

Essential financial tools: a free budget template and guide

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No matter whether you're a new small business owner or the head of a home looking to manage your finances better, compiling a monthly budget is one of the most critical tasks you'll undertake. Coming up with a simple budget requires a bit of work, but it'll pay tremendous dividends in the future.

Budgets serve as a financial roadmap. Not only can they help you understand the future of your small business or personal finances, they can also hold you financially accountable. The expenses of one home or business may vary significantly from that of another, so it's essential that you come up with a budget spreadsheet that suits your needs.

Fortunately, we're here to help. We've provided you with an outline of a few of the benefits that come from crafting a monthly budget. Then we included a few budget planner tips to help you start planning. Finally, you'll find a free budget template. Whether you need a budget tracker for your small business or to use as a personal money manager tool, you'll likely find our free budget template worthwhile.

Download your professional startup budget template for free

The importance of a budget

Taking the time to sit down and compile a budget worksheet is useful because it allows you to figure out how much money you have, how much you'll spend in the coming months, and how much income you need to meet your financial goals. Completing a budget sheet is critical, not only for personal finance but for small business owners as well.

Personal financial budgeting

It doesn't make any difference whether you're looking to set a family budget or are a college student worried about how to pay your loans — budgeting can help you meet your personal financial goals. Budgeting allows you to analyze your cash flow and expenses, holding you accountable each week and month. By doing so, you can work toward earning your financial freedom.

Consider the fact that roughly two-thirds of Americans indicate that they would struggle to come up with \$1,000 in case of an emergency. Additionally, the average American carries \$6,375 in credit card debt. Lastly, around half of Americans with student loans express concerns about their ability to pay off the debt.

Setting a home budget allows you to meet your financial goals. Are you looking to set money aside for your children's college plan? Would you like to begin saving for a home? Do you need a wedding budget to help pay for your big day? Would you like to start paying off debt and escaping the trap of high-interest loans? A personal budget will provide a roadmap of what you're permitted to spend so that you'll meet your financial goals.

Budgeting for small businesses

A small business budget is usually a vital component of the business plan. If you're applying for loans or pitching to investors, providing a monthly budget spreadsheet will be helpful. Small business budgets explain how your business will spend its resources to reach its goals.

Business owners should always refer to their budget before making critical expenditures. For instance, decisions, like purchasing new machinery or expanding into a new store, should only be made after checking to see that it fits your budget. You can adjust variable expenses of your budget as needed over time, to help offset your expected change in cash flow.

Budgeting is particularly critical for a startup business. Many new business owners underestimate business start-up costs. They may have to take out first-year business loans with high-interest rates so that they can meet their monthly costs.

New business owners may want to use a small business budget template to break down expenses into two categories, "One time" and "Monthly." If a new company does not have to take out small business loans, it will have much more working capital on hand, which could help grow the company.

Tips for budgeting

When creating a budget , there are a few things you should keep in mind. To start constructing your budget, review your expenses from the past couple of months. Then, come up with budget categories to arrange these expenses. For instance, when constructing a personal monthly budget, consider budget categories like:

- Groceries
- Gas and Vehicle Expenses
- Clothing
- Cable

When creating a small business monthly budget, consider things like:

- Employee Salaries

Insurance
Interest Payments

By reviewing your expenses, you can determine what's essential to your weekly budget. You should also be able to decide on some of your variable expenses as well. Your variable expenses are non-essential items where you have flexibility. For instance, instead of spending \$300 per month to eat out, you can limit yourself to \$100 when constructing your budget template.

You should also include your financial goals as a budget category. Say, for instance, that you'd like to pay your student loans off more quickly than anticipated since they have a high rate of interest. You budget to pay an additional \$50 of student loan debt per week. Create a budget category for "Student Loan Debt Payments."

Since your goal is to pay off student loan debt, your "Student Loan Debt Payments" would be a non-variable expense. A non-variable expense is one in which you have no flexibility — you're committing to this expense. So, in this case, going out to dinner would be a variable expense, while paying off debt is a non-variable expense.

Once you've figured out your expenses, you should take a look at your cash flow to determine how much money you're bringing in. Be sure to use your actual income when creating your budget, not how much you expect your income to be in the future. The beauty of using a monthly budget template is that you can quickly adjust for changes in cash flow at any time. Business owners should carefully analyze key financial documents, including:

Financial statements
Cash flow statements
The balance sheet
Financial projections

When constructing your weekly budget, it's in your best interest to leave yourself an few extra dollars per week that's unaccounted for. If you don't end up spending this money, that's ok. You can put it into a bank account and allow it to grow. But, if something were to come up, you can rest assured that you can still meet your budget without having to stress.

We recommend creating both weekly budgets and monthly budgets. This allows you to view the "big picture." Your primary goal should be to hit your monthly budget. If you don't have much experience budgeting, following a weekly budget provides you with an

excellent roadmap to do so. Adhering to your weekly budget is a sure-fire way to ensure you meet your financial goals each month.

QuickBooks free budget template

Learning to budget for the first time shouldn't be overwhelming. No matter if you're a small business owner or the head of household looking for help with financial planning, our monthly budget template can help.

This free budget template works with Microsoft Excel and Google Docs. You can customize this monthly budget worksheet with the budget categories that most apply to you. Although the Excel template has many budget categories in place to track the business expenses and startup costs of a new company, it's easy to use as a household budget template as well.

To fill out this spreadsheet, determine the number of months the startup period will cover. Next, enter the applicable costs into their respective cells. The total amounts will automatically populate based on the embedded formulas. Once completed, you will be able to view an itemized list of your expenses. We also included an example startup budget to help guide you through the process.

Meeting financial goals can be challenging for anyone. Sticking to your budget could help make things easier.