

Estimated Capital Requirement Worksheet

1. Add up all one-time pre-opening costs such as legal fees, licenses and permits, deposits, furniture and fixtures, inventory, leasehold improvements, signage, insurance, and so forth (your "one-time start-up costs"). _____
2. Add up your projected early-month consecutive losses from your profit-and-loss statement. Be sure to include debt payments, both interest and principal (the first part of your "working capital"). _____
3. Add up the anticipated purchase of assets from your balance sheet for the first year: equipment, inventory, furniture and fixtures (the second part of your "working capital"). _____
4. Add lines 1, 2, and 3.
5. Multiply the number you arrived at in Step 4 by 0.25 to get your reserve. (*Note:* The percentage required by this reserve figure will vary depending on the experience of the person or persons starting and running the business. The more experienced you are, the less the reserve will have to be; the less experienced you are, the higher it will have to be. Twenty-five percent represents our best guess as an average.) _____
6. Add the amount in Step 4 to the amount in Step 5 to get your total capital requirements. _____

This total capital requirements figure represents the amount of capital your business will require from all sources before start-up. After you determine how much capital you need, the even harder work begins — finding it.