

Startup Costs Worksheets

Because the costs of starting a business are often underestimated, new entrepreneurs should consider completing, at a minimum, a few basic pro forma financial statements even before they attempt to estimate how much money they will need.

The following two work sheets will help you to compute your initial cash requirements for your business. They list the things you need to consider when determining your startup costs and include both the one-time initial costs needed to open your doors and the ongoing costs you'll face each month for the first 90 days.

Startup Capital Requirements - One-time Startup Expenses

Schedule A - These will all be pre-opening expenses

| Startup Expenses | Amount | Description |
|----------------------------|--------|--------------------------------------|
| Advertising | | Promotion for opening the business |
| Starting inventory | | Amount of inventory required to open |
| Building construction | | Amount per contractor bid and other |
| Cash | | Amount needed for the cash register |
| Decorating | | Estimate based on bid if appropriate |
| Deposits | | Check with utility companies |
| Fixtures and equipment | | Use actual bids |
| Insurance | | Bid from insurance agent |
| Lease payments | | Fee to be paid before opening |
| Licenses and permits | | Check with city or state offices |
| Miscellaneous | | All other |
| Professional fees | | Include CPA, attorney, etc. |
| Remodeling | | Use contractor bids |
| Rent | | Fee to be paid before opening |
| Services | | Cleaning, accounting, etc. |
| Signs | | Use contractor bids |
| Supplies | | Office, cleaning, etc. supplies |
| Unanticipated expenses | | Include an amount for the unexpected |
| Other | | |
| Other | | |
| Other | | |
| | | |
| Total Startup Costs | | Total Schedule A |

Next prepare an itemized statement identifying both (1) your personal living costs (2) the anticipated monthly costs of operating the business for the first three months.

Personal Living Expenses - Make a family budget. Look at your family's fixed and variable living expenses. It's important to know the amount of personal costs that you'll have to cover during the startup phase of your business. How are you going to live while you build your business? You may not see income from your start-up for three to five years.

| Schedule B - Personal Living Expenses | | | | |
|--|----------------|----------------|----------------|--------------|
| <i>Family Income</i> | <i>Month 1</i> | <i>Month 2</i> | <i>Month 3</i> | <i>Total</i> |
| Wages (take-home) | \$ | \$ | \$ | \$ |
| Wages (take-home)—Spouse | \$ | \$ | \$ | \$ |
| Interest and dividends | \$ | \$ | \$ | \$ |
| Miscellaneous | \$ | \$ | \$ | \$ |
| Total Income | \$ | \$ | \$ | \$ |
| <i>Family Expense Budget</i> | <i>Month 1</i> | <i>Month 2</i> | <i>Month 3</i> | <i>Total</i> |
| Auto expenses (gas, maintenance, etc.) | \$ | \$ | \$ | \$ |
| Auto insurance | \$ | \$ | \$ | \$ |
| Auto payment | \$ | \$ | \$ | \$ |
| Beauty shop & barber | \$ | \$ | \$ | \$ |
| Cable TV | \$ | \$ | \$ | \$ |
| Charity | \$ | \$ | \$ | \$ |
| Child care | \$ | \$ | \$ | \$ |
| Clothing | \$ | \$ | \$ | \$ |
| Credit card payments | \$ | \$ | \$ | \$ |
| Dues and subscriptions | \$ | \$ | \$ | \$ |
| Electricity | \$ | \$ | \$ | \$ |
| Entertainment | \$ | \$ | \$ | \$ |
| Gas company | \$ | \$ | \$ | \$ |
| Gifts | \$ | \$ | \$ | \$ |
| Groceries & outside meals | \$ | \$ | \$ | \$ |
| Health insurance | \$ | \$ | \$ | \$ |
| Home repairs | \$ | \$ | \$ | \$ |
| Homeowner's insurance | \$ | \$ | \$ | \$ |
| Household | \$ | \$ | \$ | \$ |
| Income tax (additional) | \$ | \$ | \$ | \$ |
| Laundry and dry cleaning | \$ | \$ | \$ | \$ |
| Life insurance | \$ | \$ | \$ | \$ |
| Medical and dental | \$ | \$ | \$ | \$ |
| Miscellaneous | \$ | \$ | \$ | \$ |
| Mortgage payments | \$ | \$ | \$ | \$ |
| Other debt payments | \$ | \$ | \$ | \$ |
| Rent | \$ | \$ | \$ | \$ |
| School expenses | \$ | \$ | \$ | \$ |
| Telephone bill | \$ | \$ | \$ | \$ |
| Tuition | \$ | \$ | \$ | \$ |
| Vacations | \$ | \$ | \$ | \$ |
| Water, sewer, trash collection | \$ | \$ | \$ | \$ |
| Other | \$ | \$ | \$ | \$ |
| Total Expenses | \$ | \$ | \$ | \$ |
| Net Cash Remaining (Needed) | \$ | \$ | \$ | \$ |
| Total Schedule B | | | | |

The First 90 Days Projected Monthly Costs

Schedule C - Business Operating Costs

At a minimum, estimate monthly income and expenses for your business's first 90 days of operation.

| Business Operating Costs (First 90 Days) | | | | | |
|---|----------------|----------------|----------------|--------------|--|
| <i>Estimated business income</i> | <i>Month 1</i> | <i>Month 2</i> | <i>Month 3</i> | <i>Total</i> | <i>Notes</i> |
| Total Income | \$ | \$ | \$ | \$ | |
| <i>Monthly expenses</i> | <i>Month 1</i> | <i>Month 2</i> | <i>Month 3</i> | <i>Total</i> | <i>Notes</i> |
| Advertising | \$ | \$ | \$ | \$ | |
| Bank service charges | \$ | \$ | \$ | \$ | |
| Business insurance | \$ | \$ | \$ | \$ | Exclude the amount from Schedules A or B |
| Credit card fees | \$ | \$ | \$ | \$ | |
| Delivery charges | \$ | \$ | \$ | \$ | |
| Dues and subscriptions | \$ | \$ | \$ | \$ | |
| Health insurance | \$ | \$ | \$ | \$ | Exclude the amount from Schedules A or B |
| Inventory | \$ | \$ | \$ | \$ | |
| Lease payments | \$ | \$ | \$ | \$ | Exclude the amount from Schedules A or B |
| Loan payments | \$ | \$ | \$ | \$ | Principal and interest payments |
| Miscellaneous | \$ | \$ | \$ | \$ | |
| Office expenses | \$ | \$ | \$ | \$ | |
| Payroll other than manager | \$ | \$ | \$ | \$ | |
| Payroll taxes | \$ | \$ | \$ | \$ | |
| Professional fees | \$ | \$ | \$ | \$ | |
| Rent | \$ | \$ | \$ | \$ | Exclude the amount from Schedules A or B |
| Repairs and maintenance | \$ | \$ | \$ | \$ | |
| Salary of owner or manager | \$ | \$ | \$ | \$ | Only if applicable first 90 days |
| Sales tax | \$ | \$ | \$ | \$ | |
| Supplies | \$ | \$ | \$ | \$ | |
| Telephone | \$ | \$ | \$ | \$ | |
| Utilities | \$ | \$ | \$ | \$ | |
| Other | \$ | \$ | \$ | \$ | |
| Total Expenses | \$ | \$ | \$ | \$ | |
| Net Cash Remaining (Needed) | \$ | \$ | \$ | \$ | Total Schedule C |

Recap of Costs

Initial Business Setup Dollars Needed

(Total from Schedule A): \$ _____

Operating Dollars Needed for First 90 Days

(from Schedule C): \$ _____

Total Dollars Needed for Setup and First 90 Days

(sum of Schedule A + C): \$ _____ \$ _____

Additional Personal Cash Needed or Available

(from Schedule B): \$ _____

**Net Cash Needs for Personal and Business
Survival during Startup and First 90 Days:**

\$ _____