

Identify Your Operating Expenses

Step 60

MUST HAVE
RECOMMENDED
NICE TO HAVE

Not necessary if you include a full income statement in your business plan.

Tip: You want to review all the expense categories in the Operating Expenses Worksheet to make sure you aren't missing any. Use the blank rows at the bottom to add those expenses not already listed.

Summarize your operating expenses for year one, two and three. These are the expenses that will be incurred whether or not you make any sales.

Example: Operating Expenses

	YEAR 1	YEAR 2	YEAR 3
Advertising	\$7,200	\$7,200	\$7,200
Auto (Includes Repairs & Insurance)	6,648	6,648	6,648
Interest, Bank Charges	996	996	996
Insurance, Licenses, Fees	1,700	1,700	1,700
Professional (Accounting, Legal)	1,500	1,500	1,500
Rent (Equipment)			
Rent (Premises)	2,400	2,400	2,400
Office Supplies & Expenses	2,400	2,400	2,400
Business Licenses & Permits	130	130	130
Telephone	1,800	1,800	1,800
Utilities			
Repairs & Maintenance			
Travel & Promotion	4,400	4,400	4,400
Supplies and Small Tools		1,000	1,000
Processing, Legal, Broker Fees	850	850	850
Auto (Gas, Oil)	3,000	3,000	3,000
Management Salaries	43,200	43,200	43,200
Wages & Subcontractor Fees	7,200	7,200	7,200
Employer Wage Burden	5,040	5,040	5,040
Workers' Compensation	161	161	161
Loan Payments - Interest	639	285	3
Total Operating Expenses	\$89,264	\$89,910	\$89,629

Task List

To complete this step you will need to complete your cash flow forecast, then:

1. Enter all year one, two and three totals into the table below.
2. Check each expense thoroughly to ensure it is accurate and realistic.
3. If changes are needed, go back to the cash flow worksheet and enter them there.

Note: If you have completed the Cash Flow Projection in Step 59, you will already have the total operating expenses for years 1, 2 and 3.

