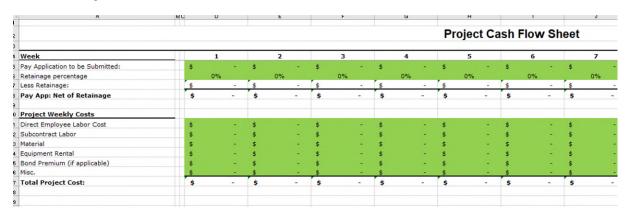# Project Cash Flow Tracker

A Great Tool for Contractors

It is mission critical for contractors to utilize a project cash flow template for every project they bid/perform on for the following reasons:

- Clearly identify true margin on the project
- Reveal if the contractor bid appropriately on the project
- Identify, based on sources and uses of cash, any cash flow deficits a contractor may experience for the life of the project

Section 1

The top section of the project cashflow template requires inputs for your planned pay apps, as well as project expenses on a weekly basis:

First, enter in when you expect to submit your Pay Apps for the project. Put the dollar value of each planned Pay App in the cell for the week you anticipate submitting it to your GC.

Next, enter in your retainage for the project in the row right beneath your Pay Apps. The formulas in the spreadsheet will auto-calculate your Pay Apps, net of retainage. It is important to look at your Pay Apps, net of retainage, as this impacts your sources of cash in the second section of the spreadsheet. It is also critical to make sure that the project can cash flow itself at some point; this exercise will let you know when that point is.

Finally, enter in your weekly projected project expenses in the cost section. It is important to input your expenses in the week you expect to incur them. Please account for any vendor terms when entering costs in respective weeks, as this impacts your uses of cash in the second section of the spreadsheet.

Once you have entered in your Pay Apps and Weekly expenses, the spreadsheet auto-calculates the projects gross margin in dollars and as a percentage, to the far right of section 1:

10		11		12		Total	
	$ -		$ -		$ -	$	-
0%		0%		0%			
	$ -		$ -		$ -	$	-
$ -	$ -		$ -		$ -	$	-
	$ -		$ -		$ -	$	-
	$ -		$ -		$ -	$	-
	$ -		$ -		$ -	$	-
	$ -		$ -		$ -	$	-
	$ -		$ -		$ -	$	-
	$ -		$ -		$ -	$	-
$ -	$ -		$ -		$ -	$	-
			Project Gross Margin- $$			$	-
			Project Gross Margin- %			0%	

Reviewing your margin at this juncture will show if you bid too low on the project and / or where you will have cash flow shortages on the project. This is very important to know for planing purposes and also so you can manage the cash on the project to pay for the labor and materials needed. In the event there is a shortage on the project you can then determine how to fill that shortage with other funds. If you bid too low, you'll want to increase your respective Pay Apps in those certain months, adjust the overall schedule for the project, negotiate different terms with your vendors, or discuss the overall contract value with your GC. Without a healthy margin you may run into a cash flow crunch on the project. Also, you'll have little left at the end of the project to add to your retained earnings or owner draws.

Section 2

This section provides a granular, weekly breakdown for your sources and uses of cash on the project. It's important to have full visiblity of all your cash available to complete the project, as well as when and where you plan to spend the cash on the project.

Think of this section like your operating account, cash in and cash out:

Project Cashflows- (SOURCES/USES)	1		2		3		4		
Sources									
Free Cash Flow from Business Operations	$	-	$	-	$	-	$	-	$
Receipt of Pay Apps - (Net of Retainaige)	$	-	$	-	$	-	$	-	$
Cash from Financing Sources	$	-	$	-	$	-	$	-	$
Total SOURCES OF CASH	$	-	$	-	$	-	$	-	$
USES									
Total Project Costs "PAID THAT Week"	$	-	$	-	$	-	$	-	$
OTHER SSV Payments "REQ'd THAT Week"	$	-	$	-	$	-	$	-	$
Payment for Financing "Due THAT Week"	$	-	$	-	$	-	$	-	$
Total USES OF CASH	$	-	$	-	$	-	$	-	$
Net Weekly Cashflow- SURPLUS/(DEFICIT)	$	-	$	-	$	-	$	-	$

First, you'll want to identify your sources of cash for the project. Your available cash comes from 3 sources:

- Free cash flow in your operating account not earmarked for overhead costs (profit from prior jobs)
- Pay App monies you receive on the project
- Money from financing sources (if needed)

Totalling these 3 sources of cash will reveal the total "pot" of money you will have available to complete your project.

Project Cashflows- (SOURCES/USES)	1	2	3
Sources			
Free Cash Flow from Business Operations	$ -	$ -	$
Receipt of Pay Apps - (Net of Retainaige)	$ -	$ -	$
Cash from Financing Sources	$ -	$ -	$
Total SOURCES OF CASH	$ -	$ -	$ -

In this section of the spreadsheet, enter the weekly amount of cash available from each of the 3 sources listed. For example, if you expect to receive monies from your first Pay App in Week 4 on the project, enter that amount in that cell respectively. You may have monies from a loan that will be available to you in Weeks 1 or 2, for example.

You can see the spreadsheet autosums your total available cash each week.

Next you'll want to identify your uses of cash for the project. Your uses of cash, "money paid out," are for 3 purposes:

- Project specific costs (labor, material, equipment, etc.)
- Accounts Payable that come due with your Sub's Suppliers, or Vendors (SSV's) on this project that must be paid during the life of this project
- Repayments on loans you may have related to the project (if applicable)

By week, enter the amount of cash you expect to pay out for each use category. Note: Total project costs will auto-populate from the top section of the sheet when entered correctly, so you won't have to re-enter those amounts.

USES				
Total Project Costs "PAID THAT Week"	$ -	$ -	$ -	$
OTHER SSV Payments "REQ'd THAT Week"	$ -	$ -	$ -	$
Payment for Financing "Due THAT Week"	$ -	$ -	$ -	$
Total USES OF CASH	$ -	$ -	$ -	$

Now that the heavy lifting is done on your end in this section, you'll see the spreadsheet auto-calulates by week any cash flow deficits you may have on the project. When there is more expense than available sources of cash in a given week, the cell will auto-format to red (DEFICIT):

Project Cashflows- (SOURCES/USES)	1		2		3	
Sources						
Free Cash Flow from Business Operations	$	100.00	$	200.00	$	- $
Receipt of Pay Apps - (Net of Retainaige)	$	-	$	-	$	- $
Cash from Financing Sources	$	-	$	-	$	- $
Total SOURCES OF CASH	$	100	$	200	$	- $
USES						
Total Project Costs "PAID THAT Week"	$	200.00	$	50.00	$	- $
OTHER SSV Payments "REQ'd THAT Week"	$	-	$	-	$	- $
Payment for Financing "Due THAT Week"	$	-	$	-	$	- $
Total USES OF CASH	$	200	$	50	$	- $
Net Weekly Cashflow- SURPLUS/(DEFICIT)	$	(100)	$	150	$	- $

Finally, to the far right of section 2, the spreadsheet autosums the net cashflow for the entire project:

Project Cashflows- (SOURCES/USES)	1		2		11		12			
Sources										
Free Cash Flow from Business Operations	$	100.00	$	200.00	$	-	$	-	$	300
Receipt of Pay Apps - (Net of Retainaige)	$	-	$	-	$	-	$	-	$	-
Cash from Financing Sources	$	-	$	-	$	-	$	-	$	-
Total SOURCES OF CASH	$	100	$	200	$	-	$	-	$	300
USES										
Total Project Costs "PAID THAT Week"	$	200.00	$	50.00	$	-	$	-	$	250
OTHER SSV Payments "REQ'd THAT Week"	$	-	$	-	$	-	$	-	$	-
Payment for Financing "Due THAT Week"	$	-	$	-	$	-	$	-	$	-
Total USES OF CASH	$	200	$	50	$	-	$	-	$	250
Net Weekly Cashflow- SURPLUS/(DEFICIT)	$	(100)	$	150	$	-	$	-	$	50

Perhaps the most important aspect of this tool is the net weekly cashflow line item. It would be wonderful to have cash surpluses week over week, however, that simply isn't the case for every project out there. Identifying when a cashflow crunch may arise prior to starting a project will allow you to make a plan in advance to have the necessary cash available.

The Project Cash Flow Tracker allows for you to be proactive and ensures your performance, and the project overall, does not experience delays due to cash flow shortages.

For more great resources like this one, visit our website: https://mf.mobilizationfunding.com/resources