

# Monitor Cash

Create monthly business cash flow statements to maintain a complete picture of cash movement in and out of the business.

## Why does monitoring cash flow with monthly statements matter?

Every business needs working capital to operate. For most businesses, the cash cycle includes a lot of variability in timing of receipts and payments, making it difficult to ensure there is enough cash at all times. Maintaining daily/weekly/monthly cash flow reports provides a complete picture of your cash flow and can help you identify cash flow improvements to support your business.



### Top actions taken by high-growth businesses to improve cash flow<sup>1</sup>

- Improve productivity
- Monitor and forecast cash more closely
- Extend the terms for paying my vendors

## Key actions to take:

- **Create a cash flow statement:** Creating and using a monthly cash flow statement, whether generated from your financial software or created on a spreadsheet, provides the basic tool to monitor cash flow. You will be able to track when your money comes in, when it goes out – and to where – and how much cash you have left over after you pay your expenses. (Unlike an income statement, it does not adjust the timing of transactions to match income with appropriate expenses.) Reviewing the statement regularly will identify trends and point out possible areas of improvement.
- **Understand the cash conversion cycle:** The cash conversion cycle is the time it takes to convert inputs (labor and materials) into cash flows. Determine how quickly you're converting your expenses in labor and materials into positive cash collected from customers. Finding process improvements along the way will shorten that cash cycle and improve your access to cash (liquidity).
- **Identify effective ways to maximize cash:** Focus on your strategic cost opportunities (those items that make and save you the most money), then take a hard look at expense reductions in other areas. Identify strategies to get cash into your business faster by offering customers fast pay incentives and discounts. Minimize expenses by bidding costs out regularly while developing and sticking to a budget.
- **Improve account reconciliation with online reporting:** Electronic banking services provide better cash control through fast and easy access to all your cash inflows and outflows.

90%

owners review monthly cash flow fluctuations<sup>1</sup>

50%

of businesses fail due to lack of proper cash flow management<sup>2</sup>

## How SunTrust can help

Choosing the right products and services to manage your business's cash flow helps make operations smoother and transactions more efficient.

Gain access to your accounts and payments with [SunTrust Business Online](#),<sup>3</sup> a comprehensive small business cash management system. Enjoy increased visibility across your accounts including balances and 18 months of downloadable, printable account history including paid check, deposit ticket and deposited item images. Easily download your account data and information for software packages at your convenience. With secure access to your financial information, you'll always be prepared to make informed decisions to keep your business pointed in the right direction.

Download the [SunTrust Business Mobile](#) app to extend your banking capabilities and make mobile check deposits from your smart phone or tablet so you can manage your cash wherever your business takes you.

Link your SunTrust account with your financial software using [SunTrust Direct Connect](#).<sup>4</sup> SunTrust Direct Connect syncs with QuickBooks® accounting software to integrate your SunTrust bank account information, pay bills and download transactions. With SunTrust Direct Connect, you can avoid double entry of transactions and spend less time managing your accounts and more time on your business.

### Click below for additional resources:

#### [Cash Flow 101](#)

Understand the basics of cash flow for your business.

#### [Simplicity and Complexity of Managing Cash Flow](#)

Learn strategies to manage cash flow volatility.

#### [12 Month Cash Flow Statement](#)

Download a sample cash flow statement from SCORE.org.

**Do you need better tools  
to monitor your cash flow?**

- Drop by your SunTrust branch
- Call us at 800.752.2515
- Visit [suntrust.com/bizbestpractices](https://www.suntrust.com/bizbestpractices)

<sup>1</sup> SunTrust conducted research with 397 small business owners ranging from \$100,000 to \$2,000,000 in annual revenue in the first quarter of 2017. The high-growth segment was derived from the fastest growing twenty percent of those companies.

<sup>2</sup> Carbago, Marco, *5 Bad Habits That Hurt a Company's Credit Ratings*, SBA.gov, 10/11/16, accessed on 5/14/2017 at <https://www.sba.gov/blogs/5-bad-habits-hurt-companys-credit-ratings>.

<sup>3</sup> Additional charges may apply. See the Business Online Fee Schedule for details at [www.suntrust.com/businessonline](http://www.suntrust.com/businessonline).

<sup>4</sup> Additional terms and conditions may apply.

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