

Startup Expenses

Enter your company name here

Sources of Capital

Owners' Investment (name and percent ownership)

| | | |
|---------------------------------|-----------|----------|
| Your name and percent ownership | \$ | - |
| Other investor | | - |
| Other investor | | - |
| Other investor | | - |
| Total Investment | \$ | - |

Bank Loans

| | | |
|-------------------------|-----------|----------|
| Bank 1 | \$ | - |
| Bank 2 | | - |
| Bank 3 | | - |
| Bank 4 | | - |
| Total Bank Loans | \$ | - |

Other Loans

| | | |
|--------------------------|-----------|----------|
| Source 1 | \$ | - |
| Source 2 | | - |
| Total Other Loans | \$ | - |

Startup Expenses

Buildings/Real Estate

| | | |
|------------------------------------|-----------|----------|
| Purchase | \$ | - |
| Construction | | - |
| Remodeling | | - |
| Other | | - |
| Total Buildings/Real Estate | \$ | - |

Leasehold Improvements

| | | |
|-------------------------------------|-----------|----------|
| Item 1 | \$ | - |
| Item 2 | | - |
| Item 3 | | - |
| Item 4 | | - |
| Total Leasehold Improvements | \$ | - |

Capital Equipment List

| | | |
|--------------------------------|-----------|----------|
| Furniture | \$ | - |
| Equipment | | - |
| Fixtures | | - |
| Machinery | | - |
| Other | | - |
| Total Capital Equipment | \$ | - |

Location and Admin Expenses

| | | |
|---------------------------|----|---|
| Rental | \$ | - |
| Utility deposits | | - |
| Legal and accounting fees | | - |
| Prepaid insurance | | - |

Notes on Preparation

Note: You may want to print this information to use as reference later. These instructions, click the border of this text box and then press the key.

Nearly everyone who has ever started a business has underestimated and then faced the danger of running with inadequate capital reserves. To avoid this pitfall is to adopt a rigorous approach to your research planning.

Our Startup Expenses worksheet will lead you through the process.

EXPENSES - Begin by estimating expenses. What will it cost you to start your business up and running? The key to accuracy here is attention to detail. For each category of expense, draw up a list of everything you will need. This will include both tangible assets (for example, equipment, inventory, services (for example, remodeling, insurance). Then determine where you purchase these goods or services. Research more than one vendor or comparison shop. Do not look at price alone; terms of payment, dependability, and service are also important.

CONTINGENCIES - Add a reserve for contingencies. Be sure to explain in your narrative how you decided on the amount you are putting into this reserve.

WORKING CAPITAL - You cannot open with an empty bank account. You need a cash cushion to meet expenses while the business gets going. Even if you should do a 12-month cash flow projection. This is where you will write down your estimate of working capital needs. For now, either leave this line blank or enter your best rough guess. After you have done your cash flow, you can enter the carefully researched figure.

SOURCES - Now that you have estimated how much capital will be needed to start, you should turn your attention to the top part of this worksheet. List the amounts you will put in yourself, how much will be injected by partners or investors, and how much will be supplied by borrowing.

COLLATERAL - If you will be using this plan to support a bank loan, you should fill in the section near the bottom to show what assets are offered as collateral to secure the loan, and give your estimate of the value of these items. You should also offer some proof of your estimates of collateral values.

| | |
|--|-------------|
| Pre-opening salaries | - |
| Other | - |
| Total Location and Admin Expenses | \$ - |

Opening Inventory

| | |
|------------------------|-------------|
| Category 1 | \$ - |
| Category 2 | - |
| Category 3 | - |
| Category 4 | - |
| Category 5 | - |
| Total Inventory | \$ - |

Advertising and Promotional Expenses

| | |
|---|-------------|
| Advertising | \$ - |
| Signage | - |
| Printing | - |
| Travel/entertainment | - |
| Other/additional categories | - |
| Total Advertising/Promotional Expenses | \$ - |

Other Expenses

| | |
|-----------------------------|-------------|
| Other expense 1 | \$ - |
| Other expense 2 | - |
| Total Other Expenses | \$ - |

| | |
|---|-------------|
| <u>Reserve for Contingencies</u> | \$ - |
|---|-------------|

| | |
|-------------------------------|-------------|
| <u>Working Capital</u> | \$ - |
|-------------------------------|-------------|

Summary Statement

Sources of Capital

| | | |
|-------------------------------|-----------|----------|
| Owners' and other investments | \$ | - |
| Bank loans | | - |
| Other loans | | - |
| Total Source of Funds | \$ | - |

Startup Expenses

| | | |
|----------------------------------|-----------|----------|
| Buildings/real estate | \$ | - |
| Leasehold improvements | | - |
| Capital equipment | | - |
| Location/administration expenses | | - |
| Opening inventory | | - |
| Advertising/promotional expenses | | - |
| Other expenses | | - |
| Contingency fund | | - |
| Working capital | | - |
| Total Startup Expenses | \$ | - |

Security and Collateral for Loan Proposal

| Collateral for Loans | Value | Description |
|-----------------------------|--------------|------------------------------------|
| Real estate | \$ 120,000 | Residence at Main St., Seattle, WA |
| Other collateral | - | |
| Other collateral | - | |
| Other collateral | - | |

Owners

Your name here
Other owner
Other owner

Loan Guarantors (other than owners)

Loan guarantor 1
Loan guarantor 2
Loan guarantor 3

on to use as reference later. To delete
text box and then press the DELETE

business has underestimated the costs,
inadequate capital reserves. The key
approach to your research and

you through the process.

es. What will it cost you to get your
accuracy here is attention to detail. For
of everything you will need to purchase.
(example, equipment, inventory) and
ce). Then determine where you might
ch more than one vendor; i.e.:
ne; terms of payment, delivery,

tingencies. Be sure to explain in your
you are putting into this reserve.
with an empty bank account. You need
the business gets going. Eventually you
. This is where you will work out your
, either leave this line blank or put in
e your cash flow, you can come back

how much capital will be needed to
top part of this worksheet. Enter the
will be injected by partners or
y borrowing.
in to support a bank loan request, use
assets are offered as collateral to
the value of these items. Be prepared
llateral values.