# 📊 Cash Flow Projection Template

*A step-by-step guide to forecasting your business finances*

## 🔹 What is a Cash Flow Projection?

A cash flow projection is an estimate of how much money will flow in and out of your business over a specific period. It helps small businesses anticipate cash shortages, make informed financial decisions, and ensure they always have enough money to cover expenses.

## 🔹 How to Use This Template

✅ Track your income (cash inflows) from sales, loans, or investments.
✅ Record expenses (cash outflows) for rent, salaries, inventory, etc.
✅ Calculate your net cash flow (income minus expenses) to ensure financial stability.
✅ Forecast future cash flow based on past data and upcoming changes.

## 🔹 Step-by-Step Guide to Filling Out Your Cash Flow Projection

### 1️⃣ Define the Time Period

Decide if you want to track your cash flow weekly, monthly, or quarterly. Most small businesses start with a monthly projection to monitor cash flow fluctuations.

### 2️⃣ List All Cash Inflows (Money Coming In)

This includes all sources of income your business expects to receive.

| Date | Source of Income | Description | Expected Amount | Actual Amount Received |
| --- | --- | --- | --- | --- |
| MM/DD/YYYY | Product Sales | Revenue from online store sales | ₦2,000 | ₦1,800 |
| MM/DD/YYYY | Service Fees | Payment from consulting clients | ₦500 | ₦500 |
| MM/DD/YYYY | Loan | Small business loan received | ₦5,000 | ₦5,000 |
| MM/DD/YYYY | Investor Funds | Investment received from Angel Investor | ₦10,000 | ₦10,000 |

Total Cash Inflows: ₦\_\_\_\_

### 3️⃣ List All Cash Outflows (Expenses – Money Going Out)

Track every expense to ensure you're not overspending.

#### Fixed Expenses (Same every month)

| Date | Expense Category | Description | Expected Cost | Actual Cost |
| --- | --- | --- | --- | --- |
| MM/DD/YYYY | Rent | Office/warehouse space rental | ₦1,500 | ₦1,500 |
| MM/DD/YYYY | Salaries | Employee wages | ₦3,000 | ₦3,200 |
| MM/DD/YYYY | Internet | WiFi subscription | ₦50 | ₦50 |
| MM/DD/YYYY | Software | Business tools (e.g., accounting software) | ₦100 | ₦100 |

Total Fixed Expenses: ₦\_\_\_\_

#### Variable Expenses (Fluctuate every month)

| Date | Expense Category | Description | Expected Cost | Actual Cost |
| --- | --- | --- | --- | --- |
| MM/DD/YYYY | Marketing | Facebook & Google ads | ₦500 | ₦600 |
| MM/DD/YYYY | Inventory | Restocking products | ₦2,000 | ₦2,500 |
| MM/DD/YYYY | Utilities | Electricity & water bills | ₦200 | ₦250 |
| MM/DD/YYYY | Travel | Business trips, deliveries | ₦300 | ₦350 |

Total Variable Expenses: ₦\_\_\_\_

### 4️⃣ Calculate Net Cash Flow

The net cash flow determines if your business is making or losing money.

Formula:

🟢 Net Cash Flow = Total Cash Inflows – Total Cash Outflows 🔴

| Total Cash Inflows (₦) | Total Cash Outflows (₦) | Net Cash Flow (₦) |
| --- | --- | --- |
| ₦\_\_\_\_ | ₦\_\_\_\_ | ₦\_\_\_\_ |

If Net Cash Flow is positive (+) → You have extra cash to reinvest. 🎉
If Net Cash Flow is negative (-) → You may need to cut expenses or find additional income. ⚠️

## 🔹 Cash Flow Forecasting (Planning for the Future)

Now that you have tracked your cash flow for a month, you can forecast future cash flow.

* If sales are increasing, you may need to increase inventory.
* If expenses are too high, find ways to reduce costs (e.g., negotiate rent, use free marketing).
* If you have cash flow gaps, consider getting a short-term loan or adjusting payment schedules.

## 🔹 Additional Tips for Managing Cash Flow

💡 Keep an emergency cash reserve to handle unexpected expenses.
💡 Negotiate better payment terms with suppliers to delay payments and free up cash.
💡 Encourage early customer payments by offering discounts for upfront payments.
💡 Review and update cash flow regularly to adjust your financial strategy.

## 📌 Summary

A Cash Flow Projection is an essential tool for tracking and planning your business’s finances. Use this template to ensure your business remains profitable and financially stable.