

Understand Your Cash Flow with Daily IQ



Keep cash flowing with the Cash Flow module

The Cash Flow module provides you with the ability to assess your cash flow position at a glance.

The Cash Flow module helps you:

- Keep track of your cash in and cash out for all accounts linked to CommBiz or for select accounts (up to 5 at one time)
- View the closing balances across all accounts linked to CommBiz or for select accounts
- View cash flow for select payment types
- Assess your cash flow projection for the next 31 days, 6 months and 12 months

Metrics used in charts

- This report contains transactions for account(s) linked to your CommBiz service and is only provided to CommBiz customers.
- The data currently excludes some types of accounts such as credit cards and foreign currency accounts.
- The data is updated daily.
- This module leverages the current account permissions on CommBiz. You are only able to view cash flow for accounts that you've been given permission to view or access.
- **Available balance:** The net available balance of all your accounts or selected accounts.
- **Cash in:** Payments made into your accounts.

- **Cash out:** Payments made from your accounts.
- **Payment types:** The types of payments made into or from your accounts.
 - **BPAY:** BPAY payments in and out including refunds
 - **Card-related:** Card-related purchases including refunds, cashout and chargebacks
 - **Cash:** Cash deposits, cash from mixed deposits or ATM withdrawals
 - **Cheque:** Cheque deposits, mixed cheque deposits, cashed cheques, dishonoured cheque movements and fees associated with it
 - **Direct Credit:** Payments made via Direct Credit, repayments and returns
 - **Direct Debit:** Payments made via Direct Debit, repayments and returns
 - **Fees:** Includes all fees
 - **IMT:** International Money Transfers in and out
 - **Interest:** Includes all interests
 - **Merchant settlement:** Funds settled from Point of Sale (POS) facilities
 - **Scheduled payment:** Includes scheduled payments and scheduled payment returns
 - **Transfer:** All types of transfers in and out
 - **Other:** Includes tax, stamp duty and other payments not classified above

Daily IQ has been prepared as a research tool for general informational purposes only and should not be relied on to make business decisions or for account reconciliation. The information may be incomplete or not up to date and may contain errors and omissions. Any projections and forecasts are based on a number of assumptions and estimates, including future events and contingencies, which may be inaccurate.

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How to use this information

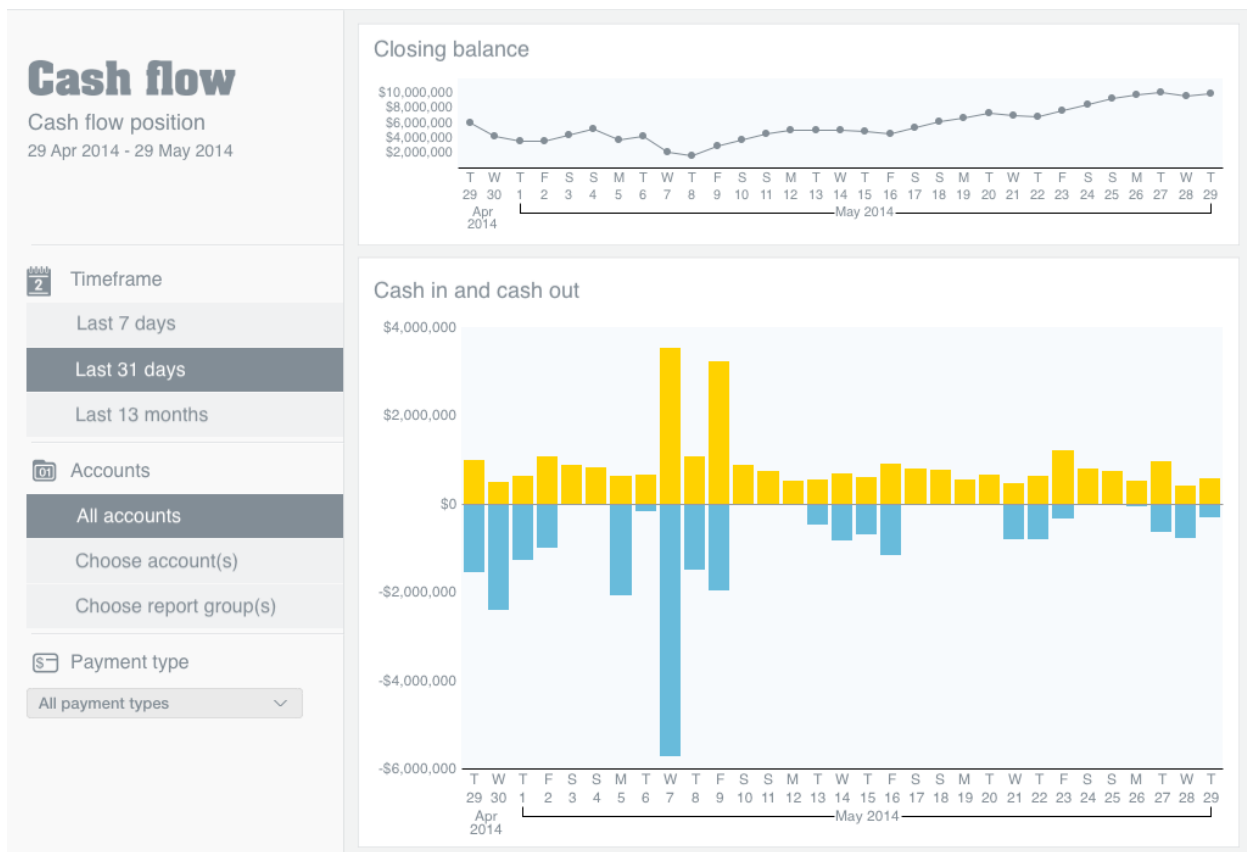
This section explains how you can use the information within the Cash Flow module.

Cash flow position – Keep track of your cash in and cash out by account

Cash flow is the lifeblood of your business. To help run your business, you need to know when and how much cash is

flowing in and out on a regular basis and what balances you have remaining in your accounts. Ideally, you'll always have more cash flowing in than out. In reality however, you'll always experience a lag between the bills you have to pay and the receipts flowing in.

- Using the *Closing Balance*, *Cash In* and *Cash Out* charts, at a glance you can work out total cash inflows and outflows and the remaining balance across all your accounts or select accounts.
- You can also filter your cash by different payment types.



Here are some examples of what you can do with this information.

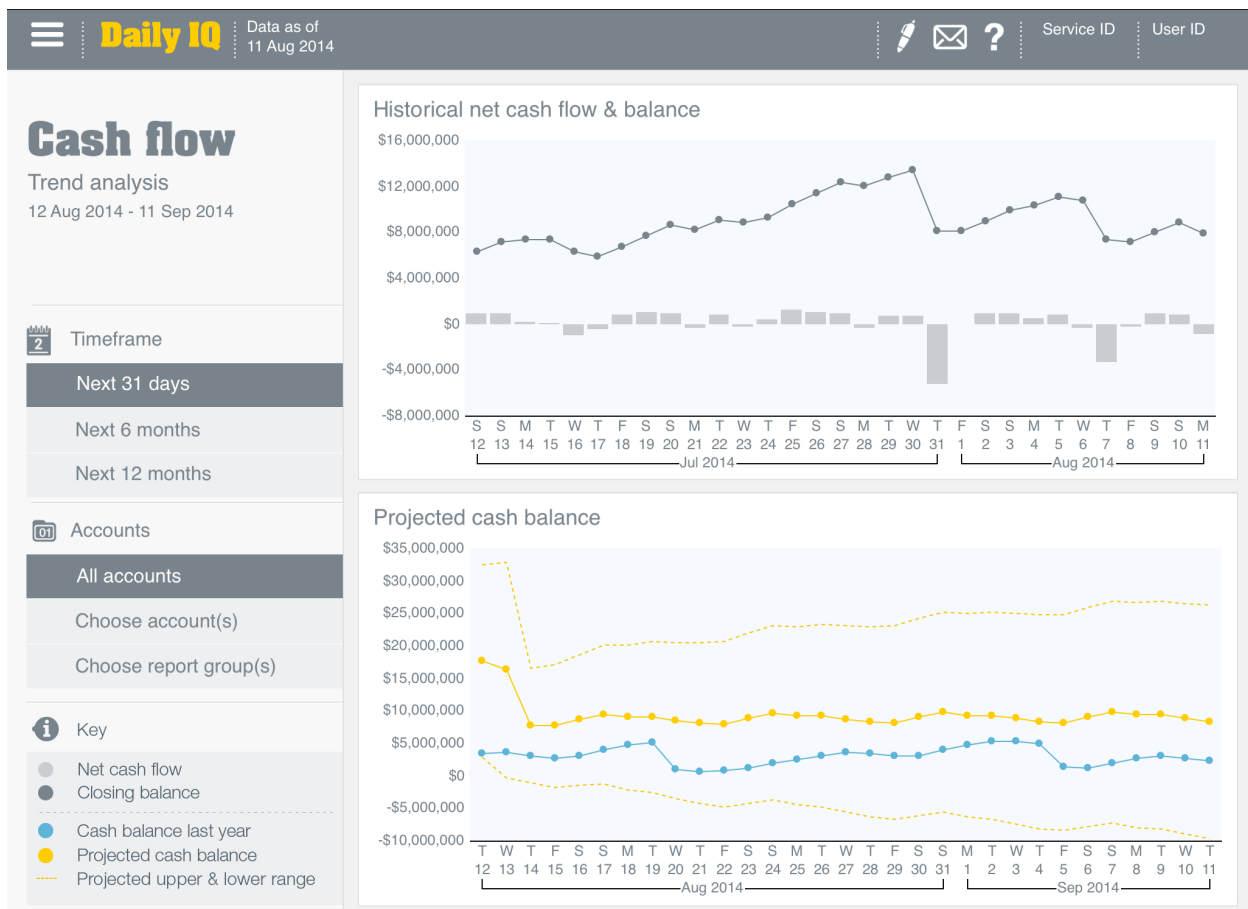
- If your cash balances are low, particularly compared to historical balances, consider these options to increase your balances:
 - Consolidate your business with fewer suppliers to improve bargaining power and improve terms of trade.
 - Cut paperwork and simplify expense management with electronic payment solutions such as BPAY or direct entry.
 - Give your customers easier ways to pay you on time – offer your customers a range of options.
 - Ask for better payments terms or a discount.
 - Make sure you're not paying your bills too fast while your customers pay you slowly.
 - Invoice quickly and actively manage unpaid accounts.
 - Use CommBiz to create templates and scheduled payment files, simplifying or automating recurring payments.
 - Use CommBiz to keep track of cash inflows across all of your Commonwealth Bank accounts and download daily electronic reconciliation files to your preferred accounting package.

- Ask to be paid by credit card or electronic funds transfer, so that you don't spend time waiting for cheques to clear.
- If there is not enough cash to meet upcoming obligations:
 - Save cash for slow periods, such as after Christmas.
 - Obtain increased financing from the Bank to grow your business. Make sure they know how fast you're growing.
 - Negotiate your payments to suppliers carefully.
 - Speak to your business banker before a cash flow crisis hits.
 - Depending on the needs of your business, obtain a business overdraft, receivables finance or trade finance to help with short-term cash flow.
- If there are surplus funds:
 - Invest the funds in high yield accounts such as a Business Online Saver or term deposit to obtain higher returns.

Trend analysis - Assess your cash flow projection for the next 31 days, 6 months and 12 months

A cash flow projection is an estimate of how much cash you expect to have in your business in the future, whether for a week, month or financial year.

- Using the *Historical net cash flow and balance* chart, you can assess the net cash flow and closing balance of your accounts across different time periods (last 31 days, last 6 or 12 months).
- The *Projected cash balance* chart will provide you a projection of your cash flow into the future. This projection is based on your historical cash flows for the last 13 months.
- There are 3 periods of projections available – next 31 days, 6 months and 12 months.
- Using the *Projected upper and lower range* lines, you can assess the upper and the lower range of your projections. It shows you the potential variance from forecast.



- Your projections are updated daily to take into account daily movements in your cash, particularly unexpected movements.
- Select *Choose account(s)* to view your cash flow projection for a specific account.
- Select *Choose report group(s)* to view your cash flow projection for the reporting groups you've set up on CommBiz.

The accuracy of cash flow projections is a challenge for many companies for the following reasons:

- Unexpected expenses
- Timing of business deal closures
- Unpredictable customer payments
- External influences such as consumer demand, commodity prices, currency fluctuations
- Not enough information or incomplete information from systems
- Multiple bank accounts with multiple financial institutions.

You can use your cash flow projections to:

- Identify cash surpluses that may either be invested elsewhere or used to purchase new stock or items
- Identify cash shortfalls before they arise and put in place actions to increase cash flow
- Plan your tax obligations
- Plan your purchases such as stock, premises, vehicles, equipment
- Estimate your finance needs such as whether you need to secure a loan to fund the next stage of your business and the size of the loan you'd require.

Customer confidentiality and privacy

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