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| Appendix |

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| START-UP COSTS | | | | |
| Your Home-Based Agency | | January 1, 20XX | | |
| COST ITEMS | MONTHS | COST/ MONTH | ONE-TIME COST | TOTAL COST |
| Advertising/Marketing |  |  |  |  |
| Employee Salaries |  |  |  |  |
| Employee Payroll Taxes and Benefits |  |  |  |  |
| Rent/Lease Payments/Utilities |  |  |  |  |
| Postage/Shipping |  |  |  |  |
| Communication/Telephone |  |  |  |  |
| Computer Equipment |  |  |  |  |
| Computer Software |  |  |  |  |
| Insurance |  |  |  |  |
| Interest Expense |  |  |  |  |
| Bank Service Charges |  |  |  |  |
| Supplies |  |  |  |  |
| Travel & Entertainment |  |  |  |  |
| Equipment |  |  |  |  |
| Furniture & Fixtures |  |  |  |  |
| Leasehold Improvements |  |  |  |  |
| Security Deposit(s) |  |  |  |  |
| Business Licenses/Permits/Fees |  |  |  |  |
| Professional Services - Legal, Accounting |  |  |  |  |
| Consultant(s) |  |  |  |  |
| Inventory |  |  |  |  |
| Cash-On-Hand (Working Capital) |  |  |  |  |
| Miscellaneous |  |  |  |  |
| **ESTIMATED START-UP BUDGET** |  |  |  |  |

## Instructions for Getting Started with Estimated Start-Up Costs

Determining a business' startup costs is critical to ensure enough cash is available to begin business operations within the budgeted time frame as well as within the cost budget. Startup costs typically fall within two categories: monthly costs and one-time costs. Monthly costs cover costs that occur each month during the startup period, and one-time costs are costs that will be incurred once during the startup period.

Steps for preparation:

* Step 1: Enter the company name and the date this estimate is being prepared.
* Step 2: Enter the number of months and the monthly cost for each cost item that is recurring. For one-time costs only, skip the monthly costs. If there are cost items that have both recurring and one-time amounts, enter those as well.
* Step 3: Once all of the costs are entered, review the individual items and total amount to see where the budget can be fine-tuned or move something out into the future when more revenue is coming in.

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| START-UP COSTS | | | | | | | | | | | | | | |
| Your Home-Based Agency | | | | | | | January 1, 20XX | | | | | | | |
| **REVENUE** | **JAN** | **FEB** | **MAR** | **APR** | **MAY** | **JUN** | | **JUL** | **AUG** | **SEP** | **OCT** | **NOV** | **DEC** | **YTD** |
| Estimated Product Sales |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Less Sales Returns & Discounts |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Service Revenue |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Other Revenue |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Net Sales |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Cost of Goods Sold |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Gross Profit |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| EXPENSES | JAN | FEB | MAR | APR | MAY | JUN | | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
| Salaries & Wages |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Marketing/Advertising |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Sales Commissions |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Rent |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Utilities |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Website Expenses |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Internet/Phone |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Insurance |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Travel |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Legal/Accounting |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Office Supplies |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Interest Expense |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Other 1 |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Total Expenses |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Income Before Taxes |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| Income Tax Expense |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| NET INCOME |  |  |  |  |  |  | |  |  |  |  |  |  |  |
| \* In the service industry, Cost of Goods Sold is the monetized value of the time spent on the client. | | | | | | | | | | | | | | |

## Instructions for Getting Started on Profit & Loss Projections

Completing projections for Profit and Loss of a new company is a good exercise to understand and communicate when the company will begin to break even and see how sales and profits will grow. The top portion of the model to the left, Revenue, is a good way to forecast sales, month by month for the first year. The lower portion then applies estimated expenses for the same period of time to derive the business' profitability.

Steps for preparation:

* Step 1: Enter the company name and the date this projection is being prepared.
* Step 2: For each month, beginning in January or whenever the start is estimated, enter the expected sales to be. This could be for a single service or multiple services. Add lines to this model for additional offerings. From this, subtract any product returns or discounts that are to be tracked (these should be shown as negative numbers, for example, -10). Below Net Sales, enter the Cost of Goods Sold. This refers to the monetized value of the time spent on a particular client.
* Step 3: For each month, enter the estimated salaries, marketing, utilities, and other items that are projected.
* Step 4: Once all of the costs have been entered, review the individual items and total amount to see where projections can be fine-tuned or move something out into the future when more revenue is coming in. The objective is to get to profitability and positive cash flow as quickly as possible.