

STARTER KIT

FINANCIALS



INTRODUCTION

FINANCIALS

The entrepreneurs that qualify for a grant and/or loan for the Business-in-a-Box program are obligated to keep records. In general, starting entrepreneurs don't always keep their records. They don't know how to do it and they don't have money to pay a bookkeeper.

But without good records, it's hard to judge if the entrepreneur is really making a profit or a loss and what the reason is.

In this booklet you will find simple record keeping sheets that you can fill in yourself, without bookkeeping experience. It's a minimal way of record keeping. We left out more complicated subjects like depreciation, debtors, creditors. The sheets are just for recording your income, expenditures and VAT per quarter and are compared with your money balance (cash & bank).

There are two versions;

1) Record keeping without a computer

2) Record keeping with the use of a computer in Excel. This Excel version is a bit more advanced compared to the manual one.

You can use either one of the two versions to keep your records. At the end of each quarter you can send your results to the Business Support Center. You can take a picture of the sheets and send it by WhatsApp or email. If you're using the Excel template, you can email it.

If you want to know more about record keeping in general, please take a look at the videos displayed in this booklet.

CHAPTER TWO

EASY RECORD KEEPING

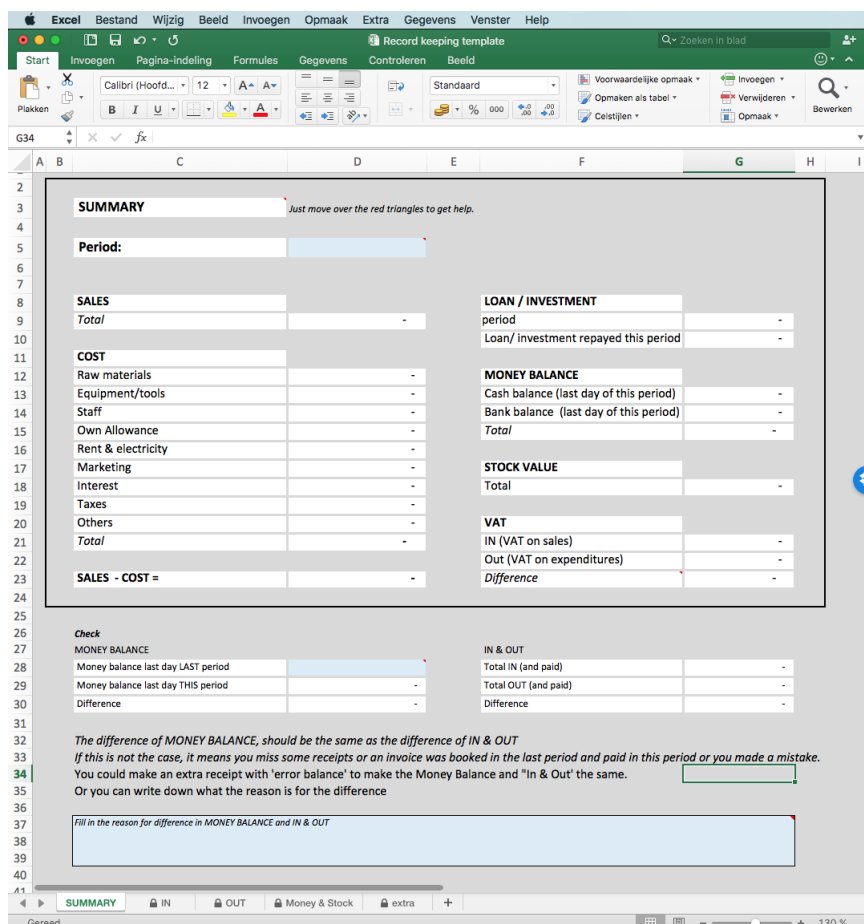
WITH COMPUTER

Another simple way of record keeping, but a bit more advanced is explained here. You keep or write receipts for all your income and expenditures. You then record these in Excel. You compare it with the money you spent according to your bank and cash balance during the same period. Furthermore you record your stock value. The Excel sheet gives you an indication of your profit and calculates the VAT you should receive or pay to the tax department.

You don't need bookkeeping experience to use this sheet. You can find the Excel Record Keeping Template on your personal Single Spark account.

TIPS

- Use petty cash vouchers/receipts to record all your expenses. Write receipts for all the cost you make, even small costs like transport or lunch.
- If your business is applicable to VAT, record the VAT of all the receipts
- To keep things simple, this sheet doesn't take depreciation into consideration.



The screenshot shows an Excel spreadsheet with the following sections:

| SUMMARY | | | |
|---|-----|--|---|
| Just move over the red triangles to get help. | | | |
| Period: [] [] | | | |
| SALES | | LOAN / INVESTMENT | |
| Total | - | period | - |
| | | Loan/ investment repayed this period | - |
| COST | | MONEY BALANCE | |
| Raw materials | - | Cash balance (last day of this period) | - |
| Equipment/tools | - | Bank balance (last day of this period) | - |
| Staff | - | Total | - |
| Own Allowance | - | STOCK VALUE | |
| Rent & electricity | - | Total | - |
| Marketing | - | VAT | |
| Interest | - | IN (VAT on sales) | - |
| Taxes | - | Out (VAT on expenditures) | - |
| Others | - | Difference | - |
| Total | - | | |
| SALES - COST = | - | | |
| Check | | | |
| MONEY BALANCE | | | |
| Money balance last day LAST period | [] | IN & OUT | |
| Money balance last day THIS period | - | Total IN (and paid) | - |
| Difference | - | Total OUT (and paid) | - |
| | | Difference | - |
| The difference of MONEY BALANCE, should be the same as the difference of IN & OUT | | | |
| If this is not the case, it means you miss some receipts or an invoice was booked in the last period and paid in this period or you made a mistake. | | | |
| You could make an extra receipt with 'error balance' to make the Money Balance and 'In & Out' the same. | | | |
| Or you can write down what the reason is for the difference | | | |
| Fill in the reason for difference in MONEY BALANCE and IN & OUT | | | |
| [] | | | |



See your personal account to download this document

CHAPTER THREE

FINANCIAL EXPLANATION

Many entrepreneurs have difficulties doing their business administration. Terms like cash flow statement, break-even point, balance sheet and profit and loss statements sound scary but are really well explained in the videos from IFC on their SME Toolkit website. Please take a look at these interactive videos to get a better understanding of these four important topics.



The Cashflow Statement

Learn how to create a cash flow statement and why your business will benefit from it.



Introduction to Costs

Get to know different types of costs and how to calculate your businesses' break-even point.



Income Statement

Find out how to plan for the future of your business by monitoring your profits and losses.



Balance Sheet

Explore how to create a balance sheet and why it is important to your business.



See <http://www.smetoolkit.org/smetoolkit/en/content/en/55653/eLearning> to watch the videos

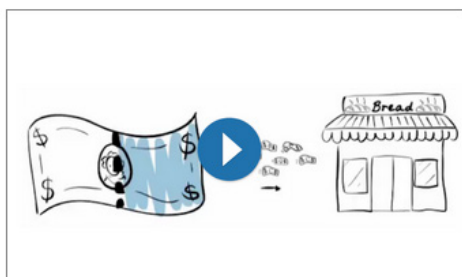


See your personal account to watch the videos

CHAPTER FOUR

FINANCING YOUR BUSINESS

If you want to expand your business or make an important investment, a loan might be a viable financing option. In these two videos of SME Toolkit, you will find out what a loan is and what interest rates are, how to determine whether or not you need a loan, and what banks will require from you when providing a business loan.



How to Finance your Business
Watch this video to know more about ways to finance your business.



How to Apply for a Loan
Learn about loan characteristics and how to qualify for a bank loan.



See <http://www.smetoolkit.org/smetoolkit/en/content/en/55653/eLearning> to watch the videos



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