SMALL BUSINESS FINANCIAL GUIDE

CASH FLOW

MADE SIMPLE

The Do's & Don'ts of Managing Your Business Cash

A practical guide for business owners

Build simple habits to track cash, prepare for upcoming expenses, and make more confident financial decisions.

DOMINYON FINOPS

Financial Clarity • Operational Excellence • Strategic Impact

01 • START HERE

Cash Flow Is the Lifeline of Your Business

Profit matters. But cash is what keeps the lights on, payroll covered, and opportunities within reach.

Cash flow, simply explained

Cash flow is the movement of money into and out of your business. Positive cash flow means more cash came in than went out during a period; negative cash flow means the opposite.

Money IN	Customer payments, product sales, service revenue, deposits and other business income.
Money OUT	Rent, payroll, contractors, supplies, software, insurance, taxes, debt payments and other expenses.
Timing matters	A sale is not the same as cash in the bank. If a customer pays 30 days later, you still need enough cash to operate until the payment arrives.

Remember

A business can look profitable on paper and still run short of cash. Cash flow management helps you see problems early instead of reacting after the money is gone.

02 • GOOD HABITS

The Do's of Cash Flow Management

Small, consistent financial habits create visibility and reduce surprises.

1. Separate business and personal money

Use a dedicated business bank account and card. Clean separation makes tracking, bookkeeping and tax preparation much easier.

2. Track every dollar coming in

Record customer payments and other income consistently. Know what was billed, what was collected, and what is still outstanding.

3. Track money going out

Capture recurring and everyday expenses. Small charges and subscriptions can quietly reduce your available cash.

4. Review cash weekly

A 10-minute weekly review can reveal overdue invoices, upcoming bills and unusual spending before they become larger issues.

5. Forecast 30, 60 and 90 days ahead

Estimate expected cash receipts and upcoming payments so you can anticipate shortages and plan around them.

6. Build a cash reserve

Set aside cash during stronger months for slower periods, emergencies and opportunities.

03 • AVOID THESE TRAPS

The Don'ts of Cash Flow Management

Most cash-flow problems become harder when business owners rely on assumptions instead of current numbers.

Don't use your bank balance as your financial system

Cash in the bank may already be committed to payroll, taxes, vendors, debt or other upcoming obligations.

Don't wait until tax season to organize your books

Current books are a management tool, not just a tax requirement. Use them throughout the year.

Don't ignore unpaid invoices

Revenue you have earned but not collected cannot pay today’s bills. Follow up consistently and make payment terms clear.

Don't treat tax money as spending money

Plan for tax obligations and consider keeping those funds separate from operating cash.

Don't make major purchases without checking cash flow

Before hiring, buying equipment or signing a lease, model the impact on your next several months of cash.

Don't avoid the numbers when business is slow

Slow periods are when visibility matters most. Early action gives you more choices.

04 • 10 MINUTES A WEEK

Your Weekly Cash Flow Check

Pick the same day each week. Consistency matters more than complexity.

☐ **Current bank balance**	☐ **Money collected this week**
☐ **Outstanding customer invoices**	☐ **Bills due within the next 30 days**
☐ **Payroll and contractor obligations**	☐ **Upcoming tax obligations**
☐ **Unexpected or unusual expenses**	☐ **Expected revenue for the next 30 days**

The one question to ask every week

If no additional money came in tomorrow, how long could my business continue operating?

A simple weekly routine:

- Update transactions and reconcile what cleared.
- Review what customers owe you and follow up where needed.
- Look ahead at bills and automatic payments.
- Compare expected cash coming in with cash going out.
- Decide whether any spending should be delayed, reduced or approved.

05 • EARLY WARNING SYSTEM

5 Cash Flow Warning Signs

A warning sign is a prompt to investigate - not a reason to panic.

01	**Personal money regularly covers business expenses**
02	**You must wait for customer payments before paying routine bills**
03	**Sales are increasing, but available cash keeps shrinking**
04	**Payroll, taxes or major bills regularly surprise you**
05	**You cannot estimate how much cash the business will need next month**

What to do next

Review collections, recurring costs, payment timing, pricing and upcoming commitments. The goal is to identify the cause early enough to make a thoughtful adjustment.

06 • KNOW YOUR NUMBER

A Simple Cash Flow Formula

Use this basic calculation for any week or month.

Beginning cash	**$ ________**
+ Cash received	**$ ________**
- Cash spent	**$ ________**
= Ending cash	**$ ________**

The better question

How much cash will remain after the obligations I already know about are paid?

Before making a major financial decision, check:

- Current available cash
- Expected cash receipts and their timing
- Bills and obligations already committed
- Minimum cash reserve you want to maintain
- Best-case and worst-case impact on the next 90 days

Dominyon Tip

Cash flow is not about predicting the future perfectly. It is about creating enough visibility to make decisions before circumstances make them for you.

KNOW YOUR NUMBERS.

GROW WITH CONFIDENCE.

You started your business because you're good at what you do - not because you wanted to spend your evenings worrying about spreadsheets. Understanding your cash flow gives you the confidence to make better decisions about pricing, spending, hiring and growth.

How Dominyon FinOps can help

Bookkeeping • Financial organization • Reporting • Cash flow support • Budgeting & forecasting • Financial operations

Clear books. Better decisions. Stronger businesses.

DOMINYON FINOPS

Educational Disclaimer

This guide provides general educational information and is not individualized accounting, tax, legal or financial advice. Business owners should consult qualified professionals regarding their specific circumstances.