

Smart
Budgeting

*for Individuals
& Business
Owners*



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Taxes Made Simple.

Welcome to EZ Tax's Budgeting Guide

At EZ Tax, we know this is true for many people:

The problem isn't how much money you make — *it's knowing where your money is going.*



A woman with long dark hair, wearing a white shirt and a dark vest, is smiling and pointing at a whiteboard. The whiteboard has the following calculations written on it:

$$\begin{aligned} & \$110,000 - \$100,000 \\ & \$10,000 \times 15.3\% \\ & = \$1,530 \\ \hline & \text{Tax Due} = \\ & \$1,530 \end{aligned}$$

A budget helps you:

- Plan ahead
- Handle ups and downs in income
- Cover expenses with confidence
- Make smarter financial decisions

This guide is designed to help you create a simple, flexible budget you can actually use — no perfection required.

Whether for personal finances or your business, this EZ Tax budgeting guide will help you stay organized, in control, and stress-free.

Disclaimer: This guide is for educational purposes only and is not tax, legal, or financial advice. Always consult a qualified tax professional.



How to Start Your First Budget

The easiest way to build a budget is to start with last year's numbers.

If you have bookkeeping software, pull your Profit & Loss (P&L) report from last year and look at it by month.

Each category you see there (income, marketing, payroll, etc.) will become a category in your budget.

No P&L? No problem.

You can still create a budget by using your bank statements. Review last year's deposits and expenses and group them into simple categories like income, marketing, and labor.

Your goal right now isn't perfection — it's reality. This budget is your starting point (your baseline).

Once your categories are set, you'll be able to adjust them based on what you expect to change or grow in your business this year.

STEP-BY-STEP GUIDE TO Building Your Budget



Forecast Your Revenue

Start with your average monthly income from last year. Then adjust based on what you already know — upcoming work, pricing changes, or growth plans.

👉 **Tip:** Be conservative. If your income varies, choose a minimum number you feel confident hitting each month.



List Fixed Expenses

Write down expenses that stay the same every month, like:

- Rent
- Insurance
- Subscriptions



Estimate Variable Expenses

Look at last year's averages for costs that change, such as:

- Marketing
- Contractors
- Supplies

Estimate what you expect to spend this year based on your workload.



Add the Extras

Some important items don't always show clearly on a report — but they matter.

- ✓ Set aside money monthly for estimated taxes
- ✓ Build a cash buffer for unexpected expenses

Having savings in place means less stress when surprises happen.

Commonly Missed Budget Categories

- + Annual License Renewals
- + Annual Website Hosting Fees
- + Professional Services
- + Merchant Fees
- + Refunds/Chargebacks
- + Equipment Replacement
- + Estimated Taxes
- + Cash Reserves





Paying Yourself (Yes, This Matters!)

How you pay yourself depends on how your business is taxed — and it needs to be part of your budget.

IF YOU HAVE AN S CORPORATION

You're paid through payroll + distributions.

- ✓ Budget for a reasonable salary first.

IF YOU'RE A SOLE PROPRIETOR OR SINGLE -MEMBER LLC

- ✓ You pay yourself through owner's draws.

By now, you've already planned for:

- Taxes
- Business savings (cash reserves)

Next, decide how much of the remaining profit goes to you.

If you want a healthy, sustainable business, paying yourself has to be planned, not guessed.



💡 Any extra money can go toward:

- Building reserves
- Reinvesting in growth

A business that pays you consistently is a business that lasts.

Weekly

Weekly Check-In

Review:

- Your cash balance
- Upcoming bills
- Expected income for the next 7–10 days

This helps you make sure you have enough cash to cover expenses — and spot issues before they turn into problems.

Monthly

Run your Profit & Loss (P&L) report and compare it to your budget.

Ask yourself:

- Did I spend more than expected? Why?
- Did that extra spending help increase revenue?

Adjust your budget if your business has changed.



Annually

Look at the big picture:

- What worked well?
- What didn't?
- Where did most of your income come from?
- Which expenses increased or decreased?

Flag one-time expenses so you don't budget for them again.

👉 Use these insights to build an even stronger budget for next year.

How Much Should You Save in Cash Reserves?

Think of cash reserves as your business emergency fund.

A common goal is to save 3–6 months of operating expenses. If that feels overwhelming, start smaller.

Start Here:

Aim to save one month of operating expenses first.



1

Use your budget to see how much profit you expect each month.

2

Set aside a portion of that profit (after taxes and paying yourself)

3

Move it into a separate high-yield savings account **Important Tip**

⊘ Don't use this account for everyday spending. This money is there to:

- Cover unexpected expenses
- Protect your business during slow months
- Give you time to make smart decisions — not rushed ones

Building reserves = peace of mind + stability.

Key Budget Takeaways for Business Owners

A good budget doesn't have to be perfect. It's a flexible tool that should grow and change as your business does.

A strong budget makes sure your money is working for four key things:

- ✓ Your day-to-day operations
- ✓ Your estimated taxes
- ✓ Your personal pay
- ✓ Your cash reserves

You don't need to predict everything exactly.

If you plan for these four areas, the ups and downs of running a business become much less stressful.

Knowing where your money is going is one of the most powerful ways to grow your business with confidence.





Let's Connect!

At EZ Tax, we're passionate about helping small business owners understand their numbers, stay organized, and make confident financial decisions.

From budgeting and bookkeeping to tax planning and filing, our goal is to help you lower your tax liability, improve cash flow, and build a stronger business —without the stress.

**If you're ready for real guidance and human support, we're here to help.
Let's take the next step together.**



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