

## Example of a simple cash flow forecast for one year, by month.

Saxeus Corporation

Here is an example for a small farm, which plants three crops throughout the year.

1 **Beginning on Hand** (BOH) is the amount of money with which you begin the time period.

In the first month, this will be zero unless the business already exists and has money in the bank.

In the next month, BOH = Ending on Hand from the previous month.

2 **Sources of Funds** (Sources): list all of the sources of cash that will come into the business. In this example, there is an initial investment, and then later in the year, the business sells the crops that it planted earlier in the year.

3 **Uses of Funds** (Uses) consist of two categories: Expenses and Assets

Expenses are things that will be used up during one year, like the seed and fertilizer, that the farm will have to purchase again next year.

Assets are things that will last more than one year, like the water pump.

4 **Ending on Hand** (EOH) is how much money you have at the end of the period.

Ending on Hand = Beginning on Hand + Sources of Funds - Uses of Funds

If the EOH for any month is negative, you do not have enough money to pay for everything you need that month.

In this example:

Crops are planted and harvested at different times of the year.

The farm buys the seeds it needs in the month when planting begins.

The farm buys all the fertilizer it needs for the year at the beginning of the planting season.

Gasoline is needed on the farm every month, but extra gasoline is needed when the crops are harvested and sold.

Salaries are paid monthly.

The farm purchases a trailer before the first planting.

The lists of items and numbers in this example were created to illustrate how a cash flow works.

Your list of Sources and Uses should include everything that you will use in your plan. Your numbers will be different.

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	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Beginning on Hand	-	650	240	90	380	290	130	520	430	520	430	340
Sources of Funds												
Investment	1,000											
Sales of Products												
Rice				500								
Corn							600					
Soybeans									300			
<b>Total Sources of Funds</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>600</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>
Uses of Funds												
Expenses												
Rice seed	50											
Corn seed			60									
Soybean seed						70						
Fertilizer		120										
Tools	150											
Gasoline	30	30	30	150	30	30	150	30	150	30	30	30
Salaries	60	60	60	60	60	60	60	60	60	60	60	60
Assets												
Water pump	60											
Trailer		200										
<b>Total Uses of Funds</b>	<b>350</b>	<b>410</b>	<b>150</b>	<b>210</b>	<b>90</b>	<b>160</b>	<b>210</b>	<b>90</b>	<b>210</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>Ending on Hand</b>	<b>650</b>	<b>240</b>	<b>90</b>	<b>380</b>	<b>290</b>	<b>130</b>	<b>520</b>	<b>430</b>	<b>520</b>	<b>430</b>	<b>340</b>	<b>250</b>