How to build a 13-week cashflow forecast

FINANCIAL STRATEGY, FINANCES, REPORTING, BUDGETING, FORECASTING

Author / Jo Hands

Cash flow forecasting is an essential tool for any business, helping to predict how much cash will be coming in and going out over a given period of time.

A 13-week cash flow forecast is a short-term projection of cash flow that can help businesses anticipate any potential cash flow gaps and plan accordingly. In this article, we'll go through the steps to build a 13-week cash flow forecast

Step 1: Gather your data

The first step in building a cash flow forecast is to **gather all the relevant data**. This includes historical cash flow statements, accounts payable and receivable reports, payroll reports, and any other financial reports that will help you to project cash flow over the next 13 weeks.

Step 2: Determine your starting cash balance

The next step is to determine your starting cash balance, which is the amount of cash you have on hand at the beginning of the 13-week period. **This can be calculated by adding up all your available cash**, including cash in the bank, petty cash, and any other sources of cash.

Step 3: Project your cash inflows

The next step is to project your cash inflows, which are the amounts of cash that you expect to receive over the 13-week period. **This includes all sources of cash**, such as sales revenue, loan proceeds, and other cash inflows.

Step 4: Project your cash outflows

The next step is to project your cash outflows, which are the amounts of cash that you expect to pay out over the 13-week period. **This includes all expenses**, such as payroll, rent, utilities, inventory, and other operating expenses.

Step 5: Calculate your net cash flow

Once you have projected your cash inflows and outflows, the next step is to **calculate your net cash flow, which is the difference between your inflows and outflows.** A positive net cash flow means that you will have more cash coming in than going out, while a negative net cash flow means the opposite.

Step 6: Adjust your forecast

After calculating your net cash flow, review your forecast and make any necessary adjustments. This may include revising your projections for sales revenue, expenses, or other factors that can impact your cash flow.

Step 7: Monitor your cash flow regularly

Once you have built your cash flow forecast, it's important to monitor it regularly to ensure that you stay on track. **Review your actual cash flow against your forecast on a weekly basis** and make any necessary adjustments to your projections.

In conclusion, **building a 13-week cash flow forecast is a critical tool for any business** to manage its cash position.

By gathering all relevant data, projecting cash inflows and outflows, calculating net cash flow, and making regular adjustments, businesses can ensure they have the necessary cash to cover expenses and pursue opportunities.

If we can help you, reach out for a no obligation chat to **Jo Hands** on 0459826221, or **jo.hands@whiteark.com.au**