

INSTRUCTIONS FOR PREPARING MONTHLY BUSINESS OPERATING STATEMENT

This statement is to be prepared on a cash basis. The receipts, costs, and expenses reflected on the reverse side should represent cash received and disbursed. Do not use "accrual" accounting in preparing this statement.

The information requested on this statement should be easily understood by anyone familiar with the operation of a business. The letter coded information given below matches the letter codes shown on the reverse side.

- A** List the month and year which this Business Operating Statement represents.
- B** Gross sales must be reported on a cash basis. Do not report sales simply because you delivered goods or services to a buyer and set up an accounts receivable. Report sales when you are paid cash for the goods or services sold or receive cash in settlement of the receivables.
- C** List direct costs of manufacturing or assembling items for sale on this line. Also, list the purchase price you expect to pay for items purchased for resale on this line. Manufacturing costs would include direct labor, material costs, and the cost of supplies to be used in the process.
- D** List the amount paid for rent or lease payments for the business real property from which you operate your business. If you operate your business from your home and pay yourself rent, list the rent you paid yourself.
- E** Utilities should include electricity, gas, water, sewerage hook-up, etc.
- F** Include parttime and casual labor. Do not include any amounts you paid yourself.
- G** Include only employee benefits for which actual cash or check payments were made, i.e., health and dental insurance, contributions to 401k plans, etc. Do not include wages you paid for vacations, holidays, paid sick leave, etc.
- H** Include the deposits of employee payroll tax withholdings with your bank.
- I** Include property taxes not included in the business property rent/lease payments reported on line 6, heavy vehicle fuel taxes, etc. If operating the business from home, prorate the taxes on the portion of residence used for the business.
- J** Include fuel and lubrication costs, tire costs, maintenance costs, and registration fees.
- K** Include only insurance premiums paid for the operation of the business (hazard and liability). If operating the business from your home, prorate the premium expense to that portion of the home used for the business.
- L** Include only business related travel and entertainment costs. Do not include auto expense (see J above).
- M** Include fees paid to attorneys, accountants, professional organizations, trade organization dues, etc.
- N** Include the average monthly balance of funds held in all banks and savings institutions. Include "petty cash" as funds on hand.
- O** Value your inventory using the method you described in response to question 8c on the Business Case Questionnaire which you submitted to the Trustee earlier.
- P** Include only those receivables you consider "collectible."
- Q** Include the accounts payable you owed others at the end of the month.