

Start-Up Costs/Working Capital Requirements

Start-up costs are those expenses that will be incurred prior to the business opening. You must have enough working capital to cover daily expenses until you become profitable. This worksheet will help begin the process of assessing financial needs to help avoid under capitalization at the outset.

| | |
|---|-------------------------|
| Deposit, office or building lease(Facility/location expense) | \$ <input type="text"/> |
| Decorating/remodeling/build-out(Changes in facility required for business operation) | \$ <input type="text"/> |
| Furniture/Fixtures | \$ <input type="text"/> |
| Purchase Price – if paid in cash | \$ <input type="text"/> |
| Cash Down Payments – if purchased on contract | \$ <input type="text"/> |
| Installation (Fixtures, equipment) | \$ <input type="text"/> |
| Utilities (Installation electric, water, phones) | \$ <input type="text"/> |
| Utilities and deposits (electric, water, phones) | \$ <input type="text"/> |
| Initial inventory (Stock, supplies for manufacturing) | \$ <input type="text"/> |
| Office supplies (Pens, pencils, paper, etc) | \$ <input type="text"/> |
| Advertising and promotion(Business cards, stationery, brochures, grand opening) | \$ <input type="text"/> |
| Signs (Vehicle, interior and exterior for facility) | \$ <input type="text"/> |
| Licenses, permits and fees | \$ <input type="text"/> |
| Insurance (vehicles) | \$ <input type="text"/> |
| Insurance (employees, workers compensation) | \$ <input type="text"/> |
| Insurance (medical,dental, key man) | \$ <input type="text"/> |
| Legal/Accounting and other professional services | \$ <input type="text"/> |
| Merchant/Association fees | \$ <input type="text"/> |
| Salaries and owners draw until positive cash flow | \$ <input type="text"/> |
| Start-Up Costs (add all of the boxes insert number here) | \$ <input type="text"/> |
| Working capital (Cash reserve for early months of business before sales are sufficient to pay bills) | \$ <input type="text"/> |

Additional Capital Required (Subtract Start-Up Costs from Working Capital)

\$

Monthly Expenses

Some start-up expenses will also become ongoing monthly costs once the firm is in operation. It is necessary to estimate all monthly costs in order to be realistic about the income the firm will need. This worksheet includes some basic considerations. Completing it will help an accountant develop cash flow projections. In the column adjacent to the monthly expenses, make notes of those that increase or decrease in particular months.

| | Monthly Expense | Possible Variations |
|--------------------------|-------------------------|----------------------------|
| Your Monthly Living Cost | \$ <input type="text"/> | \$ <input type="text"/> |
| Rent | \$ <input type="text"/> | \$ <input type="text"/> |
| Equipment Lease | \$ <input type="text"/> | \$ <input type="text"/> |
| Maintenance and Repairs | \$ <input type="text"/> | \$ <input type="text"/> |
| Advertising | \$ <input type="text"/> | \$ <input type="text"/> |
| Office Supplies | \$ <input type="text"/> | \$ <input type="text"/> |
| Delivery | \$ <input type="text"/> | \$ <input type="text"/> |
| Postage | \$ <input type="text"/> | \$ <input type="text"/> |
| Vehicle Expenses | \$ <input type="text"/> | \$ <input type="text"/> |
| Legal/Professional Fees | \$ <input type="text"/> | \$ <input type="text"/> |
| Insurance(s) | \$ <input type="text"/> | \$ <input type="text"/> |
| Telephone | \$ <input type="text"/> | \$ <input type="text"/> |
| Other Utilities | \$ <input type="text"/> | \$ <input type="text"/> |
| Other Utilities | \$ <input type="text"/> | \$ <input type="text"/> |
| Travel | \$ <input type="text"/> | \$ <input type="text"/> |
| Dues/Memberships | \$ <input type="text"/> | \$ <input type="text"/> |
| Payroll | \$ <input type="text"/> | \$ <input type="text"/> |
| Payroll Taxes | \$ <input type="text"/> | \$ <input type="text"/> |

| | | |
|-------------------------|-----------------------------------|-------------------------|
| Other Taxes & Fees | \$ <input type="text"/> | \$ <input type="text"/> |
| Monthly Expenses | \$ <input type="text" value="0"/> | \$ <input type="text"/> |

Multiply your monthly expenses by three. Three months working capital is a good safety net to have deposited in the bank prior to opening the doors to your business!