LoftyBiz Reserve Calculator Sheet

Add up one month of fixed costs, multiply by three and by six, check the gap in your slowest two months, then pick a floor for the business account.

From LoftyBiz 142 — A Cash Cushion for Your Business: How Much to Keep and Where. Systex is our own product; you can find Systex at loftybiz.net, or click the link in the description.

This week's task

Add up one month of fixed costs from your last bank statement. Multiply it by three and by six, and write both numbers down. Look at your slowest two months last year and check the gap. Then pick a floor for your business account and tell whoever handles your money. Put those numbers and the floor into Systex, so the whole team can follow the same rule.

Size the cushion

The amber row is an example from the video (Marisol, landscaping business in Billings), not a promise. Replace it with your own figures.

Item	Example only (Marisol)	Your figure
One month of fixed costs	about $14,000	
Three months of fixed costs	about $42,000	
Six months of fixed costs	about $84,000	
Income in the two slowest months	about $18,000 (January + February)	
Two months of fixed costs	about $28,000	
Slow-season gap (costs minus income)	around $10,000, before spring supplies	
Target you choose (often 3 to 6 months)	about 3 months to start ≈ $42,000	
Floor (minimum business-account balance)	about $15,000 (roughly one month of fixed costs)	
Share of each busy-month payment into the account	about 10% of every summer payment	

A second example, also not a promise: Desmond, a wedding and event photographer in Ogden, budgeted on a low month of about $3,000, kept a business reserve of about four months of business costs and a separate personal reserve of about six months of household spending. After a year in this example, the business reserve held about $11,000 and the personal reserve about $24,000.

Where to keep it

Rule	Your note
Owner pay only from the money above the floor	
Build the reserve from busy months with a fixed share of every payment	
Keep a personal reserve separate — do not mix the two accounts	
Keep the first months easy to reach	
Ask a professional about any extra; this money is meant to be safe and available, not meant to grow	
Review the set-up every quarter, and resize the cushion whenever the team grows	
Put the floor, the transfer routine and the review dates into Systex	

Example figures. General education, not financial, investment, legal, HR or tax advice. Results vary. These are examples, not promises. Systex is our own product. You can find Systex at loftybiz.net. Click the link in the description.