



Create a Business Budget

- **Review your income and expenses**
- **Divide expenses into relevant categories**
- **Project amounts for each area**
- **Stick to your plan**

Creating and following an annual budget will benefit your business. Take the time to study your financial picture and what you hope to accomplish in the year ahead. The budgeting process will help you be better informed when making business decisions and better prepared to reach your goals.

To develop a budget, you need to **review your income and expenses**. Look at past records, such as financial statements and tax returns. Or you might find a similar type of business and use its budget as a model for your own. From these sources, list all of your expected expenses for three to six months, or even the entire year if your business is seasonal.

Divide your expenses into categories, such as debt, employees, and overhead. Look for spending patterns in each category. Also, remember to save money for emergencies or economic downturns.

Then use the figures and spending trends to **project amounts for each area**. Include annual totals, adjusting them for changes that you foresee in your business or the economy. Depending on your business, you might want to create income and expense goals for shorter periods of time, such as one or two weeks. High-traffic businesses such as restaurants may even require daily goals. Review your numbers from time to time and adjust them if business conditions change.

Sticking to your budget takes discipline. Share your budget with advisors and your accountant or bookkeeper to get their support. Sharing your financial projections with employees can also be helpful, but be cautious about sharing numbers that may be sensitive, like sales and salaries. Once you publicize your plan, they'll be watching for your follow-up actions.

We invite you to contact Wells Fargo for further information and assistance. Visit our Web site at www.wellsfargo.com or any Wells Fargo store.