

# Summary

## Cash Budget

- A Cash Budget indicates the expected receipts and payments over a period of time.
- A Cash Budget enables the business to determine whether there will be sufficient inflow of cash in the business to be able to make the expected payments to make the necessary arrangements for overdraft facilities if the Cash Budget indicates a possible cash shortage in a specific month.

Projected Receipts and Revenue		
CASH BUDGET for	May	June
<b>CASH RECEIPTS</b>		
Cash sales		
Receipts from debtors		
Rent income		
Etc.		
<b>TOTAL RECEIPTS</b>		
<b>CASH PAYMENTS</b>		
Cash Payments		
Cash purchases of trading stock		
Payments to creditors		
Wages		
Etc.		
<b>TOTAL PAYMENTS</b>		
Cash surplus (shortfall)		
Bank opening balance		
Bank closing balance		

Projected Debtors Collection			
DEBTORS COLLECTION SCHEDULE			
Month	Credit sales	May	June
March			
April			
May			
June			
<b>Projected Creditors Payment</b>			
CREDITORS COLLECTION SCHEDULE			
Month	Credit Purchases	May	June
April			
May			
June			

## Projected Income Statement

- Indicates the expected income and expenditure of the Income Statement over a period of time.
- The following aspects are taken into consideration; sales policy and mark-up%, whether there will be an increase or decrease in income and expenses as compared to the previous year's actual figures
- To complete the Projected Income Statement the following are considered:
  - » the previous years' actual Income Statement figures are used. The amounts are divided by 12 for each month's consideration.
  - » increase in expenses due to inflation, global economic happenings, natural disasters etc.
  - » seasonality of sales
  - » competitors
  - » format similar to Income Statement.