

Budgets – J – Cash Budget

Accounting presentation created by
Rex A Schildhouse
2015-01-01
www.schildhouse.com



Budgets – J – Cash Budget

- The Cash Budget is probably the most important budget for the life of the company.
- Like the statement of cash flows, it shows expected reality.
- Will your company grow or shrink?

Miramar Merchandising Services, Inc.				
Cash Budget				
For the Quarter ending March 31, 2015				
	January:	February:	March:	Total:
Cash collections:	\$146,886.88	\$149,342.44	\$150,180.47	\$446,409.78
Cash payments:	125,306.86	131,919.01	130,936.52	388,162.39
Difference between cash collected and cash paid:	\$21,580.01	\$17,423.43	\$19,243.95	\$58,247.39

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- Probably the simplest budget of all.
- Cash collections from the Cash Collections Budget,
- Less cash payments from the Cash Payments Budget.

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- If there is a minimum balance of cash it comes into play at this point.

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- Budgets are sequential in nature.
- My Microsoft Excel template has them all on one worksheet / page.
- There are tons of “look to” formulas where a later budget is “looking to” the values created by previous budgets.
- This gives you “live” budgets. Change a value in the top and it is waterfall effect to the bottom.

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- Using a tool like Microsoft Excel is the only logical way to create budgets.
- Excel's math, if the formula is correct, is flawless.
- Remember to follow the rounding instructions for your challenge.

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The end.