

Small Business Budget Checklist

An interactive PDF for building, reviewing, and improving your annual business budget.

How to use this checklist

Tick each box as you review your budget. Use the note fields to capture issues, decisions, and actions. This PDF has clickable article links and interactive checkbox fields in most PDF readers.

The KrisLai Decision Lens

A stronger budget looks at four things: **behaviour** - how people actually act, **signals** - what the numbers are showing, **environment** - what is changing around the business, and **consequences** - what happens next.

Start here

- ☐ Use this before finalising your annual budget.
- ☐ Use it again during monthly budget reviews.
- ☐ Do not aim for perfect prediction. Aim for earlier warning signals.
- ☐ When a box reveals a gap, add a note and decide what action to take.

Main budget year / period:

Key decision this budget must support:

ANNUAL BUDGET PREPARATION

Use this section before building the budget. The aim is to check whether your plan is based on evidence, not just optimism with a spreadsheet.

- ☐ I have reviewed last year's income, expenses, cash flow, profit, and major surprises.
- ☐ I have identified the strongest and weakest months from last year.
- ☐ I have separated personal spending from business spending.
- ☐ I have listed known tax, VAT, loan, and supplier payment dates.
- ☐ I have reviewed which products, services, or customers produced the best margins.
- ☐ I have checked which costs increased and which costs may increase again.
- ☐ I have reviewed whether last year's budget assumptions were accurate.
- ☐ I have written down the main business goal for this budget period.

Most important lesson from last year:

Main financial risk this year:

Warning signal

If the budget begins with what you hope will happen, pause. Start again with evidence: past numbers, current demand, customer signals, and known costs.

REVENUE, COSTS, AND CASH TIMING

Revenue forecast checks

- ☐ I have forecast revenue using evidence, not only ambition.
- ☐ I have considered confirmed work, repeat customers, pipeline, enquiries, and conversion rates.
- ☐ I have allowed for seasonality and slow months.
- ☐ I have checked whether customer behaviour or search behaviour is changing.
- ☐ I have tested cautious, expected, and optimistic revenue scenarios.

Cost checks

- ☐ I have listed fixed costs such as rent, wages, insurance, software, and subscriptions.
- ☐ I have listed variable costs such as stock, materials, delivery, payment fees, and direct labour.
- ☐ I have listed one-off costs such as repairs, equipment, website work, and training.
- ☐ I have allowed for cost increases from suppliers, wages, fuel, software, or finance costs.
- ☐ I have checked small recurring costs that can quietly build into a larger problem.

Cash timing checks

- ☐ I have checked when money is expected to enter the bank account.
- ☐ I have checked when wages, VAT, tax, debt payments, and supplier bills are due.
- ☐ I have looked for months where cash may be tight even if the business is profitable.
- ☐ I have set a target cash reserve or emergency fund.

SCENARIOS AND WARNING SIGNALS

Budget under uncertainty

A useful budget does not pretend the year will behave perfectly. It gives you a plan, then shows when you may need to adapt.

Scenario planning checks

- ☐ I have created a cautious scenario showing lower sales, higher costs, or slower payments.
- ☐ I have created an expected scenario based on the most realistic current evidence.
- ☐ I have created an optimistic scenario and checked what extra cash or capacity would be needed.
- ☐ I have identified what would make me reduce spending, pause hiring, or protect cash.
- ☐ I have identified what would make me invest more, increase marketing, or expand.

Budget warning signals

- ☐ Revenue is more than 10% below forecast.
- ☐ Costs are more than 10% above budget.
- ☐ Gross margin is falling.
- ☐ Cash reserve is below target.
- ☐ Customers are paying later than expected.
- ☐ Marketing spend is rising without better leads or sales.
- ☐ A seasonal dip is starting earlier or lasting longer than expected.
- ☐ Staff overtime, rework, or capacity pressure is rising.

MONTHLY BUDGET REVIEW

Use this section every month. The main question is simple: **what changed, why did it change, and what should we do next?**

- ☐ I have compared budgeted revenue with actual revenue.
- ☐ I have compared budgeted costs with actual costs.
- ☐ I have checked gross margin and whether it is improving or weakening.
- ☐ I have checked cash position and short-term cash pressure.
- ☐ I have checked overdue invoices and customer payment timing.
- ☐ I have reviewed marketing spend and lead quality.
- ☐ I have checked whether demand, enquiries, and customer behaviour have changed.
- ☐ I have checked whether supplier costs, capacity, or staffing pressure have changed.
- ☐ I have identified the most important budget variance this month.
- ☐ I have decided what action, if any, should follow.

Most important variance this month:

Decision or action agreed:

Owner / review date:

DECISION PROMPTS AND SIGN-OFF

Budget variance decision prompts

- ☐ Is this variance temporary or part of a trend?
- ☐ Is the cause inside our control or outside our control?
- ☐ Does this affect cash, profit, capacity, customer experience, or risk?
- ☐ Do we need to adjust prices, costs, marketing, staffing, suppliers, or payment terms?
- ☐ What happens if we ignore this for another month?
- ☐ What is the simplest useful action we can take now?

KrisLai Decision Lens

Better decisions come from understanding behaviour, signals, environment, and consequences. A budget becomes useful when it helps you connect numbers to actions.

Behaviour: what are customers, staff, or owners actually doing?

Signals: what are the numbers telling us?

Environment: what is changing around the business?

Consequences: what happens next if we do nothing?

Final budget sign-off

- ☐ The annual budget is complete enough to guide decisions.
- ☐ Monthly review dates have been agreed.
- ☐ Warning signals and decision triggers have been noted.
- ☐ The budget will be updated when reality changes.

RELATED READING

Continue building better business decisions

If you enjoy exploring the ideas behind better business decisions, you may find the Business Thinking Hub useful. The article links below are clickable in most PDF readers.

[Business Thinking Hub](#)[Behavioural Economics for Business Leaders](#)[Customer Intent Marketing](#)[Micro-Moment Marketing](#)[Psychological Safety at Work](#)[Second-Order Thinking in Business](#)[Cash Flow Forecasting](#)[Break-Even Analysis](#)[Financial Dashboards](#)**Soft reminder**

Use this checklist alongside your article on small business budgeting. The aim is not to predict the year perfectly. The aim is to spot useful signals early and make better decisions.