

Monthly budget

Are you being savvy with your business income? Having a monthly budget in place is part of having a path to financial success. How do you know how to arrive at your financial goals without a detailed plan that will take you to your destination of achievement? Budgeting is a priority of any successful business. A monthly budget is nothing more than a plan that recoordinates and estimates expenditures for the year. This will only benefit your future bottom line.

A monthly budget should be based on the previous year statistics and any major purchases that are being planned should seek to take advantage of depreciation allowances under Sections 179 of the Internal Revenue Code.* Every veterinarian/dentist tends to have a slightly different process, situation, or even a way of determining a budget. Small business owners like yourself need to determine whether you have enough money to fund day to day operations, generate revenue, and possibly expand the clinic/practice.

An oversight that small business owners fall into is not being realistic when planning a monthly budget. Some may tend to overestimate income and underestimate expenses. For this reason it is a good idea to have a third party review your estimation, for this instance. Also, make it a point to review your budget once a week. This should take you no more than 15 minutes to compare actual activities to what you have budgeted. Managing the financial aspects of your veterinary clinic/dental practice is a responsibility you should take seriously and not when the time is convenient for you.

Be prepared not to meet expectations every month with your budgeted estimates. Remember, your monthly budget is a projected guess. Accept these missed projections as a learning curve. Living within a budget is informative. Knowing how much cash you need to keep on reserve and timing your expenses for payment to vendors will take some time. The reason for a monthly budget is to make your financial situation more predictable and over time you will make proper adjustments accordingly.

The most important part of the budget is the cash flow. Keep an eye on your income to make certain that you have the necessary funds. Make sure that your incoming revenue is more than enough to cover your operating expenses. It is wise to factor in some slack in your monthly budget and make sure that you have more than adequate money put away. While you will more than likely estimate that the business will generate a certain rate of return in the future, there are always additional expenses that will be out of your control. If you don't put some of your profits away and don't factor in slack, where will the money come from?

The bottom line is that a monthly budget isn't a hard process, but is vital to any clinic/practice. Having a monthly budget in place is useful to forecast present and future revenues. There really is only one goal: keep the clinic/practice profitable, growing, and competing with other veterinarians/dentist. Eventually, there will be a time for you to take on a new employee or expand the clinic/practice, and, because you have been budgeting, you will be prepared. Ask your sales representative to contact your local Bank of America Regional Sales Managers. He or she would be happy to discuss any financial solutions that you may need to help you achieve your successful plan.

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