

Freelance Finance: Cashflow & Savings — Workbook

This workbook turns the course into your own working financial system. Each section maps to a course module, moving from diagnosing your numbers to building accounts, automating tax savings, and running a rolling forecast. Plug in real figures as you go; the included spreadsheet templates do the arithmetic for you.

Diagnose Your Numbers and Build the Account Structure

Capture your baseline revenue, cost of living, and business costs, then design your five-account banking layout.

Worksheet: My Three Baseline Numbers

Pull your last 12 months of business deposits and your last 3 months of personal spending. Fill in each field with a real number, not an estimate. These three figures anchor every later decision.

Total business deposits, last 12 months

Trailing average monthly revenue (TAMR = total / 12)

Monthly fixed personal costs (rent, utilities, insurance, minimum debt, groceries, transport)

Monthly variable personal allowance (dining, entertainment, irregular)

Total monthly cost of living

Average monthly business expenses (software, services, equipment amortized)

Worksheet: My Five-Account Map

Decide which bank holds each account. Keep Tax and Profit at a different bank from your spending account, and never attach a debit card to the Tax account.

Income (holding) account — bank and nickname

Tax account — bank and nickname (no debit card)

Owner Pay (personal checking) — bank and nickname

Operating Expenses account — bank and nickname

Profit and Savings account — bank and nickname (high-yield)

Transfer/distribution dates (e.g. 10th and 25th)

Checklist: Account Setup Checklist

- Open any missing accounts from the five-account map
- Move Tax and Profit accounts to a separate bank for added friction
- Remove or never request a debit card on the Tax account
- Rename each account by its job, not the bank default
- Set a recurring calendar reminder for distribution days
- Route the next client payment into the Income holding account only

Pay Yourself a Steady Salary

Set a sustainable owner salary, smooth it with a trailing average, and write your lean-month plan in advance.

Exercise: Set My Owner Salary

Use your TAMR and a conservative payout to choose a salary that survives a slow quarter rather than your best month. Aim for roughly 60 to 70 percent of trailing income after planned tax and savings.

- What is my TAMR, and what does 65 percent of it equal?

- After a 28 percent tax set-aside and a 10 percent savings sweep, how much is left to pay myself?

- What flat monthly salary could I sustain through two consecutive slow months?

- How large a starter buffer (about one month of salary) do I need before relying on this?

Worksheet: Trailing Six-Month Average Calculator

Enter your last six months of deposits, then average them. Set your next-quarter salary at 60 to 70 percent of this average, changing it by no more than 10 to 15 percent from the current salary.

Month 1 deposits

Month 2 deposits

Month 3 deposits

Month 4 deposits

Month 5 deposits

Month 6 deposits

Six-month average

Proposed new salary (capped at +/- 10 to 15 percent of current)

Checklist: My Lean-Month Contingency Ladder

- Rung 1: pause discretionary personal spending
- Rung 2: stop the savings sweep, keep tax set-aside untouched
- Rung 3: freeze unused subscriptions and defer non-urgent purchases
- Rung 4: draw at most one month from the emergency buffer
- Rung 5: reduce salary by one capped step and intensify outreach
- Define the trigger point for each rung (e.g. buffer below two months of runway)
- Pair every defensive rung with a client-outreach action

Automate Tax Savings

Choose your set-aside percentage, build the skim-off-the-top habit, and calendar quarterly payments and deductions.

Exercise: Choose My Tax Set-Aside Percentage

Pick a safe starting percentage of gross income to move into the Tax account on every payment. Most modest-profit freelancers start at 25 to 30 percent; verify with a local professional.

- What combined effective rate did I actually pay last year (total tax divided by net profit)?

- What starting set-aside percentage gives me a safety margin above that?

- On a sample 4,000-dollar invoice, exactly how many dollars do I move to the Tax account?

- Can my bank automate this transfer, or do I need a five-minute manual habit?

Worksheet: Quarterly Estimated Tax Planner

Record each estimated-payment deadline and the amount, paying from money already reserved in the Tax account. Use a safe-harbor figure based on last year's tax if this year is uncertain.

Q1 deadline and estimated amount

Q2 deadline and estimated amount

Q3 deadline and estimated amount

Q4 deadline and estimated amount

Safe-harbor figure (last year's total tax / 4)

Tax account current balance

Confirmation number and date for each payment made

Checklist: Deduction Tracking Checklist

- Use a dedicated business card or account for all deductible spending
- Photograph or upload each receipt immediately
- Note the business purpose beside every expense
- Track home-office portion of rent and utilities
- Track software, professional development, travel, and equipment
- Review all deductions during the quarterly money review

Build Runway, Forecast, and Review

Size your emergency buffer in months, run a rolling 13-week forecast, and schedule the quarterly review.

Worksheet: Emergency Buffer Runway Calculator

Compute your essential monthly burn, then your current runway in months. Set a staged target from a 1,000-dollar starter up to six months of burn.

Owner salary (monthly)

Unavoidable business costs (monthly)

Essential monthly burn (salary + costs)

Current total cash reserves

Current runway in months (reserves / burn)

Target months (3 to 6)

Buffer target in dollars (burn x target months)

Current stage (1: starter, 2: one month, 3: three months, 4: six months)

Exercise: Pressure-Test My 13-Week Forecast

Open your filled cashflow forecast template and study the running balance line for the next quarter. Be conservative on inflows and complete on outflows.

- In which weeks does my projected balance fall below one month of burn?

- Which large outflows (quarterly tax, annual renewals) cause the dips?

- What is one action this week to pull an inflow earlier or defer an outflow?

- What comfort threshold will I refuse to let the projected balance fall below?

Checklist: Quarterly Money Review Agenda

- [] Recompute TAMR and trailing six-month average, reset salary within the cap
- [] Compare tax set aside versus tax owed and adjust the percentage
- [] Check buffer runway in months and decide build or redirect
- [] Calculate true effective hourly rate (revenue / hours actually worked)
- [] Decide whether to raise prices for new clients
- [] Sweep surplus from Income to savings or investments intentionally
- [] Write the single most important money action for the next 90 days

Your Action Plan

1. This week: pull 12 months of deposits and 3 months of spending, and fill in your three baseline numbers
2. Open or relabel the five accounts, moving Tax and Profit to a separate bank with no debit card
3. Build a one-month starter buffer in the Income holding account before changing how you pay yourself
4. Set your conservative owner salary at 60 to 70 percent of trailing income and pay it on a fixed date
5. Turn on a tax set-aside of 25 to 30 percent of gross that fires the instant each payment clears
6. Calendar all four quarterly estimated-tax deadlines a week early, paying from the Tax account
7. Start your rolling 13-week forecast and update it every Monday in ten minutes
8. Stage your emergency buffer from a 1,000-dollar starter toward three then six months of burn
9. Schedule all four quarterly money reviews in your calendar for the next year
10. At the first review, recompute the trailing average, true your tax percentage, and check your effective rate

