans from the bank

Mathematically: *liabilities* = assets – owner's equity

Your owner's equity includes any money you've invested in the business – the money you've withdrawn + net income since the business began.

Mathematically: owner's equity = assets – liabilities

You o	can find three pr	intable finance o	locuments on pg. 30-32	Ş:
		Material   Image: Imag		
	Profit & Loss	Balance Sheet	Cash Flow	





### Cash Flow Statement

This document is important because it helps you to understand trends in your cash management and helps to keep your business solvent (meaning you can meet your financial obligations). It can be calculated as often as necessary, but usually monthly or even quarterly.

Your cash flow includes:

- cash inflows, such as cash sales, loans, and other investments
- cash outflows, such as expenses you've paid, equipment you've bought, and other payments

It is mathematically quite simple to calculate your ending cash balance:

Ending cash balance = beginning cash balance + cash inflows - cash outflows

This means that, if you've had a cash balance of \$1375 at the beginning of the month, earned \$1425 and spent \$1550, your ending cash balance would be \$1250.

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Free printable <u>Cash Flow Statement</u>—just go to page 32 in the Further Resources chapter for your free printable document.



#### Invoices

Invoices are the finance documents you use to make sure you get paid for your goods and services. They are the tools you need to get your money. They are also a record of your financial activity and a legally binding document once both parties have signed and agreed.

Invoices list your goods and services utilized or purchased by your customer. They can also include many other things, such as payment terms for when the customer should provide your payment.

Invoices are crucial for your cash flow, and often lapses in getting your invoices paid can be the difference between positive cash flow and negative cash flow.





## ACCOUNTING MISTAKES YOU SHOULD AVOID (EXPERT TIPS)

There is essentially a limitless amount of accounting mistakes that small business owners make in their day to day lives. They are caught up in the dayto-day events and sometimes neglect their accounting and financial duties.

It's a lot of responsibility, we know. That's why we're going to look at how to avoid the most common small business accounting mistakes so that you can make your business a success.

### <u>Mistake #1</u>: Using your business account for personal purchases

This is possibly the easiest accounting mistake that many small businesses make. They mix up their personal and business finances and end up in trouble.

John Blake, CPA and Parter at Klatzkin & Company LLP, has seen it all, and he advises small businesses to always separate them.

"If you are under an IRS audit and they find personal expenses mixed with business expenses you are going to have a long day. Always get a separate bank account for your business and run only business expenses through that account."

Advice: Get a separate bank account strictly for business expenses, and consider getting separate bank and credit cards for your separate finances.

### <u>Mistake #2</u>: Throwing away receipts

Nate Byers, CPA Financial Planner at JBC Wealth Advisors, LLC, has some strong advice for small businesses:

"In general, keep all of your receipts to support your deductions. Under an IRS or state audit this is critical to supporting your deductions. An easy target for an audit of a new business owner is with meals and entertainment.

"On any meal receipt make sure to document your relationship with the parties involved and specify the business purpose of the meal. Don't put yourself in a position to lose deductions because you didn't properly document your legal deductions."

Advice: Find ways to store your receipts and document the details of the transaction. This is easily done on InvoiceBerry's invoicing software.



# <u>Mistake #3</u>: Not keeping accurate accounting records

Not being an accountant is not an excuse for not keeping accurate records of your financese.

John Blake emphasizes that not keeping accurate records could lead to faulty tax returns:

"Without adequate records you could be leaving deductions on the table or worse you could be audited and not be able to substantiate a deduction."

Moreover, Nate Byers advises small business owners to keep an eye on their finances at all times, even when outsourcing.

"If you choose to outsource your bookkeeping duties you still need understand the basics of bookkeeping so you don't end up in a mess. By understanding the basics you can detect when something doesn't look right and find opportunities to minimize your taxes."

Advice: Find strict ways to keep an eye on your finance and accounting documents to make sure you file accurate and beneficial taxes.

# Mistake #4: Not chasing overdue accounts

This is a problem that plagues many small businesses and freelancers.

In fact, over three in five small businesses had to suspended work and services to fight late payments in the UK, and the average freelancer & small business waits 72 days for payment.

Although one of the more common and unavoidable accounting mistakes, it is also something that you can at least lessen. One of the best tips is to set a shorter due date for your invoices.

Instead of the standard 30 days, set your payment due date for 14 days. That is two weeks in which a customer should be able to pay for services or products already received, and there should be no real problem in that.

Advice: Don't put off chasing late-payers. When you get paid, you increase your cash flow, and cash flow is the most important metric in business.



## <u>Mistake #5</u>: Not managing payments received

In the accounting lingo, these receivables are crucial for accurate bookkeeping.

It's the major lifeblood for your business's cash flow and crucial for determining whether you're making a profit or loss.

When you send out an invoice, think of it as a debt that's been set against the customer. It's your responsibility to close this debt. So when your client finally pays you, you need to record this payment.

This is quite easy to do with InvoiceBerry, as you can record your payment as soon as you receive it, right on the invoices page. This is crucial documentation for the all-important tax time, and if you want to make your accounting life easier, add payments to your invoices sent as soon as you receive them.

Advice: As soon as you receive payment for your invoices, record the payment. You can do this in your books or with InvoiceBerry's software.

### <u>Mistake #6</u>: Wearing too many hats

This last one may be the root of all small business accounting mistakes. It is just impossible for one person to do do everything, simple and plain. Wearing a lot of hats as a small business owner can be tempting in the mythical "I can do it all by myself" ideology that sweeps over many entrepreneurs, but that's just not true.

Focus on your business, financials and marketing, but know that accounting is a complicated business that's just too hard for a non-professional to completely handle. When it comes time to do your taxes, send it out to a professional.

You can hire your own, or just hire them when you need them during tax time. There are even subscription accounting services popping up that's less than the price of a daily cup of coffee.

Advice: Get a separate bank account strictly for business expenses, and consider getting separate bank and credit cards for your separate finances.





## WHY YOU SHOULD BE TRACKING YOUR EXPENSES

Many people in general don't track their expenses. This holds true for small businesses as well, who spend money bit-by-bit without really taking into consideration that they'll need to account for the money that they've spent.

This is, plain and simply, bad financial planning. Those small businesses generally end up in difficult positions by the end of the month, quarter or year, not reaching their finance goals or just unsure of where all their money went.

Let's look at some important reasons you should start tracking your expenses.



#### Know where your money goes

In order to cut back on expenses, you'll first need to know where those expenses are going. Once you do, you'll be able to monitor and decide whether your expenses are necessary or optional.



#### Prioritize your expenses

When you track expenses, you'll see where your money goes and you'll see what is more important: to save money, be financially independent, or buy things you can put off or don't need at all?



#### Become more disciplined and organized

You'll find yourself getting into a routine. Discipline is only necessary as a start—after that it's routine. You'll see how easy it is to keep yourself in line and become more organized in your habits.



### Start planning your financial future

When you track expenses, you'll see where your money goes and you'll see what is more important: to save money, be financially independent, or buy things you can put off or don't need at all?





#### Prevent potential crises

Before you track expenses, you don't know if you're spending more or less on food, clothes, or other things compared to before. When you do track expenses, you'll see where those dangerous areas are.



#### Bring the family or couple together

money is one of the most difficult conversations to have in a relationship or as a family and so most avoid it. However, now you track expenses, you can all work on one goal as a family or couple.



#### More accurately measure your progress

Goals are crucial for progress, and when you track expenses it's much easier for you to set accurate goals. You'll know exactly how close or far away from your goal you really are and adjust if needed.



#### Stop stressing about money

money is one of the most difficult conversations to have in a relationship or as a family and so most avoid it. However, now you track expenses, you can all work on one goal as a family or couple.

#### Be aware of unauthorized charges

When you track expenses, you'll see where your money goes and you'll see what is more important: to save money, be financially independent, or buy things you can put off or don't need at all?





## INVOICING TIPS TO GET YOU PAID FASTER

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For small business owners, you may enjoy your work but you know that there's more to your business than just that. You also need to get paid. That's why it's important for you to send out and receive payment on your invoices in a short amount of time.

The financial aspect of your business is crucial if you want to succeed, so today we'll look at some surefire invoicing tips. You'll be able to employ these effective invoice tips so you can get paid faster.

#### Use online invoicing software

Instead of having to worry about creating documents when you get home, figuring out how much you worked and where those details are, and then trying to find your client's contact details, you can just leave that to the software.

InvoiceBerry helps simplify the invoicing and expense tracking process, so all you have to do is enter information online. That means you don't need your home computer—just visit the site from anywhere.

Also, all your clients' details are stored on the site, so you don't need to look for anything. There are even expense and other financial reports so you can track how well you're doing.

#### Determine policies

Take it as a given that from time to time you'll have a client whose payment is delayed or late.

In these situation, it is very advisable to have certain policies in place. These act as a base of understanding between you and your clients. These policies may be adjusted upon a later date, for one client or completely, but keep them as a way to hold yourself and your clients accountable.

In your policies you should be able to state whether you'll take payment upfront and the time allotted for payment. You should also decide if there'll be any late fees. Then state what types of payments you'll accept (cash, debit, bank transfer) and if you'll deliver before or after payment.



# 3

## Agree to a quote before the job

What are your and your client's expectation? How much time do you have to deliver the services? And what, in detail, are the extent of the services?

The answers to these questions will be different than what's in your policy. Your policy is static and thus always the same for each client.

These specific agreements on a case-by-case basis determine exactly what your services are and what your clients pay for. That will help you clear up and hopefully avoid any possible future confusion or surprises. With InvoiceBerry's software, you can easily turn your quote into an invoice with just one click.

#### Number invoices, but don't begin with "001"

For the sake of your record keeping—that is, if you're not already using an invoicing software—you should have numbered invoices. You can use any system you choose—letters, numbers, or a combination of the two.



It is always advised, however, not to start off your invoices with "001". It will let the client know that you're just starting out and potentially inexperienced – and perhaps unprofessional. Go ahead for your favorite number, such as "0072," and start off from there.

# 5

### Use simple, easy language and layout

Don't get too creative and academic with your invoices. Don't use strange language that obfuscates (see what I mean?) the main point. If it's for wedding pictures on June 8, 2016, then you should write "Wedding pictures, June 8, 2016".

As for the layout and design of the invoice, simple is usually better. However, sometimes you want to be more creative and individual. That's fine, but it's better for financial documents to find a good balance with color, individuality, and simplicity. You can check out our list of free downloadable invoice templates and choose your favorite.



#### Add overdue fees

Ideally as part of your policies, you should have included charges for late payment or delivery. This will help both you and your client to stay on track.

For your client, there should be a certain amount added to the invoice for late payment. It can be gradual, so that one charge is added

after 15 days, again at 30, etc. This can be a percentage, although usually it is a specific amount. Be sure also to make these payment due dates short. Therefore, 15 days, not 30, is better, as payers are on average late by 2 weeks.

For yourself, you can also add a condition that there will be a charge against you (a discount) for late delivery. This can be of your choosing, but anytime you're late on delivery, you should strongly consider a discount, written in policy or not.

#### Invoice as a marketing tool

While you're sending your clean, simple though customized invoice, don't be too restricted. There are many things you can do—you can use your invoice as a marketing tool. Check out the infographic below to find out more:



### Record payments received

How do you know who's paid? Just based on your memory? Or do you go through your bank account and check who's sent you money?

That is not a good system. Whatever your system is, you should note down the client as soon as possible after you receive payment. InvoiceBerry's online invoicing software does this on its site, so it's easy for you to do it as soon as you get payment.

# 9

#### Send polite payment reminders

Don't be scared to send payment reminders to your late clients. As you know, people do get busy, so it could just be a simple oversight. Nonetheless, don't feel guilty about it. It's very simple. You provided your services, as agreed, and they have the obligation to pay you, as

agreed. It's a simple transaction.

However, when you send your payment reminders, do so politely. When you use polite language, people are more willing to send payment. It is easy to send payment reminders through InvoiceBerry, so you don't have to spend too much time wondering about how to formulate it.

### Follow-up with a phone call

You could choose to call the client directly when the payment is late, although an email is less intrusive. However, when the second email is unanswered, and now the third, it may be time to call the client directly. 10

Just remember to be polite throughout your emails and phone calls. There is also no shame in trying to get your money, nor should there be any surprise. Services rendered equals money paid, so be firm in your attempts to get paid.

Invoicing, and thus being paid for your services, is as important for your business as the work you do. That's why it's important to spend time perfecting your invoicing method now to save yourself troubles later. With these tips, you'll make the whole process of creating invoices and getting paid much faster.





## FURTHER RESOURCES: 3 PRINTABLE FINANCIAL DOCUMENTS

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#### printable

Profit and Los	s Statem	ent	For	nth or Year	nding	th-Day-Year
Company Name	Gross	margin [L/J	]   Return o	on sales [T/J	7]   Stated	l in 000s
Contripanti g Mainte		[		Curront Poriod	% Change from	0% Change from
	Prior Period	Budget	Current Period	as% of Sales	Prior Period	Budget
SALES REVENUE		I				
Total Sales Revenue [J]						
COST OF SALES						
Total Cost of Sales [K]						
Change Durcht FI - I Wi						
Gross Profit [L=J-K]		<u> </u>				
SALES & MARKETING						
Advertising Direct marketing						
Direct marketing						
Total Sales & Marketing [M]						
RESEARCH & DEVELOPME	NITI					
Technology licenses						
Patents						
Total Research & Development						
GENERAL & ADMINSTRATI	VE		I			
Wages & salaries Outside services						
Supplies						
Meals & Entertainment						
Rent						
Telephone						
Utilities						
Depreciation						
Insurance						
Repairs & Maintenance						
Total General & Administrative	[0]					
Total Operating Expenses [P=M+N	1+0]					
Income from Operations [Q=L-P]						
Other Treeme CD1						
Other Income [R]						
TAXES						
Income taxes						
Payroll taxes Real Estate taxes						
Total Taxes [S]						
NET PROFIT [T=Q+R-S]						

#### **Balance Sheet**

Company Name

## 

*i* 0000

all figures in 000s

#### LIABILITIES

#### Current Assets

**TOTAL ASSETS** 

Cash	
Accounts receivable	
(minus doubtful accounts)	
Inventory	
Temporary Investment	
Prepaid Expenses	
Total Current Assets	

ASSETS

#### Long-Term Liabilities

**Current Liabilities** 

Current portion of long-term notes

**Total Current Liabilities** 

Accounts payable Short-term notes

Interest payable Taxes payable Accrued payroll

Mortgage	
Other long-term liabilities	
Total Long-term Liabilities	

#### Shareholders' Equity

Capital stock	
Retained earnings	
Total Shareholders' Equity	
TOTAL LIABILITIES & EQUITY	

Total Current Assets	
Fixed Assets	
Long-term investments	
Land	
Buildings	
(less accumulated depreciation)	
Plant & equipment	
(less accumulated depreciation)	
Furniture & fixtures	
(less accumulated depreciation)	
Total Net Fixed Assets	

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	TOTAI																																					
	NOV DEC EMBER																																					
	NOV EMBER									-																												
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	Fiscal year begins: 	Cash on Hand	(beginning of month)	CASH RECEIPTS	Cash Sales	Collections fm CR accounts	Loan/other cash inj.	Total	Total Cash Available	(before cash out)	,T.NO	Purchases ()	Gross wages (exact withdrawal)	Payroll expenses (taxes, etc.)	Outside services	Supplies (office & oper.)	Repairs & maintenance	Advertising	Car, delivery & travel	Accounting & legal	Rent	Telephone	Utilities	Insurance	Taxes (real estate, etc.)	Interest	Other ()	Miscellaneous	Total	CASH PAID OUT (NON P&L)	Loan principal payment	Capital purchase (specify)	Other startup costs	Reserve and/or escrow	Owners' withdrawal	Total	Total Cash Paid Out	Cash Position

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## Other useful links

There are many other resources available to help small businesses succeed. To find other great tips and guides on how to make your business even more successful, check out these great articles:





## LEARN MORE ABOUT INVOICEBERRY'S ONLINE INVOICING SOFTWARE

InvoiceBerry simplifies invoicing and expense tracking, helping you save your time and money. You can create your first invoice in under 60 seconds.

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