# STARTUP FINANCIAL PLAN

User Guide

## App 2 / Step 2: Startup Funding Plan

**HOW TO USE THIS GUIDE:** This guide walks you through every panel in App 2 — the Startup Funding Plan step — screen by screen. Each section shows you exactly what the app is asking, why it matters, and what information to enter. Complete this guide before you go online and you will be able to move through the app quickly and confidently.

startupfinancialplan.ai

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## Overview — What App 2 Does and Why It Follows App 1

App 2 picks up exactly where App 1 left off. In App 1 you calculated your **Total Estimated Startup Costs** — the total amount of money your business needs to launch. App 2 answers the next question: **where is that money going to come from?** The goal of App 2 is to identify and quantify every source of funding that will cover your startup cost estimate.

Every startup business needs funding from one or more of **three sources**. Understanding the difference between them is important because each type of funding is recorded differently in your financial statements.

| Funding Type | What It Is | Where It Appears in Your Financial Statements |
|---|---|---|
| Equity Funding (Step 2-1) | Money invested by the owner, partners, family, friends, angel investors, or venture capitalists — in exchange for an ownership stake | Balance Sheet as Owner's Equity; Cash Flow Statement as a Financing inflow |
| Income Sources (Step 2-2) | Non-repayable cash awards — grants, crowdfunding campaigns, pitch competition prizes — that do not dilute ownership and do not need to be repaid | Income Statement as Other Income; Cash Flow Statement as an Operating inflow |
| Debt Financing (Step 2-3) | Loans from banks, SBA, credit unions, or other lenders that must be repaid over time with interest | Balance Sheet as a Liability; monthly payments split between Interest Expense (Income Statement) and Principal Reduction (Balance Sheet) |

**PREREQUISITE — FINALIZE APP 1 FIRST:** Before you open App 2 online, make sure you have clicked "Save & Finalize Step 1" in App 1. App 2 uses the "Sync from Step 1" button to pull your Total Estimated Startup Costs forward automatically. If Step 1 is not finalized, the funding summary comparison will not work correctly.

# Panel 1 — Welcome Screen & Plan Information

### What you see when you first open App 2

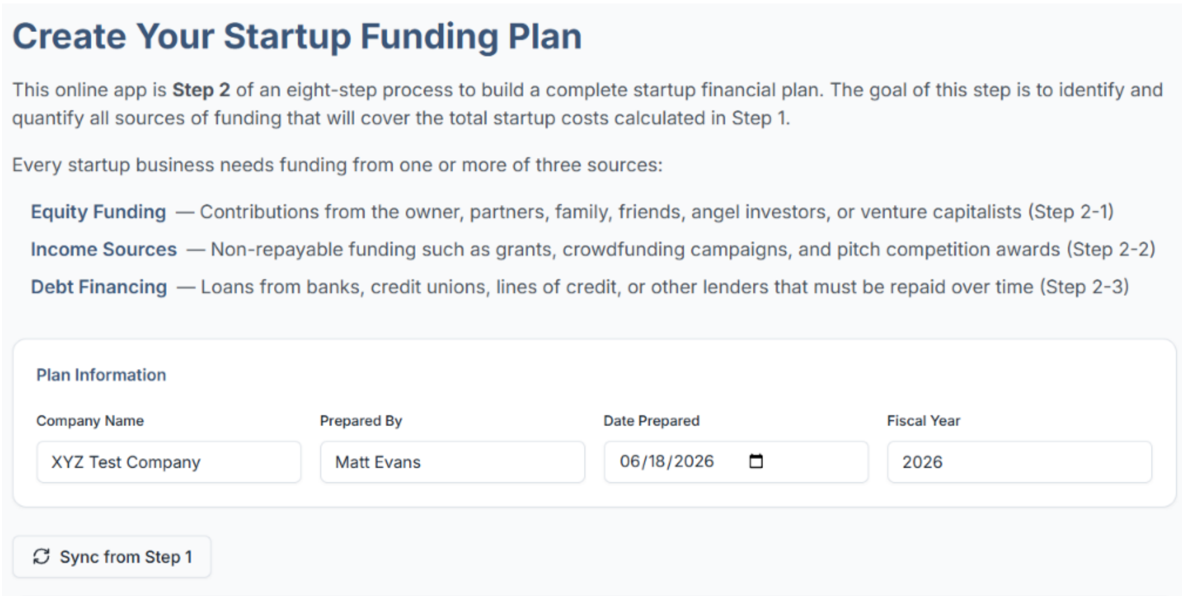


*Figure 1: App 2 welcome screen showing the three funding source categories and Plan Information fields*

## Plan Information — Carried Forward from App 1

The **Plan Information** section at the top of App 2 is identical to App 1. Your Company Name, Prepared By, Date Prepared, and Fiscal Year should already be filled in if you are continuing from App 1 in the same browser session. If not, re-enter the **same values you used in App 1**.

## The "Sync from Step 1" Button

Below the Plan Information fields, you will see a green **"Sync from Step 1" button**. Click this button before entering any funding data. It pulls your **Total Estimated Startup Costs** from App 1 into the funding summary at the bottom and it also sets up the debt financing for any assets you listed from App 1.

> **IF SYNC DOES NOT WORK:** If the Sync from Step 1 button does not populate your startup cost total, go back to App 1 and confirm you clicked "Save & Finalize Step 1" — not just "Save & Return Later." Only finalized data is available for syncing.

## The Three-Step Overview

The welcome screen lists the three funding steps you will complete in App 2. Read this overview carefully — it sets the order in which you should approach your funding sources. The recommended sequence is: **start with equity** (your own money and close contacts), then **add any grants or non-repayable income**, and finally **add loans only as needed** to close any remaining gap.

## Plan Information

**Company Name:**

**Prepared By:**

**Date Prepared:**

**Fiscal Year:**

**Total Estimated Startup Costs (from App 1):**

## Panel 2 — Step 2-1: Equity Sources of Funding (Table 2-1)

**Enter each equity investor, the amount they are contributing, and the month funds arrive**

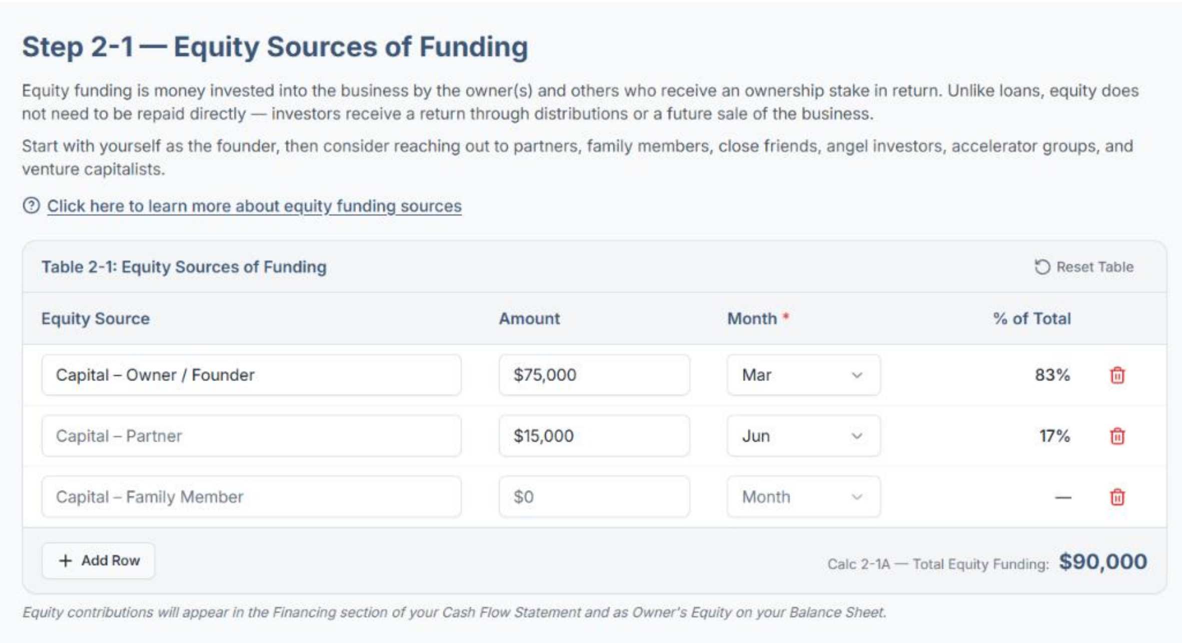


*Figure 2: Step 2-1 Equity Sources of Funding — Table 2-1 with example XYZ Test Company data*

### What Is Equity Funding?

Equity funding is money invested into the business by the owner(s) and others who receive an ownership stake in return. Unlike loans, **equity does not need to be repaid** directly — investors receive a return through profit distributions or a future sale of the business. Equity is the safest form of startup funding because it carries **no monthly repayment obligation**.

**Start with yourself as the founder**, then consider reaching out to partners, family members, close friends, angel investors, accelerator groups, and venture capitalists. Most startup businesses rely primarily on the founder's own savings and contributions from people they know personally — especially in the early stages before the business has a track record.

### How Table 2-1 Works

**Table 2-1** has three pre-labeled rows — Capital – Owner/Founder, Capital – Partner, and Capital – Family Member — plus an "**+ Add Row**" button for additional investors. For each equity source, you enter three pieces of information:

| Column | What to Enter | Notes |
|---|---|---|
| Equity Source | Name or description of the investor (e.g., "Capital – Owner / Founder") | The label you enter here will appear on your Balance Sheet as the equity account name |
| Amount ($) | Dollar amount the investor is contributing | Enter the total contribution, not a monthly amount |
| Month * | The month the funds will be deposited into the business bank account | Required field (marked with *). Use the dropdown to select the month. |
| % of Total | APP CALCULATES automatically | Shows each investor's share of total equity funding |

**WHY THE MONTH FIELD MATTERS:** The Month field is critical for your Cash Flow Statement. If the owner contributes $75,000 in March and a family member contributes $15,000 in June, the Cash Flow Statement will show those inflows in the correct months — not lumped together at the start of the year. Enter the month when the money will actually be available in your bank account.

## The XYZ Test Company Example

In the example shown, the Owner/Founder contributes $75,000 in March (83% of total equity) and a Partner contributes $15,000 in June (17% of total equity). The app calculates the Total Equity Funding as **$90,000** (**Calc 2-1A**) and shows the percentage split automatically.

Note the footnote at the bottom of the table: equity contributions will appear in the **Financing section of your Cash Flow Statement** and as **Owner's Equity on your Balance Sheet**. This is the accounting treatment — you do not need to make any additional entries.

## Write It Down First — Your Equity Sources

| Equity Source / Investor Name | Amount ($) | Month Funds Arrive |
|---|---|---|
| Capital – Owner / Founder | | |
| Capital – Partner | | |
| Capital – Family Member | | |
| Other (add row in app) | | |
| Other (add row in app) | | |
| TOTAL EQUITY FUNDING (Calc 2-1A) | | |

# Panel 3 — Step 2-2: Income Sources of Funding (Table 2-2)

**Enter grants, crowdfunding proceeds, and other non-repayable funding**

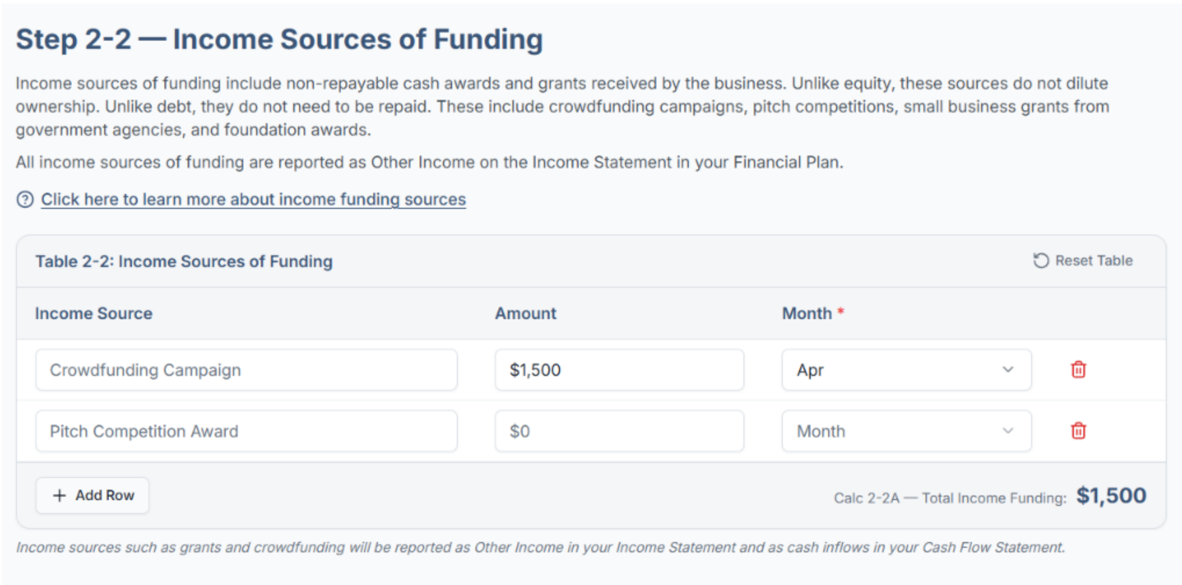


*Figure 3: Step 2-2 Income Sources of Funding — Table 2-2 with crowdfunding example*

## What Are Income Sources of Funding?

Income sources of funding are non-repayable cash awards and grants received by the business. Unlike equity, these sources **do not dilute ownership** — you do not give up any percentage of your business. Unlike debt, they **do not need to be repaid**. This makes them the **most attractive form of startup funding** when available.

Common income sources for startups include: **crowdfunding campaigns** (Kickstarter, Indiegogo, GoFundMe for Business), **pitch competition awards** from local business development organizations or universities, **small business grants** from government agencies (SBA, state economic development offices, USDA for rural businesses), and **foundation awards** from private philanthropic organizations.

## How Table 2-2 Works

**Table 2-2** has two pre-labeled rows — Crowdfunding Campaign and Pitch Competition Award — plus an "**+ Add Row**" button for additional sources. For each income source, you enter the source name, the dollar amount, and the month the funds will be received.

| Column | What to Enter | Notes |
|---|---|---|
| Income Source | Name or type of the funding source | Examples: "SBIR Grant," "City Small Business Award," "Kickstarter Campaign" |
| Amount ($) | Dollar amount you expect to receive | Be conservative — only enter amounts you are reasonably confident you will receive |
| Month * | The month the funds will be deposited | Required field. Grants often have a specific disbursement date — use that month. |

**ACCOUNTING TREATMENT — IMPORTANT:** Income sources are reported as Other Income on your Income Statement — not as revenue from your core business. This is important because it keeps your business revenue (from selling products or services) separate from one-time funding events. Investors and lenders will look at your core revenue separately from grant income.

**IF YOU HAVE NO INCOME SOURCES:** If you do not have any grants or crowdfunding planned, leave all rows at $0 and move on to Step 2-3. This section is optional — many startups fund entirely through equity and loans.

## Your Income Sources are captured in a simple table

| Income Source / Award Name | Amount ($) | Month Funds Arrive |
|---|---|---|
| Crowdfunding Campaign | | |
| Pitch Competition Award | | |
| Grant (specify) | | |
| Other (add row in app) | | |
| TOTAL INCOME FUNDING (Calc 2-2A) | | |

## Panel 4 — Step 2-3: Debt Sources of Funding (Table 2-3A)

**Asset financing is captured from the previous step. You will need to enter the interest rate (APR). You may also want to setup a Line of Credit with a one-year term to cover cash shortages**

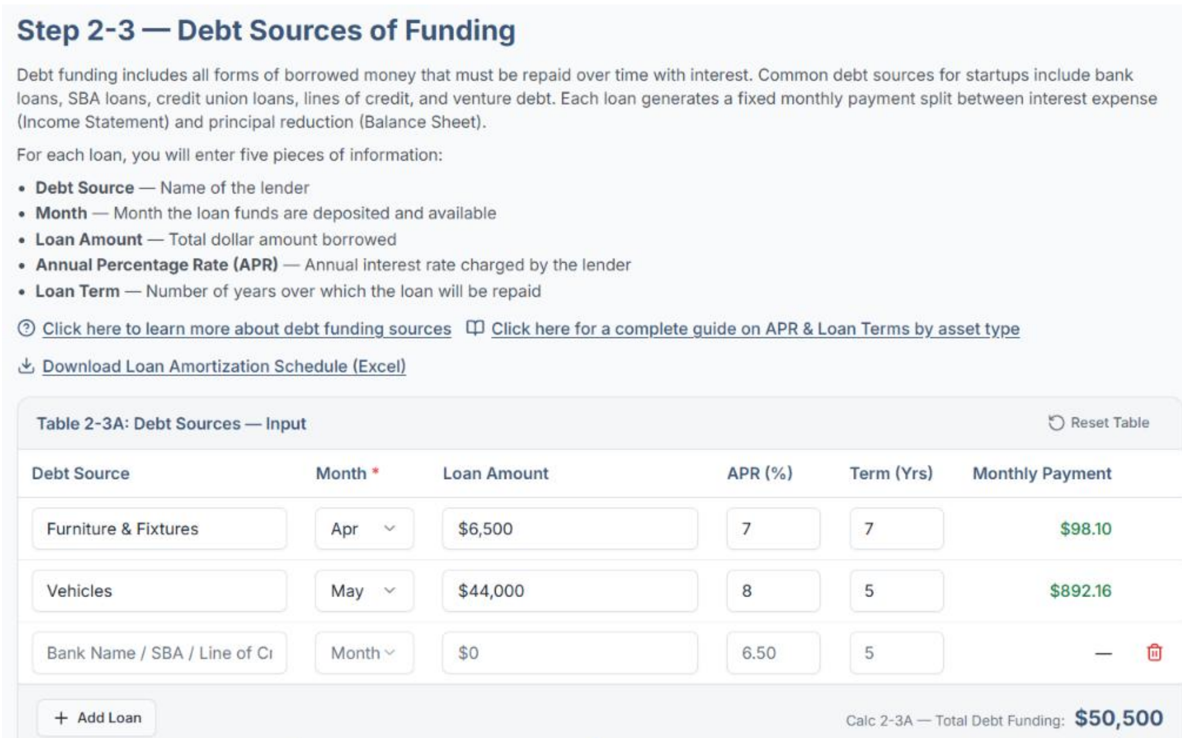


*Figure 4: Step 2-3 Debt Sources of Funding — Table 2-3A input table with two example loans*

### What Is Debt Financing?

Debt funding includes all forms of borrowed money that must be repaid over time with interest. Common debt sources for startups include bank loans, SBA loans, credit union loans, lines of credit, and venture debt. Each loan generates a **fixed monthly payment** that is split between **interest expense** (which reduces your net income on the Income Statement) and **principal reduction** (which reduces the loan balance on the Balance Sheet).

> **USE DEBT CAREFULLY:** Use debt financing carefully as a startup. Because you do not yet have revenues and profits to service the debt, every monthly loan payment comes directly out of your startup cash reserve. The general rule: use equity and income sources first, then add debt only to cover asset purchases where the asset itself can serve as collateral for the loan.

### The Five Data Points Required for Each Loan

For each loan you enter in Table 2-3A, the app requires **five pieces of information**. Gather these from your lender's term sheet or loan proposal before entering data online:

| Field | What to Enter | Where to Find It | XYZ Example |
|---|---|---|---|
| Debt Source | Name of the lender or loan type | Your loan agreement or lender name | Furniture & Fixtures loan |
| Month * | Month the loan funds are deposited and available | Loan closing date from your lender | April |
| Loan Amount ($) | Total dollar amount borrowed | Loan agreement — principal | $6,500 |

| | | | |
|---|---|---|---|
| | | amount | |
| APR (%) | Annual Percentage Rate — the annual interest rate | Loan agreement — interest rate section | 7% |
| Term (Yrs) | Number of years over which the loan will be repaid | Loan agreement — repayment term | 7 years |
| Monthly Payment | APP CALCULATES automatically | Calculated from Amount, APR, and Term | $98.10 |

## APR and Loan Term Reference Guide

If you do not yet have a formal loan offer, use the following typical ranges as **planning estimates**. You can update the exact rates once you have a lender commitment. The app also provides a link to a complete guide on **APR and Loan Terms by asset type**.

| Loan Type | Typical APR Range | Typical Term | Notes |
|---|---|---|---|
| SBA 7(a) Loan | 10.5% – 13.5% | 10 – 25 years | Best rates for qualified small businesses; requires SBA approval |
| Conventional Bank Loan | 7% – 12% | 5 – 10 years | Requires good credit and often collateral |
| Equipment / Vehicle Loan | 6% – 10% | 3 – 7 years | Asset serves as collateral; lower rates than unsecured loans |
| Furniture & Fixtures Loan | 6% – 9% | 5 – 7 years | Shorter term due to faster depreciation of assets |
| Line of Credit | 8% – 15% | Revolving | Good for working capital; interest only on drawn balance |
| Microloans (SBA / CDFIs) | 8% – 13% | 1 – 6 years | Smaller amounts ($500 – $50,000); for early-stage businesses |

## Help Links Available on This Panel

Three resource links appear above Table 2-3A. Use them if you need additional guidance: "Click here to learn more about **debt funding sources**" provides an overview of loan types; "Click here for a complete guide on **APR & Loan Terms by asset type**" gives specific rate and term benchmarks; and "**Download Loan Amortization Schedule (Excel)**" lets you download a blank amortization template to verify the app's calculations.

## Your Loans

| Debt Source / Lender Name | Month | Loan Amount ($) | APR (%) | Term (Yrs) |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL DEBT FUNDING (Calc 2-3A) | | | | |

**Estimated Total Monthly Loan Payments (Calc 2-3G):**

# Panel 5 — Loan Calculation Summary & Amortization Schedules (Table 2-3B)

**Review auto-calculated monthly payments and access full amortization schedules**

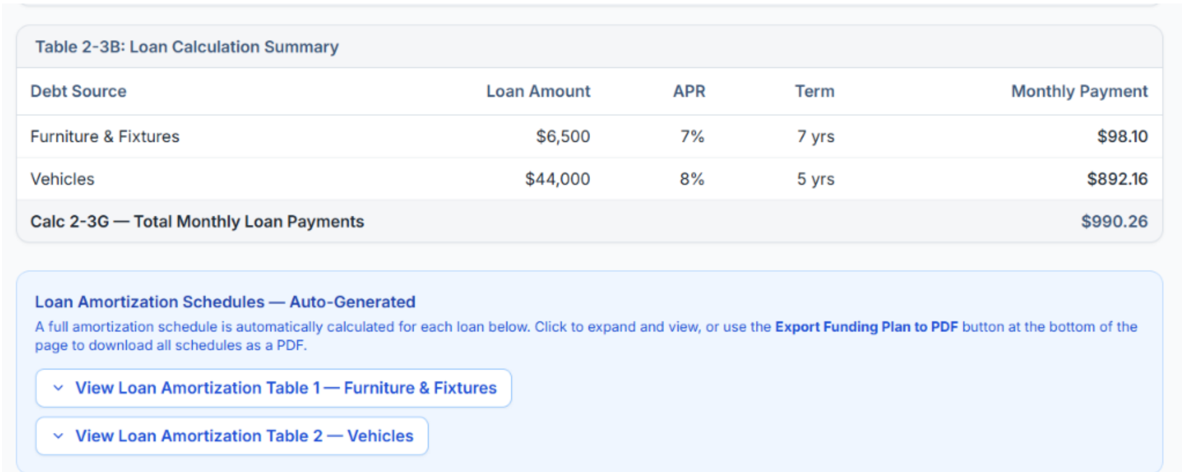

Table 2-3B: Loan Calculation Summary

| Debt Source | Loan Amount | APR | Term | Monthly Payment |
|---|---|---|---|---|
| Furniture & Fixtures | $6,500 | 7% | 7 yrs | $98.10 |
| Vehicles | $44,000 | 8% | 5 yrs | $892.16 |
| **Calc 2-3G — Total Monthly Loan Payments** | | | | **$990.26** |

**Loan Amortization Schedules — Auto-Generated**

A full amortization schedule is automatically calculated for each loan below. Click to expand and view, or use the **Export Funding Plan to PDF** button at the bottom of the page to download all schedules as a PDF.

View Loan Amortization Table 1 — Furniture & Fixtures

View Loan Amortization Table 2 — Vehicles

*Figure 5: Table 2-3B Loan Calculation Summary and auto-generated amortization schedule links*

## Table 2-3B: Loan Calculation Summary

Immediately below the loan input table, the app displays **Table 2-3B** — a read-only summary of all loans entered, showing the Loan Amount, APR, Term, and the calculated Monthly Payment for each. The final row shows **Calc 2-3G — Total Monthly Loan Payments** — which is the total amount your business will need to pay toward all loans every month.

> **MONTHLY PAYMENT HEALTH CHECK:** Review the Total Monthly Loan Payments carefully. This amount will be deducted from your cash balance every month starting from the month each loan is funded. If the total monthly payment is more than 15%–20% of your expected monthly revenue at breakeven, consider whether you can reduce the loan amount, extend the term, or replace some debt with equity.

## Auto-Generated Loan Amortization Schedules

For each loan entered in Table 2-3A, the app automatically generates a **full amortization schedule** showing the month-by-month breakdown of every payment into **interest expense** and **principal reduction**. These schedules are available in two ways:

| Access Method | How to Use It |
|---|---|
| Expand in-app | Click the "View Loan Amortization Table" button for each loan. The schedule expands inline showing all payments through the end of the loan term. |
| Export to PDF | Click the "Export Funding Plan to PDF" button at the bottom of App 2. All amortization schedules are included in the PDF export. |

The amortization schedule is useful for three purposes: (1) verifying that the monthly payment the app calculated matches your lender's quote; (2) understanding how much of each payment is interest (which reduces your net income) versus principal (which reduces your loan balance); and (3) confirming the **ending loan balance** that will appear on your Year 1 Balance Sheet.

## Your Loan Summary

| Loan / Debt Source | Loan Amount ($) | APR | Term | Monthly Payment ($) |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| | | | | |
| | | | | |
| TOTAL (Calc 2-3G) | | | | |

## Panel 6 — Funding Plan Summary vs. Total Startup Costs (Table 2-4)

**Review whether your total funding covers your total startup cost estimate from App 1**

### Summary — Funding Plan vs. Total Startup Costs

The table below summarizes total funding raised across all three sources and compares it to the Total Estimated Startup Costs from Step 1. The difference is either a funding surplus or a funding shortfall.

| Table 2-4: Funding Plan Summary | |
|---|---|
| Step 2-1 — Total Equity Funding (Calc 2-1A) | $90,000 |
| Step 2-2 — Total Income Funding (Calc 2-2A) | $1,500 |
| Step 2-3 — Total Debt Funding (Calc 2-3A) | $50,500 |
| Calc 2-4A — Total Funding Plan | $142,000 |
| Step 1 — Total Estimated Startup Costs (Calc 3-5) | $151,312 |
| Calc 2-4B — Funding Shortfall | $9,312 |

Your funding plan does not fully cover your estimated startup costs. Consider increasing one or more funding sources, or revisiting your startup cost estimate in Step 1.

*Figure 6: Table 2-4 Funding Plan Summary showing a $9,312 funding shortfall in the XYZ example*

### The Most Important Screen in App 2

**Table 2-4** is the culmination of everything you entered in Steps 2-1, 2-2, and 2-3. It compares your Total Funding Plan (all three sources combined) against your Total Estimated Startup Costs from App 1. The difference is either a **funding surplus** or a **funding shortfall**.

| Line Item | Source | XYZ Example |
|---|---|---|
| Step 2-1 — Total Equity Funding (Calc 2-1A) | Sum of all equity contributions | $90,000 |
| Step 2-2 — Total Income Funding (Calc 2-2A) | Sum of all grants and crowdfunding | $1,500 |
| Step 2-3 — Total Debt Funding (Calc 2-3A) | Sum of all loan amounts | $50,500 |
| Calc 2-4A — Total Funding Plan | Sum of all three sources | $142,000 |
| Step 1 — Total Estimated Startup Costs (Calc 3-5) | Pulled from App 1 via Sync | $151,312 |
| Calc 2-4B — Funding Shortfall (shown in red) | Total Startup Costs minus Total Funding Plan | ($9,312) |

### What to Do If You Have a Funding Shortfall

A **funding shortfall** — shown in red — means your current funding plan does not fully cover your startup cost estimate. This is **extremely common**; most first-time entrepreneurs discover a shortfall at this stage. The app displays a warning message: "Your funding plan does not fully cover your estimated startup costs. Consider increasing one or more funding sources, or revisiting your startup cost estimate in Step 1."

You have **four practical options** for resolving a shortfall. Consider them in this order:

| Option | What to Do | Trade-Off |
|---|---|---|
| 1. Increase equity | Contribute more personal savings, or bring in an additional equity investor | Reduces your ownership percentage if you bring in outside investors |
| 2. Add or increase a loan | Increase an existing loan amount or add a new loan source | Increases monthly debt service; adds repayment risk |

| | | |
|---|---|---|
| 3. Find a grant or income source | Research SBA grants, local economic development awards, or launch a crowdfunding campaign | Takes time; not guaranteed |
| 4. Reduce startup costs | Go back to App 1 and reduce your months to breakeven, remove a non-essential asset, or lower your contingency reserve | Increases risk if costs were accurately estimated |

## What to Do If You Have a Funding Surplus

A funding surplus means your funding plan exceeds your startup cost estimate. This is a good position to be in — the extra cash becomes your **working capital buffer**. You do not need to reduce your funding; simply note the surplus amount and **proceed to Save & Finalize**.

## Your Funding Summary

**Total Equity Funding (Calc 2-1A):**

**Total Income Funding (Calc 2-2A):**

**Total Debt Funding (Calc 2-3A):**

**Total Funding Plan (Calc 2-4A):**

**Total Estimated Startup Costs (from App 1):**

**Funding Surplus / (Shortfall) — Calc 2-4B:**

# Panel 7 — Next Steps, Save & Finalize, and Data Backup

**Review how your funding data flows into the financial statements, then save and move to App 3**

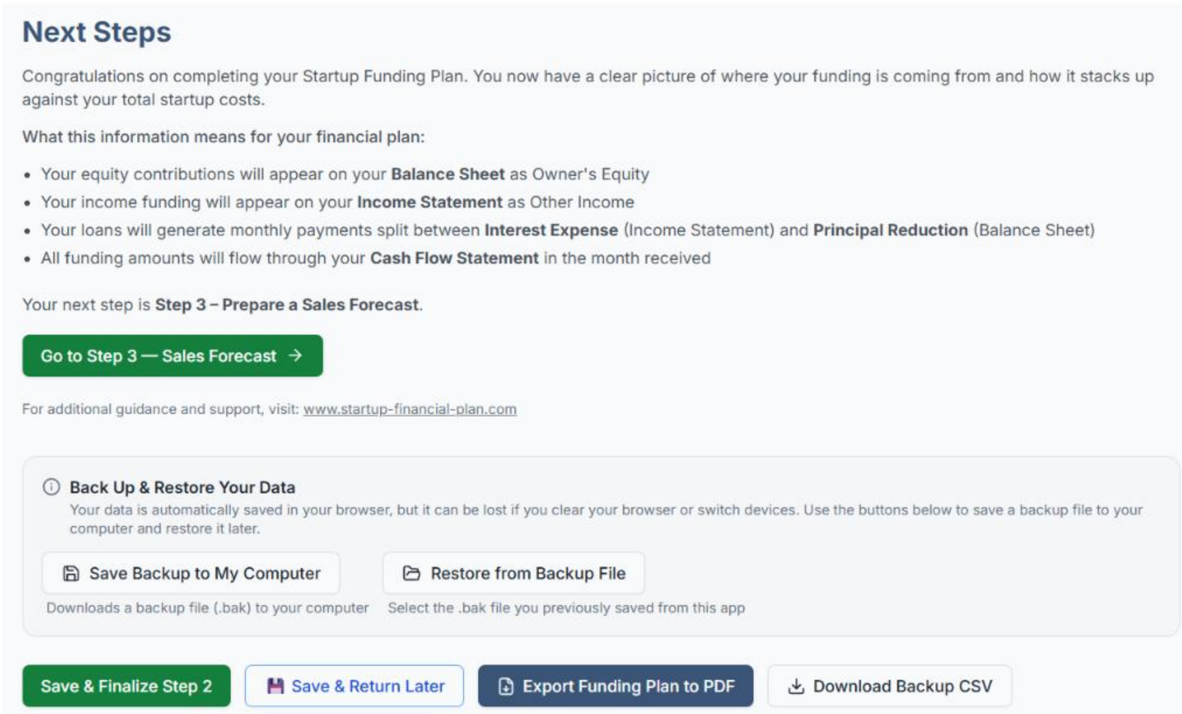


*Figure 7: Next Steps panel showing financial statement mapping, Save & Finalize, and backup options*

## How Your Funding Data Flows Into the Financial Statements

Before saving, the app shows you a summary of exactly **how each type of funding will appear** in your three financial statements. This is important context — it helps you understand why the financial statements look the way they do when you review them in Steps 6, 7, and 8.

| Funding Type | Financial Statement | Where It Appears |
|---|---|---|
| Equity contributions (Step 2-1) | Balance Sheet | Owner's Equity section — as a separate line for each investor |
| Equity contributions (Step 2-1) | Cash Flow Statement | Financing Activities — as a cash inflow in the month received |
| Income sources / grants (Step 2-2) | Income Statement | Other Income section — in the month received |
| Income sources / grants (Step 2-2) | Cash Flow Statement | Operating Activities — as a cash inflow in the month received |
| Loans (Step 2-3) | Balance Sheet | Liabilities section — as Loan Payable, reduced each month by principal payments |
| Loans (Step 2-3) | Income Statement | Operating Expenses — Interest Expense portion of each monthly payment |
| Loans (Step 2-3) | Cash Flow Statement | Financing Activities — loan proceeds as inflow; principal payments as outflow |

## The Four Action Buttons

Once you are satisfied with your funding plan, you have **four options** at the bottom of the page:

| Button | What It Does | When to Use It |
|---|---|---|
| Save & Finalize Step 2 | Saves your data and makes it available to | Use when you are done and ready to move |

| | | |
|---|---|---|
| | Apps 3 and 4. Required before moving forward. | to the Sales Forecast (App 3) |
| Save & Return Later | Saves your progress without finalizing. You can come back and edit. | Use if you need to gather more information (e.g., waiting for a loan commitment) |
| Export Funding Plan to PDF | Downloads a professional PDF of your funding plan including all amortization schedules | Share with a lender, partner, or advisor |
| Download Backup CSV | Downloads a backup file of your App 2 data | Use to save a local copy in case you switch browsers or devices |

**IMPORTANT — SAVE & FINALIZE REQUIRED:** You must click "Save & Finalize Step 2" before your funding data will be available in Apps 3 and 4. "Save & Return Later" keeps your work but does not push the data forward. Do not move to App 3 until you have clicked Save & Finalize.

## Back Up Your Data

The app stores your data in your browser's local storage, which means it can be lost if you clear your browser history, switch to a different browser, or use a different device. The "**Save Backup to My Computer**" button downloads a **.bak file** to your computer. Save this file in a folder you can find easily — you can restore from it using the "**Restore from Backup File**" button if your data is ever lost.

**DATA BACKUP BEST PRACTICE:** Best practice: click "Save Backup to My Computer" every time you finish a session in the app. Name the file with the date so you can identify the most recent version (e.g., "SFP_App2_Backup_2026-06-18.bak").

## Quick Reference — App 2 at a Glance

Use this table as a final checklist before you go online. Confirm you have each piece of information ready before opening the app.

| Panel | What You Need Ready | Where It Goes in the App |
|---|---|---|
| Plan Information | Company name, your name, today's date, fiscal year | Top of app — same as App 1 |
| Sync from Step 1 | App 1 must be saved and finalized | Pulls Total Startup Costs into the funding comparison |
| Step 2-1 Equity | Investor names, contribution amounts, and months funds arrive | Table 2-1: Equity Sources of Funding |
| Step 2-2 Income | Grant names, award amounts, and months funds arrive (if any) | Table 2-2: Income Sources of Funding |
| Step 2-3 Debt | Lender name, loan amount, APR, term, and funding month for each loan | Table 2-3A: Debt Sources — Input |
| Funding Summary | Review Calc 2-4B — resolve any shortfall before finalizing | Table 2-4: Funding Plan Summary |
| Save & Finalize | Click Save & Finalize Step 2; download a backup file | Pushes data forward to Apps 3 and 4 |

After completing App 2, your funding data will be available in **App 3 (Sales Forecast)**, where you will project your monthly sales revenue for each product or service line. The equity, income, and loan data you entered in App 2 **flows automatically into the Balance Sheet, Income Statement, and Cash Flow Statement**.