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### EC94-852 Cash Flow Planning Form

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## Cash Flow Planning Form

# Cash Flow Planning Form

Date completed \_\_\_\_\_, \_\_\_\_\_

Name of Operation \_\_\_\_\_

For period from \_\_\_\_\_  
to \_\_\_\_\_

Address \_\_\_\_\_

1. <b>Beginning Cash Balance</b>	\$	\$	\$	\$	\$
<b>Operating Sales</b>					
2. Crop and hay sales					
3. Market livestock sales					
4. Livestock product sales					
5. Custom work					
6. Other (agricultural program pmts., etc.)					
7.					
<b>Capital Sales</b>					
8. Breeding livestock					
9. Machinery and equipment					
10.					
11.					
12. Personal income (wages, interest, etc.)					
<b>13. Total Cash Available (add lines 1 through 12)</b>					
<b>Operating Expenses</b>					
14. Car and truck expenses (if not elsewhere)					
15. Chemicals					
16. Conservation expenses					
17. Custom hire					
18. Feed purchased					
19. Fertilizers and lime					
20. Freight and trucking					
21. Gasoline, fuel and oil					
22. Insurance					
23. Labor hired, benefits, pensions, etc.					
24. Rents and leases					
25. Repairs and maintenance					
26. Seeds and plants					
27. Storage and warehousing					
28. Supplies					
29. Taxes (real estate and personal property)					
30. Utilities					
31. Veterinary, breeding fees and medicine					
32. Feeder livestock (purchased for resale)					
33.					
34.					
<b>Capital Purchases</b>					
35. Breeding livestock					
36. Machinery and equipment					
37.					
38. Family living withdrawals, personal investments, etc.					
39. Income and social security (self employment) tax					
40. Term loan payments <i>Principal</i>					
41. <i>Interest</i>					
<b>42. Total Cash Required (add lines 14 through 41)</b>					
<b>43. Net Cash Available (13 - 42)</b>					
44. Operating loan borrowings (if line 43 is negative)					
45. Operating loan pmts. <i>Principal</i>					
46. <i>Interest</i>					
<b>47. Ending Cash Balance (43 + 44 - 45 - 46)</b>					
48. Ending operating <i>Principal</i> \$					
loan balance <i>Accr. Int.</i> \$					

Operating loan information: Interest rate: \_\_\_\_\_% Minimum balance: \$ \_\_\_\_\_ Maximum balance: \$ \_\_\_\_\_







## Instructions for Completing the Summary

Complete the summary, column by column, starting with the column corresponding to the first period of the year.

1. Total lines 1 through 12 to get the Total Cash Available in the period. Place the result in line 13.
2. Total lines 14 through 41 to get the Total Cash Required in the period. Place the result in line 42.
3. Subtract line 42 from line 13 and place the result in line 43. If the result is negative, write it in red, bracket it ( ), or place a minus sign in front of it.
4. If line 43 is negative, show at least enough new borrowings (line 44) to cover the deficit.
5. If line 43 is positive, or greater than a minimum desired level of cash, show projected principal and interest payments on the operating loan in lines 45 and 46.
6. Ending Cash Balance (line 47) – if line 43 is negative, subtract it from the amount of money borrowed (line 44) to get the ending cash balance. If line 43 is positive, subtract principal and interest payments (lines 45 and 46) to get the ending cash balance.
7. Increase the operating loan principal balance (line 48) by the amount of new borrowings during the period, or decrease it by the amount of principal payments, whichever is appropriate.
8. Increase the operating loan's accrued interest balance by the amount of interest which will have accrued during the period, or decrease it by the amount of interest payments.
9. Transfer the ending cash balance (line 47) for the period you have just completed to the beginning cash balance (line 1) for the next period.
10. Repeat steps 1 through 9 for each period of the year.

### The "Total Year" Column

The figures in this column reflect your total cash flow for the year. Each figure in this column is the sum of the figures in the individual time periods for most of the lines. But, the figures in lines 1, 13, 43, 47 and 48 do not "add across" due to the transfer of cash balances from the end of one period to the beginning of the next.

All of the lines except these five may be added across to form the total year figure for each line. Then, the following calculation may be performed on the total year column as a check on your previous calculations: (with reference to line numbers in the total year column)  $13 - 42 + 44 - 45 - 46 = \text{line } 47$ . The ending cash balance (line 47) using this approach should agree with the ending cash balance for the last period of the year.

### Projecting Accrual Income based upon Cash Flow Projections

Net cash flow is not the same as net income for a business. The supplemental projected income statement form provides a method for adjusting cash flow projections to an accrual net income estimate. On the back of that form is a worksheet for projecting product inventory flows for each farm enterprise during the planning period. On the projected income statement, cash sales and expenses are adjusted by projected inventory changes from the beginning to the end of the planning period to produce an estimate of the business's true profitability. See the extension publication on the Income Statement for a full explanation of the accrual-adjustment process.

*Prepared by Larry L. Bitney, Extension Economist, and James Friesen, Extension Assistant (Farm Management)*



# Projected Income Statement

Based on Cash Flow Projections

Ending \_\_\_\_\_, \_\_\_\_\_

Operation \_\_\_\_\_ Address \_\_\_\_\_

Completed by \_\_\_\_\_ Based on Cash Flow Plan completed \_\_\_\_\_, \_\_\_\_\_

Projected Business Income			
Operating sales (total of lines 2 to 7)			\$ _____
Breeding livestock sales (line 8)	\$ _____		
less estimated cost basis of cull animals sold	- _____		
plus base value of raised breeding animals retained	+ _____		= _____
Estimated cash income adjustments:	Estimated Ending Inventory	Less Beginning Inventory	
Receivables	\$ _____	- \$ _____	= _____
Grain, hay and feed inventory	_____	_____	_____
Market livestock inventory	_____	_____	_____
<b>49. Estimated Gross Revenues (sum of right column)</b>			<b>\$ _____</b>
a. less feeder livestock purchases (line 32)		- _____	_____
b. less feed purchases (line 18)		- _____	_____
<b>50. Estimated Value of Production (49 - a - b)</b>			<b>\$ _____</b>
Projected Business Expenses			
Cash operating expenses (total of lines 14 to 17, 19 to 31, 33, 34)			\$ _____
Estimated operating expense adjustments:	Beginning Value	Less Estimated Ending Value	
Prepaid expenses and supplies	\$ _____	- \$ _____	= _____
Cash investment in growing crops	_____	_____	_____
	Estimated Ending Value	Less Beginning Value	
Accounts payable	\$ _____	- \$ _____	= _____
Accrued expenses (except interest)	_____	_____	_____
c. Total estimated operating expenses (sum of right column)			\$ _____
d. Estimated depreciation			_____
Cash interest payments (lines 41 & 46)		\$ _____	
plus estimated ending accrued interest		+ _____	
e. less beginning accrued interest		- _____	= _____
<b>51. Estimated Total Expenses (c + d + e)</b>			<b>\$ _____</b>
Projected Net Income Summary			
<b>52. Estimated Net Income from Operations (50 - 51)</b>			<b>\$ _____</b>
Estimated capital sales except breeding livestock (lines 9, 10 & 11)	\$ _____		
less cost basis of items sold	- _____		= _____
<b>53. Estimated Net Business Income</b>			<b>\$ _____</b>
Estimated personal income (line 12)		+ _____	_____
Income and social security (self employment) taxes (line 39)		- _____	_____
<b>54. Estimated Net Income After Taxes</b>			<b>\$ _____</b>
Less estimated family living and other personal withdrawals (line 38)		- _____	_____
<b>55. Estimated Earned Net Worth Change</b>			<b>\$ _____</b>



## Physical Inventory Flows Worksheet

Supplement to EC 94-852-A

<b>Crop enterprise:</b>					
Beginning Inventory (units: )					
+ Production					
+ Purchases					
- Sales					
- Fed					
= Ending Inventory					
<b>Crop enterprise:</b>					
Beginning Inventory (units: )					
+ Production					
+ Purchases					
- Sales					
- Fed					
= Ending Inventory					
<b>Crop enterprise:</b>					
Beginning Inventory (units: )					
+ Production					
+ Purchases					
- Sales					
- Fed					
= Ending Inventory					
<b>Crop enterprise:</b>					
Beginning Inventory (units: )					
+ Production					
+ Purchases					
- Sales					
- Fed					
= Ending Inventory					
<b>Livestock enterprise:</b>					
Beginning Inventory (units: )					
+ Production					
+ Purchases and transfers					
- Death loss					
- Sales and transfers					
= Ending Inventory					
<b>Livestock enterprise:</b>					
Beginning Inventory (units: )					
+ Production					
+ Purchases and transfers					
- Death loss					
- Sales and transfers					
= Ending Inventory					
<b>Livestock enterprise:</b>					
Beginning Inventory (units: )					
+ Production					
+ Purchases and transfers					
- Death loss					
- Sales and transfers					
= Ending Inventory					
<b>Livestock enterprise:</b>					
Beginning Inventory (units: )					
+ Production					
+ Purchases and transfers					
- Death loss					
- Sales and transfers					
= Ending Inventory					