

# MASTERING CASH FLOW

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**"Happiness is a  
positive cash flow."**  
~Fred Adler

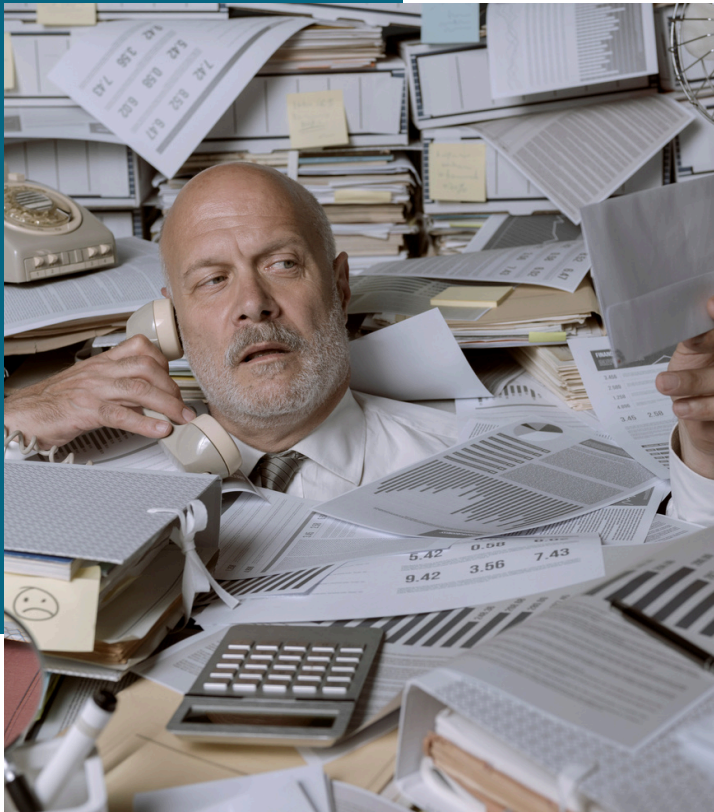
## Cash keeps your business alive

Understanding the unique roles **cash** and **profit** play in your business helps you cover daily operations, stay out of debt, fund growth, and reduce stress – *even when your company is going through a rough patch.*

Whether your cash flow concerns are immediate or systemic, Accountability Services can help you right the ship.

Poor cash flow management is a brutal killer of small businesses. In this guide, you'll find actionable tips & tools for improving cash flow in the short- and long-term.





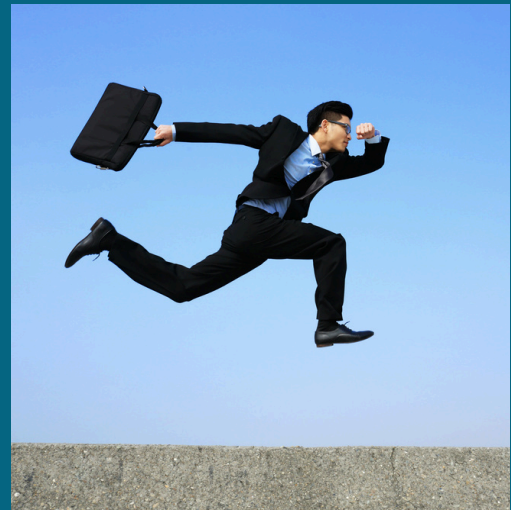
## Short-term cash flow fixes

### Immediate actions for financial pain relief

When money is tight, taking quick action can prevent a short-term crunch from becoming a crisis. The following tactics focus on fast, actionable fixes to increase incoming cash and reduce or delay outgoing expenses.

- **Assess your cash situation and needs.** Figure out how much cash you need to cover the next 2–4 weeks and compare to your current balance. List vital expenses by their due dates to predict shortfalls and set a clear cash target.
- **Collect outstanding payments.** Attack accounts receivable like you mean it! Politely but firmly follow up with customers who owe you money. Offer small incentives for quick payment and make it easy for them to pay.

### Generate quick sales!



Tap into your creativity to create opportunities for an immediate revenue boost.

Think flash sales or discounted services for clients who prepay.

Offer gift cards or bundles to turn future work into immediate cash, even if margins are a bit lower.



## Trim or delay non-essential expenses

Pause or cut non-critical spending and defer anything not urgent. For necessary expenses, try to delay payments without penalty so you preserve cash for essentials.



## Negotiate payables

Call suppliers and ask for more time or a payment plan. Pay only what's absolutely necessary now, and delay the rest until closer to the due date to conserve cash.



- **Consider short-term financing.** If you still face a cash gap after taking the previous steps, you might use a short-term financing option as a bridge. Depending on how much cash you need, options include tapping a business line of credit or requesting additional overdraft from your bank to cover temporary shortfalls.

# Cash Flow Quick Fix Worksheet

**Current cash on hand:** \$ \_\_\_\_\_

**Essential payments coming due in the next 2-4 weeks:** \$ \_\_\_\_\_

**Estimated cash:** shortfall \$ (\_\_\_\_\_) or surplus \$ \_\_\_\_\_

## Potential receivables to collect now:

(1) Customer: \_\_\_\_\_ Amount \$ \_\_\_\_\_

(2) Customer: \_\_\_\_\_ Amount \$ \_\_\_\_\_

(3) Customer: \_\_\_\_\_ Amount \$ \_\_\_\_\_

(4) Customer: \_\_\_\_\_ Amount \$ \_\_\_\_\_

**Total to collect:** \$ \_\_\_\_\_

## Actions to generate quick cash:

(1) \_\_\_\_\_ Estimate \$ \_\_\_\_\_

(2) \_\_\_\_\_ Estimate \$ \_\_\_\_\_

(3) \_\_\_\_\_ Estimate \$ \_\_\_\_\_

**Total from quick sales:** \$ \_\_\_\_\_

## Expenses to cut or delay:

(1) \_\_\_\_\_ Save \$ \_\_\_\_\_

(2) \_\_\_\_\_ Save \$ \_\_\_\_\_

(3) \_\_\_\_\_ Save \$ \_\_\_\_\_

**Total savings:** \$ \_\_\_\_\_

## Revised short-term cash position:

Cash on hand + collections + quick sales – (payments due – cut/delayed expenses)

\$ \_\_\_\_\_

## Additional plans to negotiate terms or seek financing

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# Short-Term Cash Flow Strategy Checklist

- ☐ Calculate urgent cash needs and compare against current balance
- ☐ Reach out to all clients with overdue invoices
- ☐ Issue invoices immediately for recent work
- ☐ Request upfront deposits on any new or in-progress work
- ☐ Implement strategies for driving quick sales
- ☐ Sell off old inventory or unused assets
- ☐ Identify non-essential spending and cut, pause or delay these expenses
- ☐ Prioritize payments critical to operations to ensure they are paid on time
- ☐ Negotiate extended terms with vendors/creditors
- ☐ Arrange for payment plans for non-critical accounts payable
- ☐ Consider short-term funding
- ☐ Monitor cash flow closely (daily or weekly) to confirm improvement and adjust as necessary



# Restructuring long-term cash flow

## Achieving steady and predictable cash flow

Once immediate relief is taken care of, turn your attention to long-term stability. Sustainable cash flow management ensures sufficient cash on hand to handle growth initiatives, seasonal dips or unexpected costs.

- **Analyze cash flow patterns.** Review past months to spot trends, seasonal shifts, or recurring cash crunches. Understanding your cash flow history helps identify root causes and plan ahead more effectively.

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- **Create a cash flow forecast.** Use past data and future plans to map expected cash in and out over the next 6–12 months. Update monthly to catch shortfalls early and adjust as needed.

## Speed up cash inflows



Improve how and when you get paid:

- Shorten payment terms
- Require deposits
- Offer early-pay discounts
- Seek out recurring revenue streams

## Build a cash reserve

Just like personal finances, your business needs a cash reserve. Shoot for 3–6 months worth of operating expenses at a minimum.

Use only for emergencies and replenish when needed.



## Manage payables + expenses

Negotiate longer payment terms, avoid lump-sum expenses, and review spending regularly. Spread out large costs and run lean by cutting unnecessary expenses.

- **Be mindful when planning growth.**

Project cash impact and expected returns before making big investments. Time growth initiatives during strong cash flow periods or carefully leverage financing.

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- **Monitor and adjust regularly.** Check your cash flow monthly. Compare forecasts to actuals, watch for delays or rising costs, and tweak your plan as needed. Stay proactive by performing ongoing reviews.
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# Long-Term Cash Flow Worksheet

**Average monthly cash inflow (revenue):** \$ \_\_\_\_\_

**Average monthly cash outflow (expenses):** \$ \_\_\_\_\_

**Note any seasonal/periodic cash flow variations:**

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**Cash reserve goal:** \$ \_\_\_\_\_

**Monthly contribution toward cash reserve goal:** \$ \_\_\_\_\_

**Planned improvements to customer payment policies:**

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**Opportunities for recurring revenue and more consistent income:**

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**Expense management action plan:**

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**Opportunities to negotiate better vendor/supplier terms:**

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**Planned investments or growth initiatives over the next 12 months:**

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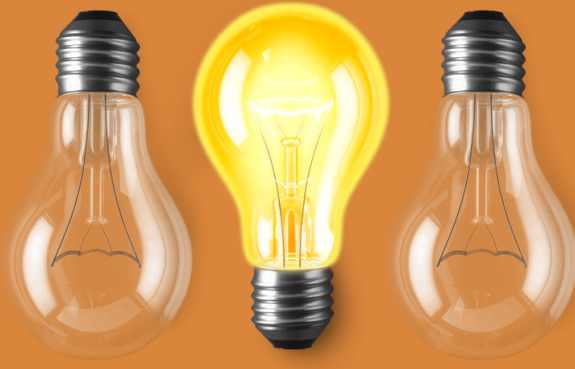
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**Next cash flow plan review date:** \_\_\_\_\_



# Long-Term Cash Flow Strategy Checklist

- ☐ Maintain an up-to-date cash flow forecast
- ☐ Compare cash flow projections to actual results each month
- ☐ Invoice promptly and enforce your payment terms
- ☐ Make it easy for customers to pay including online payments and auto-billing
- ☐ Regularly monitor your receivables aging report
- ☐ Manage bill payments strategically to pay near the due date
- ☐ Take advantage of early-payment discounts when feasible
- ☐ Track expenses closely and review quarterly for cost reduction opportunities
- ☐ Grow and preserve a 3-6 month cash reserve
- ☐ Plan in advance for seasonal or periodic ups and downs
- ☐ Avoid overextending by considering cash flow before growing
- ☐ Invest in tools or professional guidance
- ☐ Set a recurring schedule to analyze cash flow reports, profit margins and budget vs. actuals - adjust strategies as needed



# GET MORE OUT OF YOUR BUSINESS

## Let's start a conversation

Need help solving your business problems?

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Schedule your complimentary 30-minute video call so we can discuss your goals and the obstacles holding you back.

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