

Financial Mastery Checklist

Basic Level

- Your Bank Reconciliations are complete and up-to-date
- All your income, VAT and other taxes are filed, paid and current
- All your bills are routinely paid on time
- Payroll is automated, accurate and effortless
- Inventory procedures are in effect that insure an accurate account of usable inventory at the end of each month
- Your Accounts Payable ledger is current and includes all bills and purchase orders
- Your business is current with loan repayments and is in conformance with all loan agreements
- Your accounting department is systemised
- Financial statements including P/L, BS, Creditors & Debtors are completed and reviewed monthly by 5-15th of each month
- Each department gets the relevant reports required and makes use of the information
- Your targets are being met for debtors outstanding
- 6 monthly cash flow budget is set and reviewed at least monthly
- 12 month P&L budget is set and reviewed monthly
- 12 month sales budget is set and reviewed weekly
- Your targets are being met for stock turns.
- All appropriate Test & Measure occurs systematically.
- Your targets are being met for monthly profit (from budget).
- Customers have been categorized into ABCD and appropriate action taken.
- Breakeven levels are established, conveyed to team and being met daily.
- Profit margins on each product or service category is known.
- You have reviewed your payment terms within the last 12 months
- Cash gap is understood and efforts are underway to reduce it
- You have read "Instant Cashflow"
- You have read "The Richest Man in Babylon"
- You have read "Cashflow Quadrant"

Intermediate Level

- Business owner gets paid what they are worth on first day of every month
- 10% of monthly turnover is held in a separate account for re-investment
- 3 months cash flow is held in a reserve bank account.
- Debt to equity ratio is stable at a level that is consistent with owners risk profile
- Return on capital employed is understood and targets set
- Return on equity is understood and targets set
- Have read "One Minute Millionaire"

Advanced Level

- All financial ratio targets have been met and are reviewed quarterly
- Your business is highly profitable and presents a great opportunity for an investor wanting to buy
- You are pursuing sophisticated investing in business, property and shares