CAPITAL BUDGETING:

To establish SecureWala, we decided to invest an initial budget of $150,000. Anticipating that this amount would cover our startup needs effectively.

Here’s a breakdown of our starting budget (required to effectively start a business):

**INITIAL INVESTMENT REQUIRED TO START THE BUSINESS: 150000**

Below is how 150000 as a starting budget is divided among the following.

1. **RENT EXPENDITURE**

[Includes the cost of leasing office or commercial space.]

1. **INSURANCE**

[Protects the business against risks such as property damage, liability, or employee injuries.]

1. **OFFICE EQUIPMENT**

[Includes all hardware and devices essential for day-to-day operations. **Example**: Computers, printers, scanners, telephones, ergonomic furniture, and storage solutions.]

1. **INTERNET INSALLATION + YEARLY SUBSCRIPTION**

[Reliable internet is critical for communication and operations.

**Installation Costs:** Initial setup fees for hardware like routers or modems.

**Subscription Costs:** Vary based on the required speed, bandwidth, and service provider.

**Considerations:** Fiber-optic internet might cost more but offers higher reliability and speed.]

1. **SECURITY SOFTWARE LISCENSE**

[Protects the business's digital assets from cyber threats.

**Software Needs:** Antivirus, firewall solutions, malware detection, and possibly endpoint protection for remote teams.]

1. **OFFICE SUPPLIES**

[Day-to-day consumables required for smooth operations.

Examples: Stationery (pens, paper, notebooks), cleaning supplies, printer ink, coffee/tea, etc.]

1. **UTILITIES**

[Covers essential services for running the office.

Examples: Electricity, water, heating, air conditioning, and trash disposal.]

STARTING MONTH ANAYLSIS (CAPITAL BUDGETING)

**1. CASH INFLOWS**

* **01-Aug**: Initial cash contributed by owners: **$150,000**

**2. CASH OUTFLOWS (EXPENSES AND PAYMENTS)**

|  |  |  |
| --- | --- | --- |
| Date | Description | Amount ($) |
| 03-Aug | Prepaid rent for 1 year | 50,000 |
| 04-Aug | Prepaid insurance for 1 year | 2,000 |
| 05-Aug | Office equipment (computers, desks, etc.) | 15,000 |
| 07-Aug | Internet installation | 200 |
| 07-Aug | Yearly internet subscription | 100 |
| 08-Aug | Cybersecurity software license (1 year) | 10,000 |
| 10-Aug | Office supplies | 150 |
| 31-Aug | Utilities (electricity and water) | 500 |

**TOTAL OUTFLOWS:**

50,000+2,000+15,000+200+100+10,000+150+500=77,950

**3. NET BUDGET CALCULATION**

* **Total Cash Inflows:** $150,000
* **Total Cash Outflows:** $77,950

**REMAINING BUDGET:** $72,050

[NOTE]: Remaining budget will be allocated to employees (hiring and their salaries)

OVERVIEW (FOR THE REMAINING YEAR):

Keeping track for next months based on revenues and expenses, budget will be allocated accordingly to various sectors of employment to effectively keep the business running. This budget will subsequently be adjusted (deducted based on expenses, growth based on income and revenue) accordibly.