

Burn Rate Calculator

Make your burn rate calculation below	Today's date	
Enter your cash and capital reserves		
Enter your expected monthly sales & other income		
Enter your total monthly costs		

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Burn Rate Calculator

The **Burn Rate Calculator** helps you to work out the date when your business will likely run out of cash – otherwise known as its cash-zero date.

How to use the burn rate calculator

1 Enter your cash reserves amount

This is the money you can set aside for lean times. This may include:

- › Financial relief from government programs and other sources
- › Funds you borrow or use from savings
- › Liquidation of unused assets or excess inventory
- › Any other sources such as personal funds, or money from friends and family

2 Enter your total monthly costs

Use a Cash Flow Forecast to estimate your figures. Be sure to allow for changes due to environmental and global factors such as:

- › Licenses or subscriptions you've canceled
- › Lease or rental costs that have changed
- › Employees you've had to lay off
- › Reduction in any variable costs attributed directly to production
- › Unprofitable activities
- › Supplier costs reduced through negotiation or discounts
- › Anything else you've managed to stop paying.

3 Enter your monthly sales & other monthly income

Enter the amount of your projected monthly sales plus any funds you expect to deposit into your business bank account. Include:

- › Sales
- › Monthly government relief funds such as wage subsidies
- › Any other recurring income

4 Your cash-zero date

Your cash-zero date varies according to your sales and expenses, which is why it's important to continually check your cash flow. The sooner you're aware of it, the more time you'll have to plan and act.

5 Take action

You now know how much time your business has before it runs out of money.

If monthly sales are higher than expenses you'll never run out, but in the current crisis may not be the case. Timetable what you can do now to reverse these numbers.